



Samunnati

Invested in your Growth

ANNUAL REPORT 2018-19

Making Markets Work for Small Holder Farmers

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FROM THE CEO'S DESK



It is my pleasure to present to you Samunnati's Annual Report for FY 2019. It was another crucial year that helped Samunnati sharpen its mission and delivery mechanism, wherein we not only developed a deeper understanding of the agriculture value chain model that we strive to build but also fine-tuned our inclusive AMLA (Aggregation, Market Linkage, Advisory) approach.

Growing multi dimensionally each year, we continue to be client-centric with focus on building robust knowledge, systems, processes, talent and solutions within Samunnati. We understand the challenges our clients face, be it financial or non-financial, and

deliver customised solutions with a quick turnaround time, which is very critical in a sector like agriculture.

Although last year posed some obstacles for the Non-financial Banking Corporations (NBFCs) in the country, we discerned the situation well and took right decisions at the right time. This helped us achieve a stellar growth of 92.6% in AUM at INR 4705.4 Mn over the previous year, as we disbursed INR 9220 Mn to our clients. FY 2019 has been a landmark year for Samunnati as we registered our first ever annual profit of INR 94.5 Mn.

FROM THE CEO'S DESK

We at Samunnati, strive to be an agriculture ecosystem enabler by working with Agri-Enterprise (AEs) on the demand side; and Farmer Producer Organisations (FPOs), that includes Community Based Organisations (CBOs) on the supply side of the value chain. In FY 2019, we worked with over 450 AEs, FPOs and CBOs as compared to ~250 the previous year. We diversified geographically to other locations like Karnataka, Maharashtra, Madhya Pradesh and Gujarat during FY 2019.

Under our AMLA framework, we provided market linkages to 52 FPOs (across 8 states) with 16 large institutional buyers with a trade volume of INR 113 Mn. Along with this, we conducted capacity building training for over 70+ FPOs as a part of our AMLA interventions.

In FY 2019, we were able to make inroads in policy advocacy and engaged with key stakeholders by building strong partnerships with multilateral agencies and DFIs. At a balance sheet level, we demonstrated the capability of attracting larger pools of capital as we raised around ~INR 3120 Mn both from Indian and Foreign Financial Institutions. We successfully used the non-convertible debentures (NCDs) route to boost our debt funding from foreign investors through five such transactions in FY 2019 - setting precedence in the agriculture value chain space. This helped us in the aftermath of liquidity crisis situations in the markets.

We forged strategic partnerships not only at an entity level but also at an ecosystem level in terms of incubators, accelerators (such as A-Idea NAARM, Villgro, Indigram Labs etc.). Samunnati Agro Solutions Private Limited Private Limited (Samunnati Financial intermediation & services Pvt Ltd wholly owned subsidiary) entered into a strategic four-year FPO project contract with with an international foundation. The project aimed at establishing FPOs as an asset class for the finance industry, by engaging with these entities at ground level in the selected geographies. We also subscribed to guarantee schemes by apex institutions like United States Agency for International Development (USAID) and Rabo Foundation that will support the process of lending to agri businesses that are otherwise riskier in absence of such guarantee structure.

The incubation team at Samunnati piloted new credit structures, financial solutions (like marketplace for dry fruits, irrigation as a service, agri entrepreneurs, farm input supply chain and so on) and new business

models, which would be scaled up in the coming years. During the last year, we also set up a new team - Research, Analysis & Market Penetration (RAMP) to build in-house market intelligence on agricultural and allied commodities. We also explored synergies with emerging tech start-ups such as ag-tech service providers that utilise IOT, big data, satellite imagery and block chain technology for agriculture monitoring. We believe, in a space like agriculture, technology will remove the knowledge deficit of the mainstream markets on how agriculture behaves, thereby removing the moral hazard associated with pricing of several products in agriculture. Through a structured engagement with such a wide array of stakeholders, Samunnati is moving in the direction of playing the role of an ecosystem player, rather than being only a lender.

FY 2019 also saw a lot of mainstream talent joining Samunnati at senior and mid-level positions, thereby deepening its knowledge pool. Our focus is to create domain expertise and get diversity into the senior leadership.

The year that went by was very insightful - we learned, implemented, failed and succeeded to become stronger and mature. I would like to use this opportunity to thank all our stakeholders, our clients, our investors, our partners and lenders for the trust they have shown in us. I would also like to thank Samunnati's Board for their guidance throughout the year and our employees for their sustained efforts and commitment that helped us achieve our objectives.

For the upcoming year, we will continue to offer customised solutions to our clients, thereby creating value for all our stakeholders. On the FPO front, we would aspire to bring a larger ecosystem intervention like market linkages and exchange mechanisms to hedge the risks, thereby increasing the return per unit produced for our FPOs and their members. We are confident that we would be able to build many more strategic partnerships and continue to add value to the farmer community, in our endeavor to make markets work for small holder farmers.

Anil Kumar S G
Founder & CEO

BOARD OF DIRECTORS



N. Srinivasan - Independent Director

N Srinivasan had been a central banker and development banker for 30 years in Reserve Bank of India and NABARD. Over the last ten years, he has been involved in design, supervision and evaluation of policy, strategy and implementation of several development finance and rural development projects.

Sunil Gulati - Independent Director



Sunil Gulati has three decades of global experience in the banking industry across investment banking, corporate finance, relationship management, risk management and corporate strategy. In the last 15 years, Sunil was a key member (Chief Risk Officer) of the management teams at RBL Bank Ltd, Yes Bank and ING Baring Business, India.

