

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

CIN: U65990TN2014PTC096252

REGISTERED OFFICE ADDRESS: MODULE 2-A, 6TH FLOOR, BLOCK A, PHASE II IITM RESEARCH PARK,
KANAGAM, TARAMANI ROAD CHENNAI - 600 113 TAMIL NADU

Website: www.samfin.in E-mail: secretarial@samfin.in Phone: 7200064121

DIRECTORS REPORT

Dear Shareholders,

On behalf of the Board of Directors, it is our pleasure to present the Fourth Annual Report together with the Audited Statement of Accounts of SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED ("the Company") for the year ended March 31, 2018.

Financial Performance

- a) The summarized consolidated results of your Company are given in the table below.
(Rupees in INR)

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017*
Revenue from Operations (A)	1,367,317,010	224,324,600
Other Income (B)	35,433,425	20,016,038
Total Income (A+B)	1,402,750,435	244,340,638
Expenditure		
(Including Interest & Depreciation)	1,435,753,479	321,848,149
Profit / (Loss)before Tax	(33,003,044)	(77,507,511)
Less: Tax expenses:		
1. Current tax	-	-
2. Deferred tax	-	-
Profit/ (Loss) after tax	(33,003,044)	(77,507,511)

*previous year figures have been regrouped/rearranged wherever necessary.

- b) The standalone results of your Company are given in the table below.

(Rupees in INR)

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017*
Revenue from Operations (A)	313,194,494	79,500,500
Other Income (B)	54,798,266	22,503,802
Total Income (A+B)	367,992,760	102,004,302
Expenditure		
(Including Interest & Depreciation)	396,943,283	177,808,827
Profit / (Loss)before Tax	(28,950,523)	(75,804,525)
Less: Tax expenses:		
1. Current tax	-	-



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2. Deferred tax	-	-
Profit/ (Loss) after tax	(28,950,523)	(75,804,525)

*previous year figures have been regrouped/rearranged wherever necessary.

Summary of Operations

For the year under review, the revenue from operations of your Company stood at Rs. 313,194,494 (Previous year Rs. 79,500,500) and the Profit/(Loss) after tax stood at (Rs. 28,950,523/-) vis-à-vis loss of Rs.75,804,525/- in the previous year. The Assets under Management as at March 31, 2018 stood at Rs. 245 crores as against Rs. 58 crores as at March 31, 2017.

Business Review/State of the Company's affairs

Incorporated in June 2014, Samunnati Financial Intermediation & Services Private Limited ('Samunnati' or 'the Company') is a non-banking financial institution registered with the Reserve Bank of India since February 2016.

Samunnati, meaning 'collective growth and collective prosperity' is a specialized Agri Value Chain enabler that provides innovative and customized financial and non-financial solutions.

Samunnati leverages the social capital and trade capital in buyer seller relationships via Samunnati Aggregators (SA), through non-traditional sourcing, risk assessment and mitigation, aided by cutting edge technology, thereby building a quality business that is sustainable and results in inclusive growth.

Samunnati believes that it is very important to understand the requirements of each stakeholder of an agriculture value chain and evaluate agribusinesses and smallholder farmers based on the existing buyer-seller relationships. The inter-dependency of stakeholders across the chain helps in assessing the credit-worthiness of the actors both socially and financially. Understanding the business closely, leveraging the strength of the relationships across the value chain, identifying and bridging gaps (knowledge, finance, or linkages) in a timely manner with relevant financial and advisory solutions is what Samunnati calls the "Value Chain Approach for Inclusive Growth".

Samunnati, ended 2017-18 with disbursements of over Rs. 4.5 billion (as against Rs. 1.22 billion in 2016-17) with an outreach to over 250 Community Based Organizations that have a cumulative member base of over 1 million farmer members. During the year, Samunnati also closed its Series C Equity investment led by responsAbility. Accel and Elevar, the existing lead investors in the Company also participated in this round.

Positive developments in Agriculture Sector:

GST rollout

- Redefined indirect tax system. Beneficial in the long term, despite short term hiccups in implementation and adaption by small and medium traders.



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E-Way Bill (introduced in FY 2017-18, Rollout from 1st April 2018)

- Any consignment worth INR 50,000 in value, cannot be transported without an e-way bill. e-Way bill in the long run will bring transparency in transportation of commodities.

Model Contract Farming Act

- Currently, contract farming requires registration with the Agricultural Produce Marketing Committee (APMC). Under the new draft Model Act, contract farming will be outside the ambit of the state APMCs, implying that buyers need not pay market fee and commission charges to these APMCs to undertake contract farming.
- Huge enabler for FPCs and Agri Enterprises looking to integrate with farmers and provide them assured market for their goods.

Major milestones in 2017-18:

Business:

- Samunnati closed the year with a total disbursement of over Rs 4.5 billion and Assets under Management (AUM) at Rs. 2.45 billion (vis-à-vis Rs. 0.77 billion in 2016-17).

AMLA Approach:

- Worked with more than 250 Community Based Organizations (CBOs), spread across 12 states to provide both financial and non-financial solutions.
- Provided advisory services (business plan preparation, grant mobilization and market linkages) for over 110 FPOs.

Technology:

- Samunnati provided access to financial products to the commodity exchange platform participants, based on the transaction data & deduction at source (DAS) offered by the platform. This arrangement provides opportunity of non-linear growth and client acquisition at a pan India level.
- Samunnati introduced a QR code-based pay card for FPOs promoted by ASA in Madhya Pradesh. Around 7,000 pay cards have been issued to the farmers to procure inputs like seeds, fertilizers, pesticides and Agri-equipment from registered FPO input shops, with a total transaction volume of approximately Rs. 27.8 million.
- Samunnati introduced Handy Train, a mobile platform for training and engagement for staff, on key topics such as GST, value chain finance approach, ESI, code of conduct, prevention of harassment at workplace etc. All staff were required to complete the assessment and scores were assigned for some of the modules.

Securitisation:

- Samunnati successfully completed its first agri-securitisation transaction during the year - a principal pool of Rs. 250 million comprising loans to CBOs was securitized via the Pass-Through Certificate (PTC) route. This transaction was the first of its kind in the country where the underlying originated pool of loans to Cooperatives, SMBTs and FPOs was accepted by the debt capital markets.

GIIRS Rating:



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- Samunnati was awarded the highest Platinum GIIRS rating for the 2nd year in a row. Powered by the B Impact Assessment, GIIRS Ratings are the gold standard for impact measurement in impact investing. They are rigorous, comprehensive, and comparable ratings of a company or a fund's social and environmental impact.

Equity raise:

- Samunnati raised Rs. 1.50 billion through its Series C Equity raise led by responsAbility. Accel & Elevar, the existing lead investors of the Company also participated in this round.

Outlook for the Year:-

Samunnati plans to expand its customer outreach, venture into more value chains that are consistent with its genetic code and develop customized solutions for CBOs on the production side and Agri Enterprises on the demand side, in FY 2019.

AML Approach - Samunnati will focus largely on its CBO engagement strategy and look to deepen its engagement with the existing clients by continuing to provide holistic services, including advisory support where required.

Technology development - Samunnati proposes to invest in improved technology for loan originations and transactions during the year. The Company has also tied up with a fintech platform to provide card based cashless loan facility (Samunnati Pay Card) to the members of the FPCs that the fintech platform works with

Resources: - The Company has a pipeline of debt funding avenues and is looking to close its Series D round of equity raise during the year. The Company believes it has the necessary manpower and capabilities to achieve the targets set for the year.

Material Changes and Commitments, if any, affecting the financial position of the Company:

Your Company has not made any significant material changes and commitments during the financial year 2017-2018.

Dividend:

Your Directors do not recommend for any dividend for the year under review.

Transfer to reserves:

In the absence of profits, your Company has not made any transfers to reserves during the year under review

Change in the nature of Business, if any:

There were no changes in the nature of business of the Company during the financial year 2017-18.

Non - Acceptance of Deposits

Your Company has not accepted any public deposits during the financial year 2017- 18.

Internal financial control over financial reporting:



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The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. The Company undertook an IFC audit to ensure adequacy of internal financial controls.

Changes to Share Capital, if any:

The Company's Authorized Capital was increased from 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 to Rs.2,00,00,000/- (Rupees Two Crores) divided into 7,50,000 (Seven Lakhs Fifty Thousand) equity shares of Rs.10 (Rupees Ten) each and 12,50,000 (Twelve Lakhs Fifty Thousand) Preference shares of Rs.10 (Rupees Ten) each to facilitate further issuance of shares.

During the financial year 2017-18, the Company made the following allotments:-

S No	Name of Shareholders	Date of Allotment	Type of Share	No of Shares	Premium IN INR	Type of issuance
1.	N.Gurunath, Trustee of Samunnati Employees Stock Option Welfare Trust	20/12/2017	Equity Shares	70,368	1230.21	Preferential basis
2.	M/s. responsAbility Agriculture I, SLP	27/12/2017	Series C Equity shares	100	2,666.97	Rights basis
3.	M/s. Elevar M-III	27/12/2017	Series C CCPS	74,711	2,666.97	Rights basis
4.	M/s. responsAbility Agriculture I, SLP	27/12/2017	Series C CCPS	3,17,423	2,666.97	Rights basis
5.	M/s. Accel India V (Mauritius) Ltd	27/12/2017	Series C CCPS	1,68,101	2,666.97	Rights basis

The details of the opening and closing Authorized and Paid-up capital of the Company is mentioned below:

Particulars	Opening	Closing
Authorized Capital (Rs.)	Rs. 1,50,00,000/-	Rs.2,00,00,000/-
Paid Up Capital (Rs.)	Rs.9,569,130/-	Rs.15,876,160/-

Disclosure Regarding Issue of Equity Shares with Differential Rights/ Sweat Equity Shares:

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

Disclosure Regarding Issue of Employee Stock Options / Sweat Equity Shares:

The Company currently administers an Employee Stock Option Plan (ESOP) constituted in 2015. The ESOP was introduced with an intention to motivate employees to contribute to the growth and



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profitability of the Company; as well as to create a sense of ownership and participation amongst the employees.

In addition to the above, the Company administers a Management Stock Option Plan (MSOP) constituted in 2017 to reward loyalty and performance, provide wealth creation opportunities to the Management Employee, who is the promoter of the Company, and introduce a long-term incentive tool to attract, retain and motivate talent with the Group. It is to be noted that the Company is a registered startup and has been issued a certificate of recognition as a 'startup' by the Government of India, with registration number DIPP6002. Further, as per applicable law (Rule 12(1), Companies (Share Capital and Debentures) Rules, 2014), a startup is permitted to issue employee stock options to its promoter.

During the year, no Options were exercised by the Participants.

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

Particulars	ESOP 2015 & MSOP 2017
Outstanding Options at the beginning of the year	44,244
Add Additional Allotment to Pool in FY 17-18 (MSOP)	70,368
Options Granted (in 17-18)	32,829
Options Vested in 17-18	3,702
Options Exercised in 17-18	Nil
Total No. of Shares arising as a result of exercise of Option in 17-18	Nil
Options Lapsed	Nil
Exercise Price (Weighted)	Nil
Variation of terms of options	Nil
Money realised by exercise of Options	Nil
Total No. of Options in force as on 31st Mar 2018	81,783

Extract of the Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return in Form MGT 9 is annexed as Annexure I.

Changes in Directors and Key Managerial Personnel:

1. Mr. N.Gurunath was appointed as a Wholetime Director, representative of the Promoter of the Company with effect from 21st June 2017.
2. Mr. Sunil Satyapal Gulati was appointed as an Independent Director of the Company with effect from 25th September 2017.
3. Mr. Akshay Dua, representing ResponsAbility Agriculture I, SLP, has been appointed as a Non- Executive Director, with effect from 8th February 2018.
4. Mrs. K. Seethalakshmi ceased to be a Director on the Board of the Company with effect from 21st June 2017.
5. Mr. Niranjan Chandrashekar, tendered his resignation from the post of Company Secretary of the Company, with effect from 11th January 2018.



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Details of meetings of the Board

The Directors of the Company met 10 (Ten) times during the financial year 2017-2018.

BOARD MEETINGS		
S.No	Date of Meeting	No. of Directors who attended the meeting
1	22/04/2017	3/5
2	21/06/2017	4/5
3	05/09/2017	4/5
4	05/09/2017	4/5
5	25/09/2017	6/6
6	20/12/2017	4/6
7	20/12/2017	4/6
8	21/12/2017	4/6
9	27/12/2017	4/6
10	16/1/2018	5/6

LIST OF COMMITTEES:

The Company has constituted the following Committees: -

1. Audit Committee:

The composition of the Audit Committee is as follows:

- a) Mr. Sunil Gulati - Chairperson
- b) Mr. N Srinivasan - Member
- c) Mr. N Gurunath - Member
- d) Mr. Akshay Dua - Member

2. Nomination and Remuneration Committee:

The composition of the Nomination and Remuneration Committee is as follows:

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

Number of Committee meetings:

During 2017-18, the following Committee meetings were held: -

AUDIT COMMITTEE		
S.No	Date of Meeting	No. of Directors who attended the meeting
1	21/06/2017	3/3
2	25/09/2017	3/3
3	16/1/2018	3/3



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NOMINATION & REMUNERATION COMMITTEE		
S.No	Date of Meeting	No. of Directors who attended the meeting
1	21/06/2017	3/3
2	25/09/2017	3/3
3	16/1/2018	3/3

Particulars of loans, guarantees or investments under section 186:

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

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.

Related party transactions

Details of contracts or arrangements with related parties as per Section 188(1) of the Companies Act 2013 for the financial year 2017-18 are given in form AOC 2 as Annexure II.

Details of Subsidiary/Joint Ventures/Associate Companies:

The Company has a wholly owned Subsidiary, Samunnati Agro Solutions Private Limited which is offering trading facilities to Agri value chain players. 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.

Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals: Nil

Corporate Social Responsibility:

The provisions of Section 135 of the Companies Act 2013 do not apply to the Company for the FY 2017-18. However, as part of its business strategy, Samunnati contributes to the development of a sustainable, agriculture and livestock industry by providing knowledge, advisory services, supporting initiatives and forming partnerships that make the agriculture value chains stronger.

Conservation of energy, technology absorption:

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

Samunnati has taken up the following initiatives towards energy conservation and technology absorption:

- Samunnati "Pay card" solution is an innovative step to avoid hard cash transactions between farmers and suppliers.
- linking buyers and sellers using online market linkage platforms like NCDEX and reducing the multiple movements of the produce thereby reducing transportation costs and carbon emissions.



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- recycling and reduced usage of paper
- energy efficient lighting in its offices
- introduction of mobile based training app
- usage of solar power
- Video conference based meetings, reviews, planning and mobile based learning sessions help reduce carbon foot prints.

Foreign exchange earnings and outgo:

Particulars	Inflow	Outflow
Current Year	Nil	INR 326,082(USD 4,955.66)
Previous Year	Nil	Nil

Risk Management Policy

Agriculture and agriculture-based enterprises are unlike any other businesses, facing both production risks relating to the weather and price risks relating to the market conditions. Traditionally, informal sources have been the main source of finance for Agriculture value chains whose needs are generally too large for microfinance, but too small for commercial banks. This, combined with the absence of product customisation to suit the cyclical requirements of the agri value chain players, creates a gap that hampers growth and limits agricultural development.

Some of the ways Samunnati engages with the players in agri value chain defines its non-traditional risk mitigation methods, as enumerated below.

- Samunnati leverages the buyer seller relationship in providing customised financing solutions to its clients. Cash flow quantum and timings are assessed based on historic trend and market practice and the credit tenor are provided as part of such tailor made solutions. Typically, such short term lending tenors are linked to capturing the cash flows for repayment of the loans, thereby mitigating credit risk.
- Samunnati ties up with buyers, typically reputed and strong, to receive the payment due to its suppliers and thereby mitigating the credit risk while funding the suppliers or agri commodity producers.
- Invariably, the tenor of the loan is linked to production and receivable cycle with the buyer guaranteeing the repayment for the loan to supplier. Being typically short term in nature, such funding provides Samunnati opportunity to redeploy and rotate resources to generate better revenues while ensuring credit structure is sound and the financing needs of the agri value chain players are met.
- Samunnati additionally leverages on its relationship with agri value chain players to provide market linkage. This ensures timely and quality supply of agri inputs to Samunnati customers - typically the Farmer Producer Organisation or Community Based Organisation members. This enhances customer engagement opportunity for Samunnati, linking buyers and sellers and routing these transactions through us enhances risk mitigation.



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- Risk assessment of borrowers happens more on the basis of expected cash flows rather than entirely relying on historic and conventional method of balance sheet based or security based approach.
- Monitoring has assumed significant importance due to non-traditional financing ways. Samunnati ensures that its borrowers are regularly visited by team of credit officers and the end use of funds are tracked, market conditions are updated along with borrower feedback; additional business and linkage opportunities are explored to trap cash flows and hence mitigate the risk.
- Credit approval process has been strengthened, collective & informed decision is taken with detailed discussion on each credit proposal at the delegated Credit Committees.
- The Company has a Risk Management and Internal Control process to identify, assess, monitor and manage the credit and operational risks associated with the business, in accordance with well-defined procedures. Credit Committee also approves new products and value chains and to review sector developments that may impact the Company. Management Committees have been constituted to periodically review the portfolio quality and overdues.

Samunnati has introduced Overdue Monitoring & follow up mechanism through a weekly Overdue Committee Meeting at HO attended by Heads of Credit, Business and collection. Action plans are deliberated, acted upon and tracked to ensure health of the portfolio is within acceptable standards.

The Company keeps the Board informed periodically of the significant risks associated with the business of the Company and the various risk identification and mitigation processes put in place by the management.

Declaration from Independent Directors:

The Independent Directors of the Company have submitted a declaration as required under Section 149(7) of the Companies Act, stating that they meet the criteria of independence as provided in section 149(6). In the opinion of the Board, the independent directors fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and confirm that they are independent of the Management.

Receipt of any Commission by MD/WTD from a Company or for receipt of Commission/Remuneration from its Holding or Subsidiary:

The Company's Directors have not received any commission/ remuneration from the subsidiary Company.

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.



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Statutory Auditors, their Report and Notes to Financial Statements

In the first Annual General Meeting held on 30th September 2015, M/s. Walker, Chandiook & Co, LLP, Chartered Accountants (Registration No. 001076N/N500013), were appointed as Statutory Auditors of the Company for a period of five (5) years i.e., till the financial year ending on 31st March 2020. Ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory, contain no qualification, reservations, adverse remarks and disclaimers and therefore do not call for any further comments.

