

Annual Report 2019-2020



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Samunnati

Invested in Your Growth

Annual Report 2019-2020

Index

From The CEO's Desk	04	Source of Financing	40
Board Of Directors	08	Evolving through Strategic Partnerships	42
Management Team	10	Environmental & Social Policy (EnS)	43
Introduction	14	Making Headlines - Samunnati In News	45
Facets of Samunnati	26	Summary of FY 2020	46
Samunnati	26	Financial Performance	46
Samunnati Agro	35	Risk Management Policy	49
Human Resources	37	Regulatory	50
Samunnati Foundation	38	Director's Report FY 2020	51
Technology	39	Annexures	86
Network Ecosystem	39		
Finding Growth in Collaboration	40		

From The CEO's Desk

I am happy to share that we are performing with passion and commitment in one of India's most crucial segment, agriculture. Samunnati thrives year-on-year with a vision to make markets work for smallholder farmers and it was another important year that helped us sharpen our mission and delivery mechanism to create a larger outreach to our customers. We were able to enhance the value of the agri players across the value chain we operate in, by providing, aggregation, market linkages, and advisory services with finance being an enabler – “a means than an end”; this ultimately benefits our end beneficiaries - the smallholder farmers.

It is my pleasure to present to you Samunnati's Annual Report for FY 2020. The year started with Samunnati raising its Series D round funding of INR 387 Cr from Nuveen, the investment management arm of Teachers Insurance and Annuity Association of America (TIAA). This fresh round of equity reinforced our inclusive growth model and further enabled us to explore new geographies, as well as, increasing our presence in certain value chains. The fund was also partly utilised for strengthening our lending portfolio.

In FY 2020, Samunnati's Assets Under Management (AUM) grew by 53.44% to INR 712 Cr in FY 2020 from INR 464 Cr last year. We also reached around 400 Farmer Producer Organisations (FPOs) and 338 Agri Enterprises (AEs) as compared to around 279 FPOs and 241 AEs in the previous year; and diversified our operations in 19 States in India. In spite of the COVID19 lockdown and slowdown of the overall growth of the agri sector towards the last quarter of the financial year, we ended the year with positive growth numbers, with disbursements reaching 1624 Cr, with an increase of 76.17% from the previous financial year. On the trade side, Samunnati Agro



Mr. Anilkumar SG
Founder and CEO, Samunnati

witnessed 69.62% growth in the turnover to INR 592 Cr in FY 2020 from INR 346 Cr in previous year and a trade receivable of INR 166 Cr in FY 2020.

Samunnati expanded its debt portfolio to INR 411 Cr through fund raising from domestic banks and financial institutions; and raised INR 39 Cr through securitisation route in transactions. Our momentum has been further given a boost from a significant improvement in the credit rating from BBB- to BBB+ stable by CRISIL, affiliate of S&P and Infomercials rating of IVR A-/Stable.

In FY 2020, we explored innovative options to channel funds to our customers and I am proud to announce that we initiated India's first co-origination partnership in agriculture finance with a leading international bank. In addition, we have already started exploring direct partnerships and pooled loan issuances with leading financial institutions for agri value chain originators.

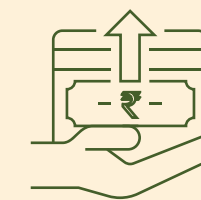
Holding true to our belief, we further strengthened our engagement with FPOs and their farmers beyond finance through our Aggregation, Market Linkage and Advisory services (AMLA) framework. We continuously explored new pilot initiatives such as institutional development, digitisation, HoReCa and others in FY 2020 to enable stakeholders in the agri ecosystem, mitigate hurdles and function effectively.

Having worked with FPOs, we realised that there is the dearth of proper knowledge about market linkages, both forward and backward, and access to alternate market platforms. In FY 2020, we took up a pilot initiative to create backward linkage for our FPO customers in Maharashtra. Under this, we enabled them to take dealership, where they provided inputs to their member farmers directly at a lower cost than the market price. Samunnati completed the onboarding exercise with 25 Input Shops of FPOs in FY 2020. We also enabled market linkages for the FPOs and connected them with multiple institutional buyers.

Another significant initiative that Samunnati undertook in FY 2020 to boost FPO ecosystem growth was the launch of the FPO Institutional building team. We started pilot training workshops with a few FPOs in Maharashtra, Karnataka, Odisha, Bihar and MP to strengthen their management, governance and technology use.

We also launched several key initiatives to create an enabling ecosystem both on the demand and supply side of the agri value chain. We initiated digitisation of the FPOs and have successfully digitised 11 FPOs across Karnataka, Tamil Nadu and Maharashtra. To further strengthen the demand side of the value chain in mid FY 2019 – 2020, we set up a new unit focusing on Hotel and Retail segment – HoReCa.

Company Snapshot FY 2020



**Cumulative
Disbursement
INR 1624 Cr**



Presence 19 States

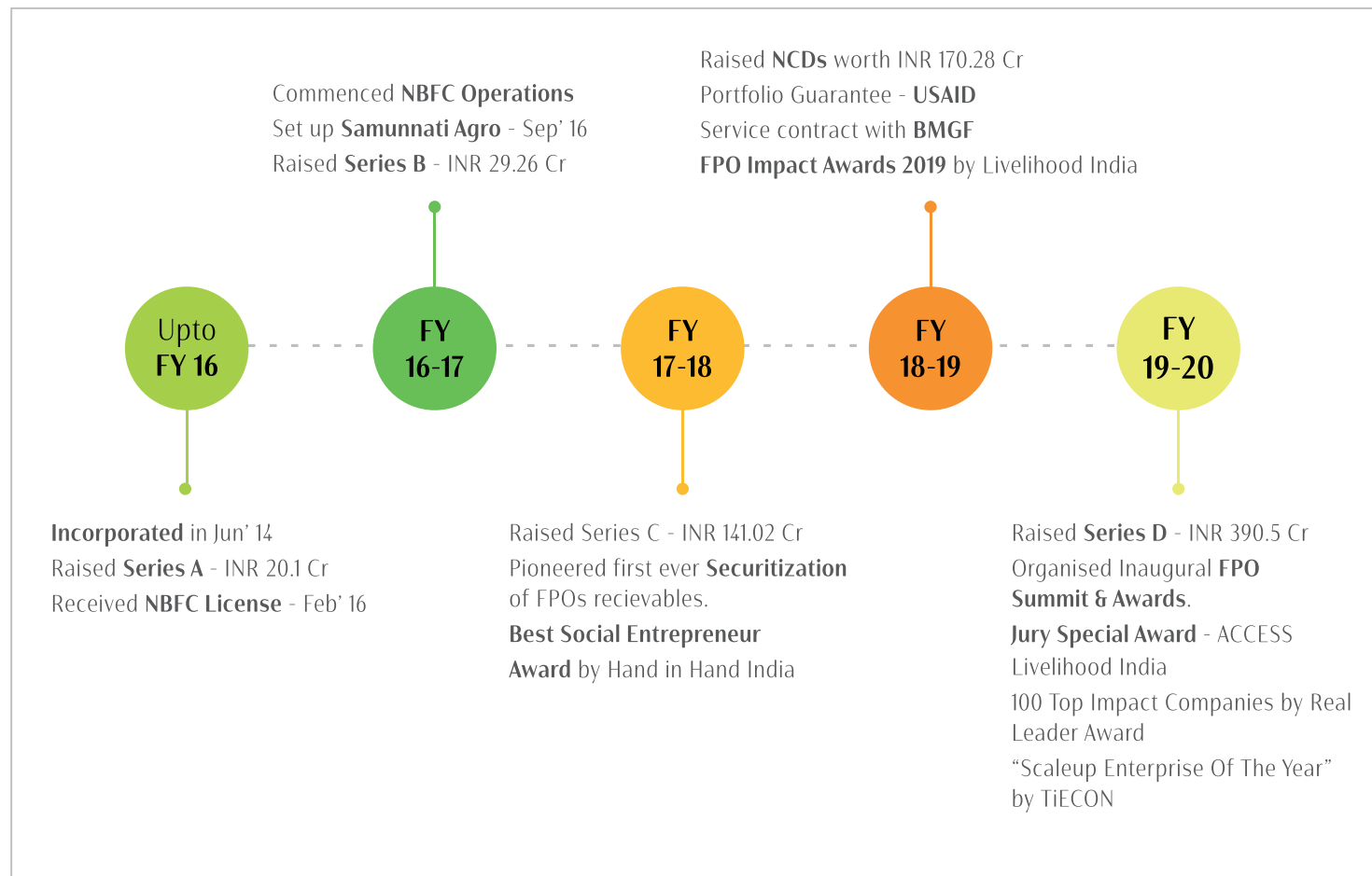


**Asset Under
Management (AUM)
INR 712 Cr**



Team Strength 392

From The CEO's Desk



As an agri ecosystem player, we launched the first edition of the Samunnati – Farmer Producer Organisation Summit & Awards 2019 with the Economic Times (ET) that brought together over 250 FPOs and 300 agri sector stakeholders such as policymakers, ag-tech institutions, financial institutions, global thought leaders, not-for-profit organisations, and other development organisations working in the FPO sector. We also closely worked with 35 agri start-ups and invested around ~INR 100 crores to enable agri- innovations that would ultimately benefit the farmers' livelihood.

In FY 2020, Samunnati received several recognitions from reputed institutions not just in India but from across the global. I am happy to share with you that Samunnati secured a place among the Top 100 Companies globally, under the Real Leaders Impact

Awards 2020 for making a positive impact on communities. Samunnati was awarded the "Scale Up Enterprise of the Year" Award at the TiECON Chennai Awards celebrations in October 2019.



In March 2020, the entire country witnessed a nation-wide lockdown to curb the spread of COVID19 that had a strong ramification on the agri supply chains across India. Despite the liquidity situation and not having clarity on the availability of further liquidity for Non-Banking Financial Companies (NBFCs), we were among a handful of NBFCs in the country which continued disbursements to our customers. Being an entity with the mission to make markets work for small holder farmers, we started to focus on what is the best way to engage with our FPOs. Rather than sympathising with them on the challenges, we thought it is better to work with them in finding solutions.

For the upcoming year, we will focus on deployment of our technology and digital solutions that would create transparent and economically viable value chains for the agri ecosystem players.

We will further expand our AMLA offerings with focus on market linkages, capacity building and institutional development of the FPOs using a combination of innovative, financial and technology solutions. With the launch of our Samunnati Foundation we will continue to work on making a sustainable, positive social, economic, and environmental impact in the lives of the agricultural and rural communities.

In conclusion, I would like to place on record the management's appreciation of the contributions made by our highly skilled and talented employees at all levels. We certainly thank our customers and partners for their support during the year and especially during these extraordinary circumstances. I would like to thank the Board of Directors and our advisors for their continued guidance and trust in us.

Mr. Anilkumar SG
 Founder and CEO, Samunnati

Board Of Directors



Mr. N. Srinivasan
Independent Director

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



Mr. Sunil Gulati
Independent Director

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



Dr. Venkatesh Tagat
Independent Director

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



M/s. Jyotsna Krishnan
Nominee Director, Elevar

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



M/s. Rekha Unnithan
Nominee Director, Nuveen

M/s. Rekha Unnithan is responsible for determining Nuveen's (a TIAA company) Impact Investment strategy across sectors, asset classes, and regions. She originates and underwrites new deals and manages impact investments to execute Nuveen's commitment across areas like Affordable Housing, Inclusive Growth and Resource Efficiency. She oversees a multi-asset class impact investing portfolio which includes private equity, private real estate, mortgages and fund investments.



Mr. Mahendran Balachandran
Nominee Director, Accel

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



Mr. Akshay Dua
Nominee Director, responsAbility Investments AG

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



Mr. AnilKumar S G
Founder and CEO

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



Mr. Gurunath N
Full-Time Director

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

Management Team



Mr. Anil Kumar S G
Founder & CEO

A banker with over 27 years of experience, Anil has worked with the likes of Canara Bank, ICICI Bank and IFMR. At IFMR, he was involved in designing and deploying a local financial institution model called Kshetriya Gramin Financial Services (KGFS). After the success of this model, Anil promoted Samunnati, an agrifinance company with special focus on smallholder farmers, in 2014. He was bestowed the Social Entrepreneur of the Year 2013 by TiE Chennai and Best Social Entrepreneur Award by Hand in Hand at the Global Social Entrepreneurship Programme in 2018.



Mr. Gurunath N
Executive Director

With over 30 years of experience in the banking and financial services space, Gurunath has also worked at Tamil Nadu Mercantile Bank and ICICI Bank. He is responsible for all operational aspects of Samunnati as well as some of the key support functions like Business Performance of Samunnati Financial (Lending). He is also an Executive Director on the Board of Samunnati. As the Executive Director, he engages and builds long-term relationships while ensuring the culture and values of Samunnati are in place.



Mr. Nitin Chaudhary
Head Strategy & Innovations

With over 10 years of experience in financial services for low-income households, Nitin has worked with VISA, Micro Pension Foundation and IFMR. At Samunnati, he manages internal strategic initiatives and pilot projects related to scaling the business. He is also involved in overseeing the Capital Markets team and the business of Samunnati Agro Solutions.



Mr. Ashok Dhamankar
Group Chief Financial Officer

With 23 years of experience across various fields, Ashok has expertise in Commodity Financing, Private Equity, Finance Modelling, Tax Planning and Investor Relations. Prior to Samunnati, he worked with National Collateral Management as the CFO. As Samunnati's Group Chief Financial Officer, he is an expert at deploying and managing processes, implementing financial governance and international financial management.



Mr. Srikanth Mahadevan
Head - Risk Management

With over 27 years spread across Auto OEMs, Banks and NBFC, Srikanth served as Chief Strategy and Risk Officer at Tata Motors Finance prior to Samunnati. At Samunnati, he is responsible for Enterprise Risk Management that includes everything from organisation-wide risk assessment and monitoring to developing risk models and ensuring controls are in place.



Mr. Sridhar Easwaran
Senior Vice President, Institution Development

With 35 years of experience across operations, project management and risk management in the banking industry, Sridhar has worked at PricewaterhouseCoopers and HDFC Bank. As the Senior Vice President of FPOs at Samunnati, he leads capacity development building for FPOs aligned to Samunnati's AMLA approach. The capacity development team focuses on market linkages, access to finance, technology and advisory aspects.

Our Vision

To make markets work for the smallholder farmers and make agri value chains operate at a higher equilibrium.

Our Mission

To provide smallholder farmers and agri enterprises access to markets through financial intermediation, market linkages and advisory services so that the enterprises and value chains that they are engaged in, operate at a higher equilibrium thereby creating value for all stakeholders in the agri value chain.



Introduction

Agriculture and allied sectors are critical in terms of employment and livelihoods for the small and marginal farmers, who dominate the agriculture ecosystem in India. About 58% of India's population is dependent on agriculture as their primary source of income and smallholder farmers (less than 2 hectares of land) constitute 85% of total farmers according to the Economy Survey 2019-20. In this context, a combination of measures is required to promote the livelihood of smallholder farmers and ensure a sustained upward growth in the agriculture sector.

Emerging Key Trends in Financial Year (FY) 2020

In FY 2020, the agriculture sector has witnessed some interesting trends in terms of use of technology across various stakeholders.

There has been an increase in the penetration of technology at the farm level. The sector saw a greater facilitation of electronic payment systems and branchless banking, which reduces transaction costs for both service providers and consumers. Innovations such as movable warehouses/cold storages and mobile based apps providing farm machineries on rental basis have been creating inroads, although the current scale of their operations remains small.

There was a rise in export-import financing to exporters and importers helping in better risk management, improved credit terms and faster turnaround time. Financial institutions increasingly engaged portable smart technology to establish identification and monitor clients. This saw significant reduction in information asymmetries and improve repayment rates.

The sector also saw insurance providers working on innovative products by creating digitally accessed index weather insurance products, using index insurance for weather risks along with mobile registration and payments. The process eliminated the requirement of claims.



Government played a key role in some major initiatives that impacted the Agri Finance sector in FY 2020.

Pradhan Mantri Jan Dhan Yojana helped in bringing more households under formal financial system, both in terms of deposit accounts and credit products. There are nearly 5000 Farmer Producer Organisations (FPOs) in India promoted by different agencies across different states.

The Government of India announced a total budgetary provision of INR 4,496 Cr for five years (2019-20 to 2023-24) with a further committed liability of INR 2,369 Cr for the period from 2024-25 to 2027-28 towards handholding of each FPO for five years from its aggregation and formation. These FPOs will be promoted under 'One District One Product' cluster to promote specialisation and better processing, marketing, branding and export prospects and priority will be given for formation of FPOs in aspirational districts in the country.

Furthermore, a credit guarantee fund of up to INR 1000 Cr in National Bank for Agriculture and Rural Development (NABARD) with equal contribution by DAC&FW (Department of Agriculture, Cooperation and Farmers Welfare) and NABARD; and a Credit Guarantee Fund of INR 500 Cr in National Cooperative Development Corporation (NCDC) with equal contribution by DAC&FW and NCDC for providing suitable credit guarantee cover to accelerate flow of institutional credit to FPOs by minimising the risk of financial institutions for granting loan to FPOs has been announced.

Another interesting initiative was implementation of Mega Food Parks, Modern Terminal Markets, bulk storage facilities and quality control laboratories lead to an increase in the quality as well as quantity of produce available for marketing.

Government has offered financial support and fiscal incentives for creation of common supply chain infrastructure such as cold chain, dry storage, packaging, logistics, back and front-end infrastructure, expansion of processing capacities, etc. to reduce cost of investment, enhance viability and ensure higher conformity to regulatory standards. Under project imports, all goods relating to food processing are charged a uniform customs duty of 5% irrespective of their tariff classification.

For uniform implementation of food quality standards, Food Safety and Standards Authority of India (FSSAI) launched "One Nation, One Food Law" initiative. The Pradhan Mantri Kisan Sampada Yojana implemented in FY 2020 is expected to boost efficiency of infrastructure investment as well as of farmers.

Governments is in the process of completing the digitisation process and updation of land records in a time bound manner. This will help banks to make informed decisions and formulate risk mitigation policies.

Introduction

Village storage scheme run by self-help groups (SHGs) can provide crop holding capacity for farmers. As this policy gets traction on the ground, it will likely benefit the farmers realise better prices for their produce.

Reserve Bank of India (RBI) has set up an 'Internal Working Group to Review Agricultural Credit' on loan waivers as it adversely affects the credit history of borrowers and has come up with its internal recommendations. This will create a healthy credit profile of farmers and make it easy for lenders to work with borrowers on their limits and repayments. Further, RBI has extended the Kisan Credit Card (KCC) facility to animal husbandry farmers and fisheries for their working capital requirements by providing interest subvention of 2% per annum to public sector banks and private sector commercial banks. This will create more capital infusion for farmers and thus help in wholistic growth of the sector.

In addition to the above, the Government launched some initiatives that impacted the Non-Banking Financial Companies (NBFCs) that are active in Agri-Finance sector.

In August 2019, RBI has incentivised banks to lend to Micro, Small & Medium Enterprises (MSMEs) through the NBFC sector. Bank credit to registered NBFCs, other than Micro Finance Institutions (MFIs), for on-lending to micro and small enterprises up to INR 0.20 Cr per borrower are eligible for classification as priority sector lending.

RBI recently allowed 'on tap' authorisation to entities desirous to provide platforms for Trade Receivables Discounting System (TReDS). This move is likely to increase the competition in trade receivable discounting space and will enable corporates to join the platform and make the system more efficient.

Road Ahead

The Government of India has been moving towards achieving the ambitious goal of doubling farmers' income by 2022. The sector will witness increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage that is likely to boost the growth of the sector. Another key area that is likely to be a huge focus for the government and financial institutions is enhancing digital infrastructure in the country. The financial institutions will continue to improve their penetrations through better networking of bank branches, business correspondent agents, micro ATMs, point of sale (POS) terminals and internet connectivity, facilitating a move towards digital onboarding of customers. This is likely to encourage adoption and acceptance of digital payments and promote efficiency and transparency through digital transactions.

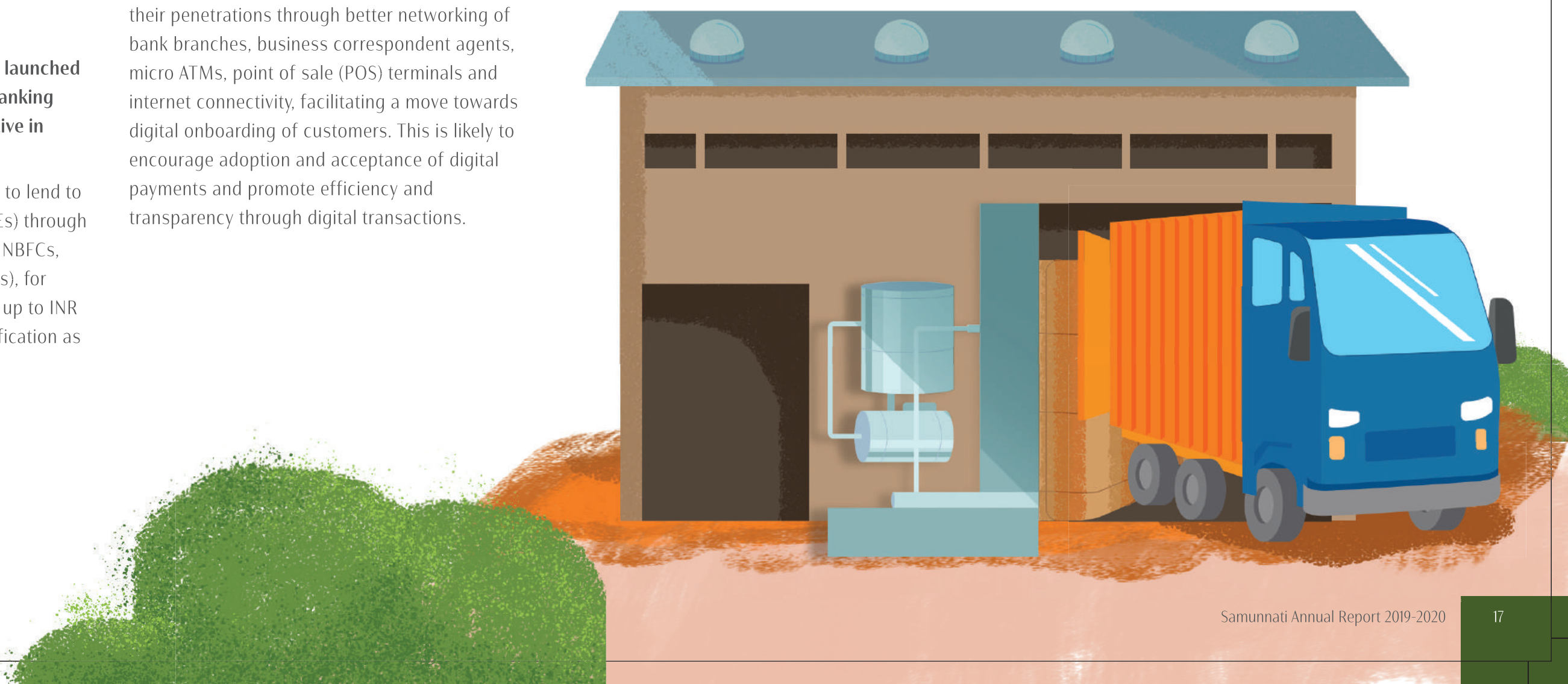
India's focus on deepening the reach, usage and sustainability of financial inclusion in 2020 is likely to continue by

- /// Achieving high growth by raising productivity
- /// Inclusiveness by improving coverage of lagging regions, small and marginal farmers, landless/tenant/oral lessee and women farmers
- /// Sustainability of agriculture

New age technological solutions in the form of products, services, or applications by start-ups in agri space to build a smart agriculture value chain will continue to improve the sustainability quotient

of agriculture. Agri start-ups focus for 2020 is likely to remain on some key areas such as supply chain, infrastructure development, finance related solutions, farm data analytics and information platforms.

