

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED
CIN: U65990TN2014PTC096252
REGISTERED OFFICE ADDRESS: BAID HI TECH PARK, 8TH FLOOR, NO 129 B, EAST COAST ROAD,
THIRUVANMIYUR, CHENNAI - 600 041, TAMIL NADU
Website: www.samfin.in E-mail: secretarial@samunnati.com Phone: 044-66762400

FIFTH ANNUAL REPORT

FY 2018-19

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

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Foreword from the Directors

Dear Shareholders,

On behalf of the Board of Directors, it is our pleasure to present the Fifth Annual Report together with the Audited Statement of Accounts of SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED (“the Company”) for the year ended March 31, 2019.

Financial Performance

The summarized consolidated results of your Company are given in the table below.

(Rupees in INR)

Particulars	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.

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

(Rupees in INR)

Particulars	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	755,483,861	396,943,283
(Including Interest & Depreciation)		
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.

The year under review is one of the important year as company has become a Systemically Important NBFC.

Summary of Operations

- Company achieved 92.6% growth in AUM which has gone up by Rs. 226.24 Cr to Rs. 470.54 Cr from Rs.244.30 Cr in previous year.
- Revenue from operations grew by Rs. 47.19 Cr (140.1%) to Rs. 80.88 Cr from Rs. 33.69 Cr.
- Interest Income grew substantially by Rs. 44.71 Cr (244%.1) to Rs. INR 75.79 Cr from INR 31.08 Cr.
- Company registered its first annual profit of INR 9.45 Cr as against loss of Rs. 2.90 Cr in corresponding previous year.
- During the year company could raise debt of Rs. 312.51 Cr from Indian Banks, NBFCs and foreign investors despite adverse financial market conditions.

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Performance of Subsidiary: -

- Samunnati Agro Solutions Pvt. Ltd is a 100% subsidiary of the Company which deals in trading of agro commodities grew substantially by Rs. 194.3 Cr (228%) to Rs. 345.97 Cr from Rs. 151.7 Cr.
- EBITDA margins by Rs. 4.45 Cr (132.8%) to Rs. 7.80 Cr from Rs. 3.35 Cr.

Company Overview

Incorporated in 2014 as a private limited Company in Chennai, Samunnati is a non-banking financial company (NBFC) registered with Reserve Bank of India. Samunnati is a specialized Agri Value Chain enabler that provides innovative and customized financial and non-financial solutions. The Company was started by Anil Kumar SG who began his career as a banker and has 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 solutions to the agri-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 Agro offers trade facilities to agri-value chain players as part of the internal value chain finance.

With an institutionalized framework in place, the Company and its subsidiary is present across 14 states with more than 271 employees.

Background on Agricultural Sector and Financing in India

Around 55% of Indians derive their livelihood from agriculture, though its contribution to the Gross Domestic Product (GDP) of the country is less than 15%. Agricultural growth has long been recognised as an important instrument for poverty reduction. Studies have shown that every 1% growth in per capita agricultural GDP led to 1.61% growth in the incomes of the poorest 20% of the population.

Challenges & Gaps in Agriculture Financing

Agriculture and agriculture-based enterprises are unlike any other businesses, entailing risks related to production, weather, prices and policy. This coupled with lack of financial data about agribusinesses and smallholder farmers makes it difficult to adopt conventional methods of credit assessment for financial institutions. Most plain vanilla financial

¹ Samunnati Aggregators are key partners who possess trade capital and social capital and whose interests are aligned with that of Samunnati. They give Samunnati access to potential clients with social capital and trade capital and also substantially participate in the risks in dealing with such clients.

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products are ill-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.

Moreover, 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 agricultural value chain players.

To ensure a sustainable and vibrant agricultural ecosystem, government policies and financial interventions need 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 AMLA (Aggregation, Market Linkage and Advisory Services) approach to provide holistic solutions to its customers.

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 2018-2019.

Dividend

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

Transfer to reserves:

Your Company has transferred 1.89 crore (20% of PAT) to statutory reserve as required u/s 45-IC of Reserve Bank of India Act of 1934.

Change in the nature of business, if any:

There were no changes in the nature of business of the Company during the financial year 2018-19.

Non - Acceptance of Deposits

Your Company has not accepted any public deposits during the financial year 2018- 19.

Internal financial control over financial reporting:

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.

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Changes to Share Capital, if any:

During the year under review, there was no change in the Authorised Capital and Paid-up Capital of the Company.

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

Particulars	Opening	Closing
Authorized Capital (INR)	INR 2,00,00,000/-	INR 2,00,00,000/-
Paid Up Capital (INR)	INR 15,876,160/-	INR 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 2018-19.

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

The Company currently administers an Employee Stock Option Plan (ESOP) constituted in 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 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	81,783
Add Additional Allotment to Pool in FY 18-19 (MSOP)	-
Options Granted (in 18-19)	9,025
Options Vested in 18-19	36,599
Options Exercised in 18-19	Nil
Total No. of Shares arising as a result of exercise of Option in 18-19	Nil

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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 31st Mar 2019	72,938
Employee wise details of options granted to; -	
(1) key managerial personnel;	Disclosed under Annexure I- MGT 9
(2) any other employee who has been granted options in any one year amounting to five percent or more of options granted during that year	Nil
(3) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Nil

Capital Adequacy

The Company's Capital Adequacy stood at 34.28% within the regulatory limits applicable for NBFC- ND-SI.

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

S No.	Name of the Director	DIN	Category	Changes during the year, if any
1.	Mr Narasimhan Srinivasan	01501266	Independent Director,	Nil
2.	Mr Sunil Gulati	00016990	Independent Director	Nil
3.	Dr Venkatesh Tagat	02728441	Independent Director	Appointed as Additional Director- Independent on 18 th September 2018
4.	Mr Mahendran Balachandran	00121640	Nominee Director	Nil
5.	Ms Jyotsna Krishnan	06572288	Nominee Director	Nil
6.	Mr Akshay Dua	03144843	Nominee Director	Nil
7.	Mr Anil Kumar S G	01189011	Director & CEO	Nil

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8.	Mr Neelamani	Gurunath	02799586	Wholetime Director	Nil
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- a. Mr. Niranjan Chandrashekar, was appointed as Company Secretary of the Company, with effect from 21st June 2018.
- b. Dr. Venkatesh Tagat was appointed as an Additional Director of the Company with effect from 18th September 2018.
- c. Mr. Nitin Chaudhary was appointed as the Chief Financial Officer (CFO) of the Company with effect from 18th September 2018.

Details of meetings of the Board

The Directors of the Company met 6 (Six) times during the financial year 2018-2019.

BOARD MEETINGS		
S. No	Date of Meeting	No. of Directors who attended the meeting
1	23 rd April 2018	7/7
2	21 st June 2018	6/7
3	18 th September 2018	6/7
4	3 rd December 2018	8/8
5	14 th February 2019	8/8
6	2 nd March 2019	5/8

List of Committees

During the year under review the Company had constituted the Risk Management Committee, Stakeholder Relationship Committee and IT Strategy Committee at the Board Meeting held on 18th September 2018.

Further, the Board of Directors had re-constituted the Audit Committee at the Board Meeting held on 18th September 2018.

The Constitution of the Committees are as below: -

1. Audit Committee:

The composition of the Audit Committee is as follows:

- a) Mr. Sunil Gulati - Chairman
- b) Mr. N Srinivasan - Member
- c) Mr. Akshay Dua - Member
- d) Permanent Invitee - Mr. Anil Kumar S G - CEO

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2. Nomination and Remuneration Committee:

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

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

3. Risk Management Committee:

The Composition of the Risk Management Committee is as follows:

- a) Mr. Sunil Gulati-Chairman
- b) Mr. N. Srinivasan-Member
- c) Mr. Akshay Dua-Member
- d) Mr. S G Anil Kumar-Member
- e) Mr. N.Gurunath-Member
- f) Chief Risk Officer of Samunnati - Member

4. Stakeholders Relationship Committee

The Composition of the Stakeholders Relationship Committee is as follows:

- a) Dr. Venkatesh Tagat-Chairperson
- b) Mr. S G Anil Kumar-Member
- c) Mr. N Gurunath-Member

5. IT Strategy Committee

The Composition of the IT Strategy Committee is as follows:

- a) Mr. Sunil Gulati-Chairperson
- b) Mr. S G Anil Kumar-Member
- c) Mr. N Gurunath-Member
- d) Mr. Nitin Chaudhary-Chief Technology Officer
- e) Mr. Dhanasekaran Sivaraj-Chief Information Officer

Number of Committee meetings

During 2018-19, the following Committee meetings were held: -

AUDIT COMMITTEE		
S. No	Date of Meeting	No. of Directors who attended the meeting
1	23 rd April 2018	4/4
2	21 st June 2018	4/4
3	18 th September 2018	4/4
4	3 rd December 2018	3/3
5	13 th February 2019	2/3

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NOMINATION & REMUNERATION COMMITTEE		
S. No	Date of Meeting	No. of Directors who attended the meeting
1	23 rd April 2018	4/4
2	21 st June 2018	4/4
3	18 th September 2018	3/4
4	3 rd December 2018	4/4
5	13 th February 2019	4/4

RISK MANAGEMENT COMMITTEE		
S. No	Date of Meeting	No. of Directors who attended the meeting
1	3 rd December 2018	5/5
2	13 th February 2019	4/5

STAKEHOLDERS RELATIONSHIP COMMITTEE		
S. No	Date of Meeting	No. of Directors who attended the meeting
1	3 rd December 2018	3/3
2	14 th February 2019	3/3

IT STRATEGY COMMITTEE		
S. No	Date of Meeting	No. of Directors who attended the meeting
1	13 th February 2019	5/5

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.

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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 2018-19 are given in form AOC 2 as Annexure III.

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 provision to Sub-Section (3) of Section 129 is given in Form AOC- 1 in Annexure II.

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

Corporate Social Responsibility (CSR)

The provisions of Section 135 of the Companies Act 2013 do not apply to the Company for the FY 2018-19. 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.

Credit rating

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

Rating agency	Rating
ICRA	BBB- (Stable)
CARE	BBB- (Stable)

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 fulfil 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.

Particulars of Employees:

The Company has the following employees whose details to be disclosed as required under Section 197(12) of the act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014.

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SN o	Name and Age of the Employ ee	Designati on	Remuneratio n in Rs.	Nature of Employ ment and date of commen t of Employ ment	qualifications and experience of the employee;	percentage of equity shares held by the employee of the total equity	last employment held by such employee before joining the company
1	SG Anil Kumar - 47 Years	CEO	INR1,23,21,99 6/-p.a.	Full time, 23 rd June 2014	Master's in management, MBA, BA, Banker with Over 27 years' experience	50.47%	CEO Pudhuaaru Financial Services Pvt Ltd

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.