Venkatesh Tagat - Independent Director



Dr. Venkatesh Tagat has recently retired as Chief General Manager, Business Initiatives Department of National Bank for Agriculture and Rural Development (NABARD). He had a stint as CGM, Bengaluru Regional Office. He was also Director on the Board of National Commodity & Derivatives Exchange Ltd Mumbai and also a member on the Inter-Ministerial Group on Agricultural Marketing, New Delhi

Jyotsna Krishnan - Nominee Director, Elevar



Jyotsna Krishnan has over 12 years of experience in the investment sector, precisely investments in early stage ventures. In particular, Jyotsna has spent considerable time with low income communities and has translated her admiration for these communities into concrete observations.

Mahendran Balachandran - Nominee Director, Accel



Mahendran Balachandran has vast experience in the investment sector and brings with him two decades of experiences in technology companies, including Apple. He is the lead investor and serves on the board of various companies engaged in healthcare and technology sector.

BOARD OF DIRECTORS



Akshay Dua - Nominee Director, responsibility

Akshay Dua has over 12 years of experience in private equity and investment banking. He joined responsibility in 2012 and leads the fund's efforts in Asia Pacific for private equity investments in food and agriculture in the mid-market range.

Anil Kumar S G - Founder and CEO



Anil Kumar S G is a banker with over 27 years of experience. He has worked in entities like Canara Bank and ICICI Bank. He embarked on a journey in Rural & Agri finance from 2007 onwards as Founder Trustee of IFMR Trust, wherein he was involved in designing and deploying a local financial institution model called KGFS - Khetriya Gramin Financial Services.

Gurunath N - Whole Time Director



Gurunath N has over 30 years of experience in the banking and financial services space and started his career with TMB and moved to ICICI where he served in various roles for 15 years. Guru has also played key roles across Business and Operations in IFMR group of companies where has also served as CEO of a NBFC (Pudhuaaru Financial Services Private Limited) while at IFMR.

MANAGEMENT TEAM

Anil Kumar S G

Founder & CEO

Gurunath N

Executive Director

Nitin Chaudhary

Head - Strategy & Innovations

Ashok Dhamankar

Group Chief Financial Officer

Srikanth Mahadevan

Head - Risk Management

Sridhar Easwaran

Senior Vice President Institution Development

Company Secretary - Niranjana Chandrasekhar

Statutory Auditors - Walker Chandiook & Co LLP

Firm Registration - 001076N/N500013

Address - 7th Floor, Prestige Polygon, 471, Anna Salai, Teynampet, Chennai, Tamilnadu 600018

COMPANY OVERVIEW

Samunnati Financial Intermediation & Services Private Limited (“Samunnati” or “Company”) was incorporated in the year 2014 as a Private Limited Company in Chennai. The Company was registered as a Non-Banking Financial Company (NBFC) with Reserve Bank of India in February 2016. During FY 2019, Samunnati became a Systemically Important NBFC (NBFC - NDSI).

Samunnati is a specialised Agri Value Chain enabler that provides innovative and customised financial and non-financial solutions. The Company was promoted by Anil Kumar S G who began his career as a banker and spent over 27 years in the rural & retail financial services, microfinance, and financial inclusion sectors.

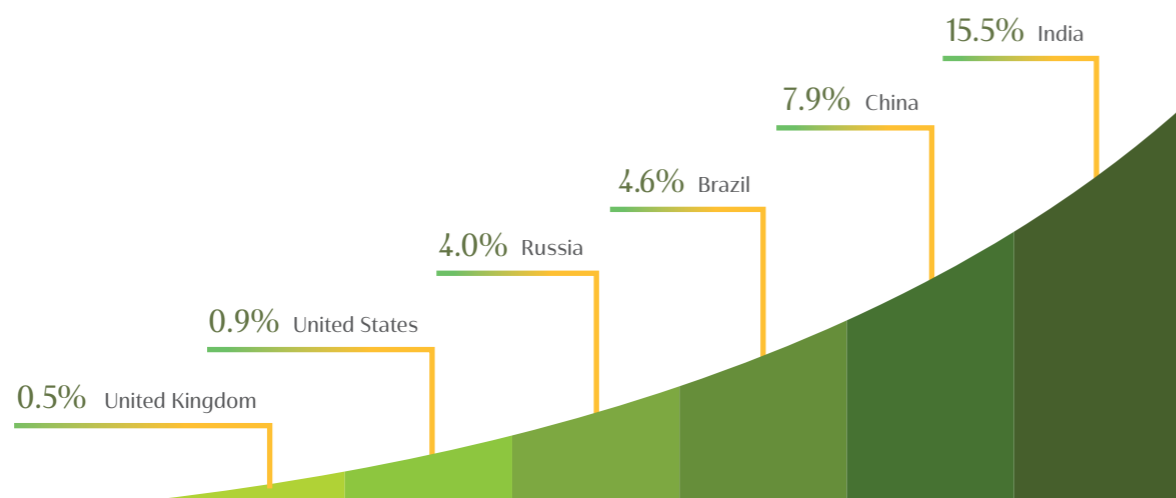
“ Samunnati leverages on the ‘social capital’ and ‘trade capital’ in buyer-seller relationships via Samunnati Aggregators¹, through non-traditional sourcing, risk assessment, and mitigation, aided by cutting edge technology, an experienced management team with deep domain expertise thereby building a quality business that is sustainable and results in inclusive growth. These values are non-negotiable and embedded in the genetic code of the Company and demonstrated in the way the Company’s processes operate. ”

With an aim to offer holistic, suitable trade solutions to the agriculture value chain players, Samunnati Agro Solutions Private Limited (“Samunnati Agro”) was incorporated on 14th October 2016 as a 100% subsidiary of Samunnati Financial Intermediation & Services Private Limited.