The net return indicators of the retail NBFCs are expected to witness a 25-35 bps benefit due to a cut in effective corporate tax rate from about 34% to 25%. Additionally, NBFC earnings can also benefit over the medium term from the removal of debenture redemption reserves and from inclusion under Section 43D of the Income-Tax Act.



Impact of Covid19 on Indian Agriculture

The COVID-19 coronavirus outbreak originated in China has infected nearly 4 million people with over 270,000 deaths globally as of May 08th, 2020. This crisis continues to have ripple effects on the entire global economy, including India. The country-wide lockdown in India since March 2020 has had a strong ramification on various supply chains in form of disruptions; and more importantly for India's poor, including daily wagers and farm workers that form a large part of India's most vulnerable population and have been supporting the agri supply chains.

Government of India has been making continuous efforts to streamline agri value chains to maintain the uninterrupted supply of essential commodities and services to millions of end-consumers. However, by nature, agri systems in India remain complex in their operations and are interwoven across multiple stakeholders including farmer producers and input suppliers at farm level, followed by various supply chain players focusing on processing, storage, transportation and marketing to make the farm produce reach to end-consumers. With the exponential spread of COVID-19 since March 2020, agri value chains have been witnessing multiple set of challenges in India as Government of India continues to take steps to curb virus spread and minimise the impact on India's socio-economic system. There have been multiple documentations about difficulties for producers to access markets for their farm produce, storage issues and price volatility, disrupting the agri value chains in many different ways.

At Samunnati, we believe that the most important silver lining of this crisis has been the resilience showcased by agri-sector amid these difficult times despite reported disruptions in many pockets. We realise and appreciate the fact that because of limited penetration of COVID-19 in rural India during first wave of infection spread, farm operations and agri supply chains have been demonstrating greater scope of social distancing compared to hugely populated clusters around urban centres of economic activities. However, factors such as norms related to social distancing, psychological fear related to virus spread and farmer's dependence to agri-market centres that are mostly based in urban areas have been a few bottlenecks for market linkage and access at right time.

Some of the proactive steps by the Government of India to ensure smooth functioning of agri supply chains and mitigate liquidity risks for agri-sector include interventions by RBI and NABARD. A special refinance line of INR 50000 Cr has been created by RBI to enable NABARD, Small Industries Development Bank of India (SIDBI) and other channels to support for NBFCs, regional rural banks (RRBs), cooperative banks and MFIs.

Policy Measures Undertaken by the Government of India

India remains in an extended national lockdown till May 3rd 2020. Both Central Government and State Governments are in discussions on a coordinated exit plan from the pan-India lockdown. A range of steps are being discussed, including selective extension of the lockdown in 'hotspots', staggered removal of restrictions on general movement, the establishment of 'containment zones' where there will be aggressive testing and complete cessation of public movement outside of homes. Even though agriculture activities were listed under essentials activities, the sector suffered due to broken supply chains, insufficient aggregation, lack of labourers, lack of awareness and information, and an acute demand/supply mismatch. Few of the key policy changes to support the agri-sector by amendment of existing framework are as following: -

- Freedom to farmers to sell their produce to buyers not having APMC licenses.
- A legal framework to be created by government to enable farmers to engage with processors, aggregators, or retailers. This will help farmers to get assured prices and confidence to grow the crop for that season.
- Essential commodities act being deregulated, thus enabling private sector to invest on storage and distribution of essential commodities. Stock limits, a key deterrent to private investment so far, to be imposed only in case of extra – ordinary situations.

- Collateral free loans to FPOs and MSMEs, upto 20% of their outstanding at the end of February.
- The Ministry has launched a mobile app called "Kisan Rath" to help farmers provide transportation facility for movement of produce from farm to mandis during the lockdown period.
- The trading module developed by Government of India to enable farmer producer organisations (FPOs) to upload their produce from collection centres with picture/quality parameters for online bidding without physically reaching the mandis.

Further to the policy amendments, various relief and infrastructure development packages have been introduced. The Central Bank (Reserve Bank of India) has taken several steps to infuse further liquidity into the financial system, including further cuts (0.25%) to the reverse repo rate, the launch of Targeted Long Term Repurchase Operations (TLTROs) of INR 500 Bn; and provision of additional INR 500 Bn into key apex refinance institutions such as NABARD (Apex Agriculture Bank) and SIDBI (apex institution for small industries).

Key Agricultural Infrastructure Development Packages

INR 1,00,000 Cr for FPOs, PACS and Aggregators to strengthen farm gate infrastructures.

INR 2,00,000 Cr to help Micro Food Enterprises involved in value addition in Health & Wellness products.

INR 20,000 Cr for development of Infrastructure in Fisheries (Infrastructure, Testing lab, Vessels, Insurance etc).

INR 13,000 Cr for Vaccinating cattle to ensure quality milk production and less infection of diseases.

INR 15,000 Cr to invest in Infrastructure development of dairy products like processing, value added products and Cattle feed manufacturing and exports.

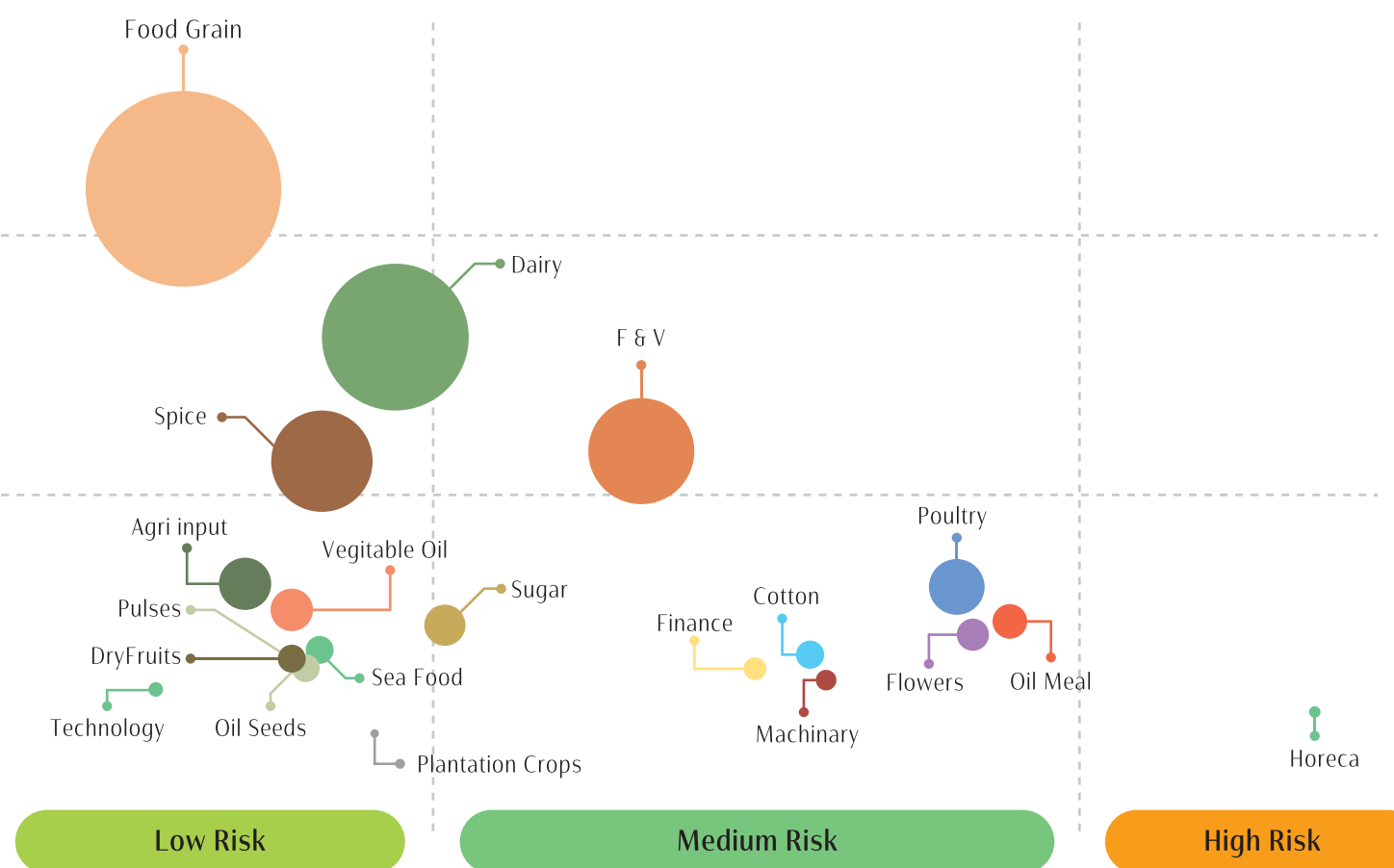
INR 4000 Cr for cultivating herbal plants in the next two years.

INR 500 Cr for Bee keeping to upgrade infrastructure in this segment and increase the availability of honey and wax within the sector.

Operation green will be infused with more capital of INR 500 Cr. 50% subsidy will be given for transportation and storage activities.



Samunnati's Approach in the Current Covid19 Scenario



Samunnati has been working with FPOs on supply side and with Agri-Enterprises (AEs) on demand side across the country to understand and resolve the issues at the ground level and we have strived towards providing market access to producers and timely supply to various value chain players to bridge the gap. We believe that agri-sector will continue to offer significant support to India's economy in future as well. Some of the sub-sectors like spices, seafood, tea, cotton etc are severely impacted because of current crisis

because these sub-sectors are driven not only by domestic factors but also by global demand that has shrunk significantly since importers like the European Union (EU), the United States and China are badly hit by COVID-19. However, we believe that this dip in export demand from India is temporary and should be back within a few months as situation normalises, and in medium to long term India will continue to remain crucial for global trade for such agri sub-sectors.

Samunnati's Approach in the Current Covid19 Scenario

Unique challenges during ongoing COVID-19 crisis has prompted Samunnati to find innovative ways to connect our customers to other value chain players and the end-consumers. Samunnati has been striving to develop alternative links between end-consumers and households to producers in the current extraordinary times. We have been witnessing multiple examples and use cases where we were able to work with our AE clients to support them in reaching out to thousands of households and residential complexes to supply essential commodities including perishable fruits & vegetables as well as staples directly. In addition to this, Samunnati has been able to successfully link farm producers to online aggregators and grocery platforms in some cases, ensuring timely offtake of perishable farm produce and better profit realisation for small holder farmers. We have supported many virtual round table discussion of our AE clients playing critical roles in raw material supply to India's top institutional players in agri-processing space,

and this has been an encouraging tale of showcasing adaptability and resilience of agri-sector to the COVID-19 crisis that we discussed above. Samunnati took adequate steps to ensure health and safety of employees. As an employer, it was our responsibility to ensure the safety of our employees. Various measures were taken to ensure utmost safety even prior to the lockdown starting March 25th 2020. Crisis management teams were formed in order to analyse the crisis and to take timely actions.

Aligning to the changes in agri ecosystem, Samunnati believes that deployment of technology and digital solutions is an important step towards creating a transparent and economically viable value chains for the ecosystem players. Current extraordinary circumstances (COVID19 crisis), with social distancing becoming way of life, digital transformation is the new normal in the agri ecosystem.

Measures taken by Samunnati to ensure the health and safety of its Employees

Samunnati restricted all non-essential travel and started focusing on virtual meetings.

Samunnati instituted mandatory work-from-home for large locations ensuring lean staffing.

Sanitisation of key office locations and reduced office presence to business-critical teams.

All critical teams who work from home checked in with business continuity plans and highlighted issues, if any, on a daily basis.

Regular communication with employees and other senior management team members led by CEO, Executive Director and Human Resources on measures being taken by the company which includes COVID-19 protocols with regular updates, advisory from authorised agencies, revised policies.

Samunnati ensured adequate medical coverage under our Group Insurance plans.

Some of key technology interventions launched by Samunnati



Gateway

To Connect various stakeholders in the agri value chain - Farmers, FPOs, Input Suppliers, Buyers for output



Market Linkage

Effective Platforms for FPOs and Farmers for aggregation & inventory Management (Inputs, Output), Market linkages, Advisory



Payment Solutions

To provide Realtime Access to credit & effective payment solutions



Market Place

To provide better Market place, better pricing for small holder farmers



Farm & Farmer Data Tools

Mobile App, based solution for Better farm management and improved access & productivity



Digital Connect

To bring Transparency, Timely information for reduced risks & improved Decisions

Samunnati's Approach in the Current Covid19 Scenario

Samunnati launched its Webinar Series – 'In Talks with Samunnati: Agriculture in the New Normal – Making Markets work for Smallholder Farmers' to initiate crucial discussions with industry experts. Samunnati has been conducting various webinars under the series including virtual round table discussion, national consultative workshop and regional webinar.

Virtual Round Table Discussions

The first session in the series, virtual round table discussion on, 'Are alternative markets the way forward to tackle disruptions in the Agri supply chain?' was organised on 16th May, 2020. Few of the eminent personalities of the agriculture ecosystem were part of the panel discussion. The webinar witnessed 956 total registrations, 400 attendees on Zoom and 1,500 views on Facebook live session.

Panel consisted of

- **Ms. Neelkamal Darbari**
Managing Director, Small Farmers' AgriBusiness Consortium (SFAC)
- **Mr. Ravi Varanasi**
Chief Business Development Officer, National Stock Exchange (NSE)
- **Mr. Vijay Kumar**
Managing Director & CEO, National Commodity Derivatives Exchange (NCDEX)
- **Mr. Rajesh Sinha**
Managing Director & CEO, NCDEX e-Markets Limited (NeML)

- **Mr. Karthik Jayaraman**
CEO and Co-Founder, WayCool
- **Mr. NV Ramana**
Advisor, Samunnati

National Consultative Workshop

Samunnati brought together ~50 representatives from FPO Federations across the country in co-creating a roadmap in overcoming the challenges of our times and tapping the new market linkage opportunities generated by this crisis. The workshop was to understand what requires to be done in the next one year or so and the prioritisation of the same, Samunnati thought it is best to consult the FPOs to build a Roadmap. "A Roadmap built BY the FPOs FOR the FPOs." The takeaways of the webinar were presented at The ET Virtual Agtech, India's first agri virtual conference.

The Regional Webinar Series

To understand the key challenges faced by FPOs as well as, solutions and new ways of working that we could adopt collectively and to get the grassroot perspectives from the agri practitioners, Samunnati organised regional webinar in 5 vernacular languages including Tamil, Kannada, Marathi, Hindi and Oriya. Webinar was attended by FPOs from 8 states. More than 1290+ FPOs have registered for the webinar and 95% of the attendees found the webinar extremely useful.



In Talks With Samunnati

Agriculture in the New Normal

Samunnati brings together FPOs from across the country for a Regional Webinar in vernacular languages on 25th, 26th and 27th June 2020.

Register now to be a part of the thought provoking discussions on key challenges faced by FPOs, as well as, solutions and new ways of working that we could adopt collectively.

Tamil	Hindi	Oriya	Kannada	Marathi
25th June 11:00 AM - 1:00 PM	26th June 11:00 AM - 1:00 PM	26th June 4:00 PM - 6:00 PM	27th June 11:00 AM - 1:00 PM	27th June 4:00 PM - 6:00 PM



Facets of Samunnati

In 2014, Samunnati Financial Intermediation and Services Private Limited (“Samunnati” or “Company”) was incorporated as a Private Limited Company in Chennai. The Company was registered as a Non-Banking Financial Company (NBFC) with Reserve Bank of India (RBI) in February 2016. In Financial Year (FY) 2018 - 2019, Samunnati became a Systemically Important NBFC (NBFC - NDSI).

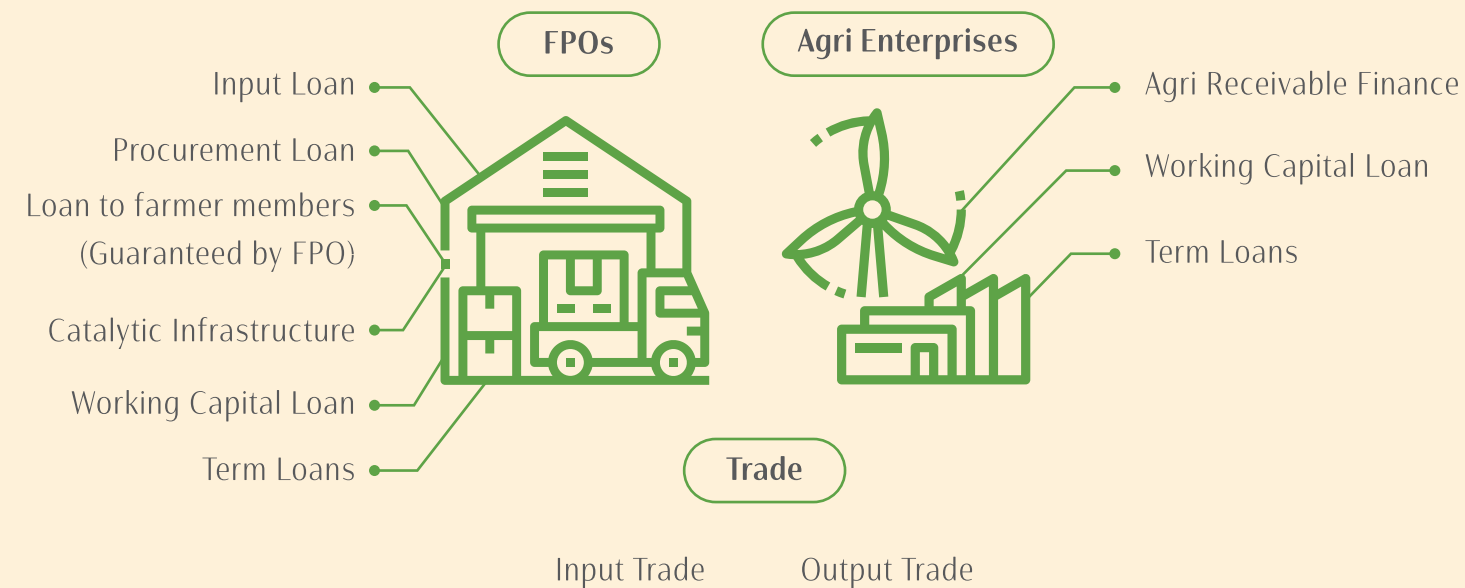
Samunnati is a specialised Agri Value Chain enabler that provides innovative and customised financial and non-financial solutions. With an aim to offer holistic, suitable trade solutions to the agriculture

value chain players, Samunnati Agro Solutions Private Limited (“Samunnati Agro”) was incorporated on October 14, 2016 as a 100% subsidiary of Samunnati Financial Intermediation & Services Private Limited.

Samunnati and Samunnati Agro constitute the Samunnati Group (or “Group”). Samunnati Group was present across 19 states with 392 employees in FY 2020 and will continue to expand in more states.