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.

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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.

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 2018-19. The Secretarial Audit Report in the prescribed form MR-3, is annexed as Annexure IV.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. BP & Associates in their Secretarial Audit Report dated May 22nd, 2019.

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.

Management discussion and analysis report

a. Industry structure and developments

Around 55% of Indians derive their livelihood from agriculture, though its contribution to the Gross Domestic Product (GDP) of the country is less than 15%. Agricultural growth has long been recognised as an important instrument for poverty reduction. Studies have shown that every 1% growth in per capita agricultural GDP led to 1.61% growth in the incomes of the poorest 20% of the population.

b. Opportunities & Threats

Agriculture and agriculture-based enterprises are unlike any other businesses, entailing risks related to production, weather, prices and policy. This coupled with lack of financial data about agribusinesses and smallholder farmers makes it difficult to adopt conventional methods of credit assessment for financial institutions. Most plain vanilla financial products are ill-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.

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Moreover, 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 agricultural value chain players.

To ensure a sustainable and vibrant agricultural ecosystem, government policies and financial interventions need 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.

c.Product wise or sector wise performance of the company

Agri-Enterprises and Community Based Organisations (CBOs)

Samunnati posted a strong growth in FY'19 over the previous year with disbursements doubled with an outreach to over 450+CBOs and Agri-Enterprises compared to 250 CBOs and AEs in FY'18. The AUM has grown from INR 244 Cr to INR 471Cr reflecting a stellar growth of over 92.6% with disbursements of about INR 922 Cr.

Geographical diversification has been one of the key focus and at portfolio level Tamil Nadu constitutes about 48% as of Mar'19 compared to 54% in last year. Karnataka, Maharashtra, Gujarat & Madhya Pradesh were major growth drivers during the year.

New clients added during this year have contributed 45% in the portfolio as on Mar-19 majorly driven by Agri-Enterprises.

Farmer Producer Organisations (FPOs)

FPO engagement team was formed as a new vertical to enable social, financial and technical capacities of small holders who are associated with Farmer producer organisations.

Financial Performance

In FY 2018-19, the total disbursements to FPOs were INR 56.14Cr contributing to an AUM of INR 23.65 as of March 31, 2019

New Initiatives

Samunnati forged some interesting partnerships with tech-based entities like WRMS and CropIn on a pilot basis. They facilitated FPOs to take up activities like farmer mapping, geo tagging, growth and productivity assessment, crop insurance etc. to understand the mitigation of production risk through technology.

The team also built capacity of five FPOs located in Karnataka and Maharashtra.

Market Linkages & Technical Assistance

Under *bill to ship to* model, 52 FPOs from 8 states were facilitated to trade with 16 large scale buyers. Total value of the trade was INR 11.3 crores.

In collaboration with IIHR (Indian Institute of Horticulture Research) and NIRD (National Institute of Rural Development), Samunnati trained 21 FPOs on AMLA solutions.

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District level workshops were organized in six states to take up Focus Group Discussions with 50+ FPOs.

Incubation

Samunnati Finance has an incubation team that pilots and tests a number of financial solutions as a part of its value chain finance model. In FY 2018-19, Samunnati Finance piloted the receivable finance solution to a Hyderabad-based company, that provides 'irrigation as a service'. This enabled the irrigation company to manage their vendor payments & operational expenses in better way. Another financial solution incubated was through funding a start-up engaged as a marketplace for dry fruit & commodities with a zero-inventory model & scalability potential.

Samunnati Finance also extended medium term loans for capital expenditure & working capital to a set of micro-entrepreneurs under the pilot program. The agri-entrepreneurs are trained by a leading MNC Foundation engaged in farm input business. This entrepreneurs s have proved themselves as a viable channel for delivering value to small & marginal farmers across the country and can in process, generate livelihood for themselves.

Another interesting pilot program implemented was for an Uttar Pradesh-based early stage enterprise that is engaged in aggregation of input requirements & custom hiring services to small farmers. Samunnati has extended a short-term loan to the Company to purchase inputs in bulk and supply the same to the farmers on credit. The pilot will be scaled gradually subject to the credit behaviour & collection efficiency of the client.

An Indore-based marketplace engaged in digitizing the Farm Input supply chain and aggregating the input demands of retailers along with credit facilitation has onboarded a large number of retailers across the state of Madhya Pradesh and established tie-ups with farm input manufacturers. Samunnati has extended a short-term working capital loan to the Company to make advance booking of farm inputs. This has enabled the platform to attract its retailers by passing on the advance discount. A successful pilot will enable to scale the product and introduce multiple niche solutions for Agri Input supply chain players.

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 for informed decision making. The team provides market insights and state level reports to various business verticals within Samunnati to strengthen the internal capacities on agricultural value chain as well as financing models. The team became fully operational in January 2019.

Samunnati Associates

Samunnati Associates (SA) is a new business vertical that leverages on the power of networking. It aims at building quality portfolio through prominent network actors in the banking industry, called Samunnati Associates. The model was envisioned in early April 2018 and started functioning as pilot in the second quarter of the FY 2018-19. Samunnati has identified and enrolled over 168SAs from across the country who have contributed about INR 62 crores to the business, The model has enabled us to explore new markets and

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CIN: U65990TN2014PTC096252

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penetrate existing value chains. With positive pilot results and emerging team quality, SA model is expected to make generous contributions to the projected business figures.

Collection team

Samunnati adopts a robust collection mechanism where collection activities are performed when customers have an overdue on their repayment obligation. The Company's Collection Policy is built around dignity and respect to customers. The policy has been built on courtesy, fair treatment and persuasion. Samunnati believes in following fair practices on collection of dues and repossession of security and thereby fostering customer confidence and long-term relationship.

In line with the policy, the objective is to start collection activities at very early stages of the account being overdue and persuade the customer to repay the overdue amount thereby prevent the customer from going into a state of default.

d. Outlook

The company looks forward to drive a positive growth across all the business segments and other allied functions for the year ahead. The portfolio growth will be majorly driven by Agriculture enterprises and trading verticals. These verticals will explore opportunities through Samunnati Associates, e-markets modules and strong network of institutional buyers. Pilots with various enterprises under incubation, will be the prospective models to scale up the business figures and introduce various niche solutions for Agri and allied sectors.

The company would aim to generate a dedicated portfolio under sustainable agriculture and FPO vertical utilizing the credit guarantees by DFIs and Foundations respectively. Risk management will continue to remain an integral part and would be further strengthened by setting up robust monitoring and NPA management strategy. The company will continue to take precautionary measures against market events which impact the liquidity and support business requirements.

Moving towards data driven decision making, the company would be digitizing the data source across all the functions. To foster Corporate Social Responsibility (CSR) in the company, Samunnati foundation is envisioned to be set up as one of the arms of Samunnati Financial Intermediation & Service Private Limited.

e. Risks & Concerns

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 reviews sector developments that may impact the Company.

Management Committees have been constituted to periodically review the portfolio quality and overdues.

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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.

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. Legal actions wherever required are being initiated.

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.

Internal control systems & their adequacy

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.

- a. Discussion on financial performance with reference to operational performance (*Refer to Section on Financial Performance*)
- b. Material developments in Human resource/Industrial relationship front, including number of people employed.

Samunnati is very conscious of its vision to deliver quality business that is sustainable and results in inclusive growth. The Company achieves this vision through our most important asset, our employees. In line with this, Samunnati focuses on the learning and development to enhance employees' behavioural as well as technical competencies.

As on 31st March'19, Samunnati Finance had a total employee strength of 231.

Internal Audit

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee of the Company. Internal Audit Reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

CIN: U65990TN2014PTC096252

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Directors' Responsibility Statement

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

- a) In the preparation of the annual accounts for the financial year ended 31st March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent 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;
- c) The directors had taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The Board of Directors have laid down internal Financial Controls to be followed by the Company and that such internal financial control 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.

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 foot prints.

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Conservation of Energy-

No.	Particulars	
1	The steps taken or impact on conservation of energy	The Company is taking adequate steps to conserve the energy at all the levels and also implementing various measures for reduction in consumption of energy.
2	The steps taken by the company for utilizing alternate sources of energy	Not Applicable.
3	The capital investment on energy conservation equipment's;	During the year under review, there are no capital investment made on energy consumption equipment

The Company has no Foreign Technology Absorption during the period under review:

(i) the efforts made towards technology absorption;	NA
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	NA
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -	NA
(a) the details of technology imported;	NA
(b) the year of import;	NA
(c) whether the technology been fully absorbed;	NA
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
(iv) the expenditure incurred on Research and Development.	NA

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CIN: U65990TN2014PTC096252

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Foreign exchange earnings and outgo:

Particulars	Inflow	Outflow
Current Year	Nil	INR 146,69,634
Previous Year	Nil	INR 326,082

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: Bangalore

Date: 22nd May 2019

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

CIN: U65990TN2014PTC096252

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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, 8TH 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		
	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 company	Non-Government

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

CIN: U65990TN2014PTC096252

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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.
Email:kences@integratedindia.in
Phone # : 044- 28140484

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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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	2,30,058	5,000	2,35,058	50.47%	2,30,058	5,000	2,35,058	50.47%	-	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	2,30,058	5,000	2,35,058	50.47%	2,30,058	5,000	2,35,058	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)	2,30,058	5,000	2,35,058	50.47%	2,30,058	5,000	2,35,058	50.47%		
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-	-

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CIN: U65990TN2014PTC096252

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Fund											
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-	-

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

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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	16.26%	75,699	-	75,699	16.26%	-	-
ii) Overseas	15,142	100	15,242	3.27%	15,142	100	15,242	3.27%	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto INR1 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]		1,38,824	1,38,824	29.81%		1,38,824	1,38,824	29.81%		
SUB TOTAL (B)(2):	15,142	2,15,461	2,30,603	49.52%	90,841	1,39,762	2,30,603	49.52%		

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Total Public Shareholding					90,841			49.52		
(B)= (B)(1)+(B)(2)	15,142	2,15,461	2,30,603	49.52%		1,39,762	2,30,603	%	-	-
C. Shares held by										
Custodian										
For	-	-	-	-	-	-	-	-	-	-
GDRs & ADRs										
Grand Total (A+B+C)	2,45,200	2,20,461	4,65,661	100%	3,20,899	1,44,762	4,65,661	100%	-	-