Samunnati and Samunnati Agro Solutions Private Limited constitute the Samunnati Group. Samunnati Group was present across 14 states with more than 271 employees in FY 2019.

Background on Agricultural Sector in India

Around 55% of the population in India derive their livelihood from agriculture, though its contribution to the Gross Domestic Product (GDP) of the country is less than 16%. Agricultural growth has long been recognised as an important instrument for poverty reduction. Studies have shown that for every 1% growth in per capita agricultural GDP resulted in 1.61% growth in the incomes of the poorest 20% of the population.



%Share of GDP further highlights Agriculture’s importance to the Indian Economy^[4]

¹Samunnati Aggregators are key partners who possess trade capital and social capital and whose interests are aligned with that of Samunnati. These aggregators are the avenues for Samunnati to access potential clients with required social and trade capital, also participate in the risks in dealing with such clients.

COMPANY OVERVIEW

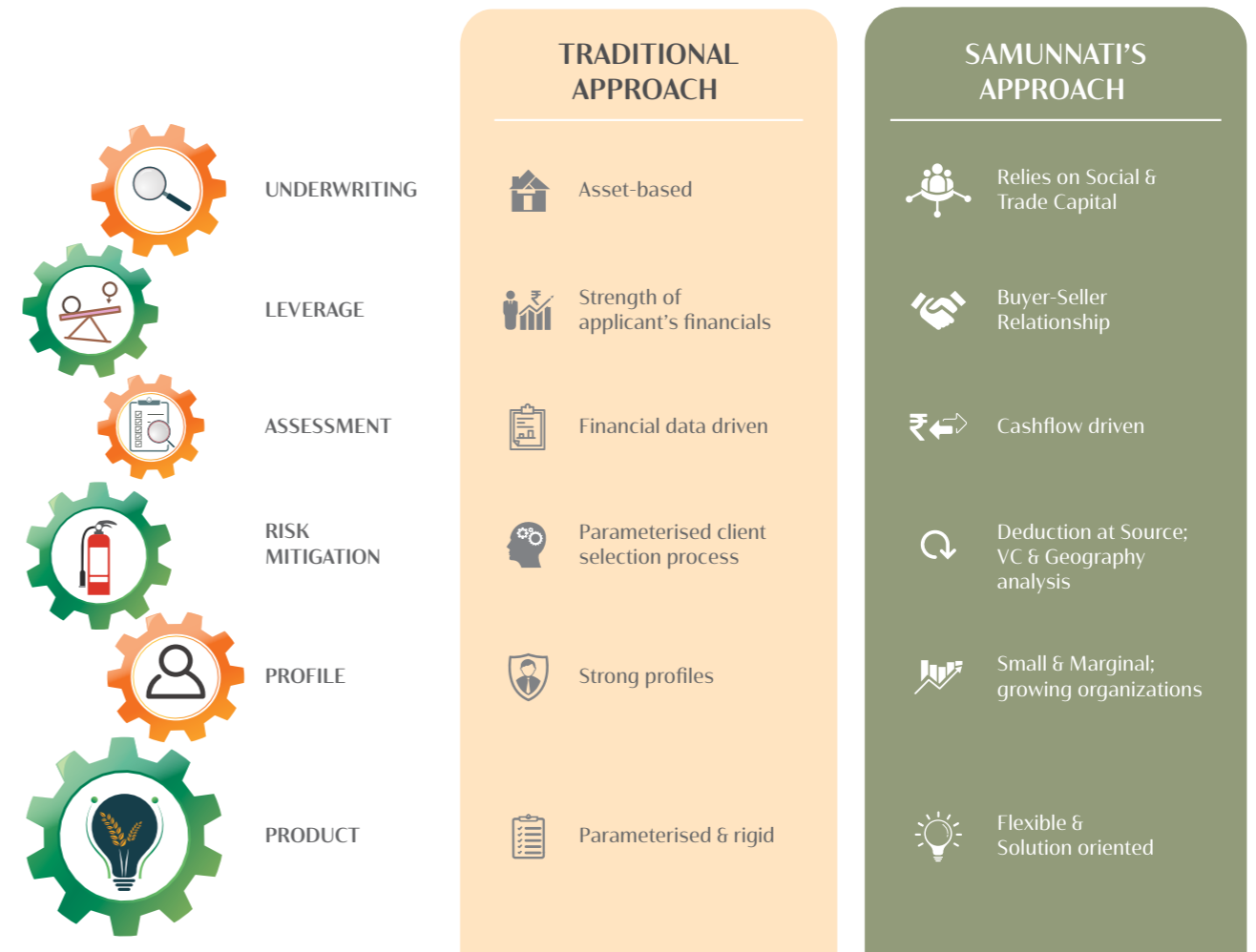
Gaps in Agriculture Financing

Agriculture businesses in India are unlike any other business, entailing risks related to production, weather patterns, prices and policies. In addition, lack of substantive financial data on agribusinesses and smallholder farmers makes it difficult to adopt conventional methods of credit assessment for financial institutions. Most plain vanilla financial products are not fully suited to the cash flow requirements of an agribusiness, which is often cyclical in nature and varies from crop to crop and region to region.