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.

Cost Auditor and Cost Audit Report:

Your Company did not fall under the ambit of section 148 of the Companies Act, 2013 during the year under review.

Compliance with the Secretarial Standards: -

The Directors of the Company certify that the Company has complied with the Secretarial Standards issued by The Institute of Company secretaries of India.

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.

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:

- In the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 to give a true and fair view of the of the Company as at 31st March 2018 and of the profit and loss of the Company for that period;
- 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;
- The directors had prepared the annual accounts on a going concern basis;



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- e) The Board of Directors have laid down internal Financial Controls to be followed by the Company and that such internal financial control are adequate and were operating effectively.
- f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement

Your Directors place on record their appreciation for employees who have contributed to the growth and performance of your Company.

Your Directors thank the clients, vendors, bankers, shareholders, auditors and business partners of the Company for their continued support.

Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For Samunnati Financial Intermediation and Services Pvt Ltd



Gurunath Neelamani
Whole Time Director
DIN: 02799586



SG Anilkumar
Director & CEO
DIN: 01189011

Place: Chennai

Date: 21st June, 2018

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018 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 th Floor, Block A, Phase II, IITM Research Park, Kanagam, Taramani Road, Chennai - 600113
E-mail ID	secretarial@samfin.in
Telephone No.	7200064121
Website	www.samfin.in
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,
2nd 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/AS SOCIATE	% 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	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Increase	Decrease
A. Promoters										
(1) Indian									-	-
a) Individual/HUF	-	250,000	250,000	63.26%	2,30,058	5,000	2,35,058	50.47%	-	12.79%
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	-
d) Bank/ FI	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	-	250,000	250,000	63.26%	2,30,058	5,000	2,35,058	50.47%	-	12.79%
(2) Foreign										
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-									
Total Shareholding of Promoter										
(A)= (A)(1)+(A)(2)	-	250,000	250,000	63.26%	2,30,058	5,000	2,35,058	50.47%	-	12.79%
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-



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]	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-	-
(2) Non-Institutions										
a) Bodies corporates	-	-	-	-	-	-	-	-	-	-
i) Indian	-	75,699	75,699	19.15%	-	75,699	75,699	16.26%	-	2.89%
ii) Overseas	-	200	200	0.051%	100	15,142	15,242	3.27%	3.219%	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	838	838	0.212%	-	838	838	0.18%	-	0.033%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-	-
c) Others [ESOP Trust]	-	68,456	68,456	17.32%	-	1,38,824	1,38,824	29.81%	12.49%	-
SUB TOTAL (B)(2):	-	145,193	145,193	36.73%	100	2,30,503	2,30,603	49.52%	-	-
Total Public Shareholding	-	145,193	145,193	36.73%	100	2,30,503	2,30,603	49.52%	-	-
(B)= (B)(1)+(B)(2)	-	145,193	145,193	36.73%	100	2,30,503	2,30,603	49.52%	-	-



C. Shares held by Custodian										
For GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		395,193	395,193	100%	2,30,158	2,35,503	4,65,661	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	62.00%	-	2,30,058	49.40%	-	(12.6)
2	K. Seetha Lakshmi	5,000	1.27%	-	5,000	1.07%	-	(0.2)
	Total	250,000	63.27%	-	2,35,058	50.47%	-	

(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	250,000	63.27%	250,000	63.27%
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.)	(14,942) - Transfer	-	(14,942) - Transfer	-
3	At the end of the year	2,35,058	50.47%	2,35,058	50.47%

During the year the Promoter, Mr. SG Anilkumar has sold 14,942 (Fourteen Thousand Nine Hundred and Forty Two Equity Shares of face value Rs.10 each to Elevar- Mill and Accel India V (Mauritius) Ltd.



(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%	7,571	1.62%
2.	Elevar M-III §	100	0.03%	7,571	1.62%
3.	responsAbility Agriculture I, SLP**	-	-	100	0.021%
4.	ECAP Equities Limited	75,699	19.15%	75,699	16.25%
5.	N.Gurunath, (Trustee of Samunnati Employees Stock Option Trust)**	68,456	17.33%	1,38,824	29.81%
6.	Ritesh Nair	419	0.11%	419	0.08%
7.	Nitin Chaudhary	419	0.11%	419	0.08%
	TOTAL	145,193	36.76%	2,30,603	49.48%

** 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
1	S.G. Anil Kumar				
(i)	At the beginning of the year	245,000	62.00%	245,000	62.00%
(ii)	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.)	(14,942) - Transfer	-	-	-
(iii)	At the end of the year	2,30,058	49.40%	2,30,058	49.40%
2	K.Seethalakshmi				
(i)	At the beginning of the year	5,000	1.27%	5,000	1.07%
(ii)	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.)	-	-	-	-
(iii)	At the end of the year	5,000	1.27%	5,000	1.07%



IV (B)

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

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		
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Increase	Decrease
A. Promoters										
(1) Indian	-	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	-	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	-	-	-	-	-	-	-	-	-
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-



IV (B)

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

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]	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-	-
(2) Non-Institutions										
a) Bodies corporates	-	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	486,020	486,020	86.52%	2,92,021	7,54,234	10,46,255	93.25	6.73%	-
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	-	75,700	75,700	13.48%	-	75,700	75,700	6.75	(6.73)	-
c) Others	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):		561,720	561,720	100.00 %	2,92,021	8,29,934	11,21,955	100.00%		
Total Public Shareholding										
(B)= (B)(1)+(B)(2)		561,720	561,720	100.00 %	2,92,021	8,29,934	11,21,955	100.00%		
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)		561,720	561,720	100.00 %	2,92,021	8,29,934	11,21,955	100.00%		



(ii) 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	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-

(iii) 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	-	-	-	-

(iv) 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	3,62,100	32.28
2.	Elevor M-III**	2,92,021	51.98	3,66,732	32.69
3.	responsAbility Agriculture I, SLP**	-	-	3,17,423	28.29
4.	RSM Associates**	37,850	6.74	37,850	3.37
5.	Ramaraj Rajasekhar**	37,850	6.74	37,850	3.37
	TOTAL			11,21,955	100%

** Allotment of Shares



(v) 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
1	S.G. Anil Kumar				
(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	-	-	-	-
2	S.G. Anil Kumar				
(vi)	At the beginning of the year	-	-	-	-
(vii)	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.)	-	-	-	-
(vii)	At the end of the year	-	-	-	-



V. INDEBTEDNESS

	Secured Loans	Unsecured	Deposits	Total
Particulars	Excluding deposits	Loans		Indebtedness
Indebtness at the beginning of the financial Year				
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
Total (i+ii+iii)	567,400,731	-	-	567,400,731
Change in Indebtedness during the financial Year				
Additions	1,715,000,000	-	-	1,715,000,000
Reduction	709,811,377	-	-	709,811,377
Net Change	1,005,188,623	-	-	1,005,188,623
Indebtedness at the end of the financial year				
i) Principal Amount	1,569,468,601	-	-	1,569,468,601
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	18,102,763	-	-	18,102,763
Total (i+ii+iii)	1,587,571,364	-	-	1,587,571,364



VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of the MD/WTD	Total Amount
		Mr. N. Gurunath	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	Rs.32,80,232/-	.
	(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	.	.
	Total (A)	.	.
	Ceiling as per the Act	Rs.32,80,232/-	



B. REMUNERATION TO OTHER DIRECTORS

NIL

Sl.No	Particulars of Remuneration in INR	NAME OF THE DIRECTORS		TOTAL AMOUNT (in INR)
1	Independent Directors	Mr. Sunil Gulati	Mr.N.Srinivasan	-
	(a) Fee for attending board & committee meetings	2,10,000	3,30,000	5,40,000
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	Total (1)	- 2,10,000	3,30,000	5,40,000
2	(c) Others, please specify	-	-	-
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify.	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	2,10,000	3,30,000	5,40,000
	Total Managerial Remuneration	NA	NA	NA
	Overall Ceiling as per the Act.	NA	NA	NA



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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
1	Gross Salary	CEO - S.G. ANILKUMAR	Company Secretary - Niranjan Chandrashekar	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Rs. 82,24,004/-	Rs.4,65,533/-	Rs.86,89,537/-
	(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	28,529	-	28,529
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
		-	-	-
	Total	Rs.82,52,533/-	Rs.4,65,533/-	Rs.87,18,066/-



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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

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



S GANIL KUMAR
DIRECTOR
DIN: 01189011

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED



GURUNATH NEELAMANI
DIRECTOR
DIN: 02799586

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 dated 1 st July 2017 and as amended periodically	Deputation of the Employees of the Company. An amount of Rs. 73,03,558/- (inclusive of Taxes and net off TDS, has been charged to the Company's wholly owned Subsidiary, Samunnati Agro Solutions Private Limited, as deputation charges	NA	NIL


Niranjn Chandrashekar
 Company Secretary
 Membership No. 43249

ANNEXURE - III

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.) -

Sl. No.	Particulars	Details
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	N.A
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. 19,00,000/-
5.	Reserves & surplus	Rs. 17,24,44,493/-
6.	Total assets	Rs. 55,93,69,452/-
7.	Total Liabilities	Rs. 38,50,24,959/-
8.	Investments	-
9.	Turnover	Rs. 1,05,41,22,516/-
10.	Profit before taxation	Rs. (40,52,521)/-
11.	Provision for taxation	NIL
12.	Profit after taxation	Rs. (40,52,521)/-
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

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

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


Niranjn Chandrashekar
Company Secretary
Membership No. 43249

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	NA
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


Niranjn Chandrashekar
 Company Secretary
 Membership No. 43249

Walker Chandiook & Co LLP
7th Floor, Prestige Polygon,
471, Anna Salai, Teynampet,
Chennai - 600 018
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 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 2018, 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 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 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.
5. 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 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 standalone 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 financial controls relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone 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 2018, and its loss and its cash flows for the year ended on that date.

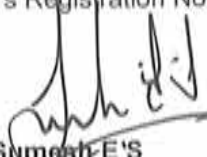
Report on Other Legal and Regulatory Requirements

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 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 21 June 2018 as per Annexure B expressed an unmodified opinion;
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company 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 disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013


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



Place: Chennai
Date: 21 June 2018

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 financial statements for the year ended 31 March 2018

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 title deed of the immovable property (which are included under the head 'fixed assets') are held in the name of the Company.
- (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 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 and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular.
 - (c) there is no overdue amount in respect of loans granted to such 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 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.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- (ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments).

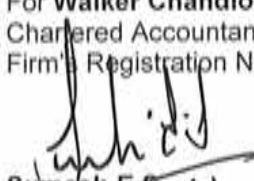


Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited, on the financial statements for the year ended 31 March 2018

- (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 Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the company has made private placement of shares and non-convertible debentures. 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 utilisation have been invested in liquid investments, which were not required for immediate utilization were temporarily used for the purpose other than for which the funds were raised but were ultimately utilized for the stated end-use.
- (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.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Sumesh E S
Partner
Membership No.: 206931



Place: Chennai
Date: 21 June 2018

Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited on the financial statements for the year ended 31 March 2018

Annexure B

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Samunnati Financial Intermediation & Services Private Limited ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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



Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited on the financial statements for the year ended 31 March 2018

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Sunesh E S
Partner
Membership No.: 206931



Place: Chennai
Date: 21 June 2018

Samunnati Financial Intermediation & Services Private Limited

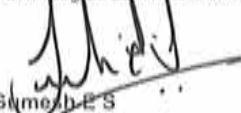
Standalone Financial Statements for the year ended 31 March 2018

	Notes	As at 31 March 2018 ₹	As at 31 March 2017 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	14,487,920	8,885,020
Reserves and surplus	4	1,816,034,454	360,953,495
		<u>1,830,522,374</u>	<u>369,838,515</u>
Non-current liabilities			
Long-term borrowings	5	893,738,917	357,052,152
Other liabilities	6	11,111,982	-
Long-term provisions	7	12,275,962	1,421,943
		<u>917,126,861</u>	<u>358,474,095</u>
Current liabilities			
Short-term borrowings	8	120,000,000	36,870,782
Other liabilities	6	645,359,636	186,410,737
Short-term provisions	7	12,213,532	14,435,387
		<u>777,573,168</u>	<u>237,716,906</u>
Total equity and liabilities		<u><u>3,525,222,403</u></u>	<u><u>966,029,516</u></u>
ASSETS			
Non-current assets			
Property, plant and equipment	10	13,967,021	11,223,560
Intangible assets	10	867,876	468,566
Capital work-in progress		1,110,400	-
Intangible assets under development		545,000	800,000
Non-current investments	11	180,100,000	100,000
Receivables from financing activity	12	862,969,500	79,225,314
Long-term loans and advances	13	13,930,665	10,655,396
Other non-current assets	14	69,420,983	61,919,322
		<u>1,142,911,445</u>	<u>164,392,158</u>
Current assets			
Current investments	11	20,043,241	-
Trade receivables	15	3,113,770	7,333,468
Cash and bank balances	16	688,738,541	132,746,110
Receivables from financing activity	12	1,341,807,762	505,118,987
Short-term loans and advances	13	226,290,401	127,835,243
Other current assets	17	102,317,243	28,603,550
		<u>2,382,310,958</u>	<u>801,637,358</u>
Total Assets		<u><u>3,525,222,403</u></u>	<u><u>966,029,516</u></u>

Notes 1 to 35 form an integral part of these financial statements

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


For Walker Chandlok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013


Sumeeth 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


Gurunath Neelamani
Director
DIN: 02799586


Niranján Chandrasekar
Company Secretary

Place: Chennai
Date: 21 June 2018

Place: Chennai
Date: 21 June 2018


Samunnati Financial Intermediation & Services Private Limited
Statement of profit and loss account for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Revenue			
Revenue from operations	18	314,940,262	80,629,024
Other income	19	53,052,498	21,375,278
Total revenue		367,992,760	102,004,302
Expenses			
Purchases of traded goods	20	-	13,080,935
Employee benefits expense	21	135,503,716	65,057,980
Finance costs	22	175,079,090	36,980,611
Loan provisions and write-offs	23	20,337,862	3,224,200
Depreciation and amortization expense	24	3,299,313	2,013,914
Other expenses	25	62,723,302	57,451,187
Total expenses		396,943,283	177,808,827
Loss before tax		(28,950,523)	(75,804,525)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Loss for the year		(28,950,523)	(75,804,525)
Earnings per share			
Basic (₹ per share of ₹ 10 each)	28	(69.78)	(200.97)
Diluted (₹ per share of ₹ 10 each)		(69.78)	(200.97)

Notes 1 to 35 form an integral part of these financial statements


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


For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013


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
Director
DIN: 01189011


Surunath Neelamani
Director
DIN: 02799586


Niranjan Chandrasekar
Company Secretary

Place: Chennai
Date: 21 June 2018

Place: Chennai
Date: 21 June 2018

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED
Cash flow statement for the year ended 31 March 2018

	Year ended 31 March 2018	Year ended 31 March 2017
	₹	₹
A. Cash flow from operating activities		
Loss for the year	(28,950,523)	(75,804,525)
Adjustments for		
Interest income on deposits	(2,524,539)	(3,009,257)
Income from mutual funds	(16,040,485)	-
Gratuity and leave encashment expenses	4,474,851	259,432
Employee stock option expense	16,243,161	1,487,028
Depreciation and amortization expense	3,299,313	2,013,914
Loss on sale of property, plant and equipment	4,874	286,202
Provision against standard assets	9,515,202	2,905,699
Provision against non-performing assets	5,593,331	318,501
Loan receivables written off	5,229,329	-
Provision for bad and doubtful debts	68,016	-
Interest on loan to subsidiary	-	(2,487,764)
Operating loss before working capital changes	(3,087,470)	(74,030,770)
Increase/(Decrease) in other liabilities	33,134,168	(15,300,263)
Movement in provisions	(10,951,220)	11,116,139
Decrease/(Increase) in trade receivables	4,151,682	(4,774,229)
(Increase) in receivables from financing activity	(1,636,650,634)	(713,472,341)
(Increase) in loans and advances	(95,580,848)	(6,338,492)
(Increase) in other assets	(26,324,340)	(20,476,016)
Cash used in operating activities	(1,735,308,662)	(823,275,972)
Income taxes paid	(5,292,135)	(1,559,716)
Net cash used in operating activities	(1,740,600,797)	(824,835,688)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(8,642,042)	(7,309,409)
Proceeds from sale of property, plant and equipment	23,498	454,253
Movement in deposits with banks and financial institutions	8,166,935	4,895,862
Investment in subsidiary	(180,000,000)	(100,000)
Investment in mutual fund units, net	(20,043,241)	-
Income from mutual fund investments	16,040,485	-
Interest income on deposits	1,171,232	3,009,257
Net cash used in investing activities	(183,283,133)	749,763
Cash flows from financing activities		
Proceeds from issue of shares	1,500,003,367	301,732,058
Share issue expenses	(26,612,146)	(2,960,002)
Proceeds from borrowings	1,715,000,000	655,000,000
Repayment of borrowings	(709,811,376)	(97,599,270)
Net cash generated from financing activities	2,478,579,845	856,172,786
Net increase in cash and cash equivalents	554,895,915	32,086,861
Cash and cash equivalents as at the beginning of the year	124,146,110	92,059,249
Cash and cash equivalents as at the end of the year	678,842,025	124,146,110

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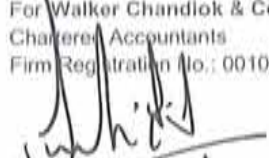
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SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED
Cash flow statement for the year ended 31 March 2018

	Year ended 31 March 2018	Year ended 31 March 2017
	₹	₹
Cash and cash equivalents comprises of (Also, refer note 16)		
Cash on hand	142,460	524,340
Balances with banks		
- in current accounts	448,878,128	123,621,770
- in deposit accounts (with original maturity upto three months)	229,821,437	-
	<u>678,842,025</u>	<u>124,146,110</u>

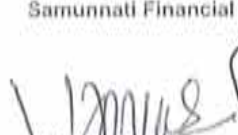
This is the cash flow statement referred to in our report of even date


For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013


Shreshth 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


Gurunath Neelamani
Director
DIN: 02799586


Niranjn Chandrasekar
Company Secretary

Place: Chennai
Date: 21 June 2018

Place: Chennai
Date: 21 June 2018

1 Company 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 organizations, community based organizations and Agri-enterprises. The Company commenced active NBFI operations from the month of July 2016.