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(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	2,30,058	49.40%	-	2,30,058	49.40%	-	-
2	K. Seetha Lakshmi	5,000	1.07%	-	5,000	1.07%	-	-
	Total	2,35,058	50.47%	-	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	2,35,058	50.47%	2,35,058	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	2,35,058	50.47%	2,35,058	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	7,571	1.62%	7,571	1.62%
2.	Elevar M-III	7,571	1.62%	7,571	1.62%
3.	responsAbility Agriculture I, SLP	100	0.021%	100	0.021%
4.	ECAP Equities Limited	75,699	16.25%	75,699	16.25%
5.	Ms. Poorna Pushkala, (Trustee of Samunnati Employees Stock Option Plan Welfare Trust)**	1,38,824	29.81%	1,38,824	29.81%
6.	Ritesh Nair	419	0.08%	419	0.08%
7.	Nitin Chaudhary	419	0.08%	419	0.08%
	TOTAL	2,30,603	49.48	2,30,603	49.48

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*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 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 - Director & CEO				
(i)	At the beginning of the year	2,30,058	49.40%	2,30,058	49.40%
(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	2,30,058	49.40%	2,30,058	49.40%
2	Mr. Nitin Chaudhary- Chief Financial Officer (CFO)				
(i)	At the beginning of the year	419	0.087%	419	0.08
(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	419	0.08	419	0.08

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

CIN: U65990TN2014PTC096252

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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	-	-	-	-	-	-	-	-	-	-

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

CIN: U65990TN2014PTC096252

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CHENNAI - 600 041, TAMIL NADU

Website: www.samfin.in E-mail: secretarial@samunnati.com Phone: 044-66762400

Fund										
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-

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

Category of Shareholders	No. of Shares held at the beginning of the 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	2,92,021	7,54,234	10,46,255	93.25	7,28,832	3,17,423	10,46,255	93.25	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto INR1 lakhs	-	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of INR 1 lakhs	75,700	75,700	75,700	6.75	75,700	75,700	75,700	6.75	-	-
c) Others	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	2,92,021	8,29,934	11,21,955	100.00%	7,28,832	3,93,123	11,21,955	100.00%	0%	-
Total Public Shareholding										
(B)= (B)(1)+(B)(2)	2,92,021	8,29,934	11,21,955	100.00%	7,28,832	3,93,123	11,21,955	100.00%	0%	-
C. Shares held by Custodian For	-	-	-	-	-	-	-	-	-	-

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GDRs & ADRs										
Grand Total (A+B+C)	2,92,021	8,29,934	11,21,955	100.00%	7,28,832	3,93,123	11,21,955	0%	100.0	-

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

S No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year.
		No of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	No of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	
1	S.G. Anil Kumar	-	-	-	-	-	-	-
2	K. Seethalakshmi	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-

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

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

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

S No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Accel India v (Mauritius) Ltd	3,62,100	32.28	3,62,100	32.28
2.	Elevar M-III	3,66,732	32.69	3,66,732	32.69
3.	responsAbility Agriculture I, SLP	3,17,423	28.29	3,17,423	28.29
4.	RSM Associates	37,850	3.37	37,850	3.37
5.	Ramaraj Rajasekhar	37,850	3.37	37,850	3.37
	TOTAL	11,21,955	100%	11,21,955	100%

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(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	S.G. Anil Kumar - Director & CEO				
(iv)	At the beginning of the year	-	-	-	-
(v)	Date wise Increase / Decrease in Promoters Shareholding 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	Mr. Nitin Chaudhary - Chief Financial Officer				
(iv)	At the beginning of the year	-	-	-	-
(v)	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	-	-	-	-
(vi)	At the end of the year	-	-	-	-

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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 Year				
i) Principal Amount	1,56,94,68,601		-	1,56,94,68,601
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	1,81,02,763		-	1,81,02,763
Total (i+ii+iii)	1,58,75,71,364		-	1,58,75,71,364
Change in Indebtedness during the financial Year				
Additions	3,35,15,00,000		-	3,35,15,00,000
Reduction	1,33,12,64,429		-	1,33,12,64,429
Net Change	2,02,02,35,571		-	2,02,02,35,571
Indebtedness at the end of the financial year				
i) Principal Amount	3,58,97,04,172		-	3,58,97,04,172
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	4,73,20,921		-	4,73,20,921
Total (i+ii+iii)	3,63,70,25,093		-	3,63,70,25,093

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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
		NA	
1	Gross salary	Mr. N. Gurunath (Wholetime Director)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	50,00,004	50,00,004
	(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*	4,790	4,790
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	Total (A)	50,00,004	50,00,004
	Ceiling as per the Act	NA	

*This represents the total number of Stock options granted during FY 18-19.

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

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B. REMUNERATION TO OTHER DIRECTORS

Sl. No	PARTICULARS OF REMUNERATION IN INR	NAME OF THE DIRECTORS			TOTAL AMOUNT (in INR)
1	Independent Directors	Mr. Sunil Gulati	Mr.N. Srinivasan	Dr. Venkatesh Tagat	-
	(a) Fee for attending board & committee meetings	3,75,000	3,60,000	90,000	8,25,000
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	3,60,000	3,60,000	90,000	8,25,000
2	(c) Others, please specify	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	3,75,000	3,60,000	90,000	8,25,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act.	NA	NA	NA	NA

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

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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. Anil Kumar	CFO-Nitin Chaudhary	Company Secretary Niranjan Chandrashekar#	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1,23,21,996	50,00,004	7,64,730	180,86,730
	(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**	28,529	11,645	-	40,174-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	1,23,21,996	50,00,004	7,64,730	18,126,904

** This represents the total number of Stock options granted during FY 18-19.

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

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

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

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Type	Section 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					

VII PENALTIES/ PUNISHMENT /COMPOUNDING OF OFFENCES

NIL

For Samunnati Financial Intermediation and Services Pvt Ltd



Gurunath Neelamani
Whole Time Director
DIN: 02799586

SG Anilkumar
Director & CEO
DIN: 01189011

Place: Bangalore
Date: 22nd May 2019

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED
CIN: U65990TN2014PTC096252
REGISTERED OFFICE ADDRESS: BAID HI TECH PARK, 8TH FLOOR, NO 129 B, EAST COAST ROAD,
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ANNEXURE - II
Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in INR) -

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	INR 19,00,000/-
5.	Reserves & surplus	INR 16,41,15,617/-
6.	Total assets	1,29,69,66,499
7.	Total Liabilities	1,29,69,66,499
8.	Investments	INR 3,42,00,000/-
9.	Turnover	INR 3,45,97,42,857/-
10.	Profit before taxation	INR (83,28,876)/-
11.	Provision for taxation	NIL
12.	Profit after taxation	INR (83,28,876)/-
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	

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

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

For Samunnati Financial Intermediation and Services Pvt Ltd



Gurunath Neelamani

Gurunath Neelamani
 Whole Time Director
 DIN: 02799586

SG Anilkumar

SG Anilkumar
 Director & CEO
 DIN: 01189011

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Annexure III**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/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 47,49,651/- (inclusive of Taxes, has been charged to the Company's wholly owned Subsidiary, Samunnati Agro Solutions Private Limited, as deputation charges	NA	NIL

For Samunnati Financial Intermediation and Services Pvt Ltd



Gurunath Neelamani
Whole Time Director
DIN: 02799586

SG Anilkumar
Director & CEO
DIN: 01189011



Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Samunnati Financial Intermediation & Services Private Limited
Baid Hi Tech Park, 8th Floor, No 129 B, East Coast Road,
Thiruvanmiyur, Chennai – 600041.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Samunnati Financial Intermediation & Services Private Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Samunnati Financial Intermediation & Services Private Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed here under and also that the company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Samunnati Financial Intermediation & Services Private Limited's for the financial year ended on 31st March, 2019 according to the applicable provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following laws, regulations, directions, orders applicable specifically to the Company:
 - a. Reserve Bank of India Act, 1934.
 - b. Master Direction - Non-Banking Financial Company - Non-Deposit Accepting or Holding) Directions, 2016.
 - c. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016.
 - d. Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.
 - e. Guidelines to Fair Practice Code.
 - f. Guidelines for Asset-Liability Management (ALM) system in Non-Banking Financial Companies;





BP & ASSOCIATES

Company Secretaries

- g. 'Know Your Customer' (KYC) Guidelines – Anti Money Laundering Standards (AML) - 'Prevention of Money Laundering Act, 2002 - Obligations of NBFCs in terms of Rules notified there under'.
 - h. Raising money through Private Placement of NCDs by NBFCs RBI Guidelines.
 - i. Master Direction - Information Technology Framework for the NBFC Sector.
 - j. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.
 - k. Master Direction - Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 2016.
 - l. Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.
 - m. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- VI. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- VII. Other laws applicable to the Company as per the representations made by the Management.

With respect to Fiscal laws such as Income Tax and Service Tax Rules, Goods and Service Tax we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various Acts and based on the information and explanation provided to us by the management and officers of the Company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India have been generally complied with.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- iii. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- iv. The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014;
- v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vi. The Debt Listing Agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Certain meetings have been convened and held at short notice, notice has been given to all directors with an agenda and detailed notes on the agenda were sent/tabled at the meeting and a system exists for seeking further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.





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

We further report that during the audit period, the following significant events have taken place:

1	Issue (dt - 30th March, 2018) and Allotment (dt - 9th April, 2018) of 2,000 (Two Thousand) rated, senior, secured, redeemable, taxable, transferable, unlisted, non-convertible debentures with face value of INR 1,00,000 (Indian Rupees One Lakhs) each aggregating to INR 20,00,00,000 (Indian Rupees Twenty Crores) with an coupon of 11.92% payable semi annually to M/s. ASN Mikrokredietpool represented by its legal owner Pettelaar: Effectenbewaarbedrijf N.V.
2	Appointment of Mr. C S Niranjan as Company Secretary of the Company with effect from 21st June, 2018
3	Issue (dt - 29th August, 2018) and Allotment (dt - 31st August, 2018) of 244 (Two Hundred and FortyFour) rated, senior, secured, redeemable, taxable, transferable, unlisted, non-convertible debentures with face value of INR 10,00,000 (Indian Rupees Ten Lakhs) each aggregating INR 24,40,00,000 (Indian Rupees Twenty Four Crore and Forty Lakhs) with an coupon of 12.58% payable quarterly to M/s. Incofin CVSO, CVBA-SO.
4	Appointment of Mr. Venkatesh Tagat as Independent Director (Additional) with effect from 18 th Sept, 2018
5	Appointment of Mr. Nitin Chaudhary as Chief Financial Officer of the Company with effect from 18 th Sept, 2018
6	Issue (dt - 18th Sept, 2018) and Allotment (dt - 24th September, 2018) of 450 (Four Hundred Fifty) rated, senior, secured, redeemable, taxable, transferable, unlisted, non-convertible debentures with face value of INR 10,00,000 (Indian Rupees Ten Lakhs) each aggregating INR 45,00,00,000 (Indian Rupees Forty FiveCroreOnly) with a coupon of 12.0167% payable Semi-Annually to M/s. TriodosSicav II –TriodosMicroFinance Fund, Triodos Fair Share Fund and StichtingHivosTriodosFonds.
7	Listed Market Linked Debentures (MLDs) with Bombay Stock Exchange with effect from 2nd November, 2018 and the MLDs were delisted before 31st March, 2019
8	Issue (dt - 3rd December, 2018) and Allotment (dt - 5th December, 2018) of 3330 (Three Thousand Three Hundred and Thirty) rated, senior, secured, redeemable, taxable, transferable, unlisted, non-convertible debentures with face value of INR 1,00,000 (Indian Rupees One Lakh) each aggregating INR 33,30,00,000 (Indian Rupees Thirty Three Crores and Thirty Lakhs) with a coupon of 12.10% payable Semi-Annually to M/s.AAVSarl and Masala Investment Sarl.