While there has been large-scale government focus on agriculture sector and priority sector lending norms in India, both microfinance institutions and banks have been unable to adequately meet the financial needs of agriculture businesses across the value chain.

To ensure a sustainable and vibrant agricultural ecosystem, government policies and financial interventions are required to be augmented and facilitated by other non-financial services, such as advisory services and market linkages. Availability of these services will enable development across the agriculture value chain.

SAMUNNATI’S APPROACH TO AGRICULTURE FINANCING



In addition to financial interventions, Samunnati offers co-financial and non-financial services to its customers. Samunnati follows the AMLA (Aggregation, Market Linkage and Advisory Services) approach to provide holistic solutions to its customers.

BUSINESS OPERATIONS

1. Samunnati Financial Intermediation & Services Private Limited

1.1 Agri-Enterprises, Community Based Organisations and Farmer Producer Organisations

Samunnati posted a strong growth in FY 2019 over the previous year with the disbursements doubling and an outreach to over 450, CBOs, FPOs and agri-enterprises (AEs) in FY 2019 compared to 250 CBOs, FPOs and AEs in FY 2017-18.

At the portfolio level, Samunnati focused on geographical diversification in FY 2019. Tamil Nadu constituted about 48% of the total portfolio in FY 2019 compared to 54% in the previous year. Other states such as Karnataka, Maharashtra, Gujarat & Madhya Pradesh were major growth drivers during the year.

The new clients added in FY 2019 contributed to 45% of the portfolio. This was majorly driven by the AE vertical.

The FPO engagement team was re-organised as a new vertical to focus and enable social, financial and technical capacities of smallholder farmers who are associated with FPOs. Samunnati disbursed INR 561.4 Mn with a closing AUM of INR 236.5 Mn as of March 31, 2019 to FPOs.

1.2 New Initiatives

Samunnati forged some key partnerships with ag-tech entities such as Weather Risk Management Services Private Limited (WRMS) and CropIn Technology Solutions to understand how to mitigate agriculture production risk using technology. Samunnati piloted different technology solutions with its FPOs in order to take up activities such as farmer mapping, geo tagging, growth and productivity assessment, crop insurance and so on. The Company was also able to help build capacities of five FPOs located in Karnataka and Maharashtra in FY 2019.

1.3 Incubation

Samunnati set-up the incubation team that pilots and tests innovative financial solutions as a part of its value chain finance model. Some of the key pilots that were undertaken in FY 2019 included:

- A receivable finance solution for a Hyderabad-based company that provides 'irrigation as a service'. This enabled the irrigation company to manage its vendor payments and operational expenses in a better manner.
- Funding a start-up engaged as a marketplace for dry fruits & commodities with a zero-inventory model and scalability potential.
- Extended medium-term loans for capital expenditure and working capital to micro-entrepreneurs. These entrepreneurs formed a viable channel for delivering value to small and marginal farmers across the country, while being able to generate adequate income for themselves.
- Extended short-term loans to an Uttar Pradesh based early-stage enterprise that is engaged in aggregation of input requirements and custom hiring services to small holder farmers. The loan was used to purchase inputs in bulk and supply the same to the farmers on credit. The pilot is proposed to be scaled gradually subject to the outcomes of the pilot.

- Extended short-term, working capital loan to an Indore-based marketplace engaged in digitising the farm input supply chain and aggregating the input demands of retailers along with credit facilitation. The marketplace has on boarded a large number of retailers across the state of Madhya Pradesh and established tie-ups with several farm input manufacturers. The loan is used to make advance booking of farm inputs. This has enabled the platform to attract its retailers by passing on the advance discount. The pilot, if successful, will enable to scale the product further in FY 2020 and introduce multiple niche solutions for Agri-input supply chain players.

1.4 Research, Analysis & Market Penetration (RAMP)

The Research Analysis and Market Penetration (RAMP) team was set up with the primary objective to build in-house market intelligence on agricultural and allied commodities in order to facilitate informed decisions. The team provides market insights and state level reports to various business verticals within Samunnati Group to strengthen the internal capacities on agricultural value chain, as well as, financing models. The team became fully operational in January 2019.

1.5 Samunnati Associates

Samunnati Associates is a new business channel that leverages the power of networking. It aims at building quality portfolio through prominent network players from the banking industry, called Samunnati Associates (SAs). The model was envisioned in early April 2018 and started functioning as pilot in the second quarter of the FY 2019. Samunnati has identified and enrolled over 168 SAs from across the country who have contributed to about INR 620 Mn towards the overall portfolio. The model has enabled Samunnati to explore new markets and penetrate existing agri value chains. With positive pilot results and emerging team quality, SA model is expected to make a generous contribution to the future business.

2. Samunnati Agro Solutions Private Limited

2.1 Trade

As the part of its trade function, Samunnati Agro Solutions Private Limited purchases the produce of the farmers and traders and sells the produce to processors, wholesalers who require adequate quality and quantity of produce. Samunnati does not take any kind of risk related to the transaction between two parties, rather acts as a facilitator by connecting the right buyer to the seller and vice versa. Our extensive reach with farmers and other stakeholders in the value chain enable us to identify the demand and supply in time, if required. This ensures better returns for both the parties and enables buyer to utilise the cash discount available in the market. Due to this unique intervention method, the farmer receives immediate payment enabling him/her to avoid distress selling and the wholesalers or exporters can drive their operations at an optimum level.