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.

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 except interest in respect of Non performing loan assets are accounted for on cash basis 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), Companies (Accounting Standards) Amendment Rules, 2016 and the provisions of RBI as applicable to a Non-Banking Financial Company (NBFC)- Non Systemically Important Non-Deposit taking Company. 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 property, plant and equipment. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.3 Property, plant and equipment and Intangible assets

Property, plant and equipment 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 of the improvements made 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 amortization and accumulated impairment, if any. Software is stated at cost less accumulated amortization and are being amortized on a straight line basis over the estimated useful life.

The amortization 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 amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset, the method of amortization 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.



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2.5 Revenue recognition

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

Interest on loans is recognized on accrual basis (Internal rate of return/IRR) where as income from non-performing assets (NPA) is not recognised on accrual basis but is booked as income only when it is actually received 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 recognized on transfer of ownership. Sales are net of returns and excludes sales tax

Interest income on securitization

The contractual right retained by the company to receive a portion of Interest ('Unrealised profits') arising at the time of securitization of loan portfolio (Excess Interest Spread-EIS) is recorded at present value and disclosed as "Interest strip on securitization" within "Other Assets" on the balance sheet. In accordance with the RBI guidelines, the unrealized profits in respect of securitized that is not due for collection is recorded at its present value and disclosed as "Interest strip on securitization" within "Other liabilities" on the balance sheet. Interest retained under securitization of loans is recognized on realization basis over the life of the underlying portfolio.

Losses arising on account of securitisation transactions are recognised in Statement of profit and loss immediately upon receipt of consideration.

2.6 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at fair value determined on an individual investment basis per provisions of RBI as applicable to a Non-Banking Financial Company (NBFC)- Non Systemically Important Non- Deposit taking Company. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss. Investment made by a company in shares or debentures of another company, to promote the trade or business of the company is termed as trade investments, and all other investments are termed as non-trade investments.

2.7 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 will be recognized to the extent that it has become reasonably certain that future taxable income are 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 (MAT), the Company is liable to pay the 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 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 is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.8 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.



2.9 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.

2.10 Operating 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.

2.11 Transaction costs

Transaction costs including loan origination costs are incremental costs that are directly attributable to the acquisition of share capital and financial liability. Transaction costs includes fees paid to advisors and levies regulatory agencies, including taxes and duties. Transaction costs incurred towards:

- i) Issuance of share capital and debentures are adjusted from securities premium account to the extent of available in terms of Section 52 of the Companies Act 2013.
- ii) Acquisition of borrowings is amortised over the tenure of borrowings.

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. 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.

Compensated absences: Accumulated leaves, which are expected to be utilized within the next 12 months, are treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The company treats accumulated leaves which are expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the Balance Sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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, as detailed below, 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	0.50%
Non performing assets		
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 2018		As at 31 March 2017	
	Number	₹	Number	₹
3 Share capital				
Authorised				
Equity shares of ₹ 10 each	750,000	7,500,000	750,000	7,500,000
Compulsorily Convertible Preference shares of ₹ 10 each	1,250,000	12,500,000	750,000	7,500,000
	2,000,000	20,000,000	1,500,000	15,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	465,661	4,656,610	395,193	3,951,930
Less: Amount recoverable from Samunnati ESOP Welfare Trust (Also, refer note g)	(138,824)	(1,388,240)	(68,411)	(684,110)
	326,837	3,268,370	326,782	3,267,820
Compulsorily convertible preference shares of ₹ 10 each				
Series A1	98,585	985,850	98,585	985,850
Series A2	125,501	1,255,010	125,501	1,255,010
Series A3	61,142	611,420	61,142	611,420
Series B	276,492	2,764,920	276,492	2,764,920
Series C	560,235	5,602,350	-	-
	1,121,955	11,219,550	561,720	5,617,200
a) Reconciliation of equity share capital				
Balance at the beginning of the year	395,193	3,951,930	373,742	3,737,420
Add : Issued during the year	70,468	704,680	21,451	214,510
Balance at the end of the year	465,661	4,656,610	395,193	3,951,930
b) Reconciliation of preference share capital				
Series A1 - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	98,585	985,850	98,585	985,850
Add : Issued during the year	-	-	-	-
Balance at the end of the year	98,585	985,850	98,585	985,850
Series A2 - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	125,501	1,255,010	125,501	1,255,010
Add : Issued during the year	-	-	-	-
Balance at the end of the year	125,501	1,255,010	125,501	1,255,010
Series A3 - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	61,142	611,420	61,142	611,420
Add : Issued during the year	-	-	-	-
Balance at the end of the year	61,142	611,420	61,142	611,420
Series B - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	276,492	2,764,920	-	-
Add : Issued during the year	-	-	276,492	2,764,920
Balance at the end of the year	276,492	2,764,920	276,492	2,764,920
Series C - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	-	-	-	-
Add : Issued during the year	560,235	5,602,350	-	-
Balance at the end of the year	560,235	5,602,350	-	-



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3 Share capital (continued)

	As at 31 March 2018		As at 31 March 2017	
	Number	% of holding	Number	% of holding
c) Shareholders holding more than 5% of the shares				
Equity shares of ₹ 10 each				
S G Anil Kumar	230,058	49%	245,000	62%
Samunnati ESOP Welfare Trust	138,824	30%	68,411	17%
Ecap Equities Limited	75,699	16%	61,142	15%
Series A1 - Compulsorily convertible preference shares of ₹ 10 each				
Elevar M - III	98,585	100%	98,585	100%
Series A2 - Compulsorily convertible preference shares of ₹ 10 each				
Elevar M - III	125,501	100%	125,501	100%
Series A3 - Compulsorily convertible preference shares of ₹ 10 each				
RSM Associates	30,571	50%	30,571	50%
P Ramaraj	30,571	50%	30,571	50%
Series B - Compulsorily convertible preference shares of ₹ 10 each				
Elevar M - III	67,935	25%	67,935	25%
Accel India V (Mauritius) Ltd	193,999	70%	193,999	70%
Series C - Compulsorily convertible preference shares of ₹ 10 each				
responsAbility Agriculture I, SLP	317,423	57%	-	0%
Accel India V (Mauritius) Ltd	168,101	30%	-	0%
Elevar M - III	74,711	13%	-	0%

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 shares 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 is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend which can be approved by the Board of Directors. 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, B and C 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 in the ratio of 1:1 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 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).



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	As at 31 March 2018 ₹	As at 31 March 2017 ₹
4 Reserves and surplus		
a) Securities premium reserve		
Balance at the beginning of the period	490,157,694	194,305,958
Add : Additions made during the year	1,580,959,054	298,811,738
Less : Utilised towards share issue expenses	(26,612,146)	(2,960,002)
Balance at the end of the period	<u>2,044,504,602</u>	<u>490,157,694</u>
Less: Amounts recoverable from ESOP Trust	(88,290,715)	(1,732,128)
	<u>1,956,213,887</u>	<u>488,425,566</u>
b) Stock options outstanding account		
Balance at the beginning of the year	1,487,028	-
Add : Share based compensation for the year	16,243,161	1,487,028
Balance at the end of the year	<u>17,730,189</u>	<u>1,487,028</u>
c) Deficit in the statement of profit and loss		
Balance at the beginning of the period	(128,959,099)	(53,154,574)
Add: Transferred from statement of profit and loss	(28,950,523)	(75,804,525)
Balance at the end of the period	<u>(157,909,622)</u>	<u>(128,959,099)</u>
	<u>1,816,034,454</u>	<u>360,953,495</u>
5 Long-term borrowings (Also, refer note 31)		
Secured		
14% Non convertible redeemable debentures	120,000,000	-
Term loans from banks	46,590,908	-
Term loans from parties other than banks	1,282,877,693	527,409,195
	<u>1,329,468,601</u>	<u>527,409,195</u>
Less: Classified as other current liabilities (Also, refer note 6)		
Current maturities of long term borrowings	(555,729,684)	(170,357,043)
	<u>893,738,917</u>	<u>357,052,152</u>
6 Other liabilities		
Non Current		
Interest strip liability	3,447,142	-
Interest Accrued but not due on borrowings	7,664,840	-
	<u>11,111,982</u>	<u>-</u>
Current		
Current maturities of long-term debt (Also, refer note 5 and 31)	555,729,684	170,357,043
Interest accrued but not due on borrowings	10,437,923	3,120,753
Interest strip liability	21,527,866	-
Advances and payables towards loan servicing arrangement, net	-	1,398,599
Repayments payable on securitised loans	27,037,806	-
Creditor for capital goods	-	458,742
Employee related payables	8,254,322	2,821,533
Statutory dues payable	5,429,872	2,184,385
Creditors for expenses	16,942,163	6,069,682
	<u>645,359,636</u>	<u>186,410,737</u>

	As at 31 March 2018		As at 31 March 2017	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
7 Provisions				
Provision for employee benefits (Refer note 9)	5,554,103	259,643	1,301,114	37,781
Provision against standard assets	5,961,535	6,459,366	120,829	2,784,870
Provision against non performing assets	760,324	5,151,508	-	318,501
Provision for loss on loans serviced	-	343,015	-	11,294,235
	<u>12,275,962</u>	<u>12,213,532</u>	<u>1,421,943</u>	<u>14,435,387</u>



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7 Provisions (continued)	As at	As at
	31 March 2018	31 March 2017
	₹	₹
Movement in		
A Provision against standard assets		
Opening balance	2,905,699	-
Add: Provision made during the year	9,515,202	2,905,699
Closing Balance	12,420,901	2,905,699
B Provision against Non performing assets		
i Provision against sub-standard assets		
Opening balance	318,501	-
Add: Provision made during the year	4,847,941	318,501
Closing Balance	5,166,442	318,501
ii Provision against doubtful assets		
Opening balance	-	-
Add: Provision made during the year	745,390	-
Closing Balance	745,390	-
C Provision for loss on loans serviced		
Opening balance	11,294,235	178,096
Add: Provision made during the year	7,475,484	18,130,114
Less: Payments made	(18,426,704)	(7,013,975)
Closing Balance	343,015	11,294,235
8 Short-term borrowings (Also, refer note 31)		
Secured		
Term loans from parties other than banks	100,000,000	36,870,782
Cash credit from banks	20,000,000	-
	120,000,000	36,870,782

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.

	For the year ended 31 March 2018	For the year ended 31 March 2017
	₹	₹
Changes in the present value of the defined benefit obligation are as follows:		
Projected benefit obligation at the beginning of the year	1,086,157	609,324
Service cost	2,107,148	638,057
Interest cost	74,945	47,527
Actuarial gain	132,829	(208,751)
Projected benefit obligation at the end of the year	3,401,079	1,086,157
Amount recognised in the Statement of Profit and Loss account		
Current service cost	2,107,148	638,057
Interest cost on benefit obligation	74,945	47,527
Net actuarial (gain) / loss recognised in the year	132,829	(208,751)
Net employee benefit expense	2,314,922	476,833

Reconciliation of present value of obligation

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Present value of defined benefit obligation	3,401,079	1,086,157	609,324
Fair value of plan assets	-	-	-
Net liability	3,401,079	1,086,157	609,324
Experience adjustments on plan liabilities	132,829	(208,751)	-



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9 Employee Benefits (continued)

	As at 31 March 2018	As at 31 March 2017
Assumptions used		
Discount rate	7.52%	6.90%
Long-term rate of compensation increase	10.00%	10.00%
Attrition rate	12.00%	16.00%

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 2018	As at 31 March 2017
Principal actuarial assumptions used :		
Discount rate	7.52%	6.90%
Long-term rate of compensation increase	10.00%	10.00%
Attrition rate	12.00%	16.00%

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Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information

10 Property, plant and equipment and intangible asset

Particulars	Property, plant and equipment						Intangible assets	
	Free hold land	Furniture and fittings	Office equipment	Computers and accessories	Vehicles	Leasehold improvements	Total	Software
Gross Block								
As at 31 March 2016	-	3,893,650	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	453,135
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	13,726,665	563,135
Additions	2,311,880	61,105	635,021	2,727,543	-	145,970	5,881,519	588,937
Disposals	-	-	(13,400)	-	-	(20,000)	(33,400)	-
As at 31 March 2018	2,311,880	4,985,720	3,270,833	6,136,827	2,007,234	962,490	19,574,984	1,152,072
Accumulated depreciation and amortisation								
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
Charge for the year	-	507,838	586,861	1,668,071	186,103	160,813	3,109,686	189,627
Reversal on disposal of assets	-	-	(866)	-	-	(4,132)	(5,028)	-
As at 31 March 2018	-	1,073,638	1,006,787	3,066,104	291,709	169,725	5,607,963	284,196
Net Block								
As at 31 March 2017	-	4,358,815	2,228,390	2,011,251	1,901,628	723,476	11,223,560	468,566
As at 31 March 2018	2,311,880	3,912,082	2,264,046	3,070,723	1,715,525	692,765	13,967,021	867,875

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	As at 31 March 2018		As at 31 March 2017	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
11 Investments - Unquoted				
Non - Current (Trade investments):				
Valued at cost unless stated otherwise				
Investments in equity instruments of Wholly -owned Subsidiary				
-Unquoted				
Samunnati Agro Solutions Private Limited				
190,000 (previous year 10,000) equity shares with nominal value of ₹ 10 each	180,100,000	-	100,000	-
Current (Non-Trade Investments):				
Carried at Net Asset Value				
Investments in Mutual Funds (unquoted)	-	20,043,241	-	-
	180,100,000	20,043,241	100,000	-
Aggregate amount of quoted investments and market value thereof	-	-	-	-
Aggregate amount of unquoted investments	180,100,000	20,043,241	100,000	-
Aggregate amount of impairment in the value of investments	-	-	-	-

Details of current investments

Current investments in mutual funds comprise:

Name of Mutual fund	As at 31 March 2018	
	No of units	Amount
Reliance Liquid Fund-TP-Direct Plan Growth Plan-Growth Option -LFAG	657	2,738,927
ICICI Prudential Liquid Fund -Direct Plan-Growth	287	72,001
Aditya Birla Sun life Floating Rate Fund Short Term Plan -Growth-Regular Plan	3,355	761,265
Aditya Birla Sun Life Cash Plus -Growth -Regular Plan	3,343	913,495
L & T Liquid Fund-Regular Growth	296	699,002
Kotak Floater Short Term -Growth (Regular Plan)	1,867	5,294,979
Tata Liquid Fund Regular Plan-Growth	655	1,754,128
UTI Money Market Fund-Institutional Plan -Growth Plan	1,270	2,437,328
Axis Liquid Fund - Growth-CFGP	1,499	2,847,750
Baroda Pioneer Liquid Fund -Plan A Growth	1,290	2,524,366
		20,043,241

12 Receivables from financing activity

Secured

Standard assets

- Disbursed as NBFI

174,890,905 232,617,358 53,687,250 335,385,280

Non-performing assets

- Disbursed as NBFI

5,398,950 20,122,509 - 126,490

180,289,855 252,739,867 53,687,250 335,511,770

Unsecured

Standard assets

- Disbursed as NBFI

680,475,358 1,059,255,845 25,518,850 159,466,359

- Out of assignment transactions

- - - 7,101,551

Non-performing assets

- Disbursed as NBFI

2,204,287 29,812,050 - 436,404

- Out of assignment transactions

- - 19,214 2,602,903

682,679,645 1,089,067,895 25,538,064 169,607,217

862,969,500 1,341,807,762 79,225,314 505,118,987

The above amounts have been considered good except to the extent of provision created on standard and non performing assets as disclosed in Note 7.



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	As at 31 March 2018		As at 31 March 2017	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
13 Loans and advances				
(Unsecured, considered good)				
Security deposits	4,821,550	-	3,531,200	586,000
Capital advances	895,314	-	37,870	-
Balances with government authorities	-	1,337,745	-	607,179
Tax deducted at source receivable	8,100,421	-	2,808,286	-
Employee advances	-	408,886	-	172,416
Other advances	-	458,736	45,000	166,070
Prepaid expenses	-	2,653,433	-	1,303,578
Loans to Samunnati Agro Solutions Private Limited*	-	210,000,000	-	125,000,000
Other receivable from Samunnati Agro Solutions Private Limited	-	11,431,601	4,128,040	-
Loans and advances to Samunnati ESOP Trust	113,380	-	105,000	-
	13,930,665	226,290,401	10,655,396	127,835,243

* The Company has advanced loans for working capital purposes repayable within one year from the date of disbursement. Interest charged at 18% (previous year: 16.5%-18%)

Other receivables from Samunnati Agro Solutions Private Limited amounting to ₹11,431,601 represents recharge of salary costs to Samunnati Agro Solutions Private Limited which is expected to be collected within next one year.