BP & ASSOCIATES

Company Secretaries

9	Issue (dt - 7th December, 2018) and Allotment (dt - 12th December, 2018) of 7062 (Seven Thousand and Sixty two) rated, senior, secured, redeemable, taxable, transferable, unlisted, non-convertible debentures with face value of INR 50,000 (Indian Rupees Fifty Thousand) each aggregating INR 35,31,00,000 (Indian Rupees Thirty Five Crores and Thirty One Lakhs Only) with a coupon of 12.30% payable Semi-Annually to M/s. NederlandseFinancierings-MaatschappijVoorOntwikkelingslanden N.V. (FMO).
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Date: May 22, 2019
Place: Chennai



For BP & Associates
Company Secretaries

K J Chandramouli
Partner

CP No:15708 | M No: 25315



'ANNEXURE A'

To
The Members,
Samunnati Financial Intermediation & Services Private Limited,
Baid Hi Tech Park, 8th Floor, No 129 B, East Coast Road,
Thiruvanmiyur, Chennai – 600041.

Our report of even date is to be read along with this letter

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

Date: May 22, 2019
Place: Chennai



For BP & Associates
Company Secretaries


K J Chandramouli
Partner

CP No: 15708 | M No: 25315

Samunnati Financial Intermediation & Services Private Limited

Standalone Financial Statements

31 March 2019

Walker Chandiook & Co LLP
7th Floor, Block III,
White House, Kundan Bagh,
Begumpet,
Hyderabad - 500 016
India

T +91 40 6630 8200
F +91 40 6630 8230

Independent Auditor's Report

To the Members of Samunnati Financial Intermediation & Services Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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 2019, 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.
2. 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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity 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), of the state of affairs of the Company as at 31 March 2019, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Information other than the Standalone Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. Other information does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.
6. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Annexure A to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited, on the standalone financial statements for the year ended 31 March 2019

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 'Property, plant and equipment') 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) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount(₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax & Interest	38,657,514	2,100,000	AY 2016-17	Assessing Officer

- (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.

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).

Annexure A to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited, on the standalone financial statements for the year ended 31 March 2019

- (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 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, but were ultimately utilized for the stated end-use. Also during the current year, the Company has not made any preferential allotment or private placement of shares.
- (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

Nikhil Vaid
Nikhil Vaid
Partner
Membership No.: 213356

Place: Hyderabad
Date: 22 May 2019



Annexure B to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited on the standalone financial statements for the year ended 31 March 2019

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 standalone financial statements of Samunnati Financial Intermediation & Services Private Limited ('the Company') as at and for the year ended 31 March 2019, 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 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.

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.



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 standalone financial statements for the year ended 31 March 2019

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 2019, 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

Nikhil Vaid
Nikhil Vaid
Partner
Membership No.: 213356



Place: Hyderabad
Date: 22 May 2019

Samunnati Financial Intermediation & Services Private Limited
Balance sheet as at 31 March 2019
(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital			
Reserves and surplus	3	14,487,920	14,487,920
	4	1,936,491,073	1,816,034,454
		1,950,978,993	1,830,522,374
Non-current liabilities			
Long-term borrowings			
Other liabilities	5	2,256,108,649	893,738,917
Long-term provisions	6	3,322,517	11,111,982
	7	20,920,158	12,275,962
		2,280,351,324	917,126,861
Current liabilities			
Short-term borrowings			
Other liabilities	8	55,000,000	120,000,000
Short-term provisions	6	1,460,521,933	645,359,636
	7	33,550,223	12,213,532
		1,549,072,156	777,573,168
Total equity and liabilities		5,780,402,473	3,525,222,403
ASSETS			
Non-current assets			
Property, plant and equipment			
Intangible assets	10	35,699,160	13,967,021
Capital work-in progress	10	1,735,465	867,876
Intangible assets under development		-	1,110,400
Non-current investments		4,189,960	545,000
Receivables from financing activity	11	180,100,000	180,100,000
Long-term loans and advances	12	915,117,730	862,969,500
Other non-current assets	13	36,045,120	13,930,665
	14	175,342,535	69,420,983
		1,348,229,970	1,142,911,445
Current assets			
Current investments			
Trade receivables	11	30,000,000	20,043,241
Cash and bank balances	15	1,878,152	3,113,770
Receivables from financing activity	16	513,178,322	688,738,541
Short-term loans and advances	12	3,385,385,758	1,341,807,762
Other current assets	13	305,868,756	226,290,401
	17	195,861,515	102,317,243
		4,432,172,503	2,382,310,958
Total Assets		5,780,402,473	3,525,222,403

Notes 1 to 37 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.: 001076N/N500013

Nikhil Vaid
Nikhil Vaid
Partner
Membership No: 213356



Place: Hyderabad
Date: 22 May 2019

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

S G Anil Kumar
Director and CEO
DIN: 01189011

Nitin Chaudhary
Chief Financial Officer

Place: Bengaluru
Date: 22 May 2019

Gurunath Neelamani
Director
DIN: 02799586

Niranjani Chandrasekar
Company Secretary



Samunnati Financial Intermediation & Services Private Limited
Statement of profit and loss account for the year ended 31 March 2019
(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Revenue			
Revenue from operations	18	808,841,461	336,949,610
Other income	19	46,833,691	31,043,150
Total revenue		855,675,152	367,992,760
Expenses			
Employee benefits expense	20	244,904,292	135,503,716
Finance costs	21	328,154,945	175,079,090
Loan provisions and write-offs	22	53,214,016	27,813,346
Depreciation and amortization expense	23	5,906,787	3,299,313
Other expenses	24	123,303,821	55,247,818
Total expenses		755,483,861	396,943,283
Profit/(Loss) before tax		100,191,291	(28,950,523)
Tax expense			
Current tax		19,384,379	-
MAT credit entitlement		(13,662,403)	-
Profit/(Loss) for the year		94,469,315	(28,950,523)
Earnings per share			
Basic (₹ per share of ₹ 10 each)	29	202.87	(69.78)
Diluted (₹ per share of ₹ 10 each)		59.50	(69.78)

Notes 1 to 37 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 Chandio & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Nikhil Vaid
Nikhil Vaid
Partner
Membership No: 213356



Place: Hyderabad
Date: 22 May 2019

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

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

Gurunath Neelamani
Gurunath Neelamani
Director
DIN: 02799586

Nitin Chaudhary
Nitin Chaudhary
Chief Financial Officer

Niranjan Chandrasekar
Niranjan Chandrasekar
Company Secretary

Place: Bengaluru
Date: 22 May 2019



Samunnati Financial Intermediation & Services Private Limited
Cash flow statement for the year ended 31 March 2019
(All amounts are in Indian Rupees, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash flow from operating activities		
Profit/(Loss) before tax		
Adjustments for	100,191,291	(28,950,523)
Interest income on deposits		
Income from mutual funds	(17,148,564)	(5,220,765)
Gratuity and leave encashment expenses	(23,652,792)	(16,040,485)
Employee stock option expense	8,030,227	4,474,851
Depreciation and amortization expense	25,987,304	16,243,161
Loss on sale of property, plant and equipment	5,906,787	3,299,313
Provision against standard assets	1,760,086	4,874
Provision against non-performing assets	10,071,313	9,515,202
Loan receivables written off	43,117,772	5,593,331
Provision for bad and doubtful debts	-	5,229,329
Operating loss before working capital changes	154,263,424	(5,783,696)
Increase/(Decrease) in other liabilities	83,843,314	33,134,168
Movement in provisions	24,931	(10,951,220)
Decrease in trade receivables	1,235,618	4,151,682
(Increase) in receivables from financing activity including accrued interest	(2,216,708,129)	(1,636,650,634)
(Increase) in loans and advances	(10,170,369)	(95,791,918)
(Increase) in other assets	(61,598,745)	(26,113,270)
Cash used in operating activities	(2,049,109,956)	(1,738,004,888)
Income taxes paid	(35,742,363)	(5,292,135)
Net cash used in operating activities	(2,084,852,319)	(1,743,297,023)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(32,311,761)	(8,642,042)
Proceeds from sale of property, plant and equipment	172,224	23,498
Movement in deposits with banks and financial institutions	(126,501,915)	8,166,935
Movement in other bank balances	5,826,516	-
Interest income on deposits	12,320,604	3,867,458
Investment in subsidiary	-	(180,000,000)
Investment in mutual fund units, net	(9,956,759)	(20,043,241)
Income from mutual fund investments	23,652,792	16,040,485
Net cash used in investing activities	(126,798,299)	(180,586,907)
Cash flows from financing activities		
Proceeds from issue of shares	-	1,500,003,367
Share issue expenses	-	(26,612,146)
Proceeds from borrowings	3,031,814,482	1,715,000,000
Repayment of borrowings	(1,011,578,911)	(709,811,376)
Net cash generated from financing activities	2,020,235,571	2,478,579,845
Net increase in cash and cash equivalents	(191,415,047)	554,695,915
Cash and cash equivalents as at the beginning of the year	678,842,025	124,146,110
Cash and cash equivalents as at the end of the year	487,426,978	678,842,025

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Samunnati Financial Intermediation & Services Private Limited
Cash flow statement for the year ended 31 March 2019
(All amounts are in Indian Rupees, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash and cash equivalents comprises of (Also, refer note 16)		
Cash on hand		
Balances with banks	261,275	142,460
- in current accounts		
- in deposit accounts (with original maturity upto three months)	377,165,703	448,878,128
	110,000,000	229,821,437
	487,426,978	678,842,025

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

Nikhil Vaid
Nikhil Vaid
 Partner
 Membership No: 213356



Place: Hyderabad
 Date: 22 May 2019

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

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

Gurunath Neelamani
Gurunath Neelamani
 Director
 DIN: 02799586

Nitin Chaudhary
Nitin Chaudhary
 Chief Financial Officer

Niranjn Chandrasekar
Niranjn Chandrasekar
 Company Secretary

Place: Bengaluru
 Date: 22 May 2019



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. The Company has met the criteria to be classified as NBFC - Systemically Important Non-Deposit taking Company ('NBFC-ND-SI') per regulations of Reserve Bank of India ('RBI') during the current year.