Samunnati: Products & Solutions

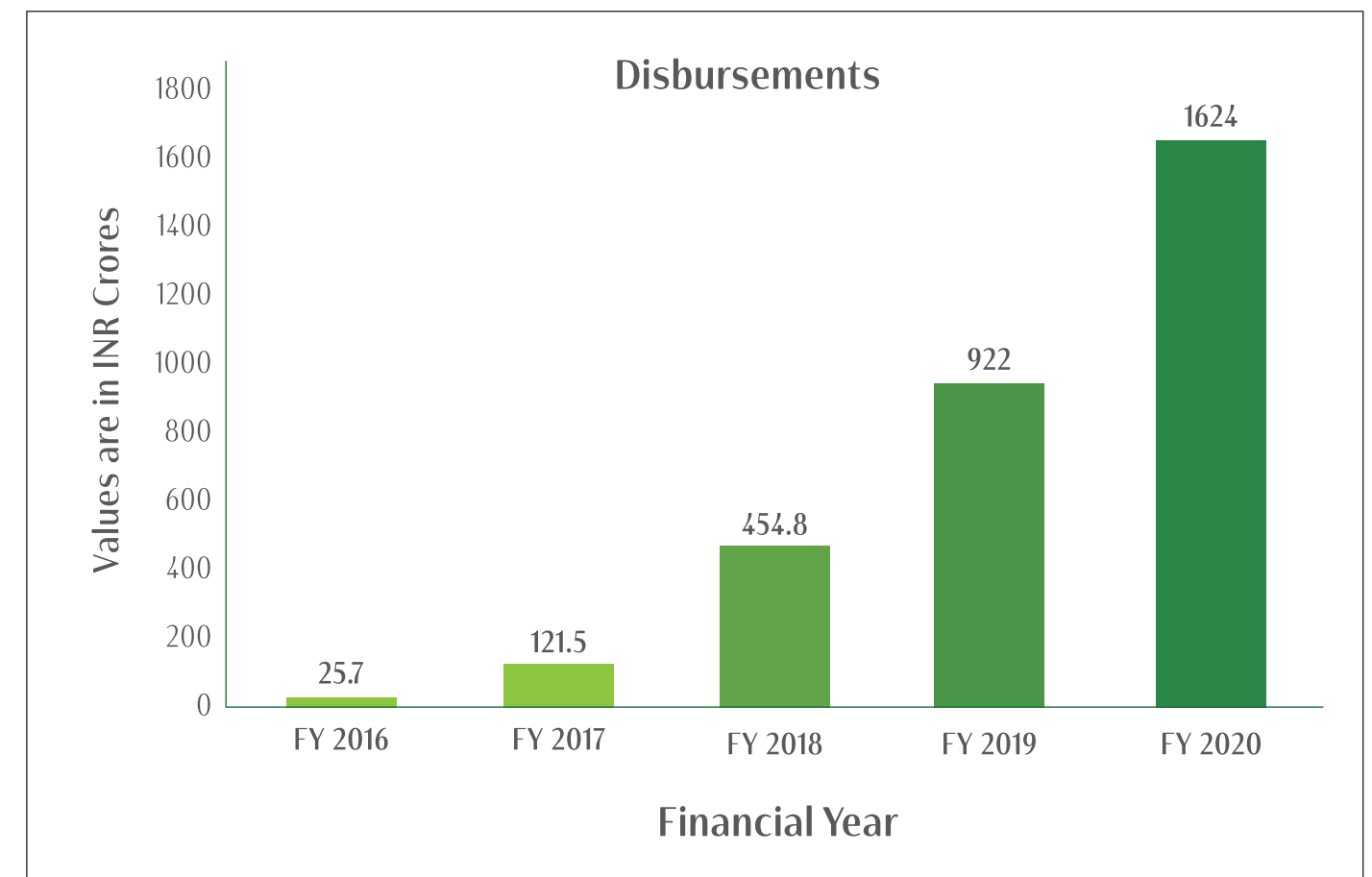
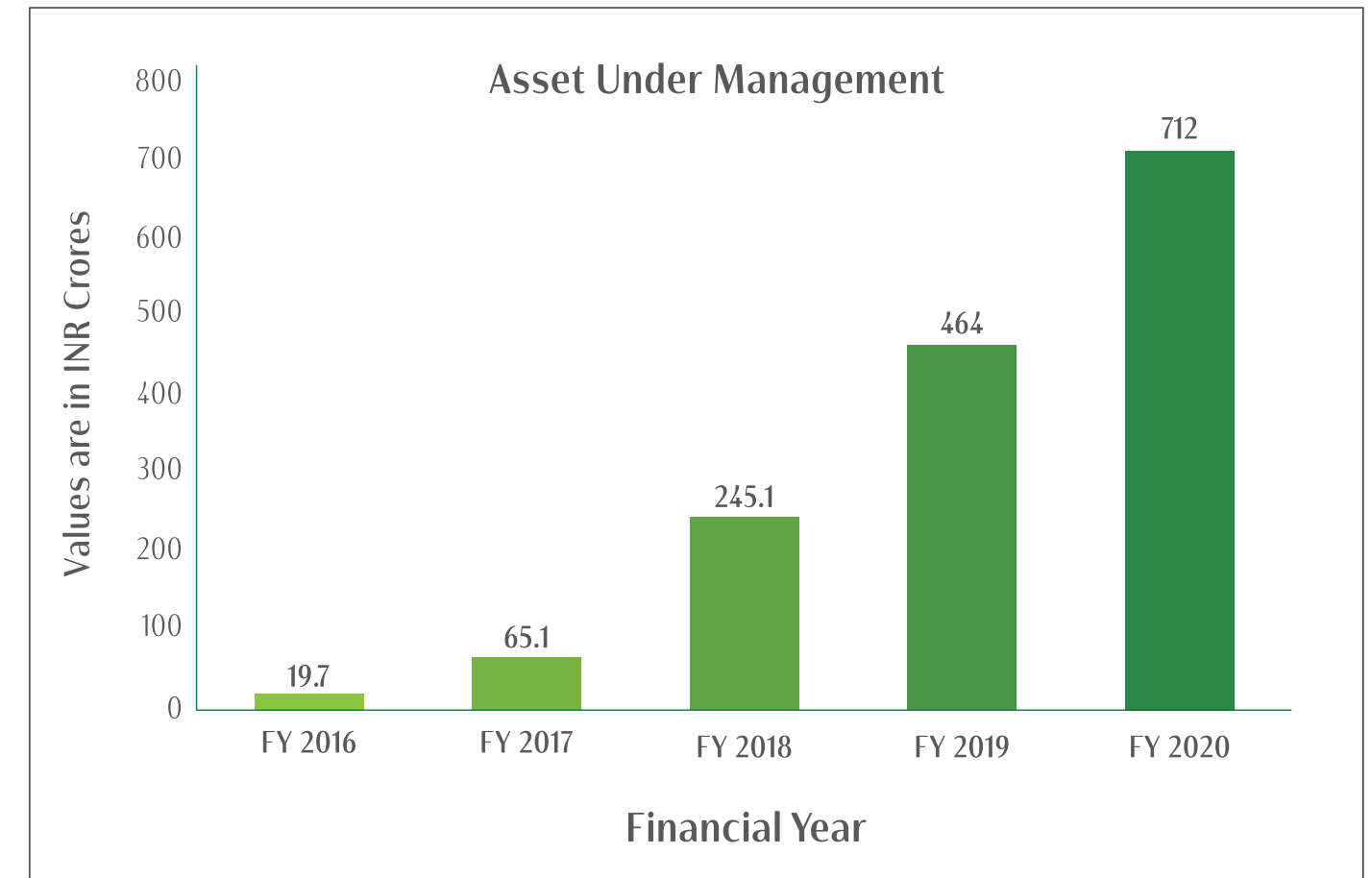
Samunnati Finance & Samunnati Agro offer customised Product & Solutions to cater to the financial and non-financial need of the FPOs & Agri Enterprises.



Through its high ability of market linkages, Samunnati offers trade credit products

Samunnati

Samunnati had an overall strong growth in FY 2020, with the disbursements increasing at 76.17%, from INR 922 Cr in FY 2019 to INR 1624 Cr in FY 2020.



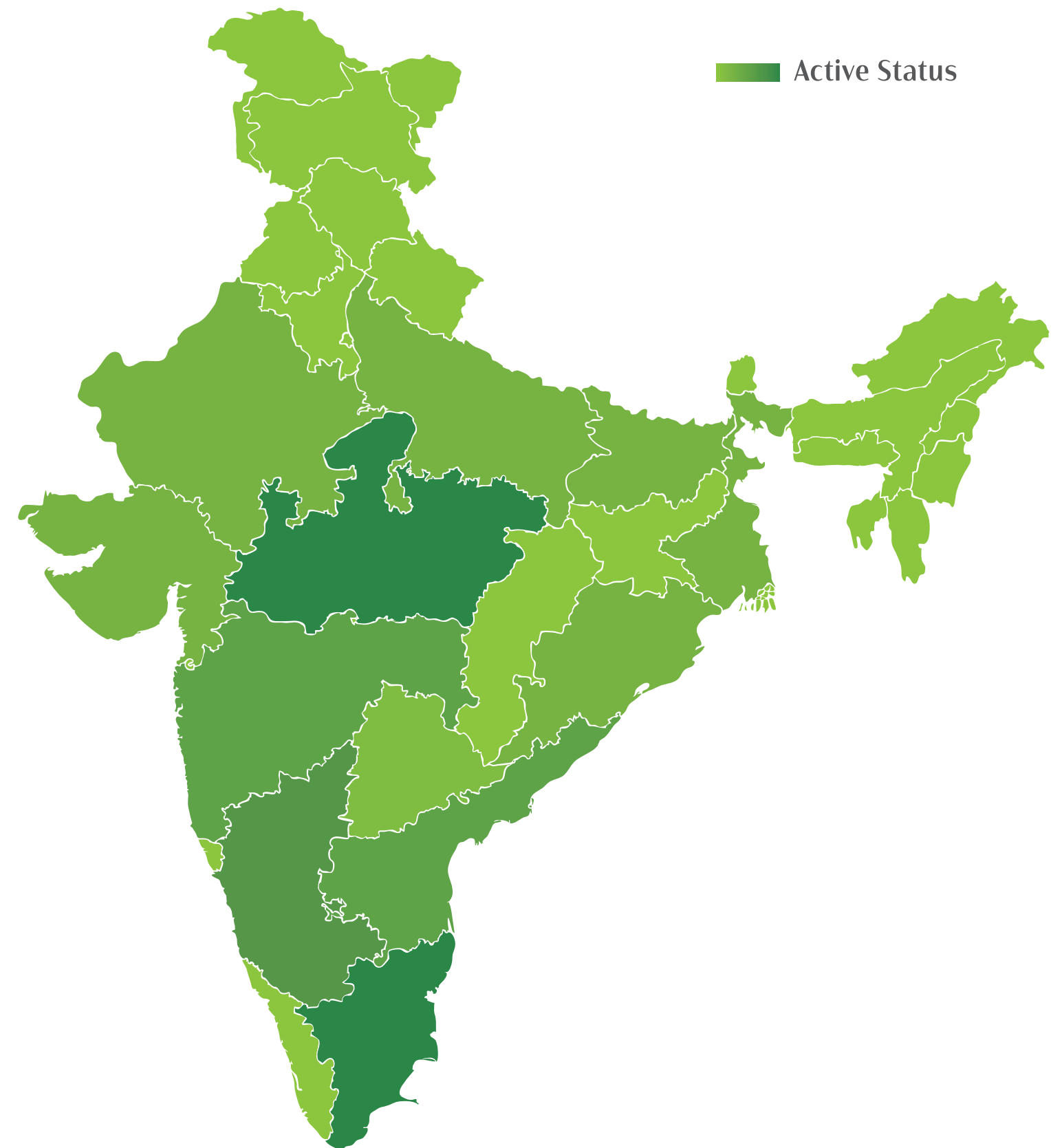
Facets of Samunnati

Farmer Producer Organisations (FPOs)

Samunnati started working with FPOs in year 2016 and built a comprehensive FPO engagement strategy for the holistic development of the FPOs through customised financial and non-financial solutions. Samunnati focused on strengthening the existing network of FPOs promoted by various Resource Institutions (RIs) and NGOs like ASEEFA, Social Education Economical Development Society (SEEDS), Association of Social Advancement (ASA), Reliance Foundation and so on and Producer Organisations Promoting Institutions (POPIs) like National Bank of Agriculture and Rural Development (NABARD) and Small Farmers Agribusiness Consortium (SFAC).

In FY 2020, Samunnati onboarded 121 FPOs, taking the total FPO client base to ~400 FPOs across 19 states in India. Tamil Nadu constituted about 39.56% of the total portfolio in FY 2020 compared to 61.93% in the previous year. Other major driving States are Karnataka, Odisha, Maharashtra and Andhra Pradesh. Samunnati disbursed INR 347 Cr as of March 31st, 2020, with an increase of 33.10% compared to the last financial year.

Presence of Samunnati; FPO Engagement



Facets of Samunnati

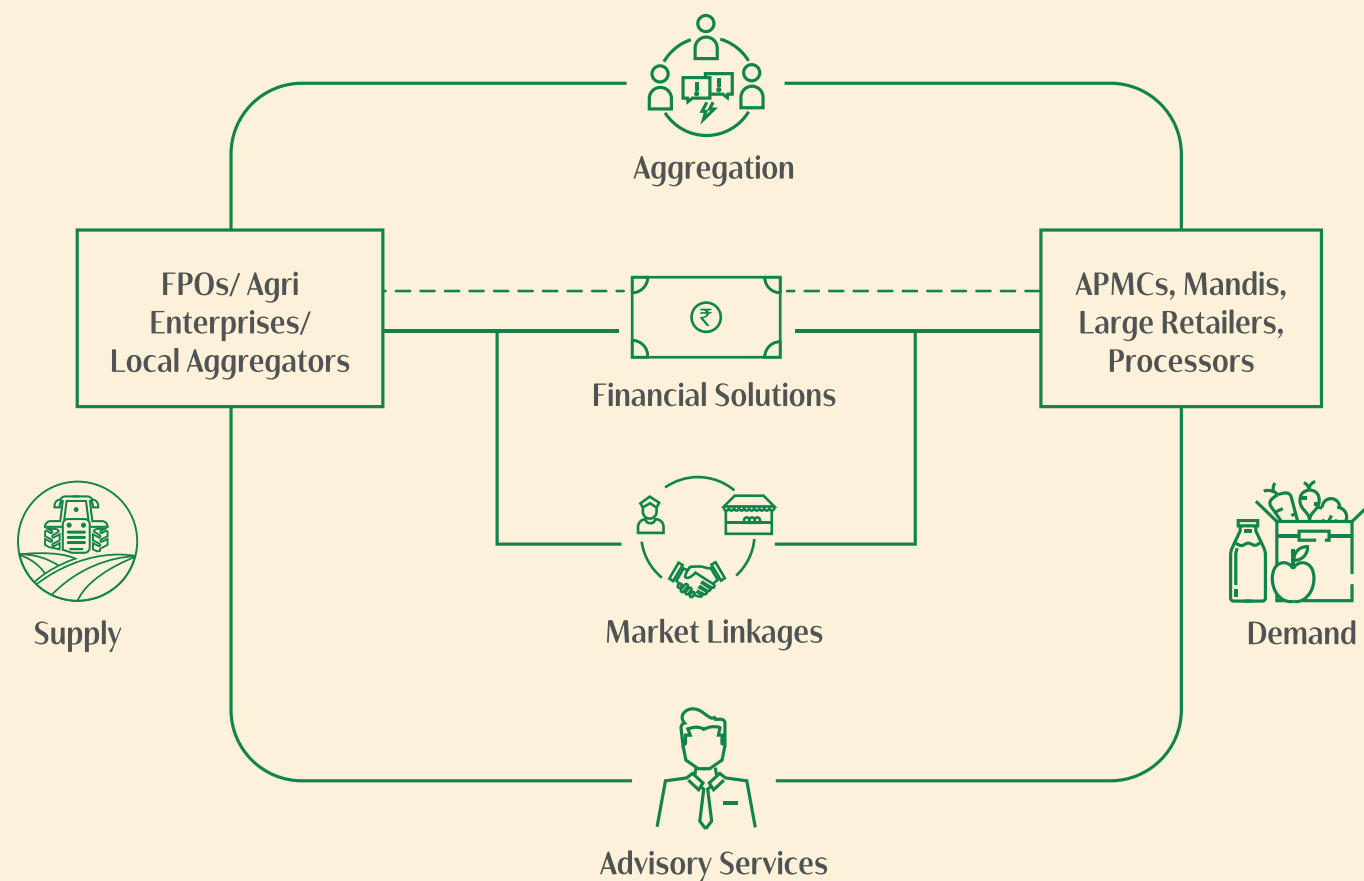
Samunnati's Holistic Approach for FPOs

In order to promote FPO model, Samunnati has adopted "4Es" method.

- // Enabling capacities of Farmers, FPOs and promoters.
- // Establishing centres for excellence in agriculture and allied activities.
- // Empowering Community Based Organisations (CBOs) with aggregation, market linkages & advisory services.
- // Enhancing productivity & income through customised solutions.

In FY 2020, Samunnati was able to quickly expand its FPO customer base by 46% with 400 FPOs which in turn have a member reach of approximately 4 million farmers. Samunnati understands the core issues and needs of FPOs and continues to develop initiatives under its unique Aggregation, Market Linkage and Advisory Services (AMLA) approach to effectively reach out to the farmers via FPOs. Under this, the Company rolled out several pilots like FPO Input Shop initiative and institutional building programs etc. to engage with FPOs to build them into stronger entities.

Holistic AMLA Approach



FPO Input Shop Initiative

In FY 2020, Samunnati launched an initiative for its FPO clients in Maharashtra to create market linkages for inputs (backward linkage). Under this initiative, Samunnati partnered with Deepak Fertilisers to take an umbrella dealership for its FPO clients, wherein the FPOs will collectivise the seasonal input demand from its member farmers and will share input demand calendar with Deepak Fertilisers. This arrangement enables the FPOs to act as the dealers and provide the inputs to its member farmers directly at lower cost than the market price.

Samunnati has completed onboarding of 25 Input Shops with 9 FPOs in FY 2020. This initiative aims to enable the FPOs in leveraging the bargaining power to procure inputs at a reduced cost, increase their input business through input demand aggregation, increase ratio of active members/total members and so on. Samunnati plans to further expand this initiative in other States in India.

Institutional Building of FPOs

In order to build the overall financial viability and institutional sustainability of the FPOs, Samunnati launched a separate team to undertake institutional development of the FPOs and their farmer members. The primary objectives of this initiative are to:

- // Strengthen the organisation performance of FPOs
- // Improve FPO's governance and leadership
- // Increase the active participation through a positive change in member base
- // Adoption of scalable tech-based solutions for efficient management
- // Turnover/increase in profits of FPOs
- // Identify business opportunities for FPOs such as contract farming, market linkages, custom hiring centres

In FY 2020, Samunnati identified FPOs and started pilot training sessions in 5 States, namely, Maharashtra, Karnataka, Odisha, Bihar and Madhya Pradesh. Based on the learnings and outcomes of the initiative, this will be further expanded in FY 2021.

Facets of Samunnati

Agri Enterprises (AEs)

In FY 2020, Samunnati expanded its AE base to 338 clients with an addition of 97 new AE clients as compared to 241 AEs in previous year. Agri Enterprises represent the demand side of the value chain, wherein Samunnati assists in removing working capital constraints through customised financial solutions. By building market linkages, the Company connects enterprises such as retailers, wholesalers, processors, traders, exporters, and so on, to producer organisations who can meet their aggregation needs on time. In FY 2020, the total disbursements stood at INR 1278 Cr, a 107.9% increase when compared to INR 614 Cr in previous financial year. The average portfolio yield stood at 19.09%. In order to help FPOs realise better price for the farm produce through a transparent mechanism and immediate payment to the farmer collectives, they were directly connected to Institutional Buyers through Samunnati Agro and thereby created value for both the market participants.

New Initiatives in FY 2020

In addition to the existing solutions, Samunnati set up three verticals to offer new/unique solutions enabling stakeholders in the agri-ecosystem to overcome hurdles. These three new verticals will focus on Digitisation of FPOs, HoReCa (Hotels Restaurants and Cafeteria) and Products and Innovations.



Digitisation

Digitisation is one of Samunnati's key areas of focus to elevate FPO ecosystem to a higher equilibrium. Under this, key areas for pilot has been identified, namely digital toolkit for FPO management at farm-farmer-FPO levels, application of remote sensing and data-base building. FPO digitisation solutions have been successfully implemented covering areas such as governance, compliance, accounting, member management, workflow management, data warehousing and beyond.

FPO digitisation pilots have been initiated with 11 Farmer Producer Companies across 3 States namely, Karnataka, Tamil Nadu and Maharashtra. All three states have varied agroclimatic characteristics. The team has canvassed over 200 agricultural start-ups; profiled 250+ FPOs on their infrastructures, pressing needs and aspirations

FY 2021 is expected to bring even more focus on digital transformation through in-house developments and synergistic strategic partnerships. FPOs would continue to be central to the solution development with emphasis on smoothening market linkage activities.

Facets of Samunnati

Hotels Restaurants and Cafeteria (HoReCa)

To further strengthen the demand side of the value chain in FY 2020, Samunnati took a strategic initiative to set up a new unit focusing on the Hotel and Retail segment, HoReCa.

Since then, Samunnati has initiated relationship with India's leading online marketplace and delivery company for the restaurants. The Company is also in advance stage of partnering with restaurant aggregators that run cafeterias/ food court for large institutions. These partnerships would enable Samunnati to engage with entrepreneurs in the value chain. The partnership with aggregators would enable Samunnati mitigate the credit risk through information sharing and an escrow mechanism. Samunnati has also partnered with the online B2B marketplace to engage with kirana stores. The Company has also extended financial relationship with new-age online retailers to provide market linkages for FPO.

Products and Innovation

To continue introducing new technology solutions to help and better understand our customers, the Products & Innovation team was set-up to pilot new solutions that can strengthen Samunnati's vision and catapult our business productivity to the next level. For instance, Samunnati successfully initiated a pilot called, 'Samunnati Payment Solution' in FY 2020

Samunnati Payment Solution comes with Samunnati Pay App and a QR based Pay card. The Pay Card is an innovative digital payment instrument, specially designed to meet the requirements of the farmers. Farmers can use the card to purchase inputs against



the credit limit sanctioned by Samunnati, receive payments when the produce is sold in the market, withdraw money through ATMs/ Micro-ATMs. This will empower farmers with pre-sanctioned credit on the card, seam-less & timely availability of credit for purchase of inputs and other services, access to other financial and co-financial products and optimum utilisation of credit for intended purposes. This will be a single payment instrument for multi-purpose usage to the farmers (for settlements during buying & selling). The positive outcomes of this pilot have encouraged the Company to build a more robust payment infrastructure, which can digitise the transactions across the value chain – "Samunnati Payment Solution V 2.0".

Stakeholders including FPOs/AEs/Input Merchants/CBOs/Traders/ Dairy societies would benefit from payment solution through real-time & scalable payments to farmers across multiple channels, low transactional costs, reduced logistics costs, higher efficiency caused by reduced frauds, digital documentation of the transactions for better management of fund flows, real time reconciliations & settlements, preparedness for future demand and supply estimation, business planning and analytics that provide understanding of the farmer's financial and other needs.