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
14 Other non-current assets		
Deposits held with financial institutions	24,333,334	14,166,667
Margin money deposits (Also, refer note 16)	26,281,344	45,911,462
Interest accrued on deposits	2,683,558	1,841,193
Interest strip asset	3,447,142	-
Unamortised cost of borrowings	12,675,605	-
	69,420,983	61,919,322
15 Trade receivables		
Outstanding for a period of more than six months		
From trading activity		
Considered good	272,066	-
Considered doubtful	68,016	-
Less: Provision for doubtful debts	(68,016)	-
	272,066	-
Other debts - considered good		
From trading activity	-	1,340,082
Loan service fee receivable	2,841,704	5,993,386
	2,841,704	7,333,468
	3,113,770	7,333,468
16 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	142,460	524,340
Balances with banks		
- in current accounts	448,878,128	123,621,770
- in deposit account (with original maturity upto 3 months)	229,821,437	-
	678,842,025	124,146,110
Other bank balances		
- in deposit account (with original maturity more than 3 months)	5,826,516	-
Margin money deposits	30,351,344	54,511,462
Less: Classified as non-current balances (Also, refer note 14)	(26,281,344)	(45,911,462)
	9,896,516	8,600,000
	688,738,541	132,746,110
17 Other current assets		
Deposits held with financial institution, (Also, refer note 14)	4,333,333	6,333,333
Interest accrued but not due on deposits	1,738,636	385,329
Interest income accrued on		
- Receivables from financing activity	39,313,769	9,615,019
- Loans to subsidiary	10,815,164	2,487,764
Interest strip asset	21,527,866	-
Unamortised cost of borrowings	22,093,155	7,297,118
Other receivables	2,495,320	2,484,987
	102,317,243	28,603,550



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	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
18 Revenue from operations		
Interest income on receivables from financing activity	283,371,267	59,716,795
Interest income on fixed deposits	2,696,226	1,128,524
Loan processing fees	23,751,842	4,452,972
Loan servicing fees	2,120,997	15,031,763
Excess interest spread on securitisation	2,773,020	-
Other operating income	226,910	298,970
	<u>314,940,262</u>	<u>80,629,024</u>
19 Other income		
Interest income on fixed deposits	2,524,539	3,009,257
Income from mutual fund investments	16,040,485	-
Recovery of defaults in loan serviced	9,560,566	2,152,931
Interest on loan to subsidiary	24,705,574	2,487,764
Sale of agricultural products	-	13,668,659
Other income	221,334	56,667
	<u>53,052,498</u>	<u>21,375,278</u>
20 Purchases of traded goods		
Purchase of agricultural products	-	13,080,935
	<u>-</u>	<u>13,080,935</u>
21 Employee benefits expense		
Salaries and wages	104,964,664	58,989,327
Gratuity and leave encashment expenses (Refer note 9)	4,601,585	259,432
Contribution to provident and other funds	4,263,748	2,705,749
Employee stock option expenses	16,243,161	1,487,028
Staff welfare expenses	5,430,558	1,636,444
	<u>135,503,716</u>	<u>65,057,980</u>
22 Finance costs		
Interest expenses	160,819,486	35,109,442
Other borrowing costs	14,259,604	1,871,169
	<u>175,079,090</u>	<u>36,980,611</u>
23 Loan provisions and write-offs		
Provision against standard assets	9,515,202	2,905,699
Provision against non performing assets	5,593,331	318,501
Loan receivables written off	5,229,329	-
	<u>20,337,862</u>	<u>3,224,200</u>
24 Depreciation and amortization expense		
Depreciation expense (Also, refer note 10)	3,109,686	1,920,988
Amortisation expense (Also, refer note 10)	189,627	92,926
	<u>3,299,313</u>	<u>2,013,914</u>



	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
25 Other expenses		
Legal and professional charges	14,332,333	10,965,297
Technology and communication expenses	8,117,138	8,777,545
Travelling and conveyance	14,449,229	9,488,501
Insurance	290,394	106,696
Payments to auditors for statutory audit (Also, refer note 26)	1,514,100	1,164,200
Repairs and maintenance - others	3,609,546	1,194,173
Rates and taxes	122,046	365,160
Rent (Also, refer note 30)	5,022,186	3,232,009
Printing and stationery	1,726,377	477,374
Power and fuel	697,925	287,946
Expenditure relating to trading activities	892,511	1,561,234
Sitting fees	588,600	-
Provisions for loss on loans serviced	7,475,484	18,130,114
Provision for bad and doubtful debts	68,016	-
Loss on sale of property, plant and equipment	4,874	286,202
Miscellaneous expenses	3,812,543	1,414,736
	62,723,302	57,451,187
26 Payment to auditors		
Statutory Audit	1,300,000	1,150,000
Tax Audit	150,000	-
Out of pocket expenses	64,100	14,200
	1,514,100	1,164,200
27 Payables to micro and small enterprises		
Based on the information available with the company, as at 31 March 2018 and 31 March 2017 there are no suppliers registered as micro and small enterprises under provisions of Micro, Small and Medium Enterprises Development Act, 2006		
28 Earnings per equity share	Year ended 31 March 2018	Year ended 31 March 2017
Loss for the year (In ₹)	(28,950,523)	(75,804,525)
Less: Preference dividend (In ₹)	-	-
Profit attributable to equity shareholders (In ₹)	(28,950,523)	(75,804,525)
Weighted average number of equity shares in calculating basic EPS	414,885	377,200
Add: Effective of dilutive potential equity shares *	1,121,955	561,720
Weighted average number of equity shares in calculating dilutive EPS	1,536,840	938,920
Earnings per share		
- Basic (In ₹)	(69.78)	(200.97)
- Diluted (In ₹)	(69.78)	(200.97)

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

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29 Related party disclosures

a) Names of related parties and relationship

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

b) Related Party transactions

Nature of transactions	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Samunnati Agro Solutions Private Limited		
Loans given	230,000,000	125,000,000
Loans repaid	145,000,000	-
Interest income on loans	24,705,574	2,487,764
Deputation charges	7,369,211	4,128,040
Reimbursement of expenses	205,915	-
S G Anil Kumar		
Remuneration *	8,287,004	4,742,463
Reimbursement of expenses	61,000	118,660
Samunnati ESOP Welfare Trust		
Loans given	87,262,717	1,791,238
Shares subscribed including premium	87,262,717	1,791,238

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

c) Balances at the end of the year

Particulars	As at 31 March 2018 ₹	As at 31 March 2017 ₹
S G Anil Kumar		
Reimbursement of expenses	54,530	54,530
Samunnati Agro Solutions Private Limited		
Loans and Advances	210,000,000	125,000,000
Interest accrued on loans	10,815,164	2,487,764
Deputation charges receivable	-	4,128,040
Samunnati ESOP Welfare Trust		
Advances given	113,380	105,000

30 Disclosures in respect of non-cancellable operating lease

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

	As at 31 March 2018 In ₹	As at 31 March 2017 In ₹
Payments falling due		
Payable not later than 1 year	6,397,096	3,094,916
Payable later than 1 year and not later than 5 years	4,545,265	3,648,582
Total	10,942,361	6,743,498



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

For balances outstanding as at 31 March 2018

Original maturity of loan	Rate of interest	Sanction limit	Amount Outstanding	Due within one year		Due beyond one year		Security details
				No of Installments	Amount	No of Installment	Amount	
Long-term borrowings								
I. Non Convertible Redeemable Debentures								
Repayment at the end of the term								
36 Months	14%		120,000,000	NA	NA	1	120,000,000	Book debts
			120,000,000				120,000,000	
II. Term loans								
Monthly repayment of principal								
24 months	12%-13%	50,000,000	46,590,909	12	27,272,727	8-10	19,318,182	Cash collateral and book debts
24 months	14%-15%	110,000,000	90,706,242	12	54,339,875	3-9	36,366,367	Cash collateral and book debts
36 Months	12%-13%	80,000,000	72,485,464	12	24,464,823	20	48,020,641	Book debts
36 Months	13%-14%	85,000,000	79,444,444	12	27,943,679	20-21	51,500,765	Book debts
36 Months	14%-15%	415,000,000	332,015,044	12	127,947,898	7-18	204,067,146	Book debts and demand promissory note
Quarterly repayment of principal								
28 months	13%-14%	50,000,000	44,444,442	4	22,222,221	4	22,222,221	Book debts
36 Months	14%-15%	130,000,000	91,666,668	4	43,333,332	4-6	48,333,338	Cash collateral and book debts
36 Months	15%-16%	70,000,000	39,166,670	4	23,333,331	2-3	15,833,339	Cash collateral and book debts
36 Months	16%-17%	30,000,000	15,000,000	4	10,000,000	2	5,000,000	Book debts
39 months	12%-13%	200,000,000	184,615,385	4	61,538,460	8	123,076,925	Cash collateral and book debts
42 months	13%-14%	150,000,000	133,333,333	4	66,666,667	4	66,666,666	Book debts
45 months	14%-15%	50,000,000	50,000,000	4	16,666,668	5	33,333,332	Book debts
48 months	14%-15%	150,000,000	150,000,000	4	50,000,003	5	99,999,997	Book debts
Total			1,329,468,601		555,729,684		773,738,917	
Short-term borrowings								
I. Term Loans								
Monthly repayment of principal								
12 months	13%	100,000,000	100,000,000	12	100,000,000	-	-	Book Debts
III. Cash credit	12.75%	50,000,000	20,000,000	NA	20,000,000	-	-	Book Debts
Total			120,000,000		120,000,000			



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Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information

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

For balances outstanding as at 31 March 2017

Original maturity of loan	Rate of interest	Sanction limit	Amount Outstanding	Due within one year		Due beyond one year		Security details
				No of instalment	Amount	No of instalments	Amount	
Long-term borrowings Monthly repayment of principal	15%-16%	20,000,000	8,333,323	3-9	8,333,323	-	-	Book debts and cash collateral
	14%-15%	315,000,000	261,575,872	12	95,357,057	17-24	166,218,815	
Quarterly repayment of principal	14%-15%	100,000,000	100,000,000	12	33,333,332	24	66,666,668	Book debts
	15%-16%	100,000,000	87,500,000	12	33,333,331	16-24	54,166,669	Book debts and cash collateral
	14%-15%	200,000,000	50,000,000	0	-	12	50,000,000	Book debts
Total			527,409,195		170,357,043		357,052,152	
Short-term borrowings Monthly repayment of principal	15%-16%	60,000,000	29,370,782	3-9	29,370,782	-	-	Book debts and cash collateral
	14%-15%	10,000,000	7,500,000	3-9	7,500,000	-	-	Book debts
Total			36,870,782		36,870,782		-	

32 Segment reporting

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

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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 amended)

	As at 31 March 2018 ₹	As at 31 March 2018 ₹
	<u>Amount outstanding</u>	<u>Amount overdue</u>
Liabilities side:		
1 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :		
(a) Debentures		
- Secured	127,664,840	-
(b) Deferred credits	-	-
(c) Term loans	1,439,899,538	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial paper	-	-
(f) Cash Credit	20,006,986	-
Assets side:		
<u>Amount outstanding</u>		
2 Break-up of loans and advances		
(a) Secured		433,029,722
(b) Unsecured		1,981,860,920
3 Break up of leased assets and stock on hire and other assets counting towards AFC activities		
(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		-
4 Break-up of Investments		
Current Investments		
1) Quoted		
(i) Shares		-
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
Unquoted		
(i) Shares		-
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		20,043,241
(iv) Government Securities		-
(v) Others (please specify)		-



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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 (Cond.)

As at
31 March 2018
₹

3) Long term investments

1) Quoted

(i) Shares

(a) Equity

(b) Preference

(ii) Debentures and Bonds

(iii) Units of mutual funds

(iv) Government Securities

(v) Others (please specify)

2) Unquoted

(i) Shares

(a) Equity

(b) Preference

(ii) Debentures and Bonds

(iii) Units of mutual funds

(iv) Government Securities

(v) Others (please specify)

180,100,000

5 Borrower group-wise classification of assets financed as in 2 (a) and (b) above :

Category	Secured	Unsecured	Total
1) Related parties			₹
(a) Subsidiaries	-	210,000,000	210,000,000
(b) Companies in the same group	-	-	-
(c.) Other related parties	-	113,380	113,380
2) Other than related parties	433,029,722	1,771,747,540	2,204,777,262
Total	433,029,722	1,981,860,920	2,414,890,642

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)
1) Related Parties		₹
(a) Subsidiaries	NA	180,100,000
(b) Companies in the same group	-	-
(c.) Other related parties	-	-
2) Other than related parties	20,043,241	20,043,241
Total		

As at
31 March 2018
₹

7 Other Information

(i) Gross Non-Performing Assets

(a) Related parties

(b) Other than related parties

(ii) Net Non-Performing Assets

(a) Related parties

(b) Other than related parties

(iii) Assets acquired in satisfaction of debt

57,537,796

51,625,964



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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 (Cond.)

8 Disclosures relating to Securitization:

During the current year company has sold loans through securitization. The information on direct securitization activity as of the company as an originator is shown below:

Particulars	Year ended 31 March 2018
SPVs relating to outstanding securitisation transactions	
1. Number of SPVs sponsored by the NBFC for securitisation transactions as on the date of the balance sheet	1
Total amount of securitised assets as per books of the SPVs sponsored as on the date of the 2.balance sheet	237,408,113
3.Total amount of exposures retained by the NBFC to comply with minimum retention requirement ('MRR')	49,560,023
Off-balance sheet exposures	
First loss	-
Others	-
On-balance sheet exposures	
First loss (cash collateral)	23,181,344
Others (credit enhancement)	26,378,679
Amount of exposures to securitisation transactions other than MRR	
Off-balance sheet exposures	
Exposure to own securitizations	-
First loss	-
Others	-
Exposure to third party securitisations	-
First loss	-
Others	-
On-balance sheet exposures	
Exposure to own securitizations	-
First loss (cash collateral)	-
Others	-
Exposure to third party securitisations	-
First loss	-
Others	-

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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 and 20 December 2017 additional 6,794 and 70,368 shares respectively 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 1-4 years (As at 31 March 2017: 4 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 upto 31 March 2018.

	No. of options as at 31 March 2018	Weighted average exercise price in ₹	No. of options as at 31 March 2017	Weighted average exercise price in ₹
Options outstanding at the beginning of the year	24,212	10	23,325	10
Granted during the year	32,829	10	9,500	10
Exercised during the year	3,702	10	838	10
Expired/ lapsed during the year	2,752	10	7,775	10
Options outstanding at the end of the year	50,587	10	24,212	10
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 398 days (previous year 778 days).

35 Contingent liability

During the year entity has entered into a securitization transaction where loan receivables amounting to Rs. 26,378,679 (previous year: nil) has been given as subordination for principal amount receivable and a deposit amount of Rs. 23,181,344 (previous year: nil) given as cash collateral.

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
Firm Registration No.: 001076N/N500013
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
Director
DIN: 01189011


Gurunath Neelamani
Director
DIN: 02799586


Niranjan Chandrasekar
Company Secretary

Place: Chennai
Date: 21 June 2018

Place: Chennai
Date: 21 June 2018

Walker Chandiook & Co LLP
7th Floor, Prestige Polygon,
471, Anna Salai, Teynampet,
Chennai - 600 018
India

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Independent Auditor's Report

To the Members of Samunnati Financial Intermediation & Services Private Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Samunnati Financial Intermediation & Services Private Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss and the Consolidated 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 Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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). The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, 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.
5. 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 perform the audit to obtain reasonable assurance about whether these consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at 31 March 2018, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books,
 - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated 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 of the Holding Company and taken on record by the Board of Directors of the Holding Company and its subsidiary company covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary company covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - (i) there were no pending litigations as at 31 March 2018 which would impact the consolidated financial position of the Group;



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- (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company covered under the Act during the year ended 31 March 2018; and
- (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

Walker Chandlok & Co LLP

For **Walker Chandlok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Suresh E S

Suresh E S
Partner
Membership No.: 206



Place: Chennai
Date: 21 June 2018

Annexure A to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited on the consolidated financial statements for the year ended 31 March 2018

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Samunnati Financial Intermediation & Services Private Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary company, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

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



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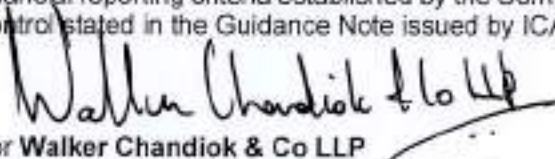
Annexure A to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited on the consolidated financial statements for the year ended 31 March 2018

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.



For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Sunesh E S
Partner
Membership No.: 20695



Place: Chennai
Date: 21 June 2018

Samunnati Financial Intermediation & Services Private Limited

Consolidated Financial Statements for the year ended 31 March 2018

	Notes	As at 31 March 2018 ₹	As at 31 March 2017 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	14,487,920	8,885,020
Reserves and surplus	4	1,810,278,945	359,250,507
		1,824,766,865	368,135,527
Non-current liabilities			
Long-term borrowings	5	893,738,917	357,052,152
Other liabilities	6	11,111,982	-
Long-term provisions	8	12,275,962	1,421,943
		917,126,861	358,474,095
Current liabilities			
Short-term borrowings	9	255,868,444	86,870,782
Trade payables	7	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,269,044	8,390,060
Other liabilities	6	653,000,344	196,630,614
Short-term provisions		12,213,532	14,435,387
		930,351,364	296,326,843
Total equity and liabilities		3,672,245,090	1,022,936,465
ASSETS			
Non-current assets			
Property, plant and equipment	11	14,091,132	11,223,560
Intangible assets	11	872,351	468,566
Capital work-in progress		1,110,400	-
Intangible assets under development		953,963	800,000
Receivables from financing activity	13	862,969,500	79,225,314
Long-term loans and advances	14	15,408,614	7,062,756
Other non-current assets	15	69,420,983	61,919,322
		964,826,943	160,699,518
Current assets			
Current investments	12	20,043,241	-
Trade receivables	16	444,946,032	120,282,504
Cash and bank balances	17	788,749,207	201,373,729
Receivables from financing activity	13	1,341,807,762	505,118,987
Short-term loans and advances	14	12,433,119	6,840,941
Other current assets	18	99,438,786	26,620,786
		2,707,418,147	862,236,947
Total Assets		3,672,245,090	1,022,936,465

Notes 1 to 36 form an integral part of these financial statements

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

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076NIN500013

Sumesh S.S.
Partner
Membership No: 208931



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

S G Anil Kumar
Director
DIN: 01189011

Niranjan Chandrashekar
Company Secretary

Gurunath Neelamani
Director
DIN: 02799586

Place: Chennai
Date: 21 June 2018

Place: Chennai
Date: 21 June 2018

Samunnati Financial Intermediation & Services Private Limited
 Consolidated Statement of profit and loss account for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Revenue			
Revenue from operations	19	1,389,062,778	225,453,124
Other income	20	33,687,657	18,887,514
Total revenue		1,402,750,435	244,340,638
Expenses			
Purchases of traded goods	21	1,010,776,699	151,490,020
Employee benefits expense	22	143,263,016	69,186,020
Finance costs	24	187,949,347	37,621,374
Loan provisions and write-offs	25	20,337,862	3,224,200
Depreciation and amortization expense	26	3,299,451	2,013,914
Other expenses	27	70,127,104	58,312,623
Total expenses		1,435,753,479	321,848,151
Loss before tax		(33,003,044)	(77,507,513)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Loss for the year		(33,003,044)	(77,507,513)
Loss per share			
Basic (₹ per share of 10₹ each)	29	(79.55)	(205.48)
Diluted (₹ per share of 10₹ each)	29	(79.55)	(205.48)

Notes 1 to 36 form an integral part of these financial statements

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

For Walker Chandiook & Co LLP
 Chartered Accountants
 Firm Registration No.: 001076N/N500013