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, Companies (Accounting Standards) Amendment Rules, 2016 and the provisions of RBI as applicable to an NBFC-ND-SI. 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 recognised 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 amortised 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.

2.5 Revenue recognition

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

Interest on loans is recognised 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.



2.5 Revenue recognition (Continued)

Interest income on securitisation

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 loan portfolio 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 an NBFC-ND-SI. 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 realised. 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:

- 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 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 "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016", DNBR.PD.008/03.10.119/2016-17, dated 01 September 2016, (as amended) issued by the RBI.

The classification and provisioning norms that was followed by the Company during the previous year ended 31 March 2018 is as under:-

Asset classification (based on period of overdue in days)	Secured/Un-secured
Standard	
Less than or equal to 90 days	0.50%
Sub-Standard	
91 days to 360 days	10%
Doubtful	
361 days to 540 days	20%
Loss Asset	
541 days and above	100%

During the current year management has revised the classification and provisioning norms as under:-

Asset classification (based on period of overdue in days)	Secured	Un-secured
Standard		
Less than or equal to 90 days	0.50%	0.50%
Sub-Standard		
91 days to 360 days	20%	20%
361 days to 450 days	20%	50%
Doubtful		
451 days to 810 days	30%	100%
811 days to 1170 days	50%	100%
Above 1171 days	100%	100%
Loss Asset	100%	100%

2.15 Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. At reporting date, all monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. The exchange differences arising on such restatement and on settlement of the transactions are recognised in the Statement of profit and loss.



Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in Indian Rupees, unless otherwise stated)

	As at 31 March 2019		As at 31 March 2018	
	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	1,250,000	12,500,000
	2,000,000	20,000,000	2,000,000	20,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	465,661	4,656,610	465,661	4,656,610
Less: Amount recoverable from Samunnati ESOP Welfare Trust (Also, refer note g)	(138,824)	(1,388,240)	(138,824)	(1,388,240)
	326,837	3,268,370	326,837	3,268,370
Compulsorily convertible preference shares of ₹ 10 each	1,121,955	11,219,550	1,121,955	11,219,550
	1,121,955	11,219,550	1,121,955	11,219,550
	1,448,792	14,487,920	1,448,792	14,487,920
a) Reconciliation of equity share capital				
Balance at the beginning of the year	465,661	4,656,610	395,193	3,951,930
Add : Issued during the year	-	-	70,468	704,680
Balance at the end of the year	465,661	4,656,610	465,661	4,656,610
b) Reconciliation of preference share capital				
Compulsorily convertible preference shares of ₹ 10 each				
Balance at the beginning of the year	1,121,955	11,219,550	561,720	5,617,200
Add : Issued during the year	-	-	560,235	5,602,350
Balance at the end of the year	1,121,955	11,219,550	1,121,955	11,219,550
c) Shareholders holding more than 5% of the shares				
Equity shares of ₹ 10 each				
S G Anil Kumar	230,058	49%	230,058	49%
Samunnati ESOP Welfare Trust	138,824	30%	138,824	30%
Ecap Equities Limited	75,699	16%	75,699	16%
Compulsorily convertible preference shares of ₹ 10 each				
Elevar M - III	366,732	33%	366,732	33%
Accel India V (Mauritius) Ltd	362,100	32%	362,100	32%
responsAbility Agriculture I, SLP	317,423	28%	317,423	28%

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.

Dates for conversion

Date	Series	Amount
27-Dec-36	C	5,602,350
27-Feb-36	B	2,764,920
31-Mar-35	A3	611,420
25-Jul-34	A2	1,255,010
25-Feb-34	A1	985,850

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).



Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in Indian Rupees, unless otherwise stated)

	As at		As at	
	31 March 2019		31 March 2018	
4 Reserves and surplus				
a) Statutory reserve				
Balance at the beginning of the year		-		-
Add: Transferred from surplus balance in the statement of profit and loss		18,893,863		-
Balance at the end of the year		<u>18,893,863</u>		<u>-</u>
b) Securities premium				
Balance at the beginning of the period		2,044,504,602		490,157,694
Add : Additions made during the year		-		1,580,959,054
Less : Utilised towards share issue expenses		-		(26,612,146)
Balance at the end of the period		<u>2,044,504,602</u>		<u>2,044,504,602</u>
Less: Amounts recoverable from ESOP Trust		(88,290,715)		(88,290,715)
		<u>1,956,213,887</u>		<u>1,956,213,887</u>
c) Stock options outstanding account				
Balance at the beginning of the year		17,730,189		1,487,028
Add : Share based compensation for the year		25,987,304		16,243,161
Balance at the end of the year		<u>43,717,493</u>		<u>17,730,189</u>
d) Surplus in the statement of profit and loss				
Balance at the beginning of the period		(157,909,622)		(128,959,099)
Add: Transferred from statement of profit and loss		94,469,315		(28,950,523)
Less: Transferred to statutory reserve [@ 20% of profit after tax as required by section 45- IC of Reserve Bank of India Act, 1934]		(18,893,863)		-
Balance at the end of the period		<u>(82,334,170)</u>		<u>(157,909,622)</u>
		<u>1,936,491,073</u>		<u>1,816,034,454</u>
5 Long-term borrowings (Also, refer note 34)				
Secured				
Non-convertible redeemable debentures		1,580,100,000		120,000,000
Term loans from banks		520,984,796		46,590,908
Term loans from parties other than banks		1,433,619,376		1,282,877,693
		<u>1,954,604,172</u>		<u>1,329,468,601</u>
Less: Classified as other current liabilities (Also, refer note 6) Current maturities of long term borrowings		(1,278,595,523)		(555,729,684)
		<u>2,256,108,649</u>		<u>893,738,917</u>
6 Other liabilities				
Non-current				
Interest strip on securitisation		3,322,517		3,447,142
Interest accrued but not due on debentures		-		7,664,840
		<u>3,322,517</u>		<u>11,111,982</u>
Current				
Current maturities of long-term debt (Also, refer note 5 and 34)		1,278,595,523		555,729,684
Interest accrued but not due on borrowings		7,810,847		10,437,923
Interest accrued but not due on debentures		39,510,074		-
Interest strip on securitisation		46,390,393		21,527,866
Payable towards securitised portfolio		33,069,723		27,037,806
Creditors for capital goods		663,679		-
Employee related payables		20,897,436		8,254,322
Statutory dues payable		10,705,343		5,429,872
Creditors for expenses		22,878,915		16,942,163
Others		-		-
		<u>1,460,521,933</u>		<u>645,359,636</u>
7 Provisions				
	As at 31 March 2019		As at 31 March 2018	
	Long-term	Short-term	Long-term	Short-term
Provision for employee benefits (Refer note 9)	12,772,380	1,071,593	5,554,103	259,643
Provision against standard assets	4,519,796	17,972,418	5,961,535	6,459,366
Provision against non performing assets	3,627,982	14,138,266	760,324	5,151,508
Provision for loss on loans serviced	-	367,946	-	343,015
	<u>20,920,158</u>	<u>33,550,223</u>	<u>12,275,962</u>	<u>12,213,532</u>



Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in Indian Rupees, unless otherwise stated)

7 Provisions (continued)	As at 31 March 2019	As at 31 March 2018
Movement in		
A Provision against standard assets		
Opening balance		
Add: Provision made during the year	12,420,901	2,905,699
Closing Balance	10,071,313	9,515,202
B Provision against Non performing assets		
i Provision against sub-standard assets		
Opening balance		
Add: Provision made during the year	5,166,442	318,501
Less: Provision utilized against written off during the year	8,954,359	4,847,941
Closing Balance	-	-
ii Provision against doubtful assets		
Opening balance		
Add: Provision made during the year	745,390	-
Less: Provision utilized against written off during the year	34,163,413	745,390
Closing Balance	(31,263,356)	-
C Provision for loss on loans serviced		
Opening balance		
Add: Provision made during the year	343,015	11,294,235
Less: Payments made	24,931	7,475,484
Closing Balance	-	(18,426,704)
8 Short-term borrowings (Also, refer note 34)		
Secured		
Term loans from parties other than banks	25,000,000	100,000,000
Cash credit from banks	30,000,000	20,000,000
	55,000,000	120,000,000

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.

Changes in the present value of the defined benefit obligation are as follows:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Projected benefit obligation at the beginning of the year		
Service cost	3,401,079	1,086,157
Interest cost	2,577,739	2,107,148
Acquisitions/(Disposals)	470,373	74,945
Actuarial loss/(gain)	(215,023)	-
Projected benefit obligation at the end of the year (unfunded)	6,928,466	3,401,079

Amount recognised in the Statement of Profit and Loss account

Current service cost	2,577,739	2,107,148
Interest cost on benefit obligation	470,373	74,945
Net actuarial (gain) / loss recognised in the year	694,298	132,829
Net employee benefit expense	3,742,410	2,314,922



9 Employee benefits (continued)

Reconciliation of present value of obligation

Particulars	As at	As at	As at	As at
	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Present value of defined benefit obligation	6,928,466	3,401,079	1,086,157	609,324
Fair value of plan assets	-	-	-	-
Net liability	6,928,466	3,401,079	1,086,157	609,324
Experience adjustments on plan liabilities	694,298	132,829	(208,751)	-

ii) Assumptions used

	As at	As at
	31 March 2019	31 March 2018
Discount rate		
Long-term rate of compensation increase	7.53%	7.52%
Attrition rate	10.00%	10.00%
	12.00%	12.00%

Compensated absences

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

Principal actuarial assumptions used :

	As at	As at
	31 March 2019	31 March 2018
Discount rate	7.53%	7.52%
Long-term rate of compensation increase	10.00%	10.00%
Attrition rate	12.00%	12.00%

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Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in Indian Rupees, unless otherwise stated)