Samunnati Agro

Samunnati's Agro clients are divided into two categories:



Fruits and Vegetables (F&V)



Non-F&V

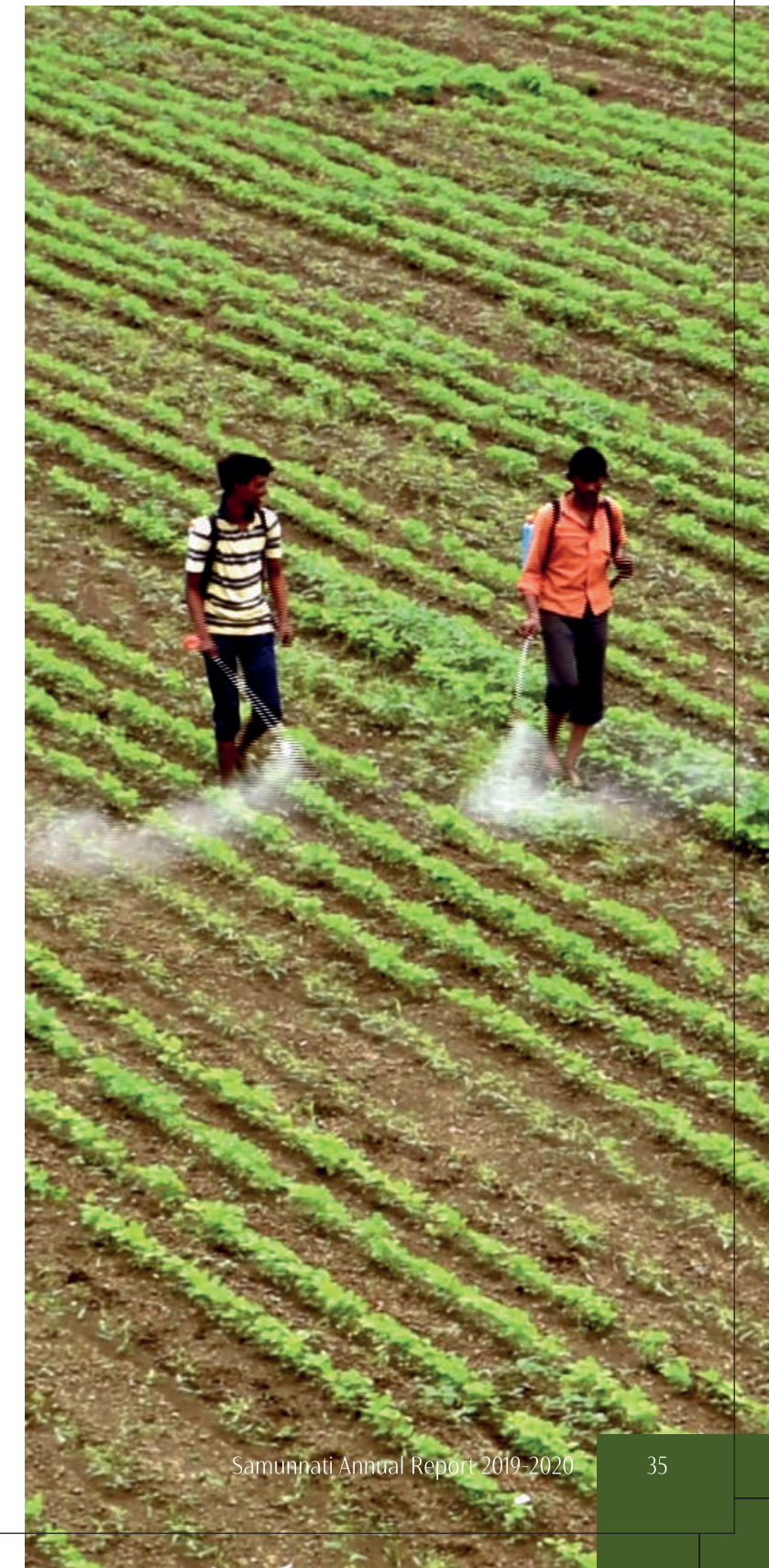
The services would include aggregation, market linkages (bill-to ship-to model), imports and vendor bill discounting.

Samunnati Agro witnessed 69.62% growth in the turnover at INR 592 Cr compared to INR 346 Cr in previous year and a trade receivable of INR 166 Cr IN FY 2020. The operations were expanded to new States such as Uttar Pradesh, Punjab, Haryana and Delhi in FY 2020 and included new value chains such as fish meal, salt, malt, broken rice, and so on.

Samunnati Trade Solutions

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

In FY 2020, Samunnati Agro focused on penetrating markets through value chain aggregators like brokers, commodity exchanges. Samunnati Agro also worked with financial companies /Financial Broking companies such as Speed financial and SMC Investments through associate channels to increase its penetration in the agri markets.



Facets of Samunnati

Further, Samunnati Agro provided market linkages to corporates such as Suguna Foods Private Limited, Venkateshwara Hatcheries Private Limited (V H Group), Premium Chick Feeds Private Limited, Venky's, The Archer Daniels Midland Company, Octagon Foods LLP, Banari Aman Group, Mukka Sea Foods Industries Limited, Gokul Agro Resources Limited, and so on through its FPO network and through physical market brokers in FY 2020. In the government supply space, Samunnati Agro worked along with NCDEX e-Market Limited (NeML). Samunnati provided financial solutions to clients supplying to Kerala Civil Supplies and Telangana Civil Supplies and has entered into an MOU with Punjab Agri Export Corporation for Kinnow Supplies to enable them and their farmers to connect to various potential consumption markets like Hyderabad, Delhi and Kolkata. This successfully enabled Punjab Agri to sell 35 trucks of Kinnow to these markets.

The focus on quality produce is now vital standard in the agri value chain. Samunnati Agro has entered into an agreement with National Collateral Management Services Limited (NCML) for empowering member FPOs to develop grades of various commodities, be aware of quality aspects and fair price for member farmers at the time of procurement of goods. Additionally, with the existing strong FPO network, Samunnati Agro will provide market linkages to large corporates. The focus will continue to be on structured solutions for post-harvest produce and would keenly work on opportunities in the commodity sector in warehouse-based sales and inventory purchase.

Samunnati Agro shall continue to focus on exchange-led business in terms of government supplies, leveraging on exchange-based members through associate channels. The focus would be on

forging stronger relationships with market aggregators like NAFED, the Centre's commodity procurement agency, NCML, National Stock Exchange (NSE), the Multi Commodity Exchange (MCX), National Commodity & Derivatives Exchange Limited (NCDEX), the BSE Sensex, Kisan Yard, Market Yard, MI Exchange and so on, to increase its reach in the market. Further, Samunnati Agro will look forward to working with industry associations such as India Pulses and Grain Association (IPGA), the Soybean Processors Association of India (SOPA), the Compound Feed Manufacturers Association (CLEFMA), PHD Chamber of Commerce and Industry and so on, to reach out to newer market participants and utilise these associations to voice the requirements of small holder farmers.

Market Linkages

The main demand from FPOs are both input and output (direct market) linkages to reduce cost of cultivation and increase returns. Samunnati Agro helps facilitate the trade by filling in the financial gaps and working capital crunch through Samunnati by becoming an internal player in the process and billing it to seller and shipping to buyer. It provides market access to its FPO clients by matching the demand created by its network of institutional buyers with the supply from the FPOs. Market linkages to FPOs through trading enables Samunnati to better understand FPOs and provide customised financial solutions to players across the value chain. In FY 2020, 30 FPOs and 22 institutional buyers were onboarded for market linkages across 7 States (Gujarat, Maharashtra, Telangana, Andhra Pradesh, Madhya Pradesh and Tamil Nadu) and have successfully traded 9 commodities via bill-to-ship to model with the gross margin of INR 0.37 Cr.

Human Resources

Samunnati Group is an equal opportunity employer and focuses on continuous learning and development of its employees. As on March 31, 2020, Samunnati Group has a total of 392 employees on its payroll. The Group strengthened the needs of the growing business and has onboarded 180 employees in FY 2020 across verticals. Few of the new teams formed in FY 2020 are (i) CSR & Partnerships, (ii) Samunnati Foundation, (iii) Products & Innovations, (iv) Revamped Risk Management Function, (v) Strengthened Marketing Teams.

In FY 2020, new initiatives were undertaken to train and encourage personnel across different functions to enhance their behavioural, as well as, technical competencies.

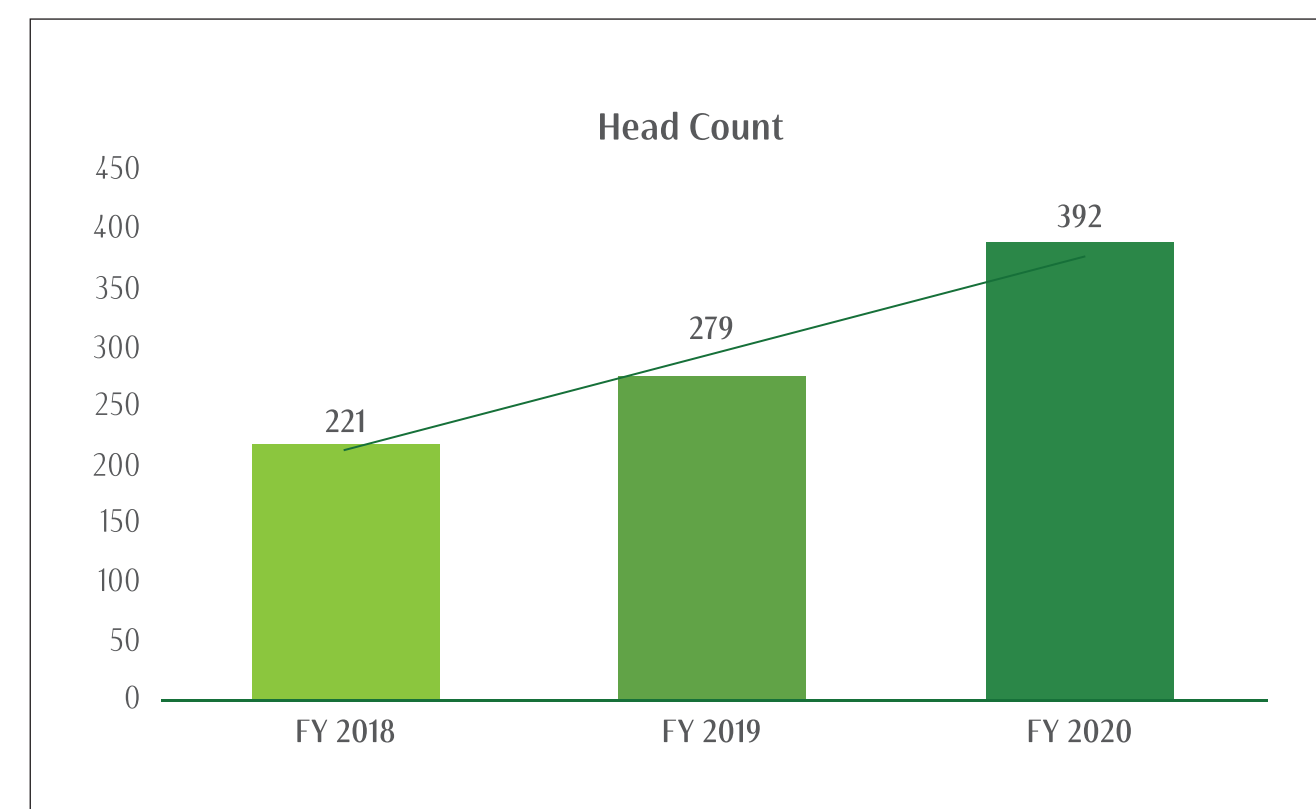
Knowledge Management (KM) Sessions

A weekly engaging platform wherein an employee with a specific expertise is provided an opportunity to share his/her learnings with the whole Group. This initiative was aimed to boost technical knowledge, presentation skills and leadership capabilities. In FY 2020, 10 KM sessions were organised along with 6 workshops and 12 training sessions.

Trailblazers

Trailblazers is an initiative to recognise and reward the outperformers with rewards, certificate, badge and lunch meeting with CEO.

Besides Trailblazers, there are also other awards to recognise our outstanding performers as well as emerging leaders in Samunnati's Annual Event, "Shrishti".

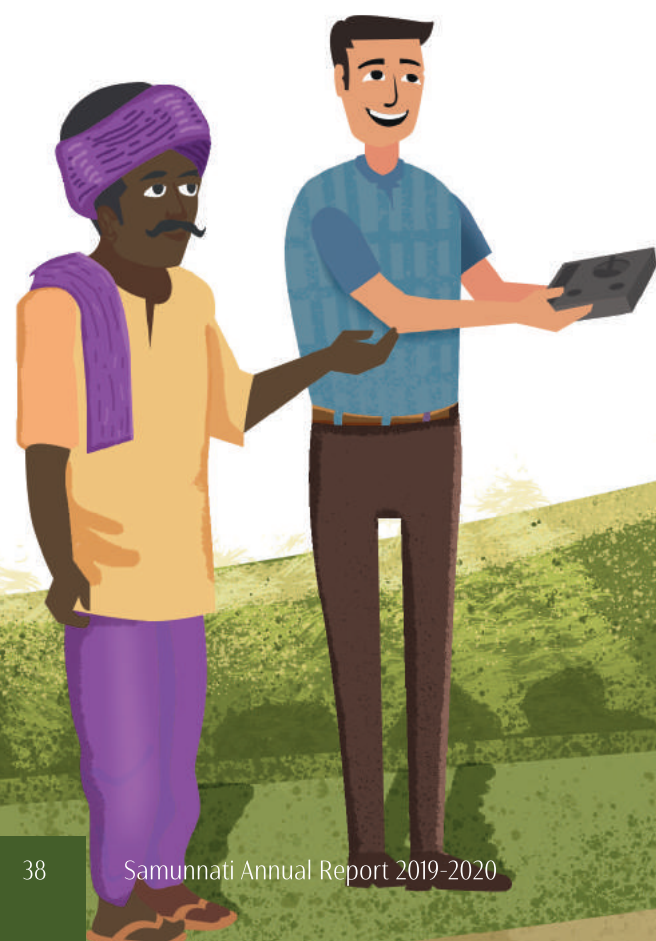


Samunnati Foundation

Samunnati goes beyond business to make a sustainable, positive social, economic, and environmental impact on the lives of the people. The Company envisions sustainable and inclusive development of smallholder farmers and the agriculture ecosystem as a whole.

With an endeavour to create equal prosperity to all, Samunnati Foundation will work as an agriculture ecosystem enabler to strive for inclusive and sustainable development of small holder farmers with positive environmental, social and economic impact.

The primary purpose of the Company's CSR philosophy is to contribute to the development of socially and economically challenged communities of the country with specific focus on creating sustainable livelihoods, supporting rural development projects, promoting education and skill development, promoting environmental sustainability, and supporting innovations that largely benefit the agriculture ecosystem.



Samunnati Foundation, a not for profit Company registered under Section 8 of the Companies Act 2013, was constituted with a view to enable inclusive growth and create opportunities for the unserved/underserved communities. Samunnati Foundation supports programs and activities as mentioned under Schedule VII of the Companies Act, 2013 including but not limited to the following-

- // Ensure Environmental Sustainability.
- // Employment enhancing vocational skills.
- // Contributions or funds provided to Technology Incubators - Host and/or co-host the technology incubator in the academic institutions approved by Central Government; Incubating start-ups with new ideas in the agriculture and allied activities sector, with specific focus on ag-tech innovations.
- // Rural development projects and Building an Enabling Ecosystem.
- // Promoting Gender Equality.
- // Sector Building and Knowledge Sharing; to promote, research, design, develop, implement, and sponsor charitable schemes, programmes, and project

Technology

Having envisioned the significance of cutting-edge technology and data driven decision making, the Group implemented two major systems in FY 2020:

- // Oracle Loans from Oracle Corporation has been implemented as the Loan Management System. This system meets RBI and other compliance such as limit management, audit trails and so on.
- // Rapid LOS from Hot Foot Technologies was implemented as the Loan Origination System in Samunnati for the AE vertical. This system will be further extended to all other products gradually. Rapid LOS helps to perform real time validation of PAN No, GST, TIN, Passport, Driving License, Bank Account, CIBIL and High Mark bureau. Rapid LOS enables better TAT for credit underwriting, resulting in improved credit quality.



team and editorial members launched the inaugural edition of the Samunnati – Farmer Producer Organisation Summit & Awards 2019 on October 18th, 2019 at ITC Maurya, Delhi.

The theme for the conference was “Working together for Farmer Centric Growth”. The summit brought key stakeholders from FPO ecosystem to celebrate successful FPOs and deliberate on how the ecosystem works together for FPOs’ growth.

Network Ecosystem

Samunnati - Economic Times FPO Summit and Awards 2019

In FY 2020, Samunnati and the Economic Times, in conjunction with its institutional partners, advisory

Network Ecosystem

Samunnati - Economic Times FPO Summit and Awards 2019



- 17 Awards presented to the FPOs and 8 Awards presented to FPO enablers from across the country.



Finding Growth in Collaboration

Source of Financing

In FY 2020, Samunnati benefitted by a strong equity cushion, given that a fresh equity of INR 305 Cr was raised in May 2019. Samunnati partly utilised these funds for growing the portfolio, not borrowing from financial institutions till Dec 2019. Since then, Samunnati has raised debt of INR 239 Cr and Samunnati Agro has raised debt of INR 172 Cr from domestic banks and financial institutions. Samunnati also raised funds of INR 39 Cr from the securitisation route in two transactions. Samunnati continues to tap the Market Linked Debentures (MLD) route to source funds.

This momentum has been given a boost from the significant improvement in credit rating for Samunnati from BBB- to BBB+ (by CRISIL, affiliate of S&P). For the major part of FY 2020 credit rating of BBB- was a challenge in engaging the public sector banks that often have a rating floor of BBB+ or A- for engagement. Significant improvement is expected to help improve the credit flow from more lenders to Samunnati, especially the Public Sector Banks that had hitherto not engaged meaningfully with the Company.

Samunnati has explored other innovative options to channel funds to its customers. The Company has initiated India's first co-origination partnership in agriculture finance with a leading international bank. The initial outreach of this program is to provide agri-enterprises with working capital solutions.

Further, Samunnati is in discussions with leading financial institutions for direct origination partnerships and participating in pooled loan issuances for agri value chain originators. These programs help impart stability to the funding profile of the Company with liquidity available on-tap. Samunnati's efforts to catalyse other financial institutions into its customers through the debt syndication route are also bearing fruit.

The downturn in the financial markets has continued in FY 2020 with an overall risk-weariness towards the sector from financial institutions, especially in the context of the large originators from the NBFC and housing finance space. This risk-off approach of FIs has compounded in the month of March, given the prevailing uncertainty in financial markets with the onset of COVID-19 and the disruptions in operations of most corporate entities and financial institutions.

Given the current prevailing market uncertainties on account of COVID-19, Samunnati has taken precautionary measures to conserve liquidity to support business requirements of existing customers, operating expenditure and debt service obligations. Samunnati benefits from a benign regulatory environment. The central bank, RBI has already launched measures to release further liquidity into the economy to cushion any adverse market impact and a willingness to provide dispensations to banks & financial institutions for providing relief to affected borrowers.

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

Explaining the unique business proposition to financial institutions has been challenging as Samunnati is an agri value chain and not a MFI. Few other challenges faced in the process are (i) The lack of access to state-owned financial institutions manifests in the lack of access to larger quantum of stable liquidity at reasonable costs. (ii) Since the ILFS crisis, there have been continuing doubts amongst lenders of the financial institutions on the liquidity and solvency of the NBFC sector, this has led to the need to maintain higher levels of equity capital (we leverage less debt on the equity) but also maintain higher levels of cash. (iii) The risk aversion of lenders also leading to higher-than-normal pricing for NBFCs: downward rigidity of pricing at ~12-12.5%, even with a significant improvement in credit rating from BBB- to BBB +

Some of the Key Takeaways of the Summit include:

- Participation from 300+ stakeholders from the agriculture ecosystem that included policy makers, ag-tech institutions, financial institutions, global thought leaders, NGOs and other development organisations working in the FPO sector. Strong participation from Government of India (SFAC, PM-Kisan, Ministry of Agriculture and National Rainfed Farming Authority)
- 250+ members from Farmer Producer Organisations (FPOs) participated in the event.

Evolving through Strategic Partnerships

In FY 2020, Samunnati continued to work with reputed international institutions for developing an enabling ecosystem for agricultural value chains, focusing on the smallholder farmers.

Samunnati along with the United States Agency for International Development (USAID) and Rabo Foundation is enabling finance in the land use sector. In FY 2018 - 2019, USAID and Rabo Foundation provided a long - term credit guarantee that enables Samunnati to extend credit to entities that are engaged in agroforestry, sustainable agriculture and other land use activities with an objective of creating a loan portfolio of ~INR 35 Cr. These activities would reduce greenhouse gas emissions from land use (including from forestry, agroforestry and agriculture) through improved land management and resource efficiency. Another outcome would be the generation of sustainable livelihoods for communities engaged in agriculture, agroforestry and for forest dependent communities in biodiversity rich regions. In FY 2020, Samunnati extended loans to 27 new FPOs and Agri Enterprises. The overall total disbursement under the program was approximately INR 11 Cr.

Samunnati Agro, with the funding from Bill and Melinda Gates Foundation, is working to create an enabling ecosystem and demonstrate a commercially viable model for strengthening FPOs across India. Commencing in 2018, this 4 year project seeks to professionalise and position FPOs as a viable and efficient platform for small scale producers to transact with various market actors along the value chain; whilst developing FPOs into competent institutions from which members can operate effectively and benefit holistically. Key dimensions the project will address include:

- Creating an effective marketplace for connecting buyers and sellers of goods & services to FPOs;
- Catalysing the diffusion of ICT-based innovations into FPOs;
- Standardizing the use of grading tools that can measure FPOs' operations and capacity, while serving as the foundation for FPO credit ratings that are widely accepted by the market;
- Facilitating delivery of institutional finance to the FPOs; and
- Demonstrating the potential of an outcomes-based approach to FPO capacity development, where interventions are based on FPOs' assessed needs and target outcomes to be achieved in a timebound manner.

Rabo Foundation through its partnership with Samunnati issued credit guarantees to participate in the considerable risk of lending to nascent FPOs. Samunnati plans to create a portfolio of INR 24 Cr with FPOs using this guarantee support, which started in FY 2019. This would be particularly helpful in reaching out to nascent FPO institutions in their first few cycles of credit. Samunnati was able to extend loans to 74 FPOs with a total disbursement of INR 13.35 Cr in FY 2020.