Samunnati's Agro Trade clients are divided into two categories:

- 1) Fruits and Vegetables (F&V)
- 2) Non-F&V

The services would include aggregation, market linkages (bill-to ship-to model), imports and vendor bill discounting. For FY 2019, Samunnati Agro Solutions Private Limited had a turnover of INR 3459.7 Mn-228% increase in sales volume as compared to FY 2018.

Samunnati Agro Solutions Private Limited was engaged in business activity with 126 customers across value chains in FY 2019; and the customer profile include dmandi traders, corporates, government suppliers, online platforms, FPOs etc. Around 119 items were traded in FY 2019. In terms of buyer distribution, Samunnati Agro Solutions Private Limited worked with buyers in 7 states across India during the same year.

2.2 E – Markets

Samunnati Agro Solutions Private Limited engages with e-market auction platforms such as NCDEX e-Market Limited (NeML) and others to widen its presence in the government purchase market. It provides trade solutions to suppliers to various state agencies like Andhra Pradesh Civil Supplies, Kerala Civil Supplies, etc. For instance, through a strategic partnership with NeML's Fresh platform, Samunnati Agro Solutions Private Limited was able to link the kinnow farmers in North India to markets in South India, resulting in increased arrivals and better prices to farmers. This initiative received a positive response and bears potential for FY 2020 as well.

Moreover, Samunnati Agro Solutions Private Limited plans to explore other e-market modules used by various bodies, like National Cooperative Dairy Federation of India (NCDFI), West Bengal Livestock Development Corporation Limited (WBLDC) and so on, to engage in dairy products and cattle feeds in the near future.

2.3 Institutional /Large Buyers

Samunnati Agro Solutions Private Limited engaged with large institutional buyers with a turnover of more than INR 5000 Mn, such as ITC Limited, ADM, Gokul Agro, SKM Feeds, Louis Dreyfus, Roquette, Nutrikraft and so on, to meet their supply side requirements. Samunnati Agro Solutions Private Limited helped the institutional buyers meet their output requirements by aggregating the produce from their supplier base of traders, FPOs and aggregators and then selling it to them.

Samunnati Agro Solutions Private Limited will continue to leverage the strong network of suppliers for future engagement with large institutional buyers and strive to enhance the product offerings

2.4 Market Linkages and Technical Assistance

Samunnati Agro Solutions Private Limited is extensively engaged with FPOs to establish market linkages for their produce. Commodities such as maize, soybean, castor, etc., produced by the FPOs are sold to large institutional buyers, where Samunnati Agro Solutions Private Limited provided market linkages, resulting in assured market for their crops and better prices. In the F&V space, Samunnati Agro Solutions Private Limited linked FPOs to modern retail/aggregators such as ABRL, Future Consumers Ltd, Spencer's Retail Ltd, Metro Cash & Carry, Reliance, Dev Bhumi, etc for better price realisation.

Under the 'bill-to ship-to' model, Samunnati Agro Solutions Private Limited worked with 52 FPOs from eight states to facilitate trade with 16 large scale buyers. The total value of the trade was INR 113 Mn. Moreover, in partnership with Indian Institute of Horticulture Research (IIHR) and National Institute of Rural Development (NIRD), Samunnati Argo provided training to 21 FPOs on AMLA solutions.

There were also district level workshops organised in 6 states, where focus group discussions were undertaken with 50+ FPOs.

CORPORATE GOVERNANCE

Source of Finance

In the context of the downturn in the financial markets and select large originators from the NBFC and housing finance space, FY 2019 was a challenging year in terms of the external environment for raising funds for the NBFC sector.

Samunnati navigated this crisis successfully given its strong capitalisation and solvency, and our business model that focused on working capital requirements of agricultural value chains. Samunnati's book had a composition of largely short-term assets, while the liabilities are longer-term; financed by term loans from banks and financial institutions. Hence, Samunnati has a positive cumulative ALM mismatch.

Samunnati also raised debt of INR 3125.1 Mn during the past year from banks, NBFCs and foreign investors. Regular term loans constituted INR 1435 Mn of these borrowings, of which INR 1050 Mn were drawn after the crisis. Samunnati also utilised the securitisation route to raise funds of INR 420 Mn in two transactions.

Further, Samunnati pursued the NCD route for raising borrowings from foreign portfolio investors. The Company successfully raised INR 1580 Mn from five international institutions namely Triple Jump, Triodos and FMO-Entrepreneurial Development Bank from Netherlands; Incofin from Belgium and Symbiotics from Switzerland. The NCD route helped Samunnati raise debt from foreign investors in the aftermath of the crisis, which provided access to lower cost funds and alternative markets to raise debt. These long-term borrowings at reasonable costs further enhance the positive cumulative ALM mismatch and impart stability to the funding profile of the Company.

Samunnati also took precautionary measures during the crisis to conserve liquidity to support business requirements and debt service obligations.

Partnerships & Eco-System Development

Samunnati focused on forging strong partnerships in FY 2019 with reputed international institutions for developing an enabling ecosystem for agricultural value chains, focusing on the smallholder farmers.