10 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 01 April 2017	-	4,924,615	2,649,212	3,409,284	2,007,234	736,520	13,726,865	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	862,490	19,574,984	1,152,072
Additions	-	4,184,203	4,881,935	8,287,288	-	11,836,726	29,190,152	1,248,673
Disposals	-	(459,918)	(430,115)	(39,731)	-	(1,224,642)	(2,154,406)	-
As at 31 March 2019	2,311,880	8,710,005	7,722,653	14,384,384	2,007,234	11,474,574	46,610,730	2,400,745
Accumulated depreciation and amortisation								
As at 01 April 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	-	-	(896)	-	-	(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
Charge for the year	-	671,294	866,995	2,869,946	123,488	994,080	5,525,703	381,084
Reversal on disposal of assets	-	(22,365)	(36,257)	(12,482)	-	(150,992)	(222,096)	-
As at 31 March 2019	-	1,722,567	1,837,525	5,923,468	415,197	1,012,813	10,911,570	665,280
Net Block								
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	867,876
As at 31 March 2019	2,311,880	6,987,438	5,885,128	8,460,916	1,592,037	10,461,761	35,699,160	1,735,465



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Samunnati Financial Intermediation & Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts are in Indian Rupees, unless otherwise stated)

	As at 31 March 2019		As at 31 March 2018	
	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 190,000) equity shares with nominal value of ₹ 10 each; extent of share holding 100% (previous year 100%)	180,100,000	-	180,100,000	-
Current (Non-Trade Investments):				
-Unquoted				
Carried at Net Asset Value				
Investments in Mutual Funds (unquoted)	-	30,000,000	-	20,043,241
	180,100,000	30,000,000	180,100,000	20,043,241
Aggregate amount of quoted investments and market value thereof	-	-	-	-
Aggregate amount of unquoted investments	180,100,000	30,000,000	180,100,000	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

Tata Liquid Fund Regular Plan-Growth

As at 31 March 2019	
No of units	Amount
10,197	30,000,000
	30,000,000

Current investments in mutual funds comprise:

Name of Mutual fund

Reliance Liquid Fund-TP-Direct Plan Growth Plan-Growth Option -LFAQ
 ICICI Prudential Liquid Fund -Direct Plan-Growth
 Aditya Birla Sun life Floating Rate Fund Short Term Plan -Growth-Regular Plan
 Aditya Birla Sun Life Cash Plus -Growth -Regular Plan
 L & T Liquid Fund-Regular Growth
 Kotak Floater Short Term -Growth (Regular Plan)
 Tata Liquid Fund Regular Plan-Growth
 UTI Money Market Fund-Institutional Plan -Growth Plan
 Axis Liquid Fund - Growth-CFDP
 Baroda Pioneer Liquid Fund -Plan A Growth

As at 31 March 2018	
No of units	Amount
657	2,738,927
287	72,001
3,355	761,265
3,343	913,495
296	699,002
1,867	5,294,979
655	1,754,128
1,270	2,437,328
1,499	2,847,750
1,290	2,524,366
	20,043,241

12 Receivables from financing activity

Secured

Standard assets

Non-performing assets

Unsecured

Standard assets

Non-performing assets

	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Standard assets	237,055,332	241,403,263	174,890,905	232,617,358
Non-performing assets	4,440,900	15,642,818	5,398,950	20,122,509
	241,496,232	257,046,081	180,289,855	252,739,867
Standard assets	666,903,886	3,081,080,412	680,475,358	1,059,255,845
Non-performing assets	6,717,612	47,259,265	2,204,287	29,812,050
	673,621,498	3,128,339,677	682,679,645	1,089,067,895
	915,117,730	3,385,385,758	862,969,500	1,341,807,762

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.



Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in Indian Rupees, unless otherwise stated)

	As at 31 March 2019		As at 31 March 2018	
	Long-term	Short-term	Long-term	Short-term
13 Loans and advances				
(Unsecured, considered good)				
Security deposits				
Capital advances	7,642,827	-	4,821,550	-
Balances with government authorities	397,368	-	895,314	-
Tax deducted at source receivable	-	3,363,657	-	1,337,745
MAT credit entitlement	24,458,405	-	8,100,421	-
Employee advances	-	13,662,403	-	-
Prepaid expenses	-	513,471	-	408,886
Loans to related parties:	3,433,140	14,670,187	-	2,653,433
Samunnati Agro Solutions Private Limited*	-	272,000,000	-	210,000,000
Other receivable from related parties:				
Samunnati Agro Solutions Private Limited	-	1,659,038	-	11,431,601
Samunnati ESOP Trust	113,380	-	113,380	-
Other advances	-	-	-	458,736
	36,045,120	305,868,756	13,930,665	226,290,401

* The Company has advanced loans for working capital purposes repayable within one year from the date of disbursement. Interest charged between 14% to 18% (previous year: 18%)

Other receivables from Samunnati Agro Solutions Private Limited amounting to ₹1,659,038 represents recharge of salary costs to Samunnati Agro Solutions Private Limited which is expected to be collected within one month from end of the corresponding quarter.

	As at 31 March 2019	As at 31 March 2018
14 Other non-current assets		
Deposits held with financial institutions	12,000,000	24,333,334
Margin money deposits (Also, refer note 16)	143,435,249	26,281,344
Interest accrued but not due on deposits	1,061,634	2,683,558
Interest strip on securitisation	3,234,539	3,447,142
Unamortised cost of borrowings	15,611,113	12,675,605
	175,342,535	69,420,983

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)
Other debts - considered good	-	272,066
Loan service fee receivable	1,878,152	2,841,704
	1,878,152	2,841,704
	1,878,152	3,113,770

16 Cash and bank balances		
Cash and cash equivalents		
Cash on hand		
Balances with banks	261,275	142,460
- in current accounts		
- in deposit account (with original maturity upto 3 months)	377,165,703	448,878,128
	110,000,000	229,821,437
	487,426,978	678,842,025
Other bank balances		
- in deposit account (with original maturity more than 3 months)	-	5,826,516
Margin money deposits#	169,186,593	30,351,344
Less: Classified as non-current balances (Also, refer note 14)	(143,435,249)	(26,281,344)
	25,751,344	9,896,516
	513,178,322	688,738,541

Held as collateral against borrowings and securitisation transactions

17 Other current assets		
Investment in Pass Through Certificates - current maturities	40,375,944	-
Deposits held with financial institution	4,833,334	4,333,333
Interest accrued but not due on deposits	6,566,596	1,738,636
Interest income accrued on		
- Receivables from financing activity		
- Loans to subsidiary	72,148,014	39,313,769
Interest strip on securitisation	5,699,466	10,815,164
Unamortised cost of borrowings	46,478,371	21,527,866
Other receivables	17,179,014	22,093,155
	2,580,776	2,495,320
	195,861,515	102,317,243



Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in Indian Rupees, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
18 Revenue from operations		
Interest income on receivables from financing activity	678,856,681	283,371,267
Loan processing fees	48,841,418	23,751,842
Interest income from securitisation of loans	48,808,633	2,773,020
Interest on loan to subsidiary	30,192,604	24,705,574
Other operating income	2,142,125	2,347,907
	808,841,461	336,949,610
19 Other income		
Interest income on fixed deposits	17,148,564	5,220,765
Income from mutual fund investments	23,652,792	16,040,485
Interest income from investment in Pass Through Certificates	2,890,208	-
Recovery of defaults in loan serviced	2,832,497	9,560,566
Other income	309,630	221,334
	46,833,691	31,043,150
20 Employee benefits expense		
Salaries and wages	192,532,039	104,964,664
Gratuity and leave encashment expenses (Refer note 9)	8,449,120	4,601,585
Contribution to provident and other funds	6,221,120	4,263,748
Employee stock option expenses	25,987,304	16,243,161
Staff welfare expenses	11,714,709	5,430,558
	244,904,292	135,503,716
21 Finance costs		
Interest expenses	310,453,276	160,819,486
Other borrowing costs	17,701,669	14,259,604
	328,154,945	175,079,090
22 Loan provisions and write-offs		
Provision against standard assets	10,071,313	9,515,202
Provision against non performing assets*	43,117,772	5,593,331
Provisions for loss on loans serviced	24,931	7,475,484
Loan receivables written off	-	5,229,329
	53,214,016	27,813,346
*The company has revised its estimate for providing for losses on non-performing loan receivables from financing activity, as detailed in note 2.14. Had the Company continued to provide for loss assets per estimates applied in the previous year, the provision for losses against non-performing assets would have been lower by ₹ 8,706,103 with a resultant increase in reserves and surplus to that extent.		
23 Depreciation and amortization expense		
Depreciation expense (Also, refer note 10)	5,525,703	3,109,686
Amortisation expense (Also, refer note 10)	381,084	189,627
	5,906,787	3,299,313
24 Other expenses		
Power and fuel	1,570,521	697,925
Rent (Also, refer note 32)	9,663,097	5,022,186
Repairs and maintenance - others	6,634,849	3,609,546
Technology and communication expenses	12,449,045	8,117,138
Insurance	162,096	290,394
Rates and taxes	647,821	122,046
Legal and professional charges	36,576,708	11,109,431
Loan servicing fee expenses	16,494,934	3,222,902
Payments to auditors (Also, refer note 25)	1,634,700	1,514,100
Sitting fees	899,250	588,600
Travelling and conveyance	25,064,613	14,449,229
Membership and subscription charges	3,993,036	1,645,886
Printing and stationery	2,653,191	1,726,377
Provision for bad and doubtful debts	272,066	68,016
Loss on sale of property, plant and equipment	1,760,086	4,874
Miscellaneous expenses	2,827,808	3,059,168
	123,303,821	55,247,818



Samunnati Financial Intermediation & Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts are in Indian Rupees, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
25 Payment to auditors (excluding applicable taxes)		
Statutory audit	1,400,000	1,300,000
Tax audit	150,000	150,000
Out of pocket expenses	84,700	64,100
	<u>1,634,700</u>	<u>1,514,100</u>
26 Payables to micro and small enterprises		
Based on the information available with the company, as at 31 March 2019 and 31 March 2018 there are no suppliers registered as micro and small enterprises under provisions of Micro, Small and Medium Enterprises Development Act, 2006		
27 Expenditure in foreign currency		
Expenditure relating to debenture issue	14,669,634	-
28 Corporate social responsibility expenditure		
As per section 135 of the Companies Act, 2013, 2% of the average net profit of the last 3 years. However, there is no expense to be incurred on account of losses incurred during the last three years.		
29 Earnings per equity share		
Profit/(Loss) for the year (In ₹)	94,469,315	(28,950,523)
Less: Preference dividend (In ₹)	-	-
Profit attributable to equity shareholders (In ₹)	<u>94,469,315</u>	<u>(28,950,523)</u>
Weighted average number of equity shares in calculating basic EPS	465,661	414,885
Add: Effective of dilutive potential equity shares *	1,121,955	1,121,955
Weighted average number of equity shares in calculating dilutive EPS	<u>1,587,616</u>	<u>1,536,840</u>
Earnings per share		
- Basic (In ₹)	202.87	(69.78)
- Diluted (In ₹)	59.50	(69.78)
* in view of losses incurred during the previous year, potential equity shares are anti-dilutive in nature		
30 Classification and provisions for loan assets (net)	As at 31 March 2019	As at 31 March 2018
Asset classification		
Standard assets	4,498,442,893	2,357,239,466
Substandard	62,944,098	53,785,274
Doubtful	11,116,497	3,752,522
Less: Provision		
Standard assets	22,492,214	12,420,901
Substandard	14,120,801	5,166,442
Doubtful	3,645,447	745,390
Loan outstanding (net)		
Standard assets	4,475,950,679	2,344,818,565
Substandard	48,823,297	48,618,832
Doubtful	7,471,050	3,007,132