Environmental & Social Policy (EnS)

Samunnati recognises the importance of the environmental and social impacts of the wide business scope of its customers. The adverse impacts, if left unaddressed, could translate to credit risks and/or reputation risks to Samunnati in the long run, while engagements with the borrowers also present opportunities through down-side risk management and upside value creation in terms of brand differentiation, portfolio performance, stronger relations and increased loyalty.

In this context, Samunnati developed an EnS Policy in alignment with national and international EnS safeguards (largely the IFC Performance Standards) to identify, assess, manage and monitor the environmental and social risks and opportunities in their investments.

Along with the policy, Samunnati has developed the ESMS, which will be implemented in FY 21 across the organisation.



Samunnati's Environmental and Social Policy

Samunnati leverages on the social and trade capital in buyer seller relationships through non-traditional sourcing, risk assessment and mitigation, aided by technology, thereby building quality business that is sustainable and results in inclusive growth. The entire organisation works around this genetic code which is non-negotiable and is embedded in all the processes adopted by the Company.

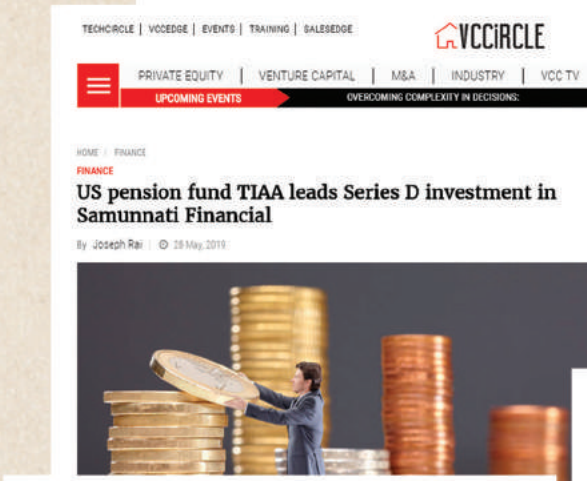
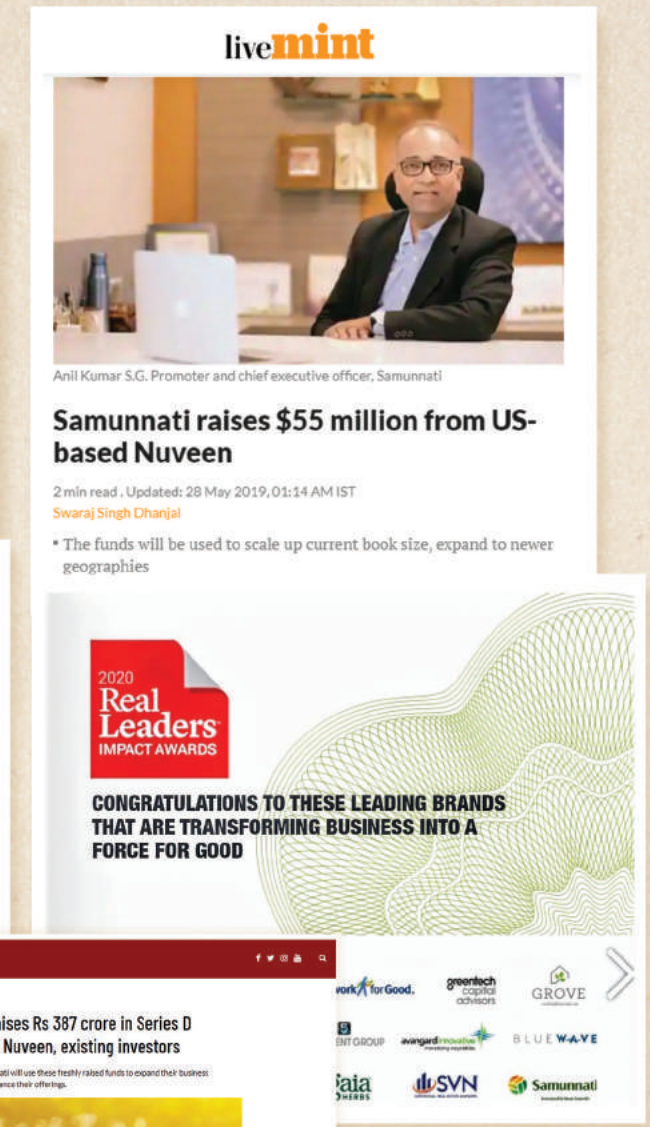
Samunnati's Environmental & Social Policy reinforces its commitment towards sustainable development and integrates environmental and social considerations into decision-making and operations to effectively manage environmental and social risks and enhance positive impacts thus improving outcomes. Samunnati will strive to influence its borrowers on incorporating environmental and social considerations in their business operations.

Samunnati through their transactions will thus:

- Not extend loans to any activity that features in Samunnati's 'Exclusion List' or is prohibited by local, national or international laws, as applicable;

- Influence borrowers to comply with national environmental and social legal requirements;
- Encourage borrowers to adopt international good practices and safeguards, as relevant;
- Promote prevention and control of pollution to protect the environment;
- Promote resource use efficiency and sustainable production of living and natural resources;
- Promote safe and healthy work environment and treating all workers fairly;
- Proactively engage with the stakeholders towards timely redressal of grievances; and
- Protect its borrower through robust processes and effective communication.

Making Headlines - Samunnati In News



Summary of FY 2020

Financial Performance

The summarised consolidated results of Samunnati Group are given in the table below
Consolidated Annual Income Statement - FY 2020

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from Operations (A)	7,13,78,21,141	4,24,82,51,884
Other Income (B)	12,84,67,191	5,60,05,459
Total Income (A+B)	7,26,62,88,332	4,30,42,57,343
Expenditure (Including Interest & Depreciation)	7,11,10,85,074	4,21,23,94,928
Profit / (Loss) before Tax	15,52,03,258	9,18,62,415
Less: Tax expenses:		
1. Current tax	10,05,58,364	57,21,976
2. Deferred tax	-6,48,00,726	-
Profit/ (Loss) after tax	11,94,45,620	8,61,40,439

The Standalone Annual Income Statement - FY 2020 of Samunnati Financial Intermediation & Services Private Limited are given in the table below.

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from Operations (A)	1,25,78,08,531	80,88,41,461
Other Income (B)	10,92,12,172	5,08,58,819
Total Income (A+B)	1,36,70,20,703	85,97,00,280
Expenditure (Including Interest & Depreciation)	1,22,87,71,509	75,95,08,989
Profit / (Loss) before Tax	13,82,49,194	10,01,91,291
Less: Tax expenses:		
1. Current tax	9,21,42,070	57,21,976
2. Deferred tax	-5,86,44,395	-
Profit/ (Loss) after tax	10,47,51,519	9,44,69,315

Summary of FY 2020

The Standalone Annual Income Statement - FY 2020 of Samunnati Agro Private Limited are given in the table below.

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from Operations (A)	5,92,49,25,598	3,46,96,03,027
Other Income (B)	3,96,14,330	91,71,768
Total Income (A+B)	5,96,45,39,928	3,47,87,74,795
Expenditure (Including Interest & Depreciation)	5,94,75,85,864	3,48,71,03,671
Profit / (Loss) before Tax	1,69,54,064	-83,28,876
Less: Tax expenses:		
1. Current tax	50,88,711	
2. Deferred tax	-66,83,752	
	-15,95,041	
Profit/ (Loss) after tax	1,85,49,105	-83,28,876

Credit Rating

During the year credit rating of the company were as following

S.No.	Rating Agency	Rating
1	ICRA	BBB(Stable) – Long Term
2	CARE	BBB(Stable) – Long Term
3	CRISIL	BBB+(Stable)
4	CRISIL	CRISIL A2+(Reassigned)
5	Infomerics	IVR A-/Stable Outlook – Long Term

Risk Management Policy

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 de-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.

Fraud Management

A fresh Framework has been put in place to filter and sieve red flags and loss events and protect the portfolio from fraud events / occurrences. Patterns, pointers, triggers are all documented so that the prevention and deterrence of fraud is addressed at all levels, organisation wide.

Summary of FY 2020

Risk Architecture

The framework is guided by the tenets which are elicited below.

Governance and Culture

Governance sets the organisation's tone, reinforcing the importance of, and establishing oversight responsibilities for, enterprise risk management. Culture pertains to ethical values, desired behaviors, and understanding of risk across the organisation.

Strategy and Objective-Setting

Enterprise risk management, strategy, and objective-setting work together in the strategic-planning process. A risk appetite is established and aligned with strategy; business objectives put strategy into practice while serving as a basis for identifying, assessing, and responding to risk.

Performance

Risks that may impact the achievement of strategy and business objectives are identified and assessed. Risks are prioritised by severity in the context of risk appetite. The organisation then selects risk responses and takes a portfolio view of the amount of risk it has assumed. The results of this process are reported to key risk stakeholders.

Review and Revision

By reviewing entity performance, an organisation can consider how well the enterprise risk management components are functioning over time and in light of substantial changes, and what revisions are needed.

Information, Communication, and Reporting

Enterprise risk management requires a continual process of obtaining and sharing necessary information, from both internal and external sources, which flows up, down, and across the organisation.

Action plans are deliberated, acted upon and tracked to ensure health of the portfolio is within acceptable standards. Legal actions wherever required are being initiated. The Board is kept informed periodically of the significant risks associated with the business of the Company and the various risk identification and mitigation processes put in place by the management.

Regulatory Aspects

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.

Director's Report FY 2020

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the sixth Annual Report together with the Audited Statement of Accounts of SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED ("the Company") for the year ended March 31, 2020.

Financial Performance

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

Particulars	Year ended 31st March, 2020 (Rupees in INR)	Year ended 31st March, 2019* (Rupees in INR)
Revenue from Operations (A)	7,13,78,21,141	4,24,82,51,884
Other Income (B)	12,84,67,191	5,60,05,459
Total Income (A+B)	7,26,62,88,332	4,30,42,57,343
Expenditure (Including Interest & Depreciation)	7,11,10,85,074	4,21,23,94,928
Profit / (Loss) before Tax	15,52,03,258	9,18,62,415
Less: Tax expenses:		
1. Current tax	10,05,58,364	57,21,976
2. Deferred tax	(6,48,00,726)	
Profit/ (Loss) after tax	11,94,45,620	8,61,40,439

* previous year figures have been regrouped/rearranged wherever necessary

Director's Report FY 2020

The standalone results of your Company are given in the table below. (Rupees in INR)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019*
Revenue from Operations (A)	1,25,78,08,531	80,88,41,461
Other Income (B)	10,92,12,172	5,08,58,819
Total Income (A+B)	1,36,70,20,703	85,97,00,280
Expenditure		
(Including Interest & Depreciation)	1,22,87,71,509	75,95,08,989
Profit / (Loss) before Tax	13,82,49,194	10,01,91,291
Less: Tax expenses:		
1. Current tax	9,21,42,070	57,21,976
2. Deferred tax	(5,86,44,395)	
Profit/ (Loss) after tax	10,47,51,519	9,44,69,315

*previous year figures have been regrouped/rearranged wherever necessary

Summary of Operations

- Company achieved 53.5% growth in AUM which has gone up by Rs.248.12 Cr to Rs.712.03 Cr from Rs.463.91 Cr in previous year.
- Revenue from operations grew by Rs.44.90 Cr (55.5%) to Rs.125.78 Cr from Rs. 80.88 Cr.
- Interest Income grew substantially by Rs.42.50 Cr (56.1%) to Rs.118.29 Cr from Rs.75.79 Cr.
- Company's annual profit after tax grew by of 1.03 Cr (10.9%) to 10.48 Cr from INR 9.45 Cr
- During the year company raised debt funding of Rs.224 Cr from Indian Banks, NBFCs and foreign investors, despite adverse financial market conditions.

Performance of Subsidiary

- Samunnati Agro Solutions Pvt. Ltd is a wholly owned subsidiary of the Company which deals in trading of agro commodities grew substantially by Rs.240.88 Cr (69.6%) to Rs.586.86 Cr from Rs. 345.97 Cr.
- EBITDA margins Increased by Rs. 5.19 Cr (66.5%) to Rs. 12.99 Cr from Rs. 7.81 Cr.
- Company registered its first annual profit after tax of 1.47 Cr as against loss of Rs.0.83 Cr in corresponding previous year.



Director's Report FY 2020

Moratorium and Contingency Provision - Provision in connection with COVID-19 Regulatory Package

RBI had, vide its notification RBI/2019-20/ 186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 recommended a provision of 5% of the Moratorium Portfolio in March 2020 and an additional provision of 5% in June 2020. As a prudential measure, the Company has made the entire 10% provision in March 2020, equivalent to INR 33 MN. In addition, conservatively the Company has created a COVID-19 contingency provision of 1.5% against receivables under financing activity, amounting to INR 102.9 MN, to take care of any unforeseen impact on the business.

COVID-19 Regulatory Package - Moratorium Policy

Pursuant to the RBI circular (RBI/2019-20/ 186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020) on COVID -19 Regulatory measures, the Company has adopted a Board approved Moratorium Policy (Policy) on March 31, 2020 whereby, except for AE customers who were granted moratorium based on specific requests, all other categories of customers were granted Moratorium by default, with an opt out option. As of March 31, 2020, the Company had granted moratorium to 728 customers across AE, FPO and Retail verticals for the dues payable in March 2020.

Company Overview

The Company was incorporated in the year 2014 as a private limited Company under the provisions of the Companies Act 2013, in Chennai. Samunnati, a non-banking financial company (NBFC) registered with Reserve Bank of India, is a specialised Agri Value Chain enabler that provides innovative and customised financial and non-financial solutions. The Company was founded by Anil Kumar SG who began his career as a banker, with experience of 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 Aggregators, through non-traditional sourcing, risk assessment and mitigation, aided by cutting edge technology and an experienced management team with deep domain expertise. All these contribute to building a quality business that is sustainable and inclusive growth. These values are 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 wholly owned subsidiary of Samunnati Financial Intermediation & Services Private Limited. Samunnati Agro offers trade facilities and market linkages to agri-value chain players.

With an institutionalised framework in place, the Company and its subsidiary is present in over 50 value chains across more than 16 states.

The Company has also incorporated Samunnati Foundation, a Company incorporated under Section 8 of the Companies Act 2013, as the CSR arm of the Company. The Company was incorporated on March 9, 2020 and had not commenced operations as of March 31, 2020.

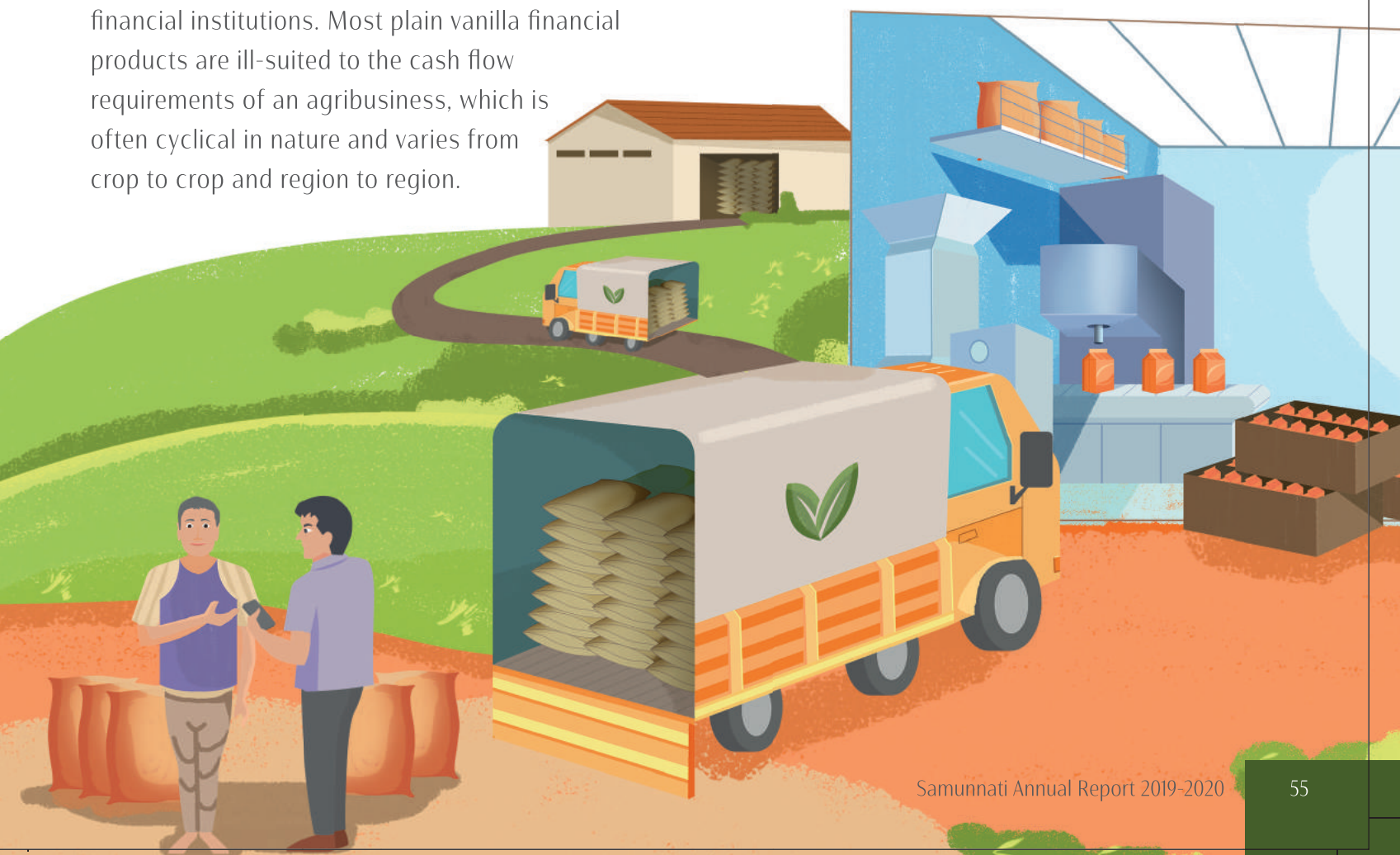
Challenges & Gaps in Agriculture Financing

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 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 and linkages will enable development across the Agriculture value chain.

'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.'



Director's Report FY 2020

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 2019-2020.

Dividend

The Directors of the Company do not recommend for any dividend for the year under review.

Transfer to reserves

Your Company has transferred 2.10 crore (20% of PAT) to statutory reserve as required u/s 45-IC of Reserve Bank of India Act, 1934.

Change in the nature of business, if any:

There were no changes to the nature of business of the Company during the financial year 2019-20.

Non – Acceptance of Deposits

During the year under review, your Company has neither invited nor accepted any deposits from public in terms of Section 73 of the Companies Act, 2013 and consequently, no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2020.

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. Further, the internal financial control system of the Company is supplemented with internal audit, regular reviews by the management and checks by the Statutory Auditors. It provides reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with the Company's policies. The Audit Committee monitors this system and ensures adequacy of the same. The Statutory Auditors of the Company also provide their opinion on the internal financial control framework of the Company.

During the year, no material or serious omissions and commissions have been observed by the auditors, reflecting the efficiency and adequacy of internal financial controls. The details of adequacy of Internal Financial Controls are given at length in the Management Discussion and Analysis Report.

Changes to Share Capital, if any

During the year under review, the authorised share capital of the Company was increased from Rs 2,00,00,000/- (Rupees Two Crores only) divided into 7,50,000 (Seven Lacs fifty thousand) Equity shares of Rs. 10/- (Rupees ten only) each and 12,50,000 (Twelve Lacs Fifty Thousand) Preference

shares of Rs 10/- each to Rs 2,50,00,000/- (Rupees Two Crores Fifty lacs only) divided into 7,50,000 (Seven Lacs Fifty Thousand) Equity shares of Rs 10/- (Rupees ten only) each and 17,50,000 (Seventeen Lacs Fifty Thousand) Preference shares of Rs 10/- (Rupees ten only) each.

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

Particulars	Opening	Closing
Authorised Capital (INR)	INR 2,00,00,000/-	INR 2,50,00,000/-
Paid Up Capital (INR)	INR 1,58,76,160/-	INR 2,19,00,560/-



Director's Report FY 2020

Date of Allotment	Name of the Shareholder	Type of Shares	Mode of Allotment	No. of Shares
24.05.2019	Elevar I-IV AIF represented by its trustee Vistra ITCL India Limited	Equity Shares	Private Placement	100
24.05.2019	Accel Growth Fund V L.P	Equity Shares	Private Placement	100
24.05.2019	ResponsAbility SICAV (Lux) Micro and SME Finance Leaders	Equity Shares	Private Placement	100
24.05.2019	RFE Co-invest Holdings Pte. Ltd.	Equity Shares	Private Placement	100
24.05.2019	Teachers Insurance and Annuity Association of America	Equity Shares	Private Placement	100
24.05.2019	Elevar I-IV AIF represented by its trustee Vistra ITCL India Limited	SERIES D COMPULSORILY CONVERTIBLE CUMULATIVE PREFERENCE SHARES	Private Placement	63,549
24.05.2019	Accel Growth Fund V L.P	SERIES D COMPULSORILY CONVERTIBLE CUMULATIVE PREFERENCE SHARES	Private Placement	1,10,075
24.05.2019	ResponsAbility SICAV (Lux) Micro and SME Finance Leaders	SERIES D COMPULSORILY CONVERTIBLE CUMULATIVE PREFERENCE SHARES	Private Placement	22,583
24.05.2019	RFE Co-invest Holdings Pte. Ltd.	SERIES D COMPULSORILY CONVERTIBLE CUMULATIVE PREFERENCE SHARES	Private Placement	28,254

Date of Allotment	Name of the Shareholder	Type of Shares	Mode of Allotment	No. of Shares
24.05.2019	Teachers Insurance and Annuity Association of America	SERIES D COMPULSORILY CONVERTIBLE CUMULATIVE PREFERENCE SHARES	Private Placement	2,26,730
24.05.2019	Elevar M-III	SERIES D COMPULSORILY CONVERTIBLE CUMULATIVE PREFERENCE SHARES	Private Placement	11,342
24.05.2019	Accel India V (Mauritius) Ltd	SERIES D COMPULSORILY CONVERTIBLE CUMULATIVE PREFERENCE SHARES	Private Placement	12,849
24.05.2019	ResponsAbility Agriculture I, SLP	SERIES D COMPULSORILY CONVERTIBLE CUMULATIVE PREFERENCE SHARES	Private Placement	18,858

Securities bought back during FY 2019-20:

S. No.	Date of buy- back of securities	Name of the Shareholder	Category	Number of Securities bought back
1.	20.01.2020	Mr. Anil Kumar S G	Equity Shares	6530
2.	20.01.2020	Mr. Nitin Chaudhary	Equity Shares	650
3.	20.01.2020	Mr. Sridhar Easwaran	Equity Shares	120
Total				7300

Director's Report FY 2020

Disclosure Regarding Issue of Equity Shares with Differential Rights

The Company has not issued any Equity Shares with differential rights during the financial year 2019-20.