Sumesh K S,
 Partner
 Membership No: 206931



Place: Chennai
 Date: 21 June 2018

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

S G Anil Kumar
 Director
 DIN: 01189011

Gurunath Neelamani
 Director
 DIN: 02799586

Niranjan Chandrashekar
 Company Secretary

Place: Chennai
 Date: 21 June 2018

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
A. Cash flow from operating activities		
Loss for the year	(33,003,044)	(77,507,513)
Adjustments for		
Interest income on deposits	(6,184,287)	(3,009,257)
Income from mutual funds	(16,452,020)	-
Interest expenses	12,870,257	640,763
Gratuity and leave encashment expenses	4,474,851	259,432
Employee stock option expense	16,243,161	1,467,028
Depreciation and amortization expense	3,299,451	2,013,914
Loss on sale of property, plant and equipment	4,874	266,202
Provision against standard assets	9,515,202	2,905,699
Provision against non-performing assets	5,593,331	318,501
Loan receivables written off	5,229,329	-
Provision for bad and doubtful debts	833,957	-
Operating profit/(loss) before working capital changes	2,425,062	(72,605,231)
(Decrease)/increase in other liabilities	40,196,181	(15,100,591)
Movement in provisions	(10,951,220)	11,116,139
Increase in trade payables	878,984	8,300,060
(Increase) in trade receivables	(325,497,485)	(117,723,265)
(Increase) in receivables from financing activity	(1,628,323,234)	(710,984,577)
(Increase)/decrease in loans and advances	(7,365,859)	118,248,450
(Increase) in other assets	(26,369,340)	(20,481,016)
Cash used in operating activities	(1,985,006,910)	(799,140,031)
Income taxes paid	(5,359,861)	(1,559,716)
Net cash used in operating activities	(1,960,366,771)	(800,699,747)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(9,534,602)	(7,309,409)
Proceeds from sale of property, plant and equipment	23,498	454,253
Movement in deposits with banks and financial institutions	6,596,935	2,195,662
Investment in mutual fund units, net	(20,043,241)	-
Income from mutual fund investments	16,452,020	-
Interest income on deposits	4,683,140	3,009,257
Net cash used in investing activities	(1,822,250)	(1,650,237)
Cash flows from financing activities		
Proceeds from issue of shares	1,500,003,367	301,732,058
Share issue expenses	(26,612,146)	(2,960,002)
Proceeds from borrowings	1,970,000,000	705,000,000
Repayment of borrowings	(878,942,932)	(97,589,270)
Interest expenses	(16,500,306)	(3,108,322)
Net cash generated from financing activities	2,547,947,983	903,064,464
Net increase in cash and cash equivalents	585,758,962	100,714,480
Cash and cash equivalents as at the beginning of the year	192,773,729	92,059,249
Cash and cash equivalents as at the end of the year	778,532,691	192,773,729
Cash and cash equivalents comprises of:- (Also, refer note 17)		
Cash on hand	142,460	524,340
Balances with banks	-	-
- in current accounts	548,568,794	192,249,389
- in deposit accounts (with original maturity upto three months)	229,621,437	-
	778,532,691	192,773,729

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

For Walker Chandok & Co LLP
Chartered Accountants
Firm Registration No.: 001078/N/N/500013

Suresh E'S
Partner
Membership No: 206931



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

S & Anil Kumar
Director
DIN: 01189011

Niranjn Chandrashekar
Company Secretary

Gurunath Neelamani
Director
DIN: 02799586

Place: Chennai
Date: 21 June 2018



Place: Chennai
Date: 21 June 2018

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/ Parent') 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, 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'.

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 2016.

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.

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 Property, plant and equipment and intangible assets

Property, plant and equipment 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 the previously estimated maximum benefit.

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.



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2.3 Property, plant and equipment and intangible assets (continued)

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.

2.5 Revenue recognition

Revenue is recognized 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 recognized on accrual basis (Internal rate of return/IRR) where as income from non-performing assets (NPA) is not recognized on accrual basis but is booked as income only when it is actually received 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.

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

Interest income on securitization

The contractual right retained by the Company to receive a portion of Interest ('Unrealized profits') arising at the time of securitization of loan portfolio (Excess Interest Spread-EIS) is recorded at present value and disclosed as "Interest strip on securitization" within "Other Assets" on the balance sheet. In accordance with the RBI guidelines, the unrealized profits in respect of securitized that is not due for collection is recorded at its present value and disclosed as "Interest strip on securitization" within "Other liabilities" on the balance sheet. Interest retained under securitization of loans is recognized on realization basis over the life of the underlying portfolio.

Losses arising on account of securitisation transactions are recognised in Statement of profit and loss immediately upon receipt of consideration.

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The subsidiary collects taxes on behalf of the government and, therefore, these are not economic benefits flowing to the Subsidiary. Hence, they are excluded from revenue.

The Subsidiary has assessed its relationship with its customers and has established that it has the ability to establish the price and also carries the credit risk in the sale transaction. Accordingly, the Subsidiary is the primary obligor in the transaction for sale of goods and has reported purchase and sale of goods on gross basis.

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.



2.6 Taxation (continued)

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 lout and net disposal proceeds is charged or credited to the statement of profit and loss. Investment made

2.7 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the books of the Company at fair value determined on an individual investment basis per provisions of RBI as applicable to a Non-Banking Financial Company (NBFC)- Non Systemically Important Non- Deposit taking Company, whereas the subsidiary accounts for the same at lower of cost or market value in accordance with AS 13. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amo 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. The trade or business of the company is termed as trade investments, and all other investments are termed as non-trade investments.

2.8 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.

2.9 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.

2.10 Operating 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

2.11 Transaction costs

Transaction costs including loan origination costs are incremental costs that are directly attributable to the acquisition of share capital and financial liability. Transaction costs includes fees paid to advisors and levies regulatory agencies, including taxes and duties. Transaction costs incurred towards:

- i) Issuance of share capital and debentures are adjusted from securities premium account to the extent of available in terms of Section 52 of the Companies Act 2013.
- ii) Acquisition of borrowings is amortised over the tenure of borrowings.









2.12 Employee benefits

Defined contribution plan: The Group 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 Group make monthly contributions to the provident fund plan equal to specified percentages of the covered employee's basic salary. The Group 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 Group provides gratuity, a defined benefit retirement plan covering eligible employees. The Group 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.

Compensated absences: Accumulated leaves, which are expected to be utilized within the next 12 months, are treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leaves which are expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the Balance Sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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 of the Company are classified and provided based on management's estimates, as detailed below, 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	0.50%
Non performing assets		
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%

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Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information

	As at 31 March 2018		As at 31 March 2017	
	Number	₹	Number	₹
3 Share capital				
Authorised				
Equity shares of ₹ 10 each	750,000	7,500,000	750,000	7,500,000
Compulsorily Convertible Preference shares of ₹ 10 each	1,250,000	12,500,000	750,000	7,500,000
	<u>2,000,000</u>	<u>20,000,000</u>	<u>1,500,000</u>	<u>15,000,000</u>
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	465,661	4,656,610	395,193	3,951,930
Less: Amount recoverable from Samunnati ESOP Welfare Trust (Also, refer note g)	(138,824)	(1,388,240)	(68,411)	(684,110)
	<u>326,837</u>	<u>3,268,370</u>	<u>326,782</u>	<u>3,267,820</u>
Compulsorily convertible preference shares of ₹ 10 each				
Series A1	98,585	985,850	98,585	985,850
Series A2	125,501	1,255,010	125,501	1,255,010
Series A3	61,142	611,420	61,142	611,420
Series B	276,492	2,764,920	276,492	2,764,920
Series C	560,235	5,602,350	-	-
	<u>1,121,955</u>	<u>11,219,550</u>	<u>561,720</u>	<u>5,617,200</u>
a) Reconciliation of equity share capital				
Balance at the beginning of the year	395,193	3,951,930	373,742	3,737,420
Add : Issued during the year	70,468	704,680	21,451	214,510
Balance at the end of the year	<u>465,661</u>	<u>4,656,610</u>	<u>395,193</u>	<u>3,951,930</u>
b) Reconciliation of preference share capital				
Series A1 - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	98,585	985,850	98,585	985,850
Add : Issued during the year	-	-	-	-
Balance at the end of the year	<u>98,585</u>	<u>985,850</u>	<u>98,585</u>	<u>985,850</u>
Series A2 - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	125,501	1,255,010	125,501	1,255,010
Add : Issued during the year	-	-	-	-
Balance at the end of the year	<u>125,501</u>	<u>1,255,010</u>	<u>125,501</u>	<u>1,255,010</u>
Series A3 - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	61,142	611,420	61,142	611,420
Add : Issued during the year	-	-	-	-
Balance at the end of the year	<u>61,142</u>	<u>611,420</u>	<u>61,142</u>	<u>611,420</u>
Series B - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	276,492	2,764,920	-	-
Add : Issued during the year	-	-	276,492	2,764,920
Balance at the end of the year	<u>276,492</u>	<u>2,764,920</u>	<u>276,492</u>	<u>2,764,920</u>
Series C - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	-	-	-	-
Add : Issued during the year	560,235	5,602,350	-	-
Balance at the end of the year	<u>560,235</u>	<u>5,602,350</u>	<u>-</u>	<u>-</u>









3 Share capital (continued)

	As at 31 March 2018		As at 31 March 2017	
	Number	% of holding	Number	% of holding
c) Shareholders holding more than 5% of the shares				
Equity shares of ₹ 10 each				
S G Anil Kumar	230,058	49%	245,000	62%
Samunnati ESOP Welfare Trust	138,824	30%	68,411	17%
Ecap Equities Limited	75,699	16%	61,142	15%
Series A1 - Compulsorily convertible preference shares of ₹ 10 each				
Elevar M - III	98,585	100%	98,585	100%
Series A2 - Compulsorily convertible preference shares of ₹ 10 each				
Elevar M - III	125,501	100%	125,501	100%
Series A3 - Compulsorily convertible preference shares of ₹ 10 each				
RSM Associates	30,571	50%	30,571	50%
P Ramaraj	30,571	50%	30,571	50%
Series B - Compulsorily convertible preference shares of ₹ 10 each				
Elevar M - III	67,935	25%	67,935	25%
Accel India V (Mauritius) Ltd	193,999	70%	193,999	70%
Series C - Compulsorily convertible preference shares of ₹ 10 each				
responsAbility Agriculture I, SLP	317,423	57%	-	0%
Accel India V (Mauritius) Ltd	168,101	30%	-	0%
Elevar M - III	74,711	13%	-	0%

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 shares 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 is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend which can be approved by the Board of Directors. 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, B and C 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 in the ratio of 1:1 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 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 2018 ₹	As at 31 March 2017 ₹
4 Reserves and surplus		
a) Securities premium reserve		
Balance at the beginning of the period	490,157,894	194,305,958
Add : Additions made during the year	1,580,959,054	298,811,738
Less : Utilised towards share issue expenses	(26,612,146)	(2,980,002)
Balance at the end of the period	<u>2,044,504,602</u>	<u>490,157,894</u>
Less: Amounts recoverable from ESOP Trust	(88,290,715)	(1,732,128)
	<u>1,956,213,887</u>	<u>488,425,566</u>
b) Stock options outstanding account		
Balance at the beginning of the year	1,487,028	-
Add : Share based compensation for the year	16,243,161	1,487,028
Balance at the end of the year	<u>17,730,189</u>	<u>1,487,028</u>
c) Deficit in the statement of profit and loss		
Balance at the beginning of the period	(130,662,087)	(53,154,574)
Add: Transferred from statement of profit and loss	(33,003,044)	(77,507,513)
Balance at the end of the period	<u>(163,665,131)</u>	<u>(130,662,087)</u>
	<u>1,810,278,945</u>	<u>359,250,507</u>
5 Long-term borrowings (Also, refer note 32)		
Secured		
14% Non convertible redeemable debentures	120,000,000	-
Term loans from banks	46,590,908	527,409,195
Term loans from parties other than banks	1,282,877,693	-
	<u>1,329,468,601</u>	<u>527,409,195</u>
Less: Classified as other current liabilities (Refer note 6)		
Current maturities of long term borrowings from other parties	(555,729,684)	(170,357,043)
	<u>893,738,917</u>	<u>357,052,152</u>
6 Other liabilities		
Non Current		
Interest strip liability	3,447,142	-
Interest accrued but not due on borrowings	7,664,840	-
	<u>11,111,982</u>	<u>-</u>
Current		
Current maturities of long-term debt (Also, refer note 5 and 32)	555,729,684	170,357,043
Interest accrued but not due on borrowings	10,818,946	3,140,958
Interest strip liability	21,527,866	-
Advances and payables towards loan servicing arrangement, net	-	1,398,599
Repayments payable on securitised loans	27,037,806	-
Creditor for capital goods	-	458,742
Employee related payables	8,254,322	2,821,533
Statutory dues payable	11,016,064	2,234,385
Creditors for expenses	18,617,656	6,219,354
	<u>653,000,344</u>	<u>186,830,614</u>
7 Trade payables		
Dues to micro and small enterprises (also, refer note (a) below)	-	-
Dues to others	9,269,044	8,390,060
	<u>9,269,044</u>	<u>8,390,060</u>

a) Dues to micro, small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act
There are no outstanding dues to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act 2006 as at the reporting date. The micro and small enterprises have been identified by the Management on the basis of information available with the Group.



	As at 31 March 2018		As at 31 March 2017	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
8 Provisions				
Provision for employee benefits (Also, refer note 10)	5,554,103	259,643	1,301,114	37,781
Provision against standard assets	5,961,535	6,459,366	120,829	2,784,870
Provision against non-performing assets	760,324	5,151,508	-	318,501
Provision for loss on loans serviced	-	343,015	-	11,294,235
	12,275,962	12,213,532	1,421,943	14,435,387

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Movement in		
A Provision against standard assets		
Opening balance	2,905,699	-
Add: Provision made during the year	9,515,202	2,905,699
	12,420,901	2,905,699
B Provision against non-performing assets		
i Provision against sub-standard assets		
Opening balance	318,501	-
Add: Provision made during the year	4,847,941	318,501
	5,166,442	318,501
ii Provision against doubtful assets		
Opening balance	-	-
Add: Provision made during the year	745,390	-
	745,390	-
C Provision for loss loans		
Opening balance	11,294,235	178,096
Add: Provision made during the year	7,475,484	18,130,114
Less: Provision utilised	(18,426,704)	(7,013,975)
	343,015	11,294,235
9 Short-term borrowings (Also, refer note 32)		
Secured		
Term loans from parties other than banks	125,868,444	86,870,782
Cash credit from banks	20,000,000	-
Working capital loan from parties other than banks	110,000,000	-
	255,868,444	86,870,782

10 Employee Benefits

i) Gratuity

In accordance with applicable Indian laws, the Group 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 Group 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 Group provides for gratuity liability under the provisions of the Payment of Gratuity Act, 1972 from financial year 2015-16.

	For the year ended 31 March 2018	For the year ended 31 March 2017
	₹	₹
Changes in the present value of the defined benefit obligation are as follows:		
Projected benefit obligation at the beginning of the year	1,086,157	609,324
Service cost	2,107,148	638,057
Interest cost	74,945	47,527
Actuarial gain	132,829	(208,751)
Projected benefit obligation at the end of the year	3,401,079	1,086,157
Amount recognised in the Statement of Profit and Loss account		
Current service cost	2,107,148	638,057
Interest cost on benefit obligation	74,945	47,527
Net actuarial loss/(gain) recognised in the year	132,829	(208,751)
Net employee benefit expense	2,314,922	476,833



10 Employee Benefits (continued)

Reconciliation of present value of obligation

Particulars	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2016
Present value of defined benefit obligation	3,401,079	1,086,157	609,324
Fair value of plan assets	-	-	-
Net liability	3,401,079	1,086,157	609,324
Experience adjustments on plan liabilities	132,829	(208,751)	-

Assumptions used	As at	As at
	31 March 2018	31 March 2017
Discount rate	7.52%	6.90%
Long-term rate of compensation increase	10.00%	10.00%
Attrition rate	12.00%	16.00%

ii) Compensated absences

The Group permits encashment of compensated absences accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Group, 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 Group does not maintain any plan assets to fund its obligation towards compensated absences.

Principal actuarial assumptions used :	As at	As at
	31 March 2018	31 March 2017
Discount rate	7.52%	6.90%
Long-term rate of compensation increase	10.00%	10.00%
Attrition rate	12.00%	16.00%

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11 Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment							Intangible assets	
	Free hold land	Furniture and fittings	Office equipment	Computers and accessories	Vehicles	Leasehold improvements	Total	Software	
Gross Block									
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	6,571,985	483,135	
Disposals	-	-	(101,043)	(63,750)	(775,000)	-	(939,793)	-	
As at 31 March 2017									
Additions	2,311,880	4,924,615	2,649,212	3,409,284	2,007,234	736,520	13,726,865	563,135	
Disposals	-	61,105	635,021	2,851,767	-	145,970	6,005,743	593,437	
As at 31 March 2018	2,311,880	4,985,720	3,270,833	6,261,051	2,007,234	862,490	19,699,208	1,156,572	
Accumulated depreciation and amortisation									
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	1,016,024	163,440	13,044	1,920,968	92,926	
Reversal on account of disposal	-	-	(47,950)	(20,806)	(130,582)	-	(199,338)	-	
As at 31 March 2017									
Charge for the year	-	565,800	420,822	1,398,033	105,606	13,944	2,503,305	94,569	
Reversal on disposal of assets	-	507,938	586,961	1,668,184	186,103	180,813	3,109,799	189,652	
As at 31 March 2018	-	1,073,638	1,006,787	3,066,217	291,709	169,725	5,603,076	284,221	
Net Block									
As at 31 March 2017	-	4,358,815	2,228,390	2,011,251	1,901,628	723,476	11,223,560	468,566	
As at 31 March 2018	2,311,880	3,912,082	2,264,046	3,194,834	1,715,525	692,765	14,091,132	872,351	

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Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information

	As at 31 March 2018		As at 31 March 2017	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
12 Investments - Unquoted				
Current (Non-Trade Investments):				
Carried at Net Asset Value				
Investments in Mutual Funds (unquoted)	-	20,043,241	-	-
	-	20,043,241	-	-
Aggregate amount of quoted investments and market value thereof	-	-	-	-
Aggregate amount of unquoted investments	-	20,043,241	-	-
Aggregate amount of impairment in the value of investments	-	-	-	-

Details of current investments

Current investments in mutual funds comprise:

Name of Mutual fund	As at 31 March 2018	
	No of units	Amount
Reliance Liquid Fund-TP-Direct Plan Growth Plan-Growth Option -L FAG	657	2,738,927
ICICI Prudential Liquid Fund -Direct Plan-Growth	287	72,001
Aditya Birla Sun life Floating Rate Fund Short Term Plan -Growth-Regular Plan	3,355	761,265
Aditya Birla Sun Life Cash Plus -Growth -Regular Plan	3,343	913,495
L & T Liquid Fund-Regular Growth	296	699,002
Kotak Floater Short Term -Growth (Regular Plan)	1,867	5,294,979
Tata Liquid Fund Regular Plan-Growth	655	1,754,128
UTI Money Market Fund-Institutional Plan -Growth Plan	1,270	2,437,328
Axis Liquid Fund - Growth-CFPG	1,499	2,847,750
Baroda Pioneer Liquid Fund -Plan A Growth	1,290	2,524,366
		20,043,241

13 Receivables from financing activity

Secured

Standard assets

- Disbursed as NBFI

As at 31 March 2018		As at 31 March 2017	
Non-current ₹	Current ₹	Non-current ₹	Current ₹
174,890,905	232,617,358	53,687,250	335,385,280
-	-	-	-
5,398,950	20,122,509	-	126,490
180,289,855	252,739,867	53,687,250	335,511,770
680,475,358	1,059,255,845	25,518,850	159,466,359
-	-	-	7,101,551
2,204,287	29,812,050	-	436,404
-	-	19,214	2,602,903
682,679,645	1,089,067,895	25,538,064	169,607,217
862,969,500	1,341,807,762	79,225,314	505,118,987

Non-performing assets

- Disbursed as NBFI

Unsecured

Standard assets

- Disbursed as NBFI

- Out of assignment transactions

Non-performing assets

- Disbursed as NBFI

- Out of assignment transactions

The above amounts have been considered good except to the extent of provision created on standard and non performing assets as disclosed in Note 8.



Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information

	As at 31 March 2018		As at 31 March 2017	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
14 Loans and advances				
(Unsecured, considered good)				
Security deposits	5,876,900	-	4,066,800	586,000
Capital advances	1,250,187	-	37,870	-
Balances with government authorities	-	6,819,612	-	607,179
Tax deducted at source receivable	8,168,147	-	2,808,286	-
Advance to creditors	-	130,800	-	3,000,000
Employee advances	-	408,886	-	172,416
Other advances	-	458,736	45,000	166,070
Prepaid expenses	-	4,615,085	-	2,309,276
Loans and Advances to Samunnati ESOP Trust	113,380	-	105,000	-
	15,408,614	12,433,119	7,062,756	6,640,941
			As at	As at
			31 March 2018	31 March 2017
			₹	₹
15 Other non-current assets				
Deposits held with financial institutions			24,333,334	14,166,667
Margin money deposits (Also, refer note 17)			26,281,344	45,911,462
Interest accrued on deposits			2,683,558	1,841,193
Interest strip asset			3,447,142	-
Unamortised cost of borrowings			12,675,605	-
			69,420,983	61,919,322
			As at	As at
			31 March 2018	31 March 2017
			₹	₹
16 Trade receivables				
Outstanding for a period of more than six months				
From trading activity				
Considered good			25,110,298	-
Considered doubtful			833,957	-
Less: Provision for doubtful debts			(833,957)	-
			25,110,298	-
Other debts - considered good				
From trading activity			416,994,030	114,289,118
Loan service fee receivable			2,841,704	5,993,386
			419,835,734	120,282,504
			444,946,032	120,282,504
Movement in provision for doubtful debts				
Opening balance			-	-
Add: Provision made during the year			833,957	-
Closing Balance			833,957	-



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Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
17 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	142,460	524,340
Balances with banks		
- in current accounts	548,568,794	192,249,389
- in deposit account (with original maturity upto 3 months)	229,821,437	-
	778,532,691	192,773,729
Other bank balances		
Deposits (with maturity up to 12 months)	5,826,516	-
Margin money deposit	30,671,344	54,511,462
Less: Classified as non-current balances (Also, refer note 15)	(26,281,344)	(45,911,462)
	10,216,516	8,600,000
	788,749,207	201,373,729
18 Other current assets		
Deposits held with financial institutions	8,083,333	8,833,333
Interest accrued but not due on deposits	1,886,476	385,329
Interest income accrued on receivables from financing activity	39,313,769	9,615,019
Interest strip asset	21,527,866	-
Unamortised cost of borrowings	26,082,022	7,297,118
Other receivables	2,545,320	2,489,987
	99,438,786	28,620,786

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	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
19 Revenue from operations		
Interest income on receivables from financing activity	283,371,267	59,716,795
Interest income on fixed deposits	2,696,226	1,128,524
Loan processing fees	23,751,842	4,452,972
Loan servicing fees	2,120,997	15,031,763
Excess interest spread on securitisation	2,773,020	-
Other operating income	226,910	298,970
	314,940,262	80,629,024
Income from trading activities	1,054,122,516	144,824,100
Sale of agricultural products*	1,054,122,516	144,824,100
	1,369,062,778	225,453,124
*The subsidiary trades in a single type of product viz. agri-inputs and commodities		
20 Other income		
Interest income on fixed deposits	6,184,267	3,009,257
Income from mutual fund investments	16,452,020	-
Recovery of defaults in loan serviced	9,560,566	2,152,931
Sale of agricultural products	-	13,668,659
Miscellaneous	1,490,764	56,667
	33,687,657	18,887,514
21 Purchases of traded goods		
Purchase of agricultural products	1,010,776,699	151,490,020
	1,010,776,699	151,490,020
22 Employee benefits expense		
Salaries and wages	112,707,825	63,097,367
Gratuity and leave encashment expenses (Also, refer note 10)	4,601,565	259,432
Contribution to provident and other funds	4,279,210	2,705,749
Employee stock option expenses	16,243,161	1,487,028
Staff welfare expenses	5,431,235	1,636,444
	143,263,016	69,186,020
24 Finance costs		
Interest expenses	172,547,952	35,129,647
Other borrowing costs	15,401,395	2,491,727
	187,949,347	37,621,374
25 Loan provisions and write-offs		
Provision for standard assets	9,515,202	2,905,699
Provision for non performing assets	5,593,331	318,501
Loan receivables written off	5,229,329	-
	20,337,862	3,224,200
26 Depreciation and amortization expense		
Depreciation expense (Also, refer note 11)	3,109,799	1,020,998
Amortisation expense (Also, refer note 11)	189,652	92,926
	3,299,451	2,013,914



Vijay



	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
27 Other expenses		
Legal and professional charges	15,958,876	11,051,294
Technology and communication expenses	8,117,138	8,777,545
Travelling and conveyance	14,755,690	9,490,538
Insurance	2,551,766	710,997
Payments to auditors (Also, refer note 28)	1,914,100	1,204,200
Repairs and maintenance - others	3,609,546	1,194,173
Rates and taxes	122,046	365,160
Rent (Also, refer note 31)	6,290,407	3,361,108
Printing and stationery	1,750,180	477,374
Power and fuel	804,533	287,946
Expenditure relating to trading activities	892,511	1,561,234
Sitting fees	658,411	-
Provisions for loss on loans serviced	7,475,484	18,130,114
Provision for bad and doubtful debts	833,957	-
Loss on sale of property, plant and equipment	4,874	286,202
Miscellaneous expenses	4,387,585	1,414,738
	70,127,164	58,312,623
28 Payments to auditors		
Statutory audit	1,650,000	1,190,000
Tax audit	200,000	-
Out of pocket expenses	64,100	14,200
	1,914,100	1,204,200
29 Earnings per equity share	Year ended 31 March 2018	Year ended 31 March 2017
Loss for the year (In ₹)	(33,003,044)	(77,507,513)
Less: Preference dividend (In ₹)	-	-
Profit attributable to equity shareholders (In ₹)	(33,003,044)	(77,507,513)
Weighted average number of equity shares in calculating basic EPS	414,885	377,200
Add: Effective of dilutive potential equity shares *	1,121,955	561,720
Weighted average number of equity shares in calculating dilutive EPS	1,536,840	938,920
Earnings per share		
- Basic (In ₹)	(79.55)	(205.48)
- Diluted (In ₹)	(79.55)	(205.48)
* In view of losses incurred during the period, potential equity shares are anti-dilutive in nature		

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30 Related party disclosures

a) Names of related parties and relationship

Relationship	Name of the related party
Key management personnel (KMP)	S G Anil Kumar- Director and CEO
Entity in which KMP has significant influence	Samunnati ESOP Welfare Trust

b) Related Party transactions

Nature of transactions	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
S G Anil Kumar		
Remuneration *	5,287,004	4,742,463
Reimbursement of expenses	61,000	118,550
Samunnati ESOP Welfare Trust		
Loans given	67,252,717	1,791,238
Shares subscribed including premium	67,252,717	1,791,238

* The amount excludes provision for gratuity of the year, which is determined for the Group as whole on actuarial basis

c) Balances at the end of the year

Particulars	As at 31 March 2018 ₹	As at 31 March 2017 ₹
S G Anil Kumar		
Reimbursement of expenses	54,530	54,530
Samunnati ESOP Welfare Trust		
Advances given	113,360	105,600

31 Disclosures in respect of non-cancellable operating lease

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

Payments falling due	As at in ₹	As at in ₹
Payable not later than 1 year	7,950,920	3,688,300
Payable later than 1 year and not later than 5 years	5,533,681	4,241,966
Total	13,484,601	7,930,266

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32 Details of security, repayment terms, applicable interest rates.

For balances outstanding as at 31 March 2018

Original maturity of loan	Rate of interest	Sanction limit ₹	Amount Outstanding ₹	Due within one year		Due beyond one year		Security details
				No of installments	Amount ₹	No of Installment	Amount ₹	
Long-term borrowings								
I. Non Convertible Redeemable Debentures								
Repayment at the end of the term								
36 Months	14%		120,000,000	NA	NA	1	120,000,000	Book debts
II. Term loans								
Monthly repayment of principal								
24 months	12%-13%	50,000,000	46,590,509	12	27,272,727	8-10	19,318,182	Cash collateral and book debts
24 months	14%-15%	110,000,000	90,706,242	12	54,339,875	3-9	36,368,367	Cash collateral and book debts
36 Months	12%-13%	80,000,000	72,485,484	12	24,464,823	20	48,020,641	Book debts
36 Months	13%-14%	85,000,000	79,444,444	12	27,943,679	20-21	51,500,765	Book debts
36 Months	14%-15%	415,000,000	332,015,044	12	127,947,898	7-18	204,067,146	Book debts and demand promissory note
Quarterly repayment of principal								
28 months	13%-14%	50,000,000	44,444,442	4	22,222,221	4	22,222,221	Book debts
36 Months	14%-15%	130,000,000	91,666,668	4	43,333,332	4-6	48,333,336	Cash collateral and book debts
36 Months	15%-16%	70,000,000	38,166,670	4	23,333,331	2-3	15,333,339	Cash collateral and book debts
36 Months	16%-17%	30,000,000	15,000,000	4	10,000,000	2	5,000,000	Book debts
39 months	12%-13%	200,000,000	184,615,365	4	61,538,460	8	123,076,925	Cash collateral and book debts
42 months	13%-14%	150,000,000	133,333,333	4	66,666,667	4	66,666,666	Book debts
45 months	14%-15%	50,000,000	50,000,000	4	16,666,668	8	33,333,332	Book debts
48 months	14%-15%	150,000,000	150,000,000	4	50,000,003	8	99,999,997	Book debts
Total			1,329,468,601		555,729,684		773,738,917	
Short-term borrowings								
I. Term Loans								
Monthly repayment of principal								
12 months	13%	100,000,000	100,000,000	12	100,000,000	-	-	Book Debts
12 months	14.25%	50,000,000	25,868,444	12	25,868,444	-	-	Book debts, Corporate guarantee and cash collateral
II. Cash credit								
Working capital loan								
12 months	12.75%	50,000,000	20,000,000	NA	20,000,000	-	-	Book Debts
12 months	13.00%	200,000,000	110,000,000	NA	110,000,000	-	-	Book Debts
Total			255,868,444		255,868,444			

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32 Details of security, repayment terms, applicable interest rates.

For balances outstanding as at 31 March 2017

Original maturity of loan	Rate of interest	Sanction limit	Amount Outstanding	Due within one year		Due beyond one year		Security details
				No of installments	Amount	No of installments	Amount	
Long-term borrowings								
Monthly repayment of principal	15%-16%	20,000,000	8,333,323	3-9	8,333,323	-	-	Book debts and cash collateral
36 Months	14%-15%	315,000,000	261,575,872	12	95,357,057	17-24	185,218,815	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	0	-	12	50,000,000	Book debts
Total			527,409,195		170,357,043		357,052,152	
Short-term borrowings								
Monthly repayment of principal	14.75%	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	14%-15%	10,000,000	7,500,000	3-9	7,500,000	-	-	Book debts
Total			86,870,782		86,870,782		-	

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33 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 core basic business segments are as follows:

1. NBF1 activities - Providing loans to borrowers and securitisation of such loans
2. Loan servicing - origination, co-lend 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.

Property, plant and equipment 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 2018			Year ended 31 March 2017			Total			
	Financing	Loan servicing	Trading	Unallocated	Total	Financing		Loan servicing	Trading	Unallocated
Revenue										
Revenue from external customers	312,819,265	2,120,997	1,054,122,516	-	1,369,062,778	65,597,261	15,031,763	144,834,100	-	225,453,124
Segment result	(66,814,589)	2,957,040	14,421,742	16,432,763	(33,003,044)	(34,747,652)	(32,519,425)	(2,859,575)	(7,380,661)	(70,070,185)
Other information										
Segment assets	2,365,700,324	2,841,704	450,041,035	653,862,027	3,672,245,090	746,210,541	35,626,861	187,947,134	53,151,020	1,022,036,465
Segment liabilities	1,608,638,949	-	145,137,488	43,701,788	1,847,478,225	533,774,353	12,892,834	85,280,844	13,072,907	654,800,338
Capital expenditure				6,599,180	8,599,180				7,055,120	7,055,120
Depreciation and amortisation				3,299,451	3,299,451				2,013,914	2,013,914
Other non-cash expenses				28,647,303	28,647,303				20,947,843	20,947,843

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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 and 20 December 2017 additional 5,794 and 70,368 shares respectively 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 1-4 years (As at 31 March 2017; 4 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 upto 31 March 2018.

	No. of options as at 31 March 2018	Weighted average exercise price in ₹	No. of options as at 31 March 2017	Weighted average exercise price in ₹
Options outstanding at the beginning of the year	24,212	10	23,325	10
Granted during the year	32,829	10	9,500	10
Exercised during the year	-	10	938	10
Expired/ lapsed during the year	-	10	7,775	10
Options outstanding at the end of the year	57,041	10	24,212	10
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 298 days (previous year 778 days).

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

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities		Share in profit or (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount
Balance as on 31 March 2018				
Parent	100.32%	1,830,522,374	87.72%	(28,950,523)
Subsidiary	9.35%	174,344,491	12.28%	(4,052,521)
Intercompany eliminations and other adjustments	-9.87%	(189,100,000)	0%	-
Balance as on 31 March 2017				
Parent	100.66%	369,838,516	97.00%	(75,804,525)
Subsidiary	-0.44%	(1,602,988)	2.20%	(1,792,988)
Intercompany eliminations and other adjustments	-0.02%	(100,000)	0%	-
Balance as on 31 March 2018	100.00%	1,824,766,865	100.00%	(33,043,044)
Balance as on 31 March 2017	100.00%	368,135,527	100.00%	(77,597,513)

36 Contingent liability

During the year entity has entered into a securitization transaction where loan receivables amounting to Rs. 26,378,679 (previous year: nil) has been given as subordination for principal amount receivable and a deposit amount of Rs. 23,191,344 (previous year: nil) given as cash collateral.

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
Firm Registration No.: 001076N/IN500013

Sushant E'S
Partner
Membership No: 200931



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

S G Anji Kumar
Director
DIN: 01189011

Gurunath Neelamani
Director
DIN: 02799985

Nirajan Chandrasekar
Company Secretary

Place: Chennai
Date: 21 June 2018

Place: Chennai
Date: 21 June 2018



Walker Chandiook & Co LLP
7th Floor, Prestige Polygon,
471, Anna Salai, Teynampet,
Chennai - 600 018
India

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Independent Auditor's Report

To the Members of Samunnati Financial Intermediation & Services Private Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Samunnati Financial Intermediation & Services Private Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss and the Consolidated 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 Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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). The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, 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.
5. 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 perform the audit to obtain reasonable assurance about whether these consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at 31 March 2018, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books,
 - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated 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 of the Holding Company and taken on record by the Board of Directors of the Holding Company and its subsidiary company covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary company covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - (i) there were no pending litigations as at 31 March 2018 which would impact the consolidated financial position of the Group;



Walker Chandlok & Co LLP

- (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company covered under the Act during the year ended 31 March 2018; and
- (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

Walker Chandlok & Co LLP

For **Walker Chandlok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sumesh E S

Sumesh E S
Partner
Membership No.: 206



Place: Chennai
Date: 21 June 2018

Annexure A to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited on the consolidated financial statements for the year ended 31 March 2018

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Samunnati Financial Intermediation & Services Private Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary company, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

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



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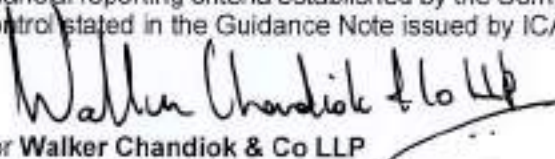
Annexure A to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited on the consolidated financial statements for the year ended 31 March 2018

Inherent Limitations of Internal Financial Controls over Financial Reporting

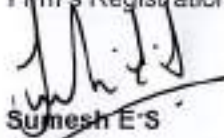
7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk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

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.