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Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in Indian Rupees, unless otherwise stated)

31 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- Director and CEO Gurunath N - Director Nitin Chaudhary - Chief Financial Officer (with effect from 18 September 2018)
Entity in which KMP has significant influence	Samunnati ESOP Welfare Trust

b) Related party transactions

Nature of transactions	Year ended 31 March 2019	Year ended 31 March 2018
Samunnati Agro Solutions Private Limited		
Loans given		
Loans repaid	472,000,000	230,000,000
Interest income on loans	410,000,000	145,000,000
Deputation charges	30,192,604	24,705,574
Reimbursement of expenses	4,025,128	7,369,211
S G Anil Kumar		
Remuneration *	-	205,915
Reimbursement of expenses	12,321,996	8,287,004
Gurunath N		
Remuneration *	54,530	61,000
Nitin Chaudhary		
Remuneration *	5,000,004	3,326,645
Samunnati ESOP Welfare Trust		
Loans given	2,750,002	-
Shares subscribed including premium	-	87,262,717
	-	87,262,717

* The provision for gratuity and compensated absences is made on the basis of actuarial valuation for all the employees of the Company, including for the managerial personnel. Proportionate amount of gratuity and compensated absences is not included in the above disclosure, since the exact amount is not ascertainable.

c) Balances at the end of the year

Particulars	As at 31 March 2019	As at 31 March 2018
S G Anil Kumar		
Reimbursement of expenses	-	54,530
Samunnati Agro Solutions Private Limited		
Loans and advances		
Interest accrued on loans	272,000,000	210,000,000
Deputation charges receivable	5,699,466	10,815,164
Samunnati ESOP Welfare Trust		
Advances given	1,659,038	11,431,601
	113,380	113,380

32 Disclosures in respect of non-cancellable operating lease

The Company has entered into operating lease arrangements for its office premises. These leases 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 of 5% to 20% on the rent payable at the end of predetermined periods, from the date of entering into the lease agreements.

Operating leases as lessee

	Year ended 31 March 2019	Year ended 31 March 2018
Total lease payments charged off to the statement of profit and loss (Also, refer note 24)	9,663,097	5,022,186

Disclosures in respect of non-cancellable operating leases

	As at 31 March 2019	As at 31 March 2018
The total of future minimum lease payments for each of the following periods:		
Payable not later than 1 year	5,219,337	6,397,096
Payable later than 1 year and not later than 5 years	17,436,810	4,545,265
Total	22,656,147	10,942,361

33 Segment reporting

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

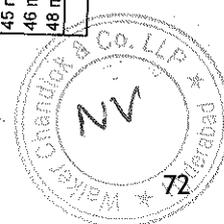


Samunnati Financial Intermediation & Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts are in Indian Rupees, unless otherwise stated)

34 Details of security, repayment terms, applicable interest rates on borrowings.

For balances outstanding as at 31 March 2019

Original maturity of loan	Face value	Date of allotment	Maturity date	Rate of Interest	Balance outstanding as at 31 March 2019		Security details
					Due within one year	Due beyond one year	
				Total			
I. Long-term borrowings							
I. Non Convertible Redeemable Debentures							
Repayment at the end of the term							
72 Months	1,000,000	24-Sep-18	24-Sep-24	12.6%	-	450,000,000	Book debts and first mortgage on immovable property
48 Months	50,000	12-Dec-18	12-Dec-22	12.3%	-	353,100,000	Book debts and first mortgage on immovable property
30 Months	100,000	05-Dec-18	07-Jun-21	12.1%	-	333,000,000	Book debts and first mortgage on immovable property
36 Months	Various	Various	Various	12.58% - 12.6%	-	444,000,000	Book debts
					-	1,580,100,000	1,580,100,000
II. Term loans							
Monthly repayment of principal							
18 months	12.25% - 12.5%	500,000,000	12	326,000,399	1 - 6	128,813,157	Book debts
19 months	12.5%	150,000,000	12	95,771,179	6	54,228,821	Book debts
24 months	12% - 14.75%	555,000,000	3 - 12	285,097,669	2 - 12	145,942,531	Book debts, Post Dated Cheques and Cash collateral
31 months	13.35%	35,000,000	12	13,566,957	9	11,424,971	Book debts
35 months	14.25%	20,000,000	11	7,026,237	Nil	-	Book debts
36 months	12.5% - 14.75%	620,000,000	6 - 12	214,956,254	2 - 20	145,754,042	Book debts, Post Dated Cheques and Cash collateral
37 months	14.5%	20,000,000	12	6,672,000	6	3,320,000	Promissory Note and book debts
38 months	14.5%	20,000,000	12	6,672,000	6	3,320,000	Promissory Note and book debts
Quarterly repayment of principal							
18 months	12.4%	100,000,000	4	50,000,001	2	49,999,999	Book debts and Post Dated Cheques
28 months	13%	50,000,000	4	22,222,216	Nil	-	Book debts
29 months	13%	50,000,000	4	22,222,225	Nil	-	Book debts
30 months	13%	100,000,000	4	44,444,442	Nil	-	Book debts
36 months	14.25% - 14.75%	180,000,000	2 - 4	55,833,342	1	5,000,000	Book debts and Post Dated Cheques
38 months	12.6%	200,000,000	4	61,538,460	4	61,538,465	Cash collateral
44 months	14%	50,000,000	4	16,672,143	4	16,666,671	Book debts
45 months	14%	50,000,000	4	16,666,665	4	16,666,665	Book debts
46 months	14%	50,000,000	4	16,666,667	4	16,666,667	Book debts
48 months	14%	50,000,000	4	16,666,668	4	16,666,660	Book debts
				1,278,595,523		676,008,649	1,954,604,172



Samunnati Financial Intermediation & Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts are in Indian Rupees, unless otherwise stated)

34 Details of security, repayment terms, applicable interest rates on borrowings.

Original maturity of loan	Rate of Interest	Sanction limit	Balance outstanding as at 31 March 2019				Security details	
			Due within one year		Due beyond one year			
			No of Instalments	Amount	No of Instalments	Amount		
Short-term borrowings								
i. Term Loans								
Quarterly repayment of principal	12%	80,000,000	1	20,000,000	-	20,000,000	Book debts and Post Dated Cheques	
12 months	12%	20,000,000	1	5,000,000	-	5,000,000	Book debts and Post Dated Cheques	
ii. Cash credit	12.75%	50,000,000	Not Applicable	30,000,000	-	30,000,000	Book debts	
				55,000,000	-	55,000,000		
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 Instalments	Amount	No of Instalments	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
36 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	48,333,336	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
39 months	16%-17%	30,000,000	15,000,000	4	10,000,000	2	5,000,000	Book debts
42 months	12%-13%	200,000,000	184,615,385	4	61,538,460	8	123,076,925	Cash collateral and book debts
45 months	13%-14%	150,000,000	133,333,333	4	66,666,667	4	66,666,666	Book debts
48 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			1,329,468,801		665,729,694		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	12.75%	50,000,000	20,000,000	NA	20,000,000	-	-	Book Debts
ii. Cash credit								
Total			120,000,000		120,000,000			



35 Additional disclosure pursuant to the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, (as amended by time to time) issued by the RBI

Liabilities side:			
1 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		Amount outstanding	Amount overdue
(a) Debentures			
-Secured			
(b) Deferred credits		1,619,610,074	-
(c) Term loans		-	-
-Secured			
(d) Inter-corporate loans and borrowing		1,987,415,019	-
(e) Commercial paper		-	-
(f) Cash Credit		-	-
		30,000,000	-
Assets side:			Amount outstanding
2 Break-up of loans and advances			
(a) Secured			498,542,313
(b) Unsecured			4,073,961,175
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			
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			-
(iv) Government Securities			30,000,000
(v) Others (please specify)			-
Long term investments			
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			180,100,000
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Investment in securitized assets			-
			40,375,944



35 Additional disclosure pursuant to the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, (as amended by time to time) issued by the RBI
 (Continued)

5 Borrower group-wise classification of assets financed as in 2 (a) and (b) above :
 As at 31 March 2019

Category	Secured	Unsecured	Total
1) Related parties			
(a) Subsidiaries	-	272,000,000	272,000,000
(b) Companies in the same group	-	-	-
(c.) Other related parties	-	-	-
2) Other than related parties			
Total	498,542,313	3,801,961,175	4,300,503,488
	498,542,313	4,073,961,175	4,572,503,488

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :
 As at 31 March 2019

Category	Book Value (Net of Provisions)	Market value/ Break up or fair value or NAV
1) Related Parties		
(a) Subsidiaries	180,100,000	180,100,000
(b) Companies in the same group	-	-
(c.) Other related parties	-	-
2) Other than related parties		
Total	70,375,944	70,375,944
	250,475,944	250,475,944

7 Other Information

	As at 31 March 2019
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(ii) Net Non-Performing Assets	74,060,595
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	56,294,347
	-

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 2019	Year ended 31 March 2018
Total number of loans assets securitised (Nos)	1,978	411
Book value of loans assets securitised	661,410,321	237,408,113
Book value of loans assets securitised including loan placed as collateral	734,900,356	263,786,792
Sale consideration received during the year	661,410,321	237,408,113
Interest spread recognised in the statement of profit and loss during the year	48,808,633	2,773,020
Credit enhancements provided during the year and outstanding as at the year end		
- Principal subordination	73,490,035	26,378,679
- Cash collateral	62,616,593	23,181,344



35 Additional disclosure pursuant to the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, (as amended by time to time) issued by the RBI (continued)

Particulars	Year ended 31 March 2019	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	3	1
2. Total amount of securitised assets as per books of the SPVs sponsored as on the date of the balance sheet	440,085,809	239,440,567
3. Total amount of exposures retained by the NBFC to comply with minimum retention requirement ('MRR')		
Off-balance sheet exposures		
First loss		
Others	-	-
On-balance sheet exposures		
First loss (cash collateral)		
Others (credit enhancement)	62,616,593	23,181,344
Amount of exposures to securitisation transactions other than MRR	73,490,035	26,378,679
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	-	-

9 Customer complaints

	31 March 2019
i) No. of complaints pending at the beginning of the year	-
ii) No. of complaints received during the year	-
iii) No. of complaints redressed during the year	-
iv) No. of complaints pending at the end of the year	-

10 Information on instances of fraud

There were no instances of fraud reported during the year ended 31 March 2019 and 31 March 2018.