- Samunnati partnered with the United States Agency for International Development (USAID) and Rabo Foundation for enabling financing in the land use sector. USAID and Rabo Foundation have provided a long - term credit guarantee that enables Samunnati to extend credit to entities that are engaged in agroforestry, sustainable agriculture and other land use activities with an objective of creating a loan portfolio of INR 350 Mn. These activities would reduce greenhouse gas emissions from land use (including from forestry, agroforestry and agriculture) through improved land management and resource efficiency. Another outcome would be the generation of sustainable livelihoods for communities engaged in agriculture, agroforestry and for forest dependent communities in biodiversity rich regions.
- Samunnati Agro Solutions Private Limited entered into a key partnership with an international foundation to create an enabling ecosystem for FPOs. This 4 years project aims at making FPOs as a viable and efficient platform for farmers to transact; and developing FPOs as competent institutions that serve members well and operate effectively in financial and commodity markets. Some of the dimensions that the project would address include:
 - Creating an effective marketplace for connecting buyers and sellers of goods & services to FPOs;
 - Catalyse the diffusion of ICT-based innovations into FPOs;
 - Standardise the use of grading tools that can measure FPOs' operations & capacity, while serving as the foundation for FPO credit ratings that are widely accepted by the market;

- Facilitate delivery of institutional finance to the FPOs; and
- Demonstrate the potential of an outcomes-based approach to FPO capacity development, where interventions are based on FPOs' assessed needs and target outcomes to be achieved in a time-bound manner.
- Samunnati received support from Rabo Foundation for issuing credit guarantees to participate in the considerable risk of lending to nascent FPOs. In FY 2019, Rabo Foundation scaled up its support by providing a portfolio credit guarantee for lending to FPOs that enabled outreach to a larger number of institutions in a more efficient manner. Samunnati plans to create a portfolio of INR 240 Mn with FPOs using this guarantee support in the next two years. This would be particularly helpful in reaching out to nascent institutions in their first few cycles of credit.

Information Technology Management

Having envisioned the significance of data driven decision making, Samunnati started digitising data sources in FY 2019, thereby creating granular data for further analysis. This data digitisation exercise spanned across functions and helped in not only making better credit decisions but also at optimising costs. The Company plans to leverage advanced technical data capture functionalities to dive deeper into the data-mine in FY 2020.

Human Resource

Samunnati is an equal opportunity employer. Samunnati focuses on continuous learning and development of its employees. In FY 2019, the Company conducted around 31 training programs for its personnel across different functions to enhance their behavioral, as well as technical competencies.

As on 31st March 2019, Samunnati Group had a total of 271 employees on its rolls.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility remains at the core of Samunnati's business that it undertakes on a day-to-day basis. In keeping with the philosophy, the Company started the Center of Excellence (CoE) in partnership with Association for SarvaSeva Farms (ASSEFA), an NGO working towards women and farmers welfare at Pooriyampakkam in October 2016. Using its in-house expertise, Samunnati provided financial aid and conducted capacity building programs to help the dairy cooperative to use resources sustainably. As a result, the capacity utilisation of the milk chilling plant increased from 1,000 litres/day to 6,000 litres/day, which in turn strengthened the entire milk value chain in the region. This has also inspired other farmers to take up milk production as an alternative income generating activity by joining the cooperative. Further, over 500 children gained access to education through this partnership.

Samunnati has always strived to foster a culture of social responsibility among its employees, thereby enabling them to choose how best they can impact the agriculture communities we operate in. In FY 2019, Samunnati contributed a total of INR 0.5 Mn to the Kerala CM distress relief fund. Of this, employees contributed INR 0.3 Mn. In addition, employees sponsored essential relief material to the flood-impacted victims through NGOs such as Goonj and Choice Foundation. Samunnati also contributed INR 0.5 Mn, of which INR 0.4 Mn was from employees, to the #Savedelta campaign in response to the Cyclone Gaja in Pudukkottai for distribution of relief kits to 500 cyclone affected households. In addition to this, the Company has also donated INR 0.1 Mn towards Heartfulness Educational Trust.

MEDIA COVERAGE



<https://economictimes.indiatimes.com/news/economy/agriculture/samunnati-raises-rs-33-crore-from-symbiotics/articleshow/67850024.cms>



<https://www.entrepreneur.com/article/325744>



<https://www.usaid.gov/india/press-releases/oct-10-2018-usaid-rabobank-foundation-ananya-and-samunnati-make-credit>

DIRECTOR'S REPORT

Financial Performance

The summarised consolidated results of Samunnati Group are given in the table below

Particulars	(Rupees in INR)	
	Year ended 31 st March, 2019	Year ended 31 st March 2018*
Revenue from Operations (A)	4,238,391,714	1,366,366,552
Other Income (B)	60,026,459	36,383,883
Total Income (A+B)	4,298,418,173	1,402,750,435
Expenditure (Including Interest & Depreciation)	4,206,555,758	1,435,753,479
Profit/(Loss)before Tax	91,862,415	(33,003,044)
Less: Tax expenses:		
1. Current tax	5,721,976	-
2. Deferred tax	-	-
Profit/(Loss) after tax	86,140,439	(33,003,044)

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

The Standalone results of Samunnati Financial Intermediation & Services Private Limited are given in the table below.

Particulars	(Rupees in INR)	
	Year ended 31 st March, 2019	Year ended 31 st March 2018*
Revenue from Operations (A)	808,841,461	336,949,610
Other Income (B)	46,833,691	31,043,150
Total Income (A+B)	855,675,152	367,992,760
Expenditure (Including Interest & Depreciation)	755,483,861	396,943,283
Profit / (Loss)before Tax	100,191,291	(28,950,523)
Less: Tax expenses:		
1. Current tax	5,721,976	-
2. Deferred tax	-	-
Profit/ (Loss) after tax	94,469,315	(28,950,523)

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

DIRECTOR'S REPORT

Credit rating

During the year, Rating Agencies reaffirmed / issued ratings to the Company, as under:

RATING AGENCY	RATING
ICRA	BBB-* (Stable)
CARE	BBB-* (Stable)

*BBB Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.