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 2019, at their meeting held on May 24, 2019 and the same was also approved by the Shareholders at their Meeting held on May 24, 2019. 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 Management Stock Option Plans (MSOP) constituted in the years 2017 and 2019 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. As part of the MSOP Scheme 2019, the Promoter was granted 45,000 Options during the year under review.

During the year 40,301 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	
Outstanding Options at the beginning of the year – 1st April 2019	65,886
Add Additional Allotment to Pool in FY 19-20 (incl MSOP)	1,15,000
Options Granted FY 20 (including MSOP)	68,480
Options Vested in 19-20	30,028
Options Exercised in 19-20	40,301
Total No. of Shares arising as a result of exercise of option in 19-20	40,301
Options Lapsed	430
Exercise Price (Weighted)	38.34
Variation of terms of options	1 Year – MSOP 3 Years & 4 Years – ESOP
Money realized by exercise of options	15,45,100
Total No. of Options in force as on March 31, 2020	93,635
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

Director's Report FY 2020

Capital Adequacy Ratio

The Company's Capital Adequacy stood at 50.99% which is well within the regulatory limits applicable for NBFC- ND-SI as stipulated by the Reserve Bank of India.

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/PAN	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	Regularised at the AGM held on July 31, 2019
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	Ms. Rekha Unnithan	08354141	Nominee Director	Appointed as Nominee Director at the EGM held on May 24, 2019
8	Mr. Anil Kumar S G	01189011	Director & CEO	Nil
9	Mr. Gurunath Neelamani	02799586	Wholetime Director	Nil

1. Mr. Nitin Chaudhary ceased to hold office as the Chief Financial Officer (CFO) of the Company with effect from August 09, 2019
2. Mr. Ashok Dhamankar was appointed as the Group Chief Financial Officer (Group CFO) of the Company with effect from August 09, 2019

Details of Meetings of the Board

The Directors of the Company met 10 (ten) times during the financial year 2019-2020.

Board Meetings

S. No	Date of Meeting	No. of Directors who attended the meeting
1	April 29, 2019	6/8
2	May 8, 2019	6/8
3	May 22, 2019	7/8
4	May 24, 2019	6/8
5	July 19, 2019	6/9
6	August 16, 2019	9/9
7	November 13, 2019	8/9
8	January 17, 2020	7/9
9	January 20, 2020	7/9
10	February 27, 2020	7/9

List of Committees

During the year under review the Company had constituted the Corporate Social Responsibility Committee at the Board Meeting held on November 13, 2019.

Further, the Board of Directors had re-constituted the Nomination & Remuneration Committee at the Board Meeting held on November 13, 2019.

Director's Report FY 2020

The Constitution of the Board Committees are as below: -

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

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) Dr. Venkatesh Tagat - Member
- d) Ms. Jyotsna Krishnan - Member
- e) Ms. Rekha Unnithan - Member
- f) Mr. Anil Kumar S G - Member

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. Anil Kumar S G - Member
- e) Mr. N. Gurunath - Member
- f) Chief Risk Officer of Samunnati - Member

Stakeholders Relationship Committee

The Composition of the Stakeholders Relationship Committee is as follows

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

IT Strategy Committee

The Composition of the IT Strategy Committee is as follows

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

Corporate Social Responsibility Committee

The Composition of the Corporate Social Responsibility Committee is as follows

- a) Dr. Venkatesh Tagat - Chairman
- b) Ms. Jyotsna Krishnan - Member
- c) Mr. Anil Kumar S G - Member
- d) Mr. Gurunath N - Member

Details of Committee Meetings

During 2019-20, the following Committee Meetings were held:

Audit Committee

S. No	Date of Meeting	No. of Directors who attended the meeting
1	May 21, 2019	2/3
2	August 16, 2019	3/3
3	November 13, 2019	3/3
4	February 26, 2020	3/3

Nomination & Remuneration Committee

S. No	Date of Meeting	No. of Directors who attended the meeting
1	April 27, 2019	3/4
2	May 21, 2019	3/4
3	June 18, 2019	2/4
4	August 9, 2019	4/4
5	February 27, 2020	5/6

Director's Report FY 2020

Risk Management Committee

S. No	Date of Meeting	No. of Directors who attended the meeting
1	May 21, 2019	4/5
2	August 16, 2019	5/5
3	November 13, 2019	5/5
4	February 26, 2020	5/5

Stakeholders Relationship Committee

S. No	Date of Meeting	No. of Directors who attended the meeting
1	May 21, 2019	3/3

IT Strategy Committee

S. No	Date of Meeting	No. of Directors who attended the meeting
1	May 21, 2019	5/5
2	August 09, 2019	5/5
3	February 26, 2020	5/5

Corporate Social Responsibility Committee

S. No	Date of Meeting	No. of Directors who attended the meeting
1	February 27, 2020	4/4

Particulars of loans, guarantees or investments under section 186

The Particulars of loan, investments and guarantee for the financial have been provided in notes to the Financial Statements of the Company.

Regulatory Compliance

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

Related party transactions

Details of contracts or arrangements with related parties as per Section 188(1) of the Companies Act 2013 for the financial year 2019-20 are given in form AOC 2 as Annexure III.

Details of Subsidiary/Joint Ventures/Associate Companies

The Company has two wholly owned subsidiaries – 1. Samunnati Agro Solutions Private Limited that offers trading facilities and market linkages to Agri value chain players; and 2. Samunnati Foundation, incorporated for furthering CSR activities by the Company. 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

Credit Rating

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

Rating Agency	Rating
ICRA	ICRA BBB(Stable)
CARE	CARE BBB(Stable)
CRISIL - Long Term	CRISILBBB+(Stable)
CRISIL - Short Term	CRISIL A2+ (Reassigned)
INFOMERICS	IVR A-/Stable Outlook

Declaration from Independent Directors

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

Director's Report FY 2020

Particulars of Employees

The statement containing such particulars of employees as per the provisions of Section 197(12) of the Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are considered as market competitive information and hence any of the stakeholders interested in obtaining the information can write to the Company seeking the information. Pursuant to the provisions of the Section 136(1) of the Companies Act, 2013, the reports and accounts, as set out therein, are being sent to all members of the Company, excluding the aforesaid information and the same is open for inspection at the registered office of the Company during working hours up to the date of Annual General Meeting and if any member is interested in obtaining such information, may write to the Company Secretary or CEO at the registered office of the Company in this regard.

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

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and 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 March 31, 2020. Approval for re-appointment of M/s. Walker, Chandiook & Co, LLP, Chartered Accountants (Registration No. 001076N/N500013) as the Statutory Auditors for a period of 5 consecutive years from the conclusion of the 6th Annual General Meeting ("AGM") till the conclusion of the 11th Annual General Meeting is being sought from the members of the Company at the ensuing AGM.

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

Details of Frauds Reported by the Statutory Auditors

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

Cost Auditor and Cost Audit Report

The 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 2019-20. The Secretarial Audit Report in the prescribed form MR-3.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. BP & Associates in their Secretarial Audit Report dated July 02, 2020.

Compliance with the Secretarial Standards

The Secretarial Auditors of the Company has confirmed that the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

Internal Audit

The Company has an internal Audit department and the head of the department reports to the Audit Committee of the Company. In line with the requirement of Section 138 of Companies Act read with Rule 13 of Companies (Accounts) Rules 2014, the Board of Directors at the meeting held on May 22, 2019, appointed M/s. T.R. Chadha & Co LLP, Chartered Accountants (Reg.No. 06711N/N500028) as the Internal Auditors of the Company for FY 2019-20.

The Internal Auditors of the Company carried out the internal audit and confirmed that the checks and control systems prevalent are commensurate with the size and turnover of the Company. The significant observations from the internal audit are tabled to the Audit Committee on a quarterly basis.

Information System Audit

In line with the requirements of RBI's Master Direction on Information Technology Framework for the NBFC Sector, 2017 your company was required to appoint Information system Auditor to examine and confirm the effectiveness of controls that are in place to ensure confidentiality, integrity and availability of the Company's IT infrastructure.

Accordingly, the Board at its Meeting held on May 22, 2019, approved the appointment of M/s RGN Price & Co (Firm Registration No. 002785S) as Information Systems Auditors of the Company for FY 2019-20. The Information System Auditors conducted the Information System audit and confirmed the Company is in compliance with all applicable regulations as prescribed by the RBI. The significant observations from the IS Audit are tabled to the Audit Committee on an annual basis.

Disclosure on establishment of vigil mechanism/ Whistle Blower policy

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.

The Company has established a Board approved policy on the whistle blowing and separate email addresses are designated where in the employees or the stakeholders can report the matters falling under the purview of Vigil Mechanism. There were no complaints received as on March 31, 2020.

Director's Report FY 2020

Management discussion and analysis report - Our Business

a. Industry structure and developments

Agriculture and allied sectors are critical in terms of employment and livelihoods for the small and marginal farmers, who dominate the agriculture ecosystem in India. About 58% of India's population are dependent on agriculture as their primary source of income and smallholder farmers (less than 2 hectares of land) constitute 85% of total farmers according to the Economy Survey 2019-20. In this context, a combination of measures is required to promote the livelihood of small holder farmers and ensure a sustained upward growth in the agriculture sector.

b. Opportunities & Threats

Agriculture and agriculture-based enterprises are unlike any other business, 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.

There has been an increase in the penetration of technology at farm level. The sector saw a greater facilitation of electronic payment systems and branchless banking, which reduces transaction costs for both service providers and consumers.

There was a rise in export-import financing to exporters and importers helping in better risk management, improved credit terms and faster turnaround time. Financial institutions increasingly engaged portable smart technology to establish

identification and monitor clients. This saw significant alleviation in information asymmetries and helped improve repayment rates.

The Government of India announced a total budgetary provision of INR 4,496 Cr for five years (2019-20 to 2023-24) with a further committed liability of INR 2,369 Cr for the period from 2024-25 to 2027-28 towards handholding of each FPO for five years from its aggregation and formation. These FPOs will be promoted under 'One District One Product' cluster to promote specialisation and better processing, marketing, branding and export prospects and priority will be given for formation of FPOs in aspirational districts in the country.

Furthermore, a credit guarantee fund of up to INR 1000 Cr in National Bank for Agriculture and Rural Development (NABARD) with equal contribution by

DAC&FW (Department of Agriculture, Cooperation and Farmers Welfare) and NABARD; and a Credit Guarantee Fund of Rs 500 crore in National Cooperative Development Corporation (NCDC) with equal contribution by DAC&FW and NCDC for providing suitable credit guarantee cover to accelerate flow of institutional credit to FPOs by minimising the risk of financial institutions for granting loan to FPOs has been announced. These funds will minimize the credit risk of financial institutions lending to FPOs.

Government has offered financial support and fiscal incentives for creation of common supply chain infrastructure, like cold chain, dry storage, packaging, logistics, back and front-end infrastructure, expansion of processing capacities, etc. to reduce cost of investment, enhance viability

and ensure higher conformity to regulatory standards.

Reserve Bank of India (RBI) had set up an 'Internal Working Group to review agricultural credit' which had recommended that Loan Waivers in agriculture should be avoided. Avoidance of waivers will create a healthy credit profile of farmers and make it easy for lenders to work with borrowers under conditions of certainty.



Director's Report FY 2020

c. Vertical wise or sector wise performance of the company

Agri-Enterprises

In FY 2020, Samunnati expanded its AE base to 338 clients with 97 new AE clients were onboard compared to 241 AEs in previous year. In FY 2020, the total disbursements stood at INR 1278 Cr, an 107.9% increase when compared to INR 614 Cr in previous financial year. The average portfolio yield stood at 19.1%. In order to help FPOs realise better price for the farm produce through a transparent mechanism and immediate payment to the farmer collectives, they were directly connected to Institutional Buyers through Samunnati Agro and thereby created value for both the market participants.

Farmer Producer Organisations (FPOs)

In FY 2020, Samunnati onboarded 121 FPOs, taking the total FPO client base to ~400 FPOs across 19 states in India. Tamil Nadu constituted about 39.6% of the total portfolio in FY 2020 compared to 61.9% in the previous year. Other major driving States having Samunnati's portfolio are Karnataka, Odisha, Maharashtra, & Andhra Pradesh. Samunnati disbursed INR 347 Cr as of March 31, 2020 which is 33.1% more than previous year loan disbursed.

Samunnati cognizant of core issues and needs of FPOs, continues to develop initiatives under its unique AMLA approach – Aggregation, Market Linkage and Advisory Services to effectively reach out to the farmers via FPOs. Under this, the Company undertook many pilots to engage with and build the FPOs into stronger entities by launching the FPO Input Shop Initiative and institutional building programs.

FPO Input Shops

In FY 2020, Samunnati launched an initiative for its FPO clients in Maharashtra to create market linkages for inputs (backward linkage). Under this initiative, Samunnati partnered with Deepak Fertilisers to take an umbrella dealership for its FPO clients, wherein the FPOs will collectivise the seasonal input demand from its member farmers and will share input demand calendar with Deepak Fertilisers. This arrangement will enable FPOs to act as the dealers and provide the inputs to its member farmers directly at lower cost than the market price.

Samunnati has completed the onboarding exercise of 25 Input Shops (FPOs) with 9 FPOs in FY 2020. This initiative will help FPOs in leveraging the bargaining power to procure inputs at a reduced cost, increase their input business through input demand aggregation, increase ratio of active members/total members and so on. Samunnati plans to further expand this initiative in other states.

Institutional Building

In order to build the overall financial viability and institutional sustainability of the FPOs, Samunnati launched a separate team to undertake institutional development of the FPOs and their farmer members. The primary objectives of this initiative are to:

- Strengthen the organisation performance of FPOs
- Improve FPO's governance and leadership
- Increase the active participation by witnessing positive change in member base
- Adoption of scalable tech-based solutions for efficient management
- Turnover/increase in Profits of FPOs
- Identify business opportunities for FPOs such as contract farming, market linkages, Custom Hiring Centres

In FY 2020, Samunnati identified FPOs and started pilot training sessions in 5 States, namely, Maharashtra, Karnataka, Odisha, Bihar and Madhya Pradesh. Based on the learnings and outcomes of the initiative, this will be further expanded to other FPOs in FY 2021.

New Initiatives

In addition to the solutions offered, Samunnati has set up 3 verticals to offer new/unique solutions enabling stakeholders of the agri-ecosystem to overcome hurdles. These three new verticals will focus on Digitisation, HoReCa (Hotels Restaurants and Cafeteria) and Innovations & Product Solutions.

A. Digitisation

Digitisation is one of Samunnati's key areas of focus to elevate FPO ecosystem to a higher equilibrium. Under this, key areas for pilot has been identified, namely digital toolkit for FPO Management at farm-farmer-FPO levels, application of remote sensing and data-base building. FPO digitisation solutions have been successfully implemented covering areas such as governance, compliance, accounting, member management, workflow management, data warehousing and beyond.

FPO digitisation pilots has been initiated with 11 Farmer Producer Companies across 3 States namely, Karnataka, Tamil Nadu and Maharashtra. All three states have varied agroclimatic characteristics. The team has canvassed over 200 agricultural start-ups; profiled 250+ FPOs on their infrastructures, pressing needs and aspirations.



Director's Report FY 2020

B. HoReCa

To further strengthen the demand side of the value chain in FY 2020, Samunnati took a strategic initiative to set up a new unit focusing on the Hotel and Retail segment – HoReCa. Since then, Samunnati has initiated relationship with India's leading online marketplace and delivery company for the restaurants. The Company is also in advance stage of partnering with restaurant aggregators that run cafeterias/ food court for large institutions. These partnerships would enable Samunnati to engage with entrepreneurs in the value chain. The partnership with aggregators would enable Samunnati mitigate the credit risk through information sharing and an escrow mechanism. Samunnati has also partnered with the online B2B marketplace to engage with kirana stores. Apart from restaurants, the company has also extended financial relationship with the new-age online retailer to provide market linkages for FPO.

C. Innovations & Product Solutions

Samunnati would continue to introduce new technology solutions to help and better understand our customers. The Innovations & Products team was set-up to pilot new products and solutions that can aid Samunnati's vision and catapult our business productivity to the next level. For instance, Samunnati successfully initiated a pilot initiative called, "Samunnati Payment Solution" in FY 2020. The positive outcomes of the pilot has encouraged the Company to build a more robust payment infrastructure, which can digitise the transactions across the value chain – "Samunnati Payment Solution V 2.0".

Stakeholders including FPOs/AEs/Input Merchants/ CBOs/Traders/ Dairy societies would benefit from the samunnati payment solution through real-time &

scalable payments to farmers across multiple channels, low transactional costs, reduced logistics costs, higher efficiency caused by reduced frauds, digital documentation of the transactions for better management of fund flows, real time reconciliations & settlements, preparedness for future demand and supply estimation, business planning and analytics that provide understanding of the farmer's financial and other needs.

SAMUNNATI AGRO SOLUTIONS PRIVATE LIMITED ("Samunnati Agro")

Samunnati Agro witnessed a 69.6% growth in the turnover with INR 592 Cr turnover compared to INR 346 Cr in previous year and trade receivables of INR 166 Cr for the year compared to INR. 108 Cr in previous year. It also ventured into new geographies of Uttar Pradesh, Punjab, Haryana and Delhi in FY 2020 and worked in new value chains such as Fish Meal, Salt, Malt, Broken rice etc.

Samunnati Trade Solutions

Samunnati Agro focused on penetrating markets through value chain aggregators like brokers, commodity exchanges. Samunnati Agro also worked with financial companies /Financial Broking companies such as Speed financial and SMC Investments through associate channels to increase its penetration in the agri markets.

Further, Samunnati Agro provided market linkages to corporates such as Suguna Foods Private Limited, Venkateshwara Hatcheries Private Limited (V H Group), Premium Chick Feeds Private Limited, Venky's, The Archer Daniels Midland Company, Octagon Foods LLP, Banari Aman Group, Mukka Sea Foods Industries

Limited, Gokul Agro Resources Limited, and so on through its FPO network and through physical market brokers in FY 2020.

In the government supply space, Samunnati Agro worked along with NCDEX e-Market Limited (NeML). Samunnati provided financial solutions to clients supplying to Kerala Civil Supplies and Telangana Civil Supplies and has entered MOU with Punjab Agri Export Corporation for Kinnow Supplies to enable them and their farmers to connect to various potential consumption markets like Hyderabad, Delhi, Kolkata. Successfully enabled Punjab Agri to sell 35 trucks of Kinnow to the markets.

Samunnati Agro has also entered into agreement with National Collateral Management Services Limited (NCML) for empowering member FPOs to develop grades of various commodity, to enable FPOs to be aware of quality aspects and fair price for member farmers at the time of procurement of goods.

Market Linkages

In the FY 2020, 30 FPOs and 22 institutional buyers were onboarded for market linkages across 7 states (Gujarat, Maharashtra, Telangana, Andhra Pradesh, Madhya Pradesh and Tamil Nadu) and have successfully traded 9 commodities via bill-to-ship to model with the gross margin of Rs 0.37 Cr.



Director's Report FY 2020

SAMUNNATI FOUNDATION / CSR POLICY

Samunnati goes beyond business to make a sustainable, positive social, economic, and environmental impact on the lives of the people. The Company envisions sustainable and inclusive development of smallholder farmers and the agriculture ecosystem as a whole.

With the endeavour of equal prosperity to all, Samunnati Foundation as an agriculture ecosystem enabler strives for inclusive and sustainable development of small holder farmers with positive environmental, social and economic impact.

The primary purpose of the Company's CSR philosophy is to contribute to the development of socially and economically challenged communities of the country with specific focus on creating sustainable livelihoods, supporting rural development projects, promoting education and skill development, promoting environmental sustainability, and supporting innovations that largely benefit the agriculture ecosystem.

The CSR activities of the Company are wheeled through Samunnati Foundation, a Company incorporated under Section 8 of the Companies Act 2013. All the CSR activities of the Company are routed through Samunnati Foundation.

In line with the provisions of Section 135 of the Companies Act, 2013 the Company was required to constitute a CSR Committee. Accordingly, the Company has constituted the CSR Committee during the year and the details of the Committee forms part of this Report. The Company has put in place a Board approved Corporate Social Responsibility (CSR) Policy that has also been uploaded on the

website (<https://samunnati.com/wp-content/uploads/2020/03/CSR-Policy.pdf>) The Company was not required to make any CSR expenditure in FY 2019-20 as stipulated under Section 135, due to absence of average profits computed for the three preceding financial years. During FY 2020-21, the Company would be spending on CSR activities in line with its CSR Policy and the requirements of the Companies Act 2013.

SAMUNNATI AND SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are an ambitious commitment by world leaders that sets out a universal and an unprecedented agenda embracing economic, environmental and social aspects of the wellbeing of societies. The progress of the world to meet the SDGs, largely depends on India's progress, given the size of our population. India played a prominent role in the formulation of SDGs and much of the country's National Development Agenda is mirrored in the SDGs.