11 Capital to Risk Asset Ratio ('CRAR'):

Particulars	As at 31 March 2019
CRAR (percent)	
CRAR – Tier I Capital (percent)	34.28%
CRAR – Tier II Capital (percent)	34.28%
Amount of subordinated debt raised as Tier-II capital	0.00%
Amount raised by issue of perpetual debt instruments	-



35 Additional disclosure pursuant to the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, (as amended by time to time) issued by the RBI (continued):

12 Investments

Particulars	31 March 2019
Value of Investments	
(i) Gross value of investments	
(a) In India	
(b) Outside India	250,475,944
(ii) Provisions for depreciation	
(a) In India	-
(b) Outside India	-
(iii) Net value of investments	
(a) In India	-
(b) Outside India	250,475,944
Movement of provisions held towards depreciation on investments	
(i) Opening Balance	-
(ii) Add: Provisions made during the year	-
(iii) Less: Write-off/write-back of excess provisions during the year	-
(iv) Closing Balance	-

13 Derivatives

The Company has no transaction/ exposure in derivatives including forward rates agreements, interest rate swaps and exchange traded interest rate derivatives. Further, the Company has no unhedged foreign currency exposure as on 31 March 2019 (31 March 2018: Nil)

14 Details of financial assets sold to securitisation/reconstruction companies for asset reconstruction

For details relating to securitisation transactions, refer note 35 (8). The Company has not sold financial assets to Reconstruction companies for asset reconstruction in the current and previous year.

15 Details of non-performing financial assets purchased or sold

The Company has not purchased or sold any non performing financial assets during the current and previous year.

16 Asset liability management maturity pattern of certain items of assets and liabilities

As at 31 March 2019 #

Maturity pattern	Assets				Liabilities
	Advances	Investments	Deposits	Total	Borrowings
Upto 1 month	832,894,024	30,000,000	-	862,894,024	79,083,403
1 - 2 months	640,749,199	-	-	640,749,199	96,509,264
2 - 3 months	511,967,919	-	500,000	512,467,919	117,011,049
3 - 6 months	857,507,819	40,375,944	1,070,000	898,953,763	323,519,829
6 months - 1 year	814,266,797	-	29,014,678	843,281,475	717,471,978
1 - 3 years	856,810,540	-	53,935,249	910,745,789	653,831,469
3 - 5 years	57,457,190	-	-	57,457,190	1,249,177,180
More than 5 years	850,000	180,100,000	101,500,000	282,450,000	353,100,000
Total	4,572,503,488	250,475,944	186,019,927	5,008,999,359	3,589,704,172

As at 31 March 2018 #

Maturity pattern	Assets				Liabilities
	Advances	Investments	Deposits	Total	Borrowings
Upto 1 month	149,783,310	20,043,241	4,000,000	173,826,551	58,683,362
1 - 2 months	89,237,116	-	-	89,237,116	54,405,032
2 - 3 months	297,053,373	-	-	297,053,373	65,212,187
3 - 6 months	569,993,817	-	10,159,849	580,153,666	140,747,391
6 months - 1 year	445,740,146	-	70,000	445,810,146	356,681,712
1 - 3 years	736,905,139	-	50,614,678	787,519,817	893,738,917
3 - 5 years	124,225,042	-	-	124,225,042	-
More than 5 years	1,839,319	180,100,000	-	181,939,319	-
Total	2,414,777,262	200,143,241	64,844,527	2,679,765,030	1,569,468,601

Note

- The Company do not have any foreign currency assets or liabilities as at 31 March 2019 and 31 March 2018.
- The above borrowings exclude interest accrued and due and interest accrued but not due.
- The advances comprise of loan principal and does not include interest accrued.

17 Exposure to real estate sector

The Company provides loans which are in accordance with the approved policy of the Company which includes credit assessment of financial statements and cash flow of the customers. The end use of the loan may be business in the case of business customers. Accordingly, there is no direct real estate exposure.

18 Exposure to capital market

The company does not have any capital market exposure as at 31 March 2019 and 31 March 2018.

19 Details of financing of parent company products

This disclosure is not applicable as the Company does not have any holding / parent company.

20 Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded

The Company has not exceeded Single Borrower Limit (SGL) nor has exceeded the Group Borrower Limit (GBL).



Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in Indian Rupees, unless otherwise stated)

35 Additional disclosure pursuant to the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, (as amended by time to time) issued by the RBI (continued):

- 21 Unsecured advances**
Refer note 12 and 13 for unsecured advances. The Company has not given any advances against the rights, licenses, authorisations, etc.
- 22 Registration obtained from other financial regulators**
During the year Company has not obtained any approvals from other financial regulators.
- 23 Disclosure of penalties imposed by RBI and other regulators**
There were no penalties imposed on the Company by RBI or any other regulator.
- 24 Related party transactions**
Refer note 31 for related party transactions.
- 25 Ratings assigned by credit rating agencies and migration of ratings during the year**

Instrument	Name of the rating agency	As at 31 March 2019		As at 31 March 2018	
		Amount rated	Rating assigned	Amount rated	Rating assigned
Non Convertible Debentures and Market Linked Debentures	ICRA	96.4 Crores	BBB- (Stable)	47 Crores	BB+ (Stable)
Non Convertible Debentures	CARE	45 Crores	BBB- (Stable)	NA	NA
Term loans	CARE	40 Crores	BBB- (Stable)	NA	NA

26 Provisions and contingencies (shown under the head expenditure in statement of profit and loss)

Particulars	31 March 2019	31 March 2018
Provision made towards income tax		
Provision for standard assets	19,384,379	-
Provision towards NPA	10,071,313	9,515,202
Provision for leave benefits	43,117,772	5,593,331
Provision for gratuity	4,706,710	2,286,663
	3,742,410	2,314,922

27 Draw down from reserves
Refer note 4 (a), for details relating to draw down from reserves

28 Concentration of deposits, advances, exposures and NPAs

Particulars	31 March 2019
i. Concentration of advances	
Total advances to twenty largest borrowers	1,250,642,000
Percentage of advances to twenty largest borrowers to total advances of the NBFC	27.35%
ii. Concentration of exposures	
Total exposures to twenty largest borrowers/customers	1,250,642,000
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/ customers	27.35%
iii. Concentration of exposures	
Total exposures to top four NPA accounts	31,135,232
iv. Sector-wise NPAs	
Sector wise NPA's is not applicable, as the Company is into provide loans and advances to Agri- Related Customers	

v. Movement of NPAs

Particulars	31 March 2019	31 March 2018
A Net NPAs to Net Advances (%)		
B Movement of NPAs (Gross)	1.24%	2.15%
a) Opening balance		
b) Additions during the year	57,537,796	3,185,011
c) Reductions during the year	134,480,590	60,066,963
d) Write-off during the year	86,694,435	484,849
e) Closing balance	31,263,356	5,229,329
C Movement of Net NPAs	74,060,595	57,537,796
a) Opening balance		
b) Additions during the year	51,625,964	2,866,510
c) Reductions during the year	91,362,818	49,244,303
d) Closing balance	86,694,435	484,849
D Movement of provisions for NPAs (excluding provision on standard assets)	56,294,347	51,625,964
a) Opening balance		
b) Provisions made during the year	5,911,832	318,501
c) Write-off during the year	43,117,772	10,822,660
d) Write-back of excess provisions	31,263,356	5,229,329
e) Closing balance	-	-
vi. Overseas assets	17,766,248	5,911,832

The Company does not have any overseas assets as at 31 March 2019 and 31 March 2018.



Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in Indian Rupees, unless otherwise stated)

36 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 2018: 1- 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 2019.

On 21st June 2018, the Board of Directors approved and the Company adopted the "Amendment to the Employees Stock Option Plan 2015" ("The Plan"). The amendment pertains to vesting period, exercise and grant of options to new joiners.

The options 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 2018: 1- 4 years) and are exercisable within 2 months of exercise event, failing which the employees shall have to hold on till the next event arises.

	No. of options as at		Weighted average exercise price in ₹	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Options outstanding at the beginning of the year	57,041	24,212	107.30	131.24
Granted during the year	9,025	32,829	1,519.91	89.64
Exercised during the year	-	-	-	-
Expired/ lapsed during the year	180	-	1,240.00	-
Options outstanding at the end of the year	65,886	57,041	297.70	107.30
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 255 days (previous year 398 days).

37 Contingent liabilities and commitments

Claims against the company not acknowledged as debt

During the year, Company has received demand from Income Tax Assessing Officer (AO) for an amount of ₹ 38,657,514 pursuant to certain additions under section 156 of Income Tax Act, 1961. The Company has obtained a stay on collection of demand by paying an amount of ₹ 2,100,000 under dispute. The Company considers the claim to be erroneous and as not payable under the provisions of Income Tax Act, 1961.

Others

During the year entity has entered into securitisation transactions where loan receivables amounting to ₹ 73,490,035 (previous year: ₹ 26,378,679) has been given as subordination for principal amount receivable and a deposit amount of ₹ 62,616,593 (previous year: ₹ 23,181,344) given as cash collateral.

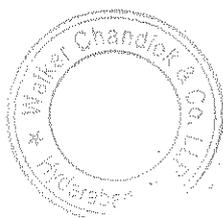
Commitments

	As at 31 March 2019	As at 31 March 2018
Capital commitments that are not cancellable - Estimated amount of capital contracts remaining to be executed	206,500	-

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

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

Nikhil Vaid
Nikhil Vaid
 Partner
 Membership No: 213356



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

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

Nitin Chaudhary
Nitin Chaudhary
 Chief Financial Officer

Gurunath Neelamani
Gurunath Neelamani
 Director
 DIN: 02799586

Niranjn Chandrasekar
Niranjn Chandrasekar
 Company Secretary

Place: Hyderabad
 Date: 22 May 2019

Place: Bengaluru
 Date: 22 May 2019