For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Sunesh E S
Partner
Membership No.: 20695



Place: Chennai
Date: 21 June 2018

Samunnati Financial Intermediation & Services Private Limited

Consolidated Financial Statements for the year ended 31 March 2018

	Notes	As at 31 March 2018 ₹	As at 31 March 2017 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	14,487,920	8,885,020
Reserves and surplus	4	1,810,278,945	359,250,507
		1,824,766,865	368,135,527
Non-current liabilities			
Long-term borrowings	5	893,738,917	357,052,152
Other liabilities	6	11,111,982	-
Long-term provisions	8	12,275,962	1,421,943
		917,126,861	358,474,095
Current liabilities			
Short-term borrowings	9	255,868,444	86,870,782
Trade payables	7	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,269,044	8,390,060
Other liabilities	6	653,000,344	196,630,614
Short-term provisions		12,213,532	14,435,387
		930,351,364	296,326,843
Total equity and liabilities		3,672,245,090	1,022,936,465
ASSETS			
Non-current assets			
Property, plant and equipment	11	14,091,132	11,223,560
Intangible assets	11	872,351	468,566
Capital work-in progress		1,110,400	-
Intangible assets under development		953,963	800,000
Receivables from financing activity	13	862,969,500	79,225,314
Long-term loans and advances	14	15,408,614	7,062,756
Other non-current assets	15	69,420,983	61,919,322
		964,826,943	160,699,518
Current assets			
Current investments	12	20,043,241	-
Trade receivables	16	444,946,032	120,282,504
Cash and bank balances	17	788,749,207	201,373,729
Receivables from financing activity	13	1,341,807,762	505,118,987
Short-term loans and advances	14	12,433,119	6,840,941
Other current assets	18	99,438,786	26,620,786
		2,707,418,147	862,236,947
Total Assets		3,672,245,090	1,022,936,465

Notes 1 to 36 form an integral part of these financial statements

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

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076NIN500013

Sumesh S.S.
Partner
Membership No: 208931



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

S G Anil Kumar
Director
DIN: 01189011

Niranjan Chandrashekar
Company Secretary

Gurunath Neelamani
Director
DIN: 02799586

Place: Chennai
Date: 21 June 2018

Place: Chennai
Date: 21 June 2018

Samunnati Financial Intermediation & Services Private Limited
 Consolidated Statement of profit and loss account for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Revenue			
Revenue from operations	19	1,389,062,778	225,453,124
Other income	20	33,687,657	18,887,514
Total revenue		1,402,750,435	244,340,638
Expenses			
Purchases of traded goods	21	1,010,776,699	151,490,020
Employee benefits expense	22	143,263,016	69,186,020
Finance costs	24	187,949,347	37,621,374
Loan provisions and write-offs	25	20,337,862	3,224,200
Depreciation and amortization expense	26	3,299,451	2,013,914
Other expenses	27	70,127,104	58,312,623
Total expenses		1,435,753,479	321,848,151
Loss before tax		(33,003,044)	(77,507,513)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Loss for the year		(33,003,044)	(77,507,513)
Loss per share			
Basic (₹ per share of 10₹ each)	29	(79.55)	(205.48)
Diluted (₹ per share of 10₹ each)	29	(79.55)	(205.48)

Notes 1 to 36 form an integral part of these financial statements

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

For Walker Chandiook & Co LLP
 Chartered Accountants
 Firm Registration No.: 001076N/N500013

Sumesh K.S.,
 Partner
 Membership No: 206931



Place: Chennai
 Date: 21 June 2018

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

S.G. Anil Kumar
 Director
 DIN: 01189011

Niranjan Chandrashekar
 Company Secretary

Place: Chennai
 Date: 21 June 2018

Gurunath Neelamani
 Director
 DIN: 02799586

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
A. Cash flow from operating activities		
Loss for the year	(33,003,044)	(77,507,513)
Adjustments for		
Interest income on deposits	(6,184,287)	(3,009,257)
Income from mutual funds	(16,452,020)	-
Interest expenses	12,870,257	640,763
Gratuity and leave encashment expenses	4,474,851	259,432
Employee stock option expense	16,243,161	1,467,028
Depreciation and amortization expense	3,299,451	2,013,914
Loss on sale of property, plant and equipment	4,874	266,202
Provision against standard assets	9,515,202	2,905,699
Provision against non-performing assets	5,593,331	318,501
Loan receivables written off	5,229,329	-
Provision for bad and doubtful debts	833,957	-
Operating profit/(loss) before working capital changes	2,425,062	(72,605,231)
(Decrease)/increase in other liabilities	40,196,181	(15,100,591)
Movement in provisions	(10,951,220)	11,116,139
Increase in trade payables	878,984	8,300,060
(Increase) in trade receivables	(325,497,485)	(117,723,265)
(Increase) in receivables from financing activity	(1,628,323,234)	(710,984,577)
(Increase)/decrease in loans and advances	(7,365,859)	118,248,450
(Increase) in other assets	(26,369,340)	(20,481,016)
Cash used in operating activities	(1,985,006,910)	(799,140,031)
Income taxes paid	(5,359,861)	(1,559,716)
Net cash used in operating activities	(1,960,366,771)	(800,699,747)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(9,534,602)	(7,309,409)
Proceeds from sale of property, plant and equipment	23,498	454,253
Movement in deposits with banks and financial institutions	6,596,935	2,195,662
Investment in mutual fund units, net	(20,043,241)	-
Income from mutual fund investments	16,452,020	-
Interest income on deposits	4,683,140	3,009,257
Net cash used in investing activities	(1,822,250)	(1,650,237)
Cash flows from financing activities		
Proceeds from issue of shares	1,500,003,367	301,732,058
Share issue expenses	(26,612,146)	(2,960,002)
Proceeds from borrowings	1,970,000,000	705,000,000
Repayment of borrowings	(878,942,932)	(97,589,270)
Interest expenses	(16,500,306)	(3,108,322)
Net cash generated from financing activities	2,547,947,983	903,064,464
Net increase in cash and cash equivalents	585,758,962	100,714,480
Cash and cash equivalents as at the beginning of the year	192,773,729	92,059,249
Cash and cash equivalents as at the end of the year	778,532,691	192,773,729
Cash and cash equivalents comprises of:- (Also, refer note 17)		
Cash on hand	142,460	524,340
Balances with banks	-	-
- in current accounts	548,568,794	192,249,389
- in deposit accounts (with original maturity upto three months)	229,621,437	-
	778,532,691	192,773,729

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

For Walker Chandok & Co LLP
Chartered Accountants
Firm Registration No.: 001078/N/N/500013

Suresh E'S
Partner
Membership No: 206931



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

S & Anil Kumar
Director
DIN: 01189011

Niranjn Chandrashekar
Company Secretary

Gurunath Neelamani
Director
DIN: 02799586

Place: Chennai
Date: 21 June 2018



Place: Chennai
Date: 21 June 2018

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/ Parent') 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, 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'.

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 2018.

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.

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 Property, plant and equipment and intangible assets

Property, plant and equipment 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 the previously estimated maximum benefit.

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.



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2.3 Property, plant and equipment and intangible assets (continued)

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.

2.5 Revenue recognition

Revenue is recognized 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 recognized on accrual basis (Internal rate of return/IRR) where as income from non-performing assets (NPA) is not recognized on accrual basis but is booked as income only when it is actually received 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.

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

Interest income on securitization

The contractual right retained by the Company to receive a portion of Interest ('Unrealized profits') arising at the time of securitization of loan portfolio (Excess Interest Spread-EIS) is recorded at present value and disclosed as "Interest strip on securitization" within "Other Assets" on the balance sheet. In accordance with the RBI guidelines, the unrealized profits in respect of securitized that is not due for collection is recorded at its present value and disclosed as "Interest strip on securitization" within "Other liabilities" on the balance sheet. Interest retained under securitization of loans is recognized on realization basis over the life of the underlying portfolio.

Losses arising on account of securitisation transactions are recognised in Statement of profit and loss immediately upon receipt of consideration.

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The subsidiary collects taxes on behalf of the government and, therefore, these are not economic benefits flowing to the Subsidiary. Hence, they are excluded from revenue.

The Subsidiary has assessed its relationship with its customers and has established that it has the ability to establish the price and also carries the credit risk in the sale transaction. Accordingly, the Subsidiary is the primary obligor in the transaction for sale of goods and has reported purchase and sale of goods on gross basis.

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.



2.6 Taxation (continued)

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 lout and net disposal proceeds is charged or credited to the statement of profit and loss. Investment made

2.7 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the books of the Company at fair value determined on an individual investment basis per provisions of RBI as applicable to a Non-Banking Financial Company (NBFC)- Non Systemically Important Non- Deposit taking Company, whereas the subsidiary accounts for the same at lower of cost or market value in accordance with AS 13. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amo 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. The trade or business of the company is termed as trade investments, and all other investments are termed as non-trade investments.

2.8 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.

2.9 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.

2.10 Operating 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

2.11 Transaction costs

Transaction costs including loan origination costs are incremental costs that are directly attributable to the acquisition of share capital and financial liability. Transaction costs includes fees paid to advisors and levies regulatory agencies, including taxes and duties. Transaction costs incurred towards:

- Issuance of share capital and debentures are adjusted from securities premium account to the extent of available in terms of Section 52 of the Companies Act 2013.
- Acquisition of borrowings is amortised over the tenure of borrowings.



2.12 Employee benefits

Defined contribution plan: The Group 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 Group make monthly contributions to the provident fund plan equal to specified percentages of the covered employee's basic salary. The Group 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 Group provides gratuity, a defined benefit retirement plan covering eligible employees. The Group 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.

Compensated absences: Accumulated leaves, which are expected to be utilized within the next 12 months, are treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leaves which are expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the Balance Sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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 of the Company are classified and provided based on management's estimates, as detailed below, 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	0.50%
Non performing assets		
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%

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Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information

	As at 31 March 2018		As at 31 March 2017	
	Number	₹	Number	₹
3 Share capital				
Authorised				
Equity shares of ₹ 10 each	750,000	7,500,000	750,000	7,500,000
Compulsorily Convertible Preference shares of ₹ 10 each	1,250,000	12,500,000	750,000	7,500,000
	2,000,000	20,000,000	1,500,000	15,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	465,661	4,656,610	395,193	3,951,930
Less: Amount recoverable from Samunnati ESOP Welfare Trust (Also, refer note g)	(138,824)	(1,388,240)	(68,411)	(684,110)
	326,837	3,268,370	326,782	3,267,820
Compulsorily convertible preference shares of ₹ 10 each				
Series A1	98,585	985,850	98,585	985,850
Series A2	125,501	1,255,010	125,501	1,255,010
Series A3	61,142	611,420	61,142	611,420
Series B	276,492	2,764,920	276,492	2,764,920
Series C	560,235	5,602,350	-	-
	1,121,955	11,219,550	561,720	5,617,200
a) Reconciliation of equity share capital				
Balance at the beginning of the year	395,193	3,951,930	373,742	3,737,420
Add : Issued during the year	70,468	704,680	21,451	214,510
Balance at the end of the year	465,661	4,656,610	395,193	3,951,930
b) Reconciliation of preference share capital				
Series A1 - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	98,585	985,850	98,585	985,850
Add : Issued during the year	-	-	-	-
Balance at the end of the year	98,585	985,850	98,585	985,850
Series A2 - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	125,501	1,255,010	125,501	1,255,010
Add : Issued during the year	-	-	-	-
Balance at the end of the year	125,501	1,255,010	125,501	1,255,010
Series A3 - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	61,142	611,420	61,142	611,420
Add : Issued during the year	-	-	-	-
Balance at the end of the year	61,142	611,420	61,142	611,420
Series B - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	276,492	2,764,920	-	-
Add : Issued during the year	-	-	276,492	2,764,920
Balance at the end of the year	276,492	2,764,920	276,492	2,764,920
Series C - Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	-	-	-	-
Add : Issued during the year	560,235	5,602,350	-	-
Balance at the end of the year	560,235	5,602,350	-	-









3 Share capital (continued)

	As at 31 March 2018		As at 31 March 2017	
	Number	% of holding	Number	% of holding
c) Shareholders holding more than 5% of the shares				
Equity shares of ₹ 10 each				
S G Anil Kumar	230,058	49%	245,000	62%
Samunnati ESOP Welfare Trust	138,824	30%	68,411	17%
Ecap Equities Limited	75,699	16%	61,142	15%
Series A1 - Compulsorily convertible preference shares of ₹ 10 each				
Elevar M - III	98,585	100%	98,585	100%
Series A2 - Compulsorily convertible preference shares of ₹ 10 each				
Elevar M - III	125,501	100%	125,501	100%
Series A3 - Compulsorily convertible preference shares of ₹ 10 each				
RSM Associates	30,571	50%	30,571	50%
P Ramaraj	30,571	50%	30,571	50%
Series B - Compulsorily convertible preference shares of ₹ 10 each				
Elevar M - III	67,935	25%	67,935	25%
Accel India V (Mauritius) Ltd	193,999	70%	193,999	70%
Series C - Compulsorily convertible preference shares of ₹ 10 each				
responsAbility Agriculture I, SLP	317,423	57%	-	0%
Accel India V (Mauritius) Ltd	168,101	30%	-	0%
Elevar M - III	74,711	13%	-	0%

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 shares 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 is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend which can be approved by the Board of Directors. 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, B and C 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 in the ratio of 1:1 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 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 2018 ₹	As at 31 March 2017 ₹
4 Reserves and surplus		
a) Securities premium reserve		
Balance at the beginning of the period	490,157,894	194,305,958
Add : Additions made during the year	1,580,959,054	298,811,738
Less : Utilised towards share issue expenses	(26,612,146)	(2,980,002)
Balance at the end of the period	<u>2,044,504,602</u>	<u>490,157,894</u>
Less: Amounts recoverable from ESOP Trust	(88,290,715)	(1,732,128)
	<u>1,956,213,887</u>	<u>488,425,566</u>
b) Stock options outstanding account		
Balance at the beginning of the year	1,487,028	-
Add : Share based compensation for the year	16,243,161	1,487,028
Balance at the end of the year	<u>17,730,189</u>	<u>1,487,028</u>
c) Deficit in the statement of profit and loss		
Balance at the beginning of the period	(130,662,087)	(53,154,574)
Add: Transferred from statement of profit and loss	(33,003,044)	(77,507,513)
Balance at the end of the period	<u>(163,665,131)</u>	<u>(130,662,087)</u>
	<u>1,810,278,945</u>	<u>359,250,507</u>
5 Long-term borrowings (Also, refer note 32)		
Secured		
14% Non convertible redeemable debentures	120,000,000	-
Term loans from banks	46,590,908	527,409,195
Term loans from parties other than banks	1,282,877,693	-
	<u>1,329,468,601</u>	<u>527,409,195</u>
Less: Classified as other current liabilities (Refer note 6)		
Current maturities of long term borrowings from other parties	(555,729,684)	(170,357,043)
	<u>893,738,917</u>	<u>357,052,152</u>
6 Other liabilities		
Non Current		
Interest strip liability	3,447,142	-
Interest accrued but not due on borrowings	7,664,840	-
	<u>11,111,982</u>	<u>-</u>
Current		
Current maturities of long-term debt (Also, refer note 5 and 32)	555,729,684	170,357,043
Interest accrued but not due on borrowings	10,818,946	3,140,958
Interest strip liability	21,527,866	-
Advances and payables towards loan servicing arrangement, net	-	1,398,599
Repayments payable on securitised loans	27,037,806	-
Creditor for capital goods	-	458,742
Employee related payables	8,254,322	2,821,533
Statutory dues payable	11,016,064	2,234,385
Creditors for expenses	18,617,656	6,219,354
	<u>653,000,344</u>	<u>186,830,614</u>
7 Trade payables		
Dues to micro and small enterprises (also, refer note (a) below)	-	-
Dues to others	9,269,044	8,390,060
	<u>9,269,044</u>	<u>8,390,060</u>

a) Dues to micro, small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act
There are no outstanding dues to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act 2006 as at the reporting date. The micro and small enterprises have been identified by the Management on the basis of information available with the Group.



	As at 31 March 2018		As at 31 March 2017	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
8 Provisions				
Provision for employee benefits (Also, refer note 10)	5,554,103	259,643	1,301,114	37,781
Provision against standard assets	5,961,535	6,459,366	120,829	2,784,870
Provision against non-performing assets	760,324	5,151,508	-	318,501
Provision for loss on loans serviced	-	343,015	-	11,294,235
	12,275,962	12,213,532	1,421,943	14,435,387

	As at 31 March 2018	As at 31 March 2017
	₹	₹
Movement in		
A Provision against standard assets		
Opening balance	2,905,699	-
Add: Provision made during the year	9,515,202	2,905,699
	12,420,901	2,905,699
B Provision against non-performing assets		
i Provision against sub-standard assets		
Opening balance	318,501	-
Add: Provision made during the year	4,847,941	318,501
	5,166,442	318,501
ii Provision against doubtful assets		
Opening balance	-	-
Add: Provision made during the year	745,390	-
	745,390	-
C Provision for loss loans		
Opening balance	11,294,235	178,096
Add: Provision made during the year	7,475,484	18,130,114
Less: Provision utilised	(18,426,704)	(7,013,975)
	343,015	11,294,235
9 Short-term borrowings (Also, refer note 32)		
Secured		
Term loans from parties other than banks	125,868,444	86,870,782
Cash credit from banks	20,000,000	-
Working capital loan from parties other than banks	110,000,000	-
	255,868,444	86,870,782

10 Employee Benefits

i) Gratuity

In accordance with applicable Indian laws, the Group 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 Group 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 Group provides for gratuity liability under the provisions of the Payment of Gratuity Act, 1972 from financial year 2015-16.

	For the year ended 31 March 2018	For the year ended 31 March 2017
	₹	₹
Changes in the present value of the defined benefit obligation are as follows:		
Projected benefit obligation at the beginning of the year	1,086,157	609,324
Service cost	2,107,148	638,057
Interest cost	74,945	47,527
Actuarial gain	132,829	(208,751)
Projected benefit obligation at the end of the year	3,401,079	1,086,157
Amount recognised in the Statement of Profit and Loss account		
Current service cost	2,107,148	638,057
Interest cost on benefit obligation	74,945	47,527
Net actuarial loss/(gain) recognised in the year	132,829	(208,751)
Net employee benefit expense	2,314,922	476,833



10 Employee Benefits (continued)

Reconciliation of present value of obligation

Particulars	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2016
Present value of defined benefit obligation	3,401,079	1,086,157	609,324
Fair value of plan assets	-	-	-
Net liability	3,401,079	1,086,157	609,324
Experience adjustments on plan liabilities	132,829	(208,751)	-

Assumptions used	As at	As at
	31 March 2018	31 March 2017
Discount rate	7.52%	6.90%
Long-term rate of compensation increase	10.00%	10.00%
Attrition rate	12.00%	16.00%

ii) Compensated absences

The Group permits encashment of compensated absences accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Group, 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 Group does not maintain any plan assets to fund its obligation towards compensated absences.