The agribusiness sector is well positioned to take a lead in making a significant contribution to achieving the SDGs while prioritising and addressing sector-specific challenges. The agribusiness sector has a clear stake in ensuring the achievement of the SDGs, which is emphasised by its integral role and influence in many crosscutting dimensions including

- /// Enhancing livelihoods for farming communities
- /// Improving access to employment and decent work

- /// Productivity enhancement in poor earning areas
- /// Empowerment of women
- /// Addressing causes of mortality and illness (including a rise of non-communicate diseases and ill health)
- /// Preserving natural eco-systems
- /// Building resilience of the poorest to economic, natural and social shocks
- /// Strengthening public private partnerships in the agribusiness sector as well as global (and regional) partnerships
- /// Urbanization overtaking farmland



Director's Report FY 2020

HUMAN RESOURCES

As on March 31, 2020, Samunnati Group has a total of 392 employees on its payroll. The Group strengthened the needs of the growing business and has onboarded 180 employees in FY 2020 across verticals. Few of the new teams formed in FY 2020 are (i) CSR & Partnerships, (ii) Samunnati Foundation, (iii) Innovations & Product Solutions, (iv) Strengthened Marketing Teams etc.,

In FY 2020, new initiatives were undertaken to train and encourage personnel across different functions to enhance their behavioural, as well as, technical competencies.

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'20, the Company had a total employee strength of 312.

Knowledge Management (KM) Sessions- a weekly engaging platform wherein an employee with a specific expertise is provided an opportunity to share his/her learnings with the whole Group. This initiative was aimed to boost technical knowledge, presentation skills and leadership capabilities. In FY 2020, 10 KM sessions were organised along with 6 workshops and 12 training sessions.

Trailblazers is an initiative to recognise and reward the outperformers with rewards, certificate, badge, and lunch meeting with the CEO.

Besides Trailblazers, there are also other awards to recognise our outstanding performers as well as emerging leaders in Samunnati's Annual Event, "Shrishti".

TECHNOLOGY

Having envisioned the significance of cutting-edge technology and data driven decision making, the Group implemented two major systems in FY 2020:

Oracle Loans from Oracle Corporation has been implemented as the Loan Management System. This system meets RBI and other compliance such as limit management, audit trails and so on.

Rapid LOS from Hot Foot Technologies was implemented as the Loan Origination System in Samunnati for the AE vertical. This system will be further extended to all other products gradually. Rapid LOS helps to perform real time validation of PAN No, GST, TIN, Passport, Driving License, Bank Account, Cibil and High Mark bureau and enables to quality portfolio, better TAT for credit underwriting and others

NETWORK ECOSYSTEM

In FY 2020, Samunnati and the Economic Times, in conjunction with its institutional partners, advisory team and editorial members launched the inaugural edition of the Samunnati – Farmer Producer Organisation Summit & Awards 2019 on 18th October 2019 at ITC Maurya, Delhi.

The theme for the conference was "Working together for Farmer Centric Growth". The summit brought key stakeholders from FPO ecosystem to celebrate successful FPOs and deliberate on how the ecosystem works together for FPOs' growth.

Some of the Key Takeaways of the Summit include:

- Participation from 300+ stakeholders from the agriculture ecosystem that included policy makers, ag-tech institutions, financial institutions, global thought leaders, NGOs and other development organisations working in the FPO sector. Strong participation from Government of India (SFAC, PM-Kisan, Ministry of Agriculture and National Rainfed Farming Authority)
- 250+ members from Farmer Producer Organisations (FPOs) participated in the event.
- 17 Awards presented to the FPOs and 8 Awards presented to FPO enablers from across the country.

Director's Report FY 2020

Awards/Recognition: During the year, the Company received the following awards/recognition:

S.No	Award	Date	Details
1	TiECON Scale Up Enterprise Of The Year	Oct-19	Samunnati won this award in the category of "Scaleup Enterprise Of The Year"
2	'Enabling Institution for FPO promotion' at the ACCESS Livelihoods India Summit 2019.	Dec-19	Jury Special Award at the ACCESS Livelihoods India Summit 2019.
3	100 Top Impact Companies - Real Leaders Awards 2020	2019-2020	100 Top Impact Companies

D. Outlook

The COVID-19 coronavirus outbreak had originated in the beginning of 2020 and till now has impacted the all the corners around the world. This crisis continues to have rippling effects for the entire global economy including India. The country-wide lockdown has had a strong ramification for various supply chains across India in form of disruptions and more importantly for India's poor, including daily wagers and farm workers which form a backbone support to India's agri supply chains.

At Samunnati, we believe that the most important silver lining of this crisis has been the resilience showcased by agri-sector amid these difficult times despite reported disruptions in many pockets. At Samunnati, we realise and appreciate the fact that because of limited penetration of COVID-19 in rural India during first wave of infection spread, farm operations and agri supply chains have been demonstrating greater scope of social distancing compared to hugely populated clusters around urban centers of economic activities.

At our end, Samunnati continues to work with FPOs on supply side and with Agri-Enterprises (AEs) on demand side across the country to understand and resolve the issues at ground level and we have strived towards providing market access to producers and timely supply to various value chain players to bridge the gap as much as we can. We continue to believe that agri-sector will continue to offer significant support to India's economy in future as well.

Unique challenges during ongoing COVID-19 crisis have prompted Samunnati to find innovative ways for our clients to connect to other value chain players and the end-consumers. Samunnati has been striving to develop alternative links between end-consumers and households to producers in current extra-ordinary times. We have been witnessing multiple examples and use cases where we were able to work with our AE clients to support them in reaching out to thousands of households and residential complexes to supply essential

commodities including perishable fruits & vegetables as well as staples directly. In addition to this, Samunnati has been able to successfully link farm producers to online aggregators and grocery platforms in some cases, ensuring timely offtake of perishable farm produce and better profit realisation for small holder farmers.

For the upcoming period, the company looks forward to driving a positive growth through new innovations across all the business segments and other allied functions for the year ahead.

The company would aim to generate a dedicated portfolio under sustainable agriculture and FPO vertical utilising 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 would continue to invest in the new initiatives and innovations that are poised to play a vital role in the new normal

E. Risks & Concerns

The Company has adopted an ERM Framework which defines the Risk Appetite metrics aligning with the strategy of the Company, and has also focused on its governance, with well-defined procedures. The framework provides for processes and policies by which our exposures in new products, value chains and sectors are regulated and reviewed. Management Committees have been constituted to periodically review the portfolio quality and overdues.

Approaches to Risk Management

- Account Acquisition - This involves careful selection of customers based on its defined credit policy. Clear definition of prudential norms in terms of client wise exposures, sector wise exposures are de-fined and monitored through a strong governance mechanism
- Account Management - Considering the nature of customers who are repeat borrowers under revolving credit facility, the account management is done through periodic visits to ensure completion of post sanction covenants, ascertain end usage of funds and assess early warning signals.
- 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.
- Fraud Management – A Framework has been put in place to filter and sieve red flags and loss events, and protect the portfolio from fraud events / occurrences. Patterns, pointers, triggers are all documented so that the prevention and deterrence of fraud is addressed at all levels, organisation wide.

Director's Report FY 2020

Risk Architecture – The framework is guided by the tenets which are elicited below.

- Governance and Culture: Governance sets the organisation's tone, reinforcing the importance of, and establishing oversight responsibilities for, enterprise risk management. Culture pertains to ethical values, desired behaviors, and understanding of risk across the organisation.
- Strategy and Objective-Setting: Enterprise risk management, strategy, and objective-setting work together in the strategic-planning process. A risk appetite is established and aligned with strategy; business objectives put strategy into practice while serving as a basis for identifying, assessing, and responding to risk.
- Performance: Risks that may impact the achievement of strategy and business objectives are identified and assessed. Risks are prioritised by severity in the context of risk appetite. The organisation then selects risk responses and takes a portfolio view of the amount of risk it has assumed. The results of this process are reported to key risk stakeholders.
- Review and Revision: By reviewing entity performance, an organisation can consider how well the enterprise risk management components are functioning over time and in light of substantial changes, and what revisions are needed.
- Information, Communication, and Reporting: Enterprise risk management requires a continual process of obtaining and sharing necessary information, from both internal and external sources, which flows up, down, and across the organisation.

To summarise, action plans are deliberated, acted upon and tracked to ensure health of the portfolio. The Board is kept informed periodically of the significant risks associated with the business of the Company and the various risk identification and mitigation processes put in place by the management.



Directors' Responsibility Statement

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

- In the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the of the Company as at 31st March 2020 and of the profit and loss of the Company for that period;
- The directors had taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts on a going concern basis;
- The Board of Directors have laid down internal Financial Controls to be followed by the Company and that such internal financial control are adequate and were operating effectively.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

Director's Report FY 2020

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 utilising 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

Foreign exchange earnings and outgo:

Particulars	Inflow	Outflow
Current Year	Nil	INR 3,144,431
Previous Year	Nil	INR 1,46,69,634

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 & Services Private Limited

Gurunath Neelamani

Wholetime Director

DIN: 02799586

Place: Chennai

Date: July 02, 2020

Anil Kumar S G

Director & CEO

DIN: 01189011

Annexure - I

Form No. MGT-9 Extract Of Annual Return

As on the financial year ended on 31st March 2020 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.samunnati.com
iii	Date of Incorporation		23/06/2014
iv	Type of Company	Category of Company	Sub-Category of Company
	Private Limited Company	Company Limited by Shares	Indian Non-Government Company
v	Details of Stock Exchange where shares are listed		NIL

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

Integrated Registry Management Services Private Limited,

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)
2	Samunnati Foundation*	U85300TN2020NPL134814	Subsidiary	NA	2 (87)

* This Company was incorporated on March 9, 2020 and as of March 31, 2020 share capital was not infused. The Company had also not commenced operations as on that date.

Annexure - I

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 beginning 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	2,30,058	50.47%	2,38,257	5,000	2,43,257	42.39%	-	8.08
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
Sub Total:(A) (1)	2,30,058	5,000	2,30,058	50.47%	2,38,257	5,000	2,43,257	42.39%	-	8.08
(2) Foreign	-	-	-	-	-	-	-	-	-	-
a) NRI-Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the beginning of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Increase	Decrease
Sub Total:(A) (2)	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	2,30,058	5,000	2,30,058	50.47%	2,38,257	5,000	2,43,257	42.39%	-	8.08
B. Public Shareholding										
(1) Institutions	-	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-	-
C) Central govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-

Annexure - I

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:(A) (1)	-	-	-	-	-	-	-	-	-	-
(2) Non-Institutions	-	-	-	-	-	-	-	-	-	-
a) Bodies corporates	-	-	-	-	-	-	-	-	-	-
(i) Indian	-	75,699	75,699	16.26%	19,746	-	19,746	3.44	-	-
ii) Overseas	15,142	100	15,242	3.27%	83,304	-	91,241	15.90	12.43	12.82
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto INR1 lakhs	-	838	838	0.18%	3334	2760	6094	1.06	0.88	-
ii) Individuals shareholders holding nominal share capital in excess of INR 1 lakhs	-	-	-	-	-	-	-	-	-	-
c) Others	-	1,38,824	1,38,824	29.81%	-	2,13,523	2,13,523	37.21	7.40	-
Sub Total:(A) (2)	15,142	2,15,461	2,30,603	49.52%	106384	224220	330604	57.61	8.09	-
Total Shareholding of Promoter (B)= (B)(1) + (B)(2)	15,142	2,15,461	2,30,603	49.52%	106384	224220	330604	57.61	8.09	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,45,200	2,20,461	4,65,661	100%	3,44,641	2,29,220	5,73,861	100%	-	-

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

S No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year.*
		No of Shares	% of total Shares of the Company	% of Shares pledged encumbered to total Shares	No of Shares	% of total Shares of the Company	% of Shares pledged encumbered to total Shares	
1	Anil Kumar S G	2,30,058	49.40%	-	2,38,257	41.51%	-	7.89%
2	K. Seetha Lakshmi	5,000	1.07%	-	5,000	0.87%	-	0.20%
	Total	2,35,058	50.47%	-	2,43,257	42.39%	-	8.08%

* During the Year under review the Company had bought back 6530 shares on January 20, 2020 from Mr. Anil Kumar S G. To that extent there is a change in the promoter's shareholding.

(iii) Change In Promoters' Shareholding (Equity Share Capital) (Specify if there is no change)

S No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
1	At the beginning of the year	235058	50.47%	235058	50.47%
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)				
	Increase- Allotment of 28,529 Equity Shares on 30th April 2019		-		-
	Decrease – Transfer of 13,800 shares on May 17,2019				
	Decrease-Buyback of 6,530 of Shares on January 20,2020				
3	At the beginning of the year	243257	42.39%	243257	42.39%

Annexure - I

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

S No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
1	Accel India v (Mauritius) Ltd	7571	1.62%	75733	20.57%
2	Elevor M-III	7571	1.62%	7571	17.60%
3	Elevor I-IV AIF represented by its trustee Vistra ITCL India Limited	-	-	19746	5.43%
4	ResponsAbility Agriculture I, SLP	100	0.021%	7637	17.08%
5	Ms. Poorna Pushkala, (Trustee of Samunnati Employees Stock Option Plan Welfare Trust)	138824	29.81%	213523	9.75%
6	Nitin Chaudhary	419	0.08%	2815	0.12%
7	Gurunath Neelamani	-	-	1200	0.05%
8	Sridhar Easwaran	-	-	1080	0.04%
9	Ritesh Nair	419	0.08%	519	0.02%
10	Poorna Pushkala	-	-	450	0.02%
Total		145193	2,30,603	49.48	3,30,274

(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	Anil Kumar S G – 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.)	Increase- Allotment of 28,529 Equity Shares on 30th April 2019		Increase- Allotment of 28,529 Equity Shares on 30th April 2019	
		Decrease – Transfer of 13800 shares on May 17,2019		Decrease – Transfer of 13800 shares on May 17,2019	
		Decrease-Buyback of - 6530 of Shares on January 20,2020		Decrease-Buyback of-6530 of Shares on January 20,2020	
(iii)	At the end of the year	2,38,257	41.51%	2,38,257	41.51%
2	Mr. Nitin Chaudhary- Chief Financial Officer (CFO) (Ceased to hold office of CFO w.e.f. August 09,2019)				
(i)	At the beginning of the year	419	0.087%	2815	0.13%
(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	0.087%	2815	0.13%
3	Mr. N Gurunath – Wholetime Director				
(i)	At the beginning of the year	-	-	-	-
(ii)	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	-	-	-	-
(iii)	At the end of the year	1200	0.05%	1200	0.05%

Annexure - I

IV (B) (i) Shareholding Pattern (Preference Share Capital Break Up As % To Total Preference)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Increase	Decrease
A. Promoters										
(1) Indian	-	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
Sub Total:(A) (1)	-	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-	-
Sub Total:(A) (2)	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	-	-	-	-	-	-	-	-	-
B. Public Shareholding										
(1) Institutions	-	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-	-
C) Central govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-

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

IV (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	-	-	-	-	99,340	-	99,340	6.15	6.15	-
ii) Overseas	7,28,832	3,17,423	10,46,255	93.25	7,41,681	7,37,324	14,79,005	91.51	-	1.74
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	6.75	37,850	-	37,850	2.34	-	4.41
c) Others	-	-	-	-	-	-	-	-	-	-
Sub Total:(A) (2)	2,92,021	8,29,934	11,21,955	100.00%	8,78,871	7,37,324	16,16,195	100.00%	-	-
Total Shareholding of Promoter (B)= (B)(1)+(B)(2)	2,92,021	8,29,934	11,21,955	100.00%	8,78,871	7,37,324	16,16,195	100.00%	-	-
C. Shares held by Custodian For GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,92,021	8,29,934	11,21,955	100.00%	8,78,871	7,37,324	16,16,195	100.00%	-	-

Annexure - I

(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	Anil Kumar S G	-	-	-	-	-	-	-
2	K. Seetha Lakshmi	-	-	-	-	-	-	-
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	362100	32.28%	374949	23.20%
2	Elevar M-III	366732	32.69%	378074	23.39%
3	ResponsAbility Agriculture I, SLP	317423	28.29%	366594	22.68%
4	Teachers Insurance and Annuity Association of America	-	-	226730	14.03%
5	Accel Growth Fund V L.P	-	-	110075	6.81%
6	Elevar I-IV AIF represented by its trustee Vistra ITCL India Limited	-	-	99340	6.15%
7	Ramaraj Rajasekhart	37850	3.37%	37850	2.34%
8	ResponsAbility SICAV (Lux) Micro and SME Finance Leaders	-	-	22583	1.40%
Total		1121955	100%	1616195	100%

Annexure - I

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

S No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
(1)	Anil Kumar S G– Director & CEO				
(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 (CFO) (Ceased to hold office of CFO w.e.f. August 09,2019)				
(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	-	-	-	-

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	3,58,97,84,811	-	-	3,58,97,84,811
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,72,40,282	-	-	4,72,40,282
Total	3,63,70,25,093	-	-	3,63,70,25,093
Change in Indebtedness during the financial year				
Additions	2,38,86,84,010			2,38,86,84,010
Reductions	1,46,49,56,560	-	-	1,46,49,56,560
Net Change	92,37,27,450	-	-	92,37,27,450
Indebtedness at the end of the financial year				
i) Principal Amount	4,51,35,12,261	-	-	4,51,35,12,261
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,01,02,770	-	-	5,01,02,770
Total	4,56,36,15,031	-	-	4,56,36,15,031

Annexure - I

(VI) Penalties/ Punishment /Compounding Of Offences

NIL

Type	Section of the Companies Act	Brief Description	Details Of Penalty/ Punishment/ Compounding fees Imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
A. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
A. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For Samunnati Financial Intermediation & Services Private Limited

Gurunath Neelamani

Wholtime Director

DIN: 02799586

Place: Chennai

Date: July 02, 2020

Anil Kumar S G

Director & CEO

DIN: 01189011

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)

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	Not Applicable.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable.
4	Share capital	INR 63,24,840/-
5	Reserves & surplus	INR 77,42,38,924/-
6	Total assets	INR 2,02,47,69,235/-
7	Total Liabilities	INR 2,02,47,69,235/-
8	Investments	INR 11,13,32,902/-
9	Turnover	INR 5,86,85,83,457/-
10	Profit before taxation	INR 1,69,54,064/-
11	Provision for taxation	INR 22,59,963/-
12	Profit after taxation	INR 1,46,94,101/-
13	Proposed Dividend	NIL
14	% of shareholding	100%

Annexure - II

Names of subsidiaries which are yet to commence operations – Samunnati Foundation (incorporated on March 09, 2020. Share capital was not infused as of March 31, 2020)

Names of subsidiaries which have been liquidated or sold during the year - Nil

Part “B”: Associates and Joint Ventures

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

No.	Name of associates/Joint Ventures	
1	Latest audited Balance Sheet Date	NA
2	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	
	Amount of Investment in Associates/Joint Venture	
	Extent of Holding%	
3	Description of how there is significant influence	
4	Reason why the associate/joint venture is not consolidated	
5	Net worth attributable to shareholding as per latest audited Balance Sheet	
6	Profit/Loss for the year	
i	Considered in Consolidation	
ii	Not Considered in Consolidation	

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

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

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.

- Details of contracts or arrangements or transactions not at arm's length basis

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

Annexure - III

2. 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/ 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 1st July 2017 and as amended periodically	Deputation of the Employees of the Holding Company. An amount of INR 1,11,41,643/- (exclusive of Taxes), has been charged to the Company's wholly owned Subsidiary, Samunnati Agro Solutions Private Limited, as deputation charges.	-	NIL
Employees of Samunnati Agro Solutions Private Limited.	Deputation of the Employees of Samunnati Agro Solutions Private Limited, to the Holding company, Samunnati Financial Intermediation & Services Private Limited		Deputation of the Employees of the subsidiary Company. An amount of INR 22,40,697/- (exclusive of Taxes), has been charged to the Holding Company, Samunnati Financial Intermediation & Services Private Limited, as deputation charges	-	NIL

For Samunnati Financial Intermediation & Services Private Limited

Gurunath Neelamani

Wholetime Director

DIN: 02799586

Anil Kumar S G

Director & CEO

DIN: 01189011



Form No. MR-3
SECRETARIAL AUDIT REPORT

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

For the Financial Year ended 31st March 2020

To,
The Members,
Samunnati Financial Intermediation & Services Private Limited
Baid Hi Tech Park, 8th Floor, No 129 B, East Coast Road,
Thiruvanniyur, 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, and considering the relaxations granted by the Ministry of Corporate Affairs due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 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, 2020 according to the applicable provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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;



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New No. 74, (Old No.62), Third Floor,
Akshaya Flats, 12th Avenue,
Ashok Nagar, Chennai-83.

- v. The following laws, regulations, directions, orders applicable specifically to the Company:
- Reserve Bank of India Act, 1934.
 - Master Direction - Non-Banking Financial Company - Non-Deposit Accepting or Holding) Directions, 2016.
 - Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016.
 - Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.
 - Guidelines to Fair Practice Code.
 - Guidelines for Asset-Liability Management (ALM) system in Non-Banking Financial Companies;
 - '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'.
 - Raising money through Private Placement of NCDs by NBFCs RBI Guidelines.
 - Master Direction - Information Technology Framework for the NBFC Sector.
 - Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.
 - Master Direction - Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 2016.
 - Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.
 - 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, 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:

- Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, issued by The Institute of Company Secretaries of India have been generally complied with.

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.	Increase in Authorised Share Capital of the Company: The Company increased its Authorised Capital from Rs. 2,00,00,000 (Rupees Two Crores Only) to Rs. 2,50,00,000 (Rupees Two Crores and Fifty Lakhs Only) divided into 7,50,000 Equity Shares of Rs. 10 each and 17,50,000 Preference Shares of Rs.10/- each.
2.	Approval of Management Stock Option Scheme 2019 and amendment to Existing Employee Stock Option Plan: ❖ Members approved 45,000 (Forty Five Thousand) Options under the "Management Stock Option Scheme 2019". ❖ Amendments to the Existing Employee Stock Option Plan.
3.	Approved and Issued Commercial Paper: The Company obtained members approval to Issue Commercial paper in dematerialized format upto an amount not exceeding Rs.15,00,00,000 (Indian Rupees Fifteen Crores Only).
4.	Issue And Allotment of Equity and Preference Share: ❖ Issued and allotted 1,15,000 Equity Shares to Samunnati Employees Stock Option Plan Welfare Trust.