Risk Management Policy

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 approves new products and value chains and reviews sector developments that may impact the Company. Management Committees have been constituted to periodically review the portfolio quality and overdues.

Approaches to Risk Management

Account Acquisition

This involves careful selection of customers based on its defined credit policy. Clear definition of prudential norms in terms of client wise exposures, sector wise exposures are defined and monitored through a strong governance mechanism

Account Management

Considering the nature of customers who are repeat borrowers in nature under revolving credit facility, the account management is done through periodic visits to ascertain end usage of funds, assess early warning signals and ensure completion of post sanction covenants, if any

Portfolio Management

Sound NPA management strategy has been put in place to ensure the risk appetite as defined by the board are adhered to. Portfolio triggers and mechanisms to ensure fresh slippages are well within the desired levels have been put in place

Action plans are deliberated, acted upon and tracked to ensure health of the portfolio is within acceptable standards. Legal actions wherever required are being initiated.

The Board is kept 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.

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.

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 2019, 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 2019 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;
- The Board of Directors have laid down internal Financial Controls to be followed by the Company and that such internal financial control is adequate and were operating effectively.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Other Regulatory Disclosures:

1. 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.

2. 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.

3. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

The 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, the Company has not received any complaints pertaining to sexual harassment.

4. Statutory Auditors, their Report and Notes to Financial Statements

In the first Annual General Meeting held on 30th September 2015, M/s. Walker, Chandlok & 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 with 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.

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

Nil

6. 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 2018-19.

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

The Company currently administers an Employee Stock Option Plan (ESOP) constituted in FY 2015. During the year, the Board had approved the Amended Employee Stock Option Plan 2018 at their meeting held on 21st June 2018 and the same was also approved by the Shareholders at their Meeting held on 25th July 2018. The ESOP was introduced with an intention to motivate employees to contribute to the growth and 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 FY 2017 to provide wealth creation opportunities to the promoter of the Company. 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	81783
Add Additional Allotment to Pool in FY 2019 (MSOP)	-
Options Granted in FY 2019	9025
Options Vested in FY 2019	36599
Options Exercised in FY 2019	Nil
Total No. of Shares arising as a result of exercise of Option in FY 2019	Nil
Options Lapsed	180
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 31 st Mar 2019	72938

8. 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:

- 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.
- 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 footprints.

9. Foreign exchange earnings and outgo:

Particulars	Inflow	Outflow
Current Year	Nil	INR 14,669,634 (USD 207027.12)
Previous Year	Nil	INR 326,082 (USD 4,955.55)

10. Capital Adequacy Ratio: -

The Capital Adequacy Ratio for the year ended 31st March 2019 was 34.28%

11. 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**.

12. 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 fulfill 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.

13. 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.

14. 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.

15. 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.

16. Secretarial Audit and Secretarial Audit Report:

Pursuant to Section 204 of the Act, the Board of Directors had appointed M/s. BP & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company for the FY 2019.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. BP & Associates in their Secretarial Audit Report dated May 21st, 2019.

ANNEXURE - I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2019 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	:	BAID HI TECH PARK, 8 th FLOOR, NO 129 B, EAST COAST ROAD, THIRUVANMIYUR, CHENNAI – 600 041
E-mail ID	:	secretarial@samunnati.com
Telephone No.	:	044-66762400
Website	:	www.samfin.in
iii) Date of Incorporation	:	23/06/2014
iv) Type of company	:	Private Limited company
Category of Company	:	Company Limited by shares
Sub-Category of Company	:	Indian Non-Government company
v) Details of Stock Exchange where shares are listed	:	NIL
Name, Address and Contact details of Registrar and Transfer Agent.	:	Integrated Registry Management Services Private Limited, 2 nd Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Application Section
1.	Samunnati Agro Solutions Private Limited Baid Hi Tech Park, 8 th Floor, No 129 B, ECR, Thiruvanimiyur, Chennai – 600 041	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
(1) Indian										
a) Individual/HUF	230058	5000	235058	50.47%	230058	5000	235058	50.47%	-	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	230058	5000	235058	50.47%	230058	5000	235058	50.47%	-	-
(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)	230058	5000	235058	50.47%	230058	5000	235058	50.47%	-	-
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-	-

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

C) Central govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others [Specify]	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B) (1)	-	-	-	-	-	-	-	-	-	-
(2) Non-Institutions										
a) Bodies corporates	-	-	-	-	-	-	-	-	-	-
i) Indian	-	75699	75699	16.26%	75699	-	75699	16.26%	-	-
ii) Overseas	15142	100	15242	3.27%	15142	100	15242	3.27%	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to INR 1 lakhs	-	838	838	0.18%	-	838	838	0.18%	-	-
ii) Individuals shareholders holding nominal share capital in excess of INR 1 lakhs	-	-	-	-	-	-	-	-	-	-
c) Others [ESOP Trust]	138824	138824	138824	29.81%	138824	138824	138824	29.81%	-	-
SUB TOTAL (B) (2)	15142	215461	230603	49.52%	90841	139762	230603	49.52%	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	15142	215461	230603	49.52%	90841	139762	230603	49.52%	-	-
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	245200	220461	465661	100%	320899	144762	465661	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	Anil Kumar S G	230058	49.40%	-	230058	49.40%	-	-
2	K. Seetha Lakshmi	5000	1.07%	-	5000	1.07%	-	-
	Total	235058	50.47%	-	235058	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	235058	50.47%	235058	50.47%
2	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
3	At the end of the year	235058	50.47%	235058	50.47%