Principal actuarial assumptions used :	As at	As at
	31 March 2018	31 March 2017
Discount rate	7.52%	6.90%
Long-term rate of compensation increase	10.00%	10.00%
Attrition rate	12.00%	16.00%

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11 Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment						Intangible assets	
	Free hold land	Furniture and fittings	Office equipment	Computers and accessories	Vehicles	Leasehold improvements	Total	Software
Gross Block								
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	6,571,985	483,135
Disposals	-	-	(101,043)	(63,750)	(775,000)	-	(939,793)	-
As at 31 March 2017								
Additions	2,311,880	4,924,615	2,649,212	3,409,284	2,007,234	736,520	13,726,865	563,135
Disposals	-	61,105	635,021	2,851,767	-	145,970	6,005,743	593,437
As at 31 March 2018	2,311,880	4,985,720	3,270,833	6,261,051	2,007,234	862,490	19,699,208	1,156,572
Accumulated depreciation and amortisation								
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	1,016,024	163,440	13,044	1,920,968	92,926
Reversal on account of disposal	-	-	(47,950)	(20,806)	(130,582)	-	(199,338)	-
As at 31 March 2017								
Charge for the year	-	565,800	420,822	1,398,033	105,606	13,844	2,503,305	94,569
Reversal on disposal of assets	-	507,938	586,961	1,668,184	186,103	180,813	3,109,799	189,652
As at 31 March 2018	-	1,073,638	1,006,787	3,066,217	291,709	169,725	5,603,076	284,221
Net Block								
As at 31 March 2017	-	4,358,815	2,228,390	2,011,251	1,901,628	723,476	11,223,560	468,566
As at 31 March 2018	2,311,880	3,912,082	2,264,046	3,194,834	1,715,525	692,765	14,091,132	872,351

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Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information

	As at 31 March 2018		As at 31 March 2017	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
12 Investments - Unquoted				
Current (Non-Trade Investments):				
Carried at Net Asset Value				
Investments in Mutual Funds (unquoted)	-	20,043,241	-	-
	-	20,043,241	-	-
Aggregate amount of quoted investments and market value thereof	-	-	-	-
Aggregate amount of unquoted investments	-	20,043,241	-	-
Aggregate amount of impairment in the value of investments	-	-	-	-

Details of current investments

Current investments in mutual funds comprise:

Name of Mutual fund	As at 31 March 2018	
	No of units	Amount
Reliance Liquid Fund-TP-Direct Plan Growth Plan-Growth Option -L FAG	657	2,738,927
ICICI Prudential Liquid Fund -Direct Plan-Growth	287	72,001
Aditya Birla Sun life Floating Rate Fund Short Term Plan -Growth-Regular Plan	3,355	761,265
Aditya Birla Sun Life Cash Plus -Growth -Regular Plan	3,343	913,495
L & T Liquid Fund-Regular Growth	296	699,002
Kotak Floater Short Term -Growth (Regular Plan)	1,867	5,294,979
Tata Liquid Fund Regular Plan-Growth	655	1,754,128
UTI Money Market Fund-Institutional Plan -Growth Plan	1,270	2,437,328
Axis Liquid Fund - Growth-CFPG	1,499	2,847,750
Baroda Pioneer Liquid Fund -Plan A Growth	1,290	2,524,366
		20,043,241

	As at 31 March 2018		As at 31 March 2017	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
13 Receivables from financing activity				
Secured				
Standard assets				
- Disbursed as NBFI	174,890,905	232,617,358	53,687,250	335,385,280
Non-performing assets				
- Disbursed as NBFI	5,398,950	20,122,509	-	126,490
	180,289,855	252,739,867	53,687,250	335,511,770
Unsecured				
Standard assets				
- Disbursed as NBFI	680,475,358	1,059,255,845	25,518,850	159,466,359
- Out of assignment transactions	-	-	-	7,101,551
Non-performing assets				
- Disbursed as NBFI	2,204,287	29,812,050	-	436,404
- Out of assignment transactions	-	-	19,214	2,602,903
	682,679,645	1,089,067,895	25,538,064	169,607,217
	862,969,500	1,341,807,762	79,225,314	505,118,987

The above amounts have been considered good except to the extent of provision created on standard and non performing assets as disclosed in Note 8.



Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information

	As at 31 March 2018		As at 31 March 2017	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
14 Loans and advances				
(Unsecured, considered good)				
Security deposits	5,876,900	-	4,066,800	586,000
Capital advances	1,250,187	-	37,870	-
Balances with government authorities	-	6,819,612	-	607,179
Tax deducted at source receivable	8,168,147	-	2,808,286	-
Advance to creditors	-	130,800	-	3,000,000
Employee advances	-	408,886	-	172,416
Other advances	-	458,736	45,000	166,070
Prepaid expenses	-	4,615,085	-	2,309,276
Loans and Advances to Samunnati ESOP Trust	113,380	-	105,000	-
	15,408,614	12,433,119	7,062,756	6,640,941
			As at 31 March 2018 ₹	As at 31 March 2017 ₹
15 Other non-current assets				
Deposits held with financial institutions			24,333,334	14,166,667
Margin money deposits (Also, refer note 17)			26,281,344	45,911,462
Interest accrued on deposits			2,683,558	1,841,193
Interest strip asset			3,447,142	-
Unamortised cost of borrowings			12,675,605	-
			69,420,983	61,919,322
			As at 31 March 2018 ₹	As at 31 March 2017 ₹
16 Trade receivables				
Outstanding for a period of more than six months				
From trading activity				
Considered good			25,110,298	-
Considered doubtful			833,957	-
Less: Provision for doubtful debts			(833,957)	-
			25,110,298	-
Other debts - considered good				
From trading activity			416,994,030	114,289,118
Loan service fee receivable			2,841,704	5,993,366
			419,835,734	120,282,504
			444,946,032	120,282,504
Movement in provision for doubtful debts				
Opening balance			-	-
Add: Provision made during the year			833,957	-
Closing Balance			833,957	-



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Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
17 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	142,460	524,340
Balances with banks		
- in current accounts	548,568,794	192,249,389
- in deposit account (with original maturity upto 3 months)	229,821,437	-
	778,532,691	192,773,729
Other bank balances		
Deposits (with maturity up to 12 months)	5,826,516	-
Margin money deposit	30,671,344	54,511,462
Less: Classified as non-current balances (Also, refer note 15)	(26,281,344)	(45,911,462)
	10,216,516	8,600,000
	788,749,207	201,373,729
18 Other current assets		
Deposits held with financial institutions	8,083,333	8,833,333
Interest accrued but not due on deposits	1,886,476	385,329
Interest income accrued on receivables from financing activity	39,313,769	9,615,019
Interest strip asset	21,527,866	-
Unamortised cost of borrowings	26,082,022	7,297,118
Other receivables	2,545,320	2,489,987
	99,438,786	28,620,786

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	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
19 Revenue from operations		
Interest income on receivables from financing activity	283,371,267	59,716,795
Interest income on fixed deposits	2,696,226	1,128,524
Loan processing fees	23,751,842	4,452,972
Loan servicing fees	2,120,997	15,031,763
Excess interest spread on securitisation	2,773,020	-
Other operating income	226,910	298,970
	314,940,262	80,629,024
Income from trading activities	1,054,122,516	144,824,100
Sale of agricultural products*	1,054,122,516	144,824,100
	1,369,062,778	225,453,124
*The subsidiary trades in a single type of product viz. agri-inputs and commodities		
20 Other income		
Interest income on fixed deposits	6,184,267	3,009,257
Income from mutual fund investments	16,452,020	-
Recovery of defaults in loan serviced	9,560,566	2,152,931
Sale of agricultural products	-	13,668,659
Miscellaneous	1,490,764	56,667
	33,687,657	18,887,514
21 Purchases of traded goods		
Purchase of agricultural products	1,010,776,699	151,490,020
	1,010,776,699	151,490,020
22 Employee benefits expense		
Salaries and wages	112,707,825	63,097,367
Gratuity and leave encashment expenses (Also, refer note 10)	4,601,585	259,432
Contribution to provident and other funds	4,279,210	2,705,749
Employee stock option expenses	16,243,161	1,487,028
Staff welfare expenses	5,431,235	1,636,444
	143,263,016	69,186,020
24 Finance costs		
Interest expenses	172,547,952	35,129,847
Other borrowing costs	15,401,395	2,491,727
	187,949,347	37,621,374
25 Loan provisions and write-offs		
Provision for standard assets	9,515,202	2,905,899
Provision for non performing assets	5,593,331	318,501
Loan receivables written off	5,229,329	-
	20,337,862	3,224,200
26 Depreciation and amortization expense		
Depreciation expense (Also, refer note 11)	3,109,799	1,020,998
Amortisation expense (Also, refer note 11)	189,652	92,926
	3,299,451	2,013,914



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	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
27 Other expenses		
Legal and professional charges	15,958,876	11,051,294
Technology and communication expenses	8,117,138	8,777,545
Travelling and conveyance	14,755,690	9,490,538
Insurance	2,551,766	710,997
Payments to auditors (Also, refer note 28)	1,914,100	1,204,200
Repairs and maintenance - others	3,609,546	1,194,173
Rates and taxes	122,046	365,160
Rent (Also, refer note 31)	6,290,407	3,361,108
Printing and stationery	1,750,180	477,374
Power and fuel	804,533	287,946
Expenditure relating to trading activities	892,511	1,561,234
Sitting fees	658,411	-
Provisions for loss on loans serviced	7,475,484	18,130,114
Provision for bad and doubtful debts	833,957	-
Loss on sale of property, plant and equipment	4,874	286,202
Miscellaneous expenses	4,387,585	1,414,738
	70,127,164	58,312,623
28 Payments to auditors		
Statutory audit	1,650,000	1,190,000
Tax audit	200,000	-
Out of pocket expenses	64,100	14,200
	1,914,100	1,204,200
29 Earnings per equity share	Year ended 31 March 2018	Year ended 31 March 2017
Loss for the year (In ₹)	(33,003,044)	(77,507,513)
Less: Preference dividend (In ₹)	-	-
Profit attributable to equity shareholders (In ₹)	(33,003,044)	(77,507,513)
Weighted average number of equity shares in calculating basic EPS	414,885	377,200
Add: Effective of dilutive potential equity shares *	1,121,955	561,720
Weighted average number of equity shares in calculating dilutive EPS	1,536,840	938,920
Earnings per share		
- Basic (In ₹)	(79.55)	(205.48)
- Diluted (In ₹)	(79.55)	(205.48)
* In view of losses incurred during the period, potential equity shares are anti-dilutive in nature		

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30 Related party disclosures

a) Names of related parties and relationship

Relationship	Name of the related party
Key management personnel (KMP)	S G Anil Kumar- Director and CEO
Entity in which KMP has significant influence	Samunnati ESOP Welfare Trust

b) Related Party transactions

Nature of transactions	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
S G Anil Kumar		
Remuneration *	5,287,004	4,742,463
Reimbursement of expenses	61,000	118,550
Samunnati ESOP Welfare Trust		
Loans given	67,252,717	1,791,238
Shares subscribed including premium	67,252,717	1,791,238

* The amount excludes provision for gratuity of the year, which is determined for the Group as whole on actuarial basis

c) Balances at the end of the year

Particulars	As at 31 March 2018 ₹	As at 31 March 2017 ₹
S G Anil Kumar		
Reimbursement of expenses	54,530	54,530
Samunnati ESOP Welfare Trust		
Advances given	113,360	105,600

31 Disclosures in respect of non-cancellable operating lease

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

Payments falling due	As at in ₹	As at in ₹
Payable not later than 1 year	7,950,920	3,688,300
Payable later than 1 year and not later than 5 years	5,533,681	4,241,966
Total	13,484,601	7,930,266

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32 Details of security, repayment terms, applicable interest rates.

For balances outstanding as at 31 March 2018

Original maturity of loan	Rate of interest	Sanction limit ₹	Amount Outstanding ₹	Due within one year		Due beyond one year		Security details
				No of installments	Amount ₹	No of Installment	Amount ₹	
Long-term borrowings								
I. Non Convertible Redeemable Debentures								
Repayment at the end of the term								
36 Months	14%		120,000,000	NA	NA	1	120,000,000	Book debts
II. Term loans								
Monthly repayment of principal								
24 months	12%-13%	50,000,000	46,590,909	12	27,272,727	8-10	19,318,182	Cash collateral and book debts
24 months	14%-15%	110,000,000	90,706,242	12	54,339,875	3-9	36,366,367	Cash collateral and book debts
36 Months	12%-13%	80,000,000	72,485,464	12	24,464,823	20	48,020,641	Book debts
36 Months	13%-14%	85,000,000	79,444,444	12	27,943,679	20-21	51,500,765	Book debts
36 Months	14%-15%	415,000,000	332,015,044	12	127,947,896	7-18	204,067,146	Book debts and demand promissory note
Quarterly repayment of principal								
28 months	13%-14%	50,000,000	44,444,442	4	22,222,221	4	22,222,221	Book debts
36 Months	14%-15%	130,000,000	91,666,668	4	43,333,332	4-6	48,333,336	Cash collateral and book debts
36 Months	15%-16%	70,000,000	38,166,670	4	23,333,331	2-3	15,333,339	Cash collateral and book debts
36 Months	16%-17%	30,000,000	15,000,000	4	10,000,000	2	5,000,000	Book debts
39 months	12%-13%	200,000,000	184,615,365	4	61,538,460	8	123,076,925	Cash collateral and book debts
42 months	13%-14%	150,000,000	133,333,333	4	66,666,667	4	66,666,666	Book debts
45 months	14%-15%	50,000,000	50,000,000	4	16,666,668	8	33,333,332	Book debts
48 months	14%-15%	150,000,000	150,000,000	4	50,000,003	8	99,999,997	Book debts
Total			1,329,468,601		555,729,684		773,738,917	
Short-term borrowings								
I. Term Loans								
Monthly repayment of principal								
12 months	13%	100,000,000	100,000,000	12	100,000,000	-	-	Book Debts
12 months	14.25%	50,000,000	25,868,444	12	25,868,444	-	-	Book debts, Corporate guarantee and cash collateral
II. Cash credit								
Working capital loan								
12 months	12.75%	50,000,000	20,000,000	NA	20,000,000	-	-	Book Debts
12 months	13.00%	200,000,000	110,000,000	NA	110,000,000	-	-	Book Debts
Total			255,868,444		255,868,444			

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32 Details of security, repayment terms, applicable interest rates.

For balances outstanding as at 31 March 2017

Original maturity of loan	Rate of interest	Sanction limit	Amount Outstanding	Due within one year		Due beyond one year		Security details
				No of installments	Amount	No of installments	Amount	
Long-term borrowings								
Monthly repayment of principal	15%-16%	20,000,000	8,333,323	3-9	8,333,323	-	-	Book debts and cash collateral
18 Months	14%-15%	315,000,000	261,575,872	12	95,357,057	17-24	185,218,815	Book debts
36 Months								
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	0	-	12	50,000,000	Book debts
Total			527,409,195		170,357,043		357,052,152	
Short-term borrowings								
Monthly repayment of principal	14.75%	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	14%-15%	10,000,000	7,500,000	3-9	7,500,000	-	-	Book debts
12 Months			86,870,782		86,870,782			
Total								

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33 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 core basic business segments are as follows:

1. NBF1 activities - Providing loans to borrowers and securitisation of such loans
2. Loan servicing - origination, co-lend 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.

Property, plant and equipment 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 2018			Year ended 31 March 2017			Total			
	Financing	Loan servicing	Trading	Unallocated	Total	Financing		Loan servicing	Trading	Unallocated
Revenue										
Revenue from external customers	312,819,265	2,120,997	1,054,122,516	-	1,369,062,778	65,597,261	15,031,763	144,834,100	-	225,453,124
Segment result	(66,814,589)	2,957,040	14,421,742	16,432,763	(33,003,044)	(34,747,652)	(32,519,425)	(2,859,575)	(7,380,661)	(70,070,185)
Other information										
Segment assets	2,365,700,324	2,841,704	450,041,035	653,862,027	3,672,245,090	746,210,541	35,626,861	187,947,134	53,151,020	1,022,036,465
Segment liabilities	1,658,638,949	-	145,137,488	43,701,788	1,847,478,225	533,774,353	12,892,834	85,280,844	13,072,907	654,800,338
Capital expenditure				6,599,180	6,599,180				7,055,120	7,055,120
Depreciation and amortisation				3,299,451	3,299,451				2,013,914	2,013,914
Other non-cash expenses				28,647,303	28,647,303				20,947,843	20,947,843

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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 and 20 December 2017 additional 5,794 and 70,368 shares respectively 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 1-4 years (As at 31 March 2017; 4 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 upto 31 March 2018.

	No. of options as at 31 March 2018	Weighted average exercise price in ₹	No. of options as at 31 March 2017	Weighted average exercise price in ₹
Options outstanding at the beginning of the year	24,212	10	23,325	10
Granted during the year	32,829	10	9,500	10
Exercised during the year	-	10	938	10
Expired/ lapsed during the year	-	10	7,775	10
Options outstanding at the end of the year	57,041	10	24,212	10
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 298 days (previous year 778 days).

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

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities		Share in profit or (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount
Balance as on 31 March 2018				
Parent	100.32%	1,830,522,374	87.72%	(28,950,523)
Subsidiary	9.35%	174,344,491	12.28%	(4,052,521)
Intercompany eliminations and other adjustments	-9.87%	(189,100,000)	0%	-
Balance as on 31 March 2017				
Parent	100.66%	369,838,516	97.00%	(75,804,525)
Subsidiary	-0.44%	(1,602,988)	2.20%	(1,792,988)
Intercompany eliminations and other adjustments	-0.02%	(100,000)	0%	-
Balance as on 31 March 2018	100.00%	1,824,766,865	100.00%	(33,043,044)
Balance as on 31 March 2017	100.00%	368,135,527	100.00%	(77,597,513)

36 Contingent liability

During the year entity has entered into a securitization transaction where loan receivables amounting to Rs. 26,378,679 (previous year: nil) has been given as subordination for principal amount receivable and a deposit amount of Rs. 23,191,344 (previous year: nil) given as cash collateral.

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
Firm Registration No.: 001076N/IN500013

Sushant E'S
Partner
Membership No: 200931



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

S G Anil Kumar
Director
DIN: 01189011

Gurunath Neelamani
Director
DIN: 02799985

Nirajan Chandrasekar
Company Secretary

Place: Chennai
Date: 21 June 2018

Place: Chennai
Date: 21 June 2018