There has been no change in the Promoters' Shareholding during the year

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

S No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Accel India v (Mauritius) Ltd	7571	1.62%	7571	1.62%
2.	Elevar M-III	7571	1.62%	7571	1.62%
3.	responsAbility Agriculture I SLP	100	0.021%	100	0.021%
4.	ECAP Equities Limited	75699	16.25%	75699	16.25%
5.	Ms. Poorna Pushkala (Trustee of Samunnati Employees Stock Option Plan Welfare Trust)**	138824	29.81%	138824	29.81%
6.	Ritesh Nair	419	0.08%	419	0.08%
7.	Nitin Chaudhary	419	0.08%	419	0.08%
	TOTAL	230603	49.48	230603	49.48

** In the Board Meeting held on 21st June 2018, the Shares of Samunnati Employees Stock Option Plan Welfare Trust held by Mr Gurunath N – Trustee- were transferred to Ms Poorna Pushkala- Trustee - Samunnati Employees Stock Option Plan Welfare Trust

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

S No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Accel India v (Mauritius) Ltd	362100	32.28	362100	32.28
2.	Elevar M-III	366732	32.69	366732	32.69
3.	responsAbility Agriculture I SLP	317423	28.29	317423	28.29
4.	RSM Associates	37850	3.37	37850	3.37
5.	Ramaraj Rajasekhar	37850	3.37	37850	3.37
	TOTAL	1121955	100%	1121955	100

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

S No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Anil Kumar S G – Director & CEO				
(i)	At the beginning of the year	-	-	-	-
(ii)	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	-	-	-	-
(iii)	At the end of the year	-	-	-	-
2	Mr. Nitin Chaudhary – Head – Strategy & Innovations				
(i)	At the beginning of the year	-	-	-	-
(ii)	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	-	-	-	-
(iii)	At the end of the year	-	-	-	-

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial				
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
Change in Indebtedness during the financial year				
Additions	3,351,500,000	-	-	3,351,500,000
Reduction	1,331,264,429	-	-	1,331,264,429
Net Change	2,020,235,571	-	-	2,020,235,571
Indebtedness at the end of the financial year				
i) Principal Amount	3,589,704,172	-	-	3,589,704,172
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	47,320,921	-	-	47,320,921
Total (i+ii+iii)	3,637,025,093	-	-	3,637,025,093

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No	Particulars of Remuneration	Name of the MD/WTD	Total Amount
		NA	
1	Gross salary	Mr. N. Gurunath (Wholetime Director)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	5,000,004	5,000,004
	(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	4790	4790
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	Total (A)	5,000,004	5,000,004
	Ceiling as per the Act	NA	

B. REMUNERATION TO OTHER DIRECTORS

S. No	Particulars of Remuneration in INR	NAME OF THE DIRECTORS			TOTAL AMOUNT (in INR)
		Independent Directors	Mr. Sunil Gulati	Mr.N. Srinivasan	
1	(a) Fee for attending board & committee meetings	375,000	360,000	90,000	825,000
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	360,000	360,000	90,000	825,000
2	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)= (1+2)	375,000	360,000	90,000	825,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act.	NA	NA	NA	NA

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO - Anil Kumar S G	CFO- Nitin Chaudhary*	Company Secretary – Niranjana Chandrasekhar#	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	12,321,996	5,000,004	764,730	18,086,730
	(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	28529	11645	-	40174
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	12,321,996	5,000,004	764,730	18,086,730

*Appointed as CFO w.e.f 18th September 2018

#Appointed as a CS w.e.f 21st June 2018

(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					

For Samunnati Financial Intermediation & Services Private Limited

Gurunath Neelamani
Whole Time Director
DIN: 02799586

Anil kumar S G
Director & CEO
DIN: 01189011

Place : Chennai
 Date : 22nd May 2019

ANNEXURE - II

Form AOC-1

EXTRACT OF ANNUAL RETURN

(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 INR)

S. 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	1,900,000/-
5.	Reserves & surplus	164,115,618/-
6.	Total assets	1,296,966,499/-
7.	Total Liabilities	1,296,966,499/-
8.	Investments	34,200,000/-
9.	Turnover	3,459,742,857/-
10.	Profit before taxation	8,328,875/-
11.	Provision for taxation	NIL
12.	Profit after taxation	8,328,875/-
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.

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	

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

Notes:

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

ANNEXURE - III

Form AOC-2

EXTRACT OF ANNUAL RETURN

(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/ transaction	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/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any (Amount in INR)	Date of Approval by the Board	Amount paid as advances, if any
Employees of Samunnati Financial Intermediation & Services Private Limited	Deputation of the Employees of Samunnati Financial Intermediation & Services Private Limited, to its 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 Holding Company. An amount of INR 4,749,651/- (inclusive of Taxes, has been charged to the Company's wholly owned Subsidiary, Samunnati Agro Solutions Private Limited, as deputation charges	NA	NIL



Samunnati

Invested in your Growth