	❖ Issued and allotted 500 Series D Equity Shares and 4,94,240 Series D CCPS to Identified Investors on a private placement basis.
5.	Adoption and Alteration of the Articles: The Company amended, its Articles of Association and based on the Subscription agreement, the existing articles of association of the Company replaced with a new set of Articles.
6.	Investment at Samunnati Agro Solutions Private Limited: The Company invested 4,42,484 Equity Shares in Samunnati Agro Solutions Private Limited by way of Equity.
7.	Appointment of Mr. Ashok Dhamankar as the Group CFO: Mr. Ashok Dhamankar appointed as a Group Chief Financial Officer (Group CFO) and Whole time Key Managerial Personnel (KMP) of the Company with effect from 09 th August, 2019.
8.	Re-Designation of Mr Nitin Chaudary: Mr. Nitin Chaudhary ceased to hold office as the Chief Financial Officer (CFO) and was re-designated to Head – Strategy with effect from 09 th August ,2019.
9.	Buy Back of Equity Share: The Company bought back its 7,300 Equity Shares with members approval.
10.	Formation of Samunnati Foundation as a Wholly Owned Subsidiary of the Company: The Company incorporated Samunnati Foundation as a Wholly Owned Subsidiary of the Company under Section 8 Category.
11.	Re-appointment of Mr. Narasimhan Srinivasan as an Independent Director: Mr. Narasimhan Srinivasan reappointed as an Independent Director of the Company for a period of Five Years with effect from 27 th February, 2020.

Date: 02nd July, 2020
Place: Chennai



For BP & Associates
Company Secretaries

C Prabhakar
Partner
M No: 30433
CP No: 11033
UDIN: A030433B000403531

'ANNEXURE A'

To
The Members,
Samunnati Financial Intermediation & Services Private Limited
10th Floor, Phase-1, A1, IIT-Madras Research Park, Kanagam Village,
Taramani, Chennai – 600113.

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: 02nd July, 2020
Place: Chennai



For BP & Associates
Company Secretaries

C Prabhakar
Partner
M No: 30433
CP No: 11033
UDIN: A030433B000403531



☎ : 044-42047894
✉ : secretarial@bpcorpadvors.com
🌐 : www.bpcorpadvors.com

New No. 74, (Old No.62), Third Floor,
Akshaya Flats, 12th Avenue,
Ashok Nagar, Chennai-83.

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.samunnati.com E-mail:secretarial@samunnati.com Phone: 044-66762400

Annexure-V**Annual Report on Corporate Social Responsibilities (CSR) Activities**

1. Samunnati goes beyond business to make a sustainable, positive social, economic, and environmental impact on the lives of the people. The Company envisions sustainable and inclusive development of small holder farmers and the agriculture ecosystem as a whole. With the endeavour of equal prosperity to all, Samunnati Foundation as an agriculture ecosystem enabler strives for inclusive and sustainable development of small holder farmers with positive environmental, social and economic impact.

The primary purpose of the Company's CSR philosophy is to contribute to the development of socially and economically challenged communities of the country with specific focus on creating sustainable livelihoods, supporting rural development projects, promoting education and skill development, promoting environmental sustainability, and supporting innovations that largely benefit the agriculture ecosystem.

The CSR activities of the Company are wheeled through Samunnati Foundation, a Company incorporated under Section 8 of the Companies Act 2013. All the CSR activities of the Company are routed through Samunnati Foundation.

In line with the provisions of Section 135 of the Companies Act, 2013 the Company was required to constitute a CSR Committee. Accordingly, the Company has constituted the CSR Committee during the year and the details of the Committee forms part of this Report. The Company has put in place a Board approved Corporate Social Responsibility (CSR) Policy that has also been uploaded on the website (<https://samunnati.com/wp-content/uploads/2020/03/CSR-Policy.pdf>)

2. Composition of the CSR Committee:

Sl. No	NAME OF THE MEMBER	DESIGNATION
1.	Dr. Venkatesh Tagat	Chairman
2.	Ms. Jyotsna Krishnan	Member
3.	Mr. Anil Kumar S G	Member
4.	Mr. Gurunath N	Member

3. Average net profit of the company for last three financial years:

Net profit (PBT) for the year 2016-17 : Rs. -7,58,04,525/-
 Net profit (PBT) for the year 2017-18 : Rs. -2,89,50,523/-
 Net profit (PBT) for the year 2018-19 : Rs. 10,01,91,291/-

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.samunnati.com E-mail:secretarial@samunnati.com Phone: 044-66762400

Average net profit for last three years: Rs. -15,21,252/-
 Prescribed CSR Expenditure (2% of Rs. -15,21,252) : Rs. -30,425/-

4. Details of CSR spent during the financial year 2019-20.

- a) Total amount to be spent for the financial year - Rs. -30,425/-
 b) Total actual amount spent during the year - Nil
 c) Amount unspent relating to the current year, if any - Not applicable

5. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report

The Company was not required to make any CSR expenditure in FY 2019-20 as stipulated under Section 135, due to absence of average profits computed for the three preceding financial years.

6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

During FY 2020-21, the Company would be spending on CSR activities in line with its CSR Policy and the requirements of the Companies Act 2013.

For Samunnati Financial Intermediation & Services Private Limited

Sd/-
Gurunath Neelamani
 Wholetime Director
 DIN: 02799586

Sd/-
Anil Kumar S G
 Director & CEO
 DIN: 01189011

Place: Chennai
 Date: July 02, 2020

Samunnati Financial Intermediation & Services Private Limited

Standalone Financial Statements

31 March 2020

**INDEPENDENT AUDITOR'S REPORT - ENCLOSED IN THE
FORM AOC-4 (ADDITIONAL ATTACHMENTS)**

Samunnati Financial Intermediation & Services Private Limited
Balance sheet as at 31 March 2020
(All amounts are in Indian Rupees (₹), unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	19,765,330	14,487,920
Reserves and surplus	4	4,998,672,904	1,936,491,073
		5,018,438,234	1,950,978,993
Non-current liabilities			
Long-term borrowings	5	2,268,179,055	2,256,108,649
Other non-current liabilities	6	4,985,666	3,322,517
Long-term provisions	7	38,660,970	20,920,158
		2,311,825,691	2,280,351,324
Current liabilities			
Short-term borrowings	8	1,152,017,338	55,080,639
Trade payables	9		
- total outstanding dues of micro enterprises and small enterprises		867,118	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		625,952	3,114,479
Other current liabilities	6	1,337,457,889	1,476,644,025
Short-term provisions	7	216,568,478	33,550,223
		2,707,536,775	1,568,389,366
Total equity and liabilities		10,037,800,700	5,799,719,683
ASSETS			
Non-current assets			
Property, plant and equipment	11		
(i) Tangible assets		66,352,692	35,699,160
(ii) Intangible assets		1,441,652	1,735,465
(iii) Intangible assets under development		24,350,358	4,189,960
Non-current investments	12	780,099,454	180,100,000
Deferred tax assets (net)	13	58,644,395	-
Receivables from financing activity	14	2,198,894,501	941,419,126
Long-term loans and advances	15	39,826,215	36,045,120
Other non-current assets	16	74,776,651	175,342,535
		3,244,385,918	1,374,531,366
Current assets			
Current Investments	12	-	30,000,000
Trade receivables	17	-	1,878,152
Cash and bank balances	18	1,367,044,632	513,178,322
Receivables from financing activity	14	4,662,298,352	3,366,203,403
Short-term loans and advances	15	441,231,035	305,868,756
Other current assets	19	322,840,763	208,059,684
		6,793,414,782	4,425,188,317
Total assets		10,037,800,700	5,799,719,683

Notes 1 to 43 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

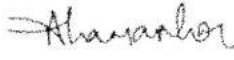

Praveen Warriar
Partner
Membership No: 214767

Place: Chennai
Date: 02 July 2020

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


Anil Kumar S G
Director
DIN: 01189011


Gurunath Neelamani
Director
DIN: 02799586


Ashok Dhamankar
Group Chief Financial Officer


Place: Chennai
Date: 02 July 2020

Samunnati Financial Intermediation & Services Private Limited
Statement of profit and loss for the year ended 31 March 2020
(All amounts are in Indian Rupees (₹), unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Revenue			
Revenue from operations	20	1,257,808,531	808,841,461
Other income	21	109,212,172	50,858,819
Total revenue		1,367,020,703	859,700,280
Expenses			
Employee benefits expense	22	353,287,848	248,929,420
Finance costs	23	423,600,350	328,154,946
Loan provisions and write-offs	24	133,928,997	53,214,016
Moratorium and contingency provision	25	136,138,601	-
Depreciation and amortization expense	26	13,272,858	5,906,787
Other expenses	27	168,542,855	123,303,820
Total expenses		1,228,771,509	759,508,989
Profit before tax		138,249,194	100,191,291
Tax expense			
Current tax		87,775,524	19,384,379
MAT credit reversal/ (entitlement)		4,366,546	(13,662,403)
Deferred tax		(58,644,395)	-
Profit after tax		104,751,519	94,469,315
Earnings per share			
Basic (₹ per share of ₹ 10 each)	31	287.92	289.04
Diluted (₹ per share of ₹ 10 each)		49.59	59.50

Notes 1 to 43 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

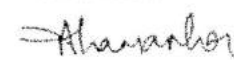

Praveen Warriar
Partner
Membership No: 214767

Place: Chennai
Date: 02 July 2020

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


Anil Kumar S G
Director
DIN: 01189011


Gurunath Neelamani
Director
DIN: 02799586


Ashok Dhamankar
Group Chief Financial Officer

Place: Chennai
Date: 02 July 2020

Samunnati Financial Intermediation & Services Private Limited
Cash flow statement for the year ended 31 March 2020
(All amounts are in Indian Rupees ₹), unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flow from operating activities		
Profit before tax for the year	138,249,194	100,191,291
Adjustments for		
Interest income on deposits	(15,887,410)	(8,847,156)
Interest income on security deposits held with lenders	(16,634,048)	(8,301,408)
Income from mutual funds	(50,805,725)	(23,652,792)
Employee stock option expense	6,492,903	25,987,304
Depreciation and amortization expense	13,272,858	5,906,787
Loss on sale of property, plant and equipment	263,030	1,760,086
Gratuity and leave encashment provision	12,249,561	8,030,227
Provision against standard assets	12,796,590	10,071,313
Provision against non-performing assets	39,942,261	11,854,416
Moratorium and contingency provision	136,138,691	-
Loan receivables written off	81,187,640	31,263,352
Operating income before working capital changes	357,265,455	154,263,420
Increase in other liabilities	25,500,576	83,843,314
Increase/ (decrease) in provisions	(367,946)	24,931
Decrease in trade payable	(1,621,409)	-
Decrease in trade receivables	1,878,152	1,235,618
(Increase) in receivables from financing activity including accrued interest	(2,826,503,162)	(2,216,708,129)
Increase in loans and advances	(4,577,344)	(10,170,365)
Decrease/ (Increase) in other assets	19,658,819	(61,598,745)
Cash used in operating activities	(2,428,766,859)	(2,049,109,956)
Income taxes paid	(78,207,197)	(35,742,363)
Net cash used in operating activities	(2,506,974,056)	(2,084,852,319)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(66,943,860)	(32,311,761)
Proceeds from sale of property, plant and equipment	76,320	172,224
Movement in deposits with banks and financial institutions	(107,503,811)	(120,675,399)
Investment in subsidiary	(599,999,454)	-
Redemption/ (Investment) in mutual fund units, net	30,000,000	(9,956,759)
Income from mutual fund investments	50,805,725	23,652,792
Interest income on deposits	16,097,928	12,320,604
Net cash used in investing activities	(677,467,152)	(126,798,299)
Cash flows from financing activities		
Proceeds from issue of shares	3,055,090,275	-
Payment made towards buy back of equity shares (inclusive of taxes)	(44,368,263)	-
Share issue expenses	(54,507,193)	-
Proceeds from borrowings	2,253,684,010	3,031,814,482
Repayment of borrowings	(1,329,956,560)	(1,011,578,911)
Net cash generated from financing activities	3,879,942,269	2,020,235,571
Net increase/ (decrease) in cash and cash equivalents	695,501,061	(191,415,047)
Cash and cash equivalents as at the beginning of the year	487,426,978	678,842,025
Cash and cash equivalents as at the end of the year	1,182,928,039	487,426,978

Samunnati Financial Intermediation & Services Private Limited
Cash flow statement for the year ended 31 March 2020 (continued)
(All amounts are in Indian Rupees ₹), unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Cash and cash equivalents comprises of (Also, refer note 18)		
Cash on hand	148,174	261,275
Balances with banks		
- in current accounts	565,779,865	377,165,703
- in deposit accounts (with original maturity upto three months)	617,000,000	110,000,000
	1,182,928,039	487,426,978

Notes 1 to 43 form an integral part of these financial statements
This is the Cash Flow Statement referred to in our report of even date

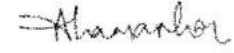
For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013


Praveen Warriar
Partner
Membership No: 214767

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


Anil Kumar S G
Director
DIN: 01189011


Gurunath Neelamani
Director
DIN: 02799586


Ashok Dhamankar
Group Chief Financial Officer

Place: Chennai
Date: 02 July 2020

Place: Chennai
Date: 02 July 2020

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 is an NBFC - Systemically Important Non-Deposit taking Company ('NBFC-ND-SI') per regulations of Reserve Bank of India ('RBI').

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

(i) Tangible assets

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

Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of an asset and are 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.

(ii) Intangible assets

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.

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 realized. The carrying amount of deferred tax assets are reviewed by the Company at each balance sheet date and the carrying amount of a deferred tax asset is written down to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized.

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

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

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

2.8 Contingent liabilities and provisions

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

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

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 are incremental costs that are directly attributable to the acquisition of share capital and borrowings. 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.

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 2020		As at 31 March 2019	
	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	1,750,000	17,500,000	1,250,000	12,500,000
	2,500,000	25,000,000	2,000,000	20,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	573,861	5,738,610	465,661	4,656,610
Less: Amount recoverable from ESOP Trust (Also, refer note (g) below)	(213,523)	(2,135,230)	(138,824)	(1,388,240)
	360,338	3,603,380	326,837	3,268,370
Compulsorily Convertible Preference Shares of ₹ 10 each				
	1,616,195	16,161,950	1,121,955	11,219,550
	1,616,195	16,161,950	1,121,955	11,219,550
	1,976,533	19,765,330	1,448,792	14,487,920
a) Reconciliation of equity share capital				
Balance at the beginning of the year	465,661	4,656,610	465,661	4,656,610
Add : Issued during the year	115,500	1,155,000	-	-
Less: Buy back of shares during the year (Also, refer note (h)) below	(7,300)	(73,000)	-	-
Balance at the end of the year	573,861	5,738,610	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	1,121,955	11,219,550
Add : Issued during the year	494,240	4,942,400	-	-
Balance at the end of the year	1,616,195	16,161,950	1,121,955	11,219,550
c) Shareholders holding more than 5% of the shares				
	Number	% of holding	Number	% of holding
Equity shares of ₹ 10 each				
Anil Kumar S G	238,257	42%	230,058	49%
ESOP Trust (Also, refer note (g) below)	213,523	37%	138,824	30%
Accel India V (Mauritius) Ltd	75,733	13%	-	-
Ecap Equities Limited	-	0%	75,699	16%
Compulsorily Convertible Preference Shares of ₹ 10 each				
Elevar M - III	378,074	23%	366,732	33%
Accel India V (Mauritius) Ltd	374,949	23%	362,100	32%
responsAbility Agriculture I, SLP	366,594	23%	317,423	28%
Teachers Insurance and Annuity Association of America	226,730	14%	-	0%
Accel Growth Fund V L.P.	110,075	7%	-	0%
Elevar HV AIF represented by its Trustee Vistra ITCL India Ltd	99,340	6%	-	0%

d) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues 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, C and D 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.

Terms of conversion:

Date	Series
23 May 2038	D
27 December 2036	C
27 February 2036	B
31 March 2035	A3
25 July 2034	A2
25 February 2034	A1

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

3 Share capital (continued)

- g) The Company has given an interest and collateral free loan to Samunnati Employee Stock Option Plan Welfare Trust ("ESOP Trust") to provide financial assistance for purchase of equity shares of the Company under Employee Stock Option Scheme. The Company has established the 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).
- h) During the year Company has brought back 7,300 nos of equity shares from its share holders based on approval received from the members at EGM dated 17 January 2020. The Company has complied with all applicable regulations in connection with buy back of equity shares and paid applicable taxes to the authorities for such buy back within the due date.

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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 2020	As at 31 March 2019
4 Reserves and surplus		
a) Statutory reserve		
Balance at the beginning of the year	18,893,863	-
Add: Transferred from surplus balance in the statement of profit and loss	20,950,304	18,893,863
Balance at the end of the year	(A) 39,844,167	18,893,863
b) Securities premium		
Balance at the beginning of the period	2,044,504,602	2,044,504,602
Add: Additions made during the year	3,478,991,025	-
Add: Exercise of ESOP	38,886,271	-
	5,562,381,898	2,044,504,602
Less: Premium on buy back of equity shares (Also, refer note 3(h))	(36,470,800)	-
Less: Transfer to capital redemption reserve (Also, refer note 3(h))	(73,000)	-
Less: Utilised towards share issue expenses	(54,507,193)	-
	5,471,330,905	2,044,504,602
Less: Amounts recoverable from ESOP Trust (Also, refer note 3(g))	(517,541,875)	(88,290,715)
Balance at the end of the year	(B) 4,953,789,030	1,956,213,887
c) Stock options outstanding account		
Balance at the beginning of the year	43,717,493	17,730,189
Add: Share based compensation for the year (Also, refer note 22)	6,492,903	25,987,304
Less: Utilised during the year on exercise of options	(38,886,271)	-
Balance at the end of the year	(C) 11,324,125	43,717,493
d) Capital redemption reserve		
Balance at the beginning of the year	-	-
Add: Transfer from securities premium account	73,000	-
Balance at the end of the year	(D) 73,000	-
e) Surplus / (Deficit) in the statement of profit and loss		
Balance at the beginning of the year	(82,334,170)	(157,909,622)
Add: Transferred from statement of profit and loss	104,751,519	94,469,315
Less: Transferred to statutory reserve	(20,950,304)	(18,893,863)
[@ 20% of profit after tax as required by section 45-IC of Reserve Bank of India Act, 1934]		
Less: Tax on buyback (Also, refer note 3(h))	(7,824,463)	-
Balance at the end of the year	(E) (6,357,418)	(82,334,170)
(A)+(B)+(C)+(D)+(E)	4,998,672,904	1,936,491,073
5 Long-term borrowings (Also, refer note 36)		
Secured		
Non convertible redeemable debentures	1,580,100,000	1,580,100,000
Term loans from banks	1,115,578,361	520,984,796
Term loans from parties other than banks	665,816,562	1,433,619,376
	1,781,394,923	1,954,604,172
Less: Classified as other current liabilities (Also, refer note 6)		
Current maturities of long term borrowings	(1,093,315,868)	(1,278,595,523)
	2,268,179,055	2,256,108,649
6 Other liabilities		
Non current		
Interest strip on securitisation	4,094,861	3,322,517
Others	890,805	-
	4,985,666	3,322,517
Current		
Current maturities of long-term debt (Also, refer note 5 and 36)	1,093,315,868	1,278,595,523
Interest strip on securitisation	55,471,480	46,390,393
Interest accrued but not due on borrowings	7,229,293	7,730,208
Interest accrued but not due on debentures	42,873,477	39,510,074
Unearned interest - receipt in advance	10,906,332	-
Payable towards securitised portfolio	47,605,201	45,267,892
Creditor for capital goods	-	663,679
Employee related payables	17,950,584	20,897,436
Statutory dues payable	22,392,309	10,705,343
Unapplied loan collections*	19,132,480	7,119,041
Accrued expenses		
- to related party (Also, refer note 33)	4,421,906	-
- to others	16,158,959	19,764,436
	1,337,457,889	1,476,644,025

*presented net of receivables from financing activity in the previous year 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)

	As at 31 March 2020		As at 31 March 2019	
	Long-term	Short-term	Long-term	Short-term
7 Provisions				
Provision for employee benefits (Also, refer note 10)	23,313,983	2,779,551	12,772,380	1,071,593
Provision against standard assets (Also, refer note A below)	10,894,066	24,394,738	4,519,796	17,972,418
Provision against non performing assets (Also, refer note B below)	4,452,921	53,255,588	3,627,982	14,138,266
Provision for loss on loans serviced (Also, refer note C below)	-	-	-	367,946
Provision in connection with COVID-19 regulatory package (Also, refer note D below, note 41 and 42)				
- against standard assets opted for moratorium	-	33,220,708	-	-
- contingency provision against receivable under financing activity	-	102,917,893	-	-
	38,660,970	216,568,478	20,920,158	33,550,223
			Year ended	Year ended
			31 March 2020	31 March 2019
Movement in				
A Provision against standard assets				
Opening balance			22,492,214	12,420,901
Add: Provision made during the year (Also, refer note 24)			12,796,590	10,071,313
Closing balance			35,288,804	22,492,214
B Provision against Non performing assets				
i Provision against sub-standard assets				
Opening balance			14,120,801	5,166,442
Add: Provision made during the year (Also, refer note 24)			37,642,030	8,954,359
Closing balance			51,762,831	14,120,801
ii Provision against doubtful assets				
Opening balance			3,645,447	745,390
Add: Provision made during the year (Also, refer note 24)			2,300,231	2,900,057
Closing balance			5,945,678	3,645,447
C Provision for loss on loans serviced				
Opening balance			367,946	343,015
Add: Provision made during the year (Also, refer note 24)			2,506	24,931
Less: Utilised during the year			(370,452)	-
Closing balance			-	367,946
D Provision in connection with COVID-19 regulatory package				
Opening balance			-	-
Add: Provision made during the year (Also, refer note 25)			136,138,601	-
Closing balance			136,138,601	-
			As at	As at
			31 March 2020	31 March 2019
8 Short-term borrowings (Also, refer note 36)				
Secured				
Term loans from banks			150,000,000	-
Term loans from parties other than banks			733,333,328	25,000,000
Working capital facilities from banks			148,684,010	30,080,639
Unsecured				
Commercial Paper			120,000,000	-
			1,152,017,338	55,080,639

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 2020	As at 31 March 2019			
9 Trade payables					
- total outstanding dues of micro enterprises and small enterprises	867,118	-			
- total outstanding dues of creditors other than micro enterprises and small enterprises	625,952	3,114,479			
	1,493,070	3,114,479			
a) Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:					
Principal amount remaining unpaid at the year end	867,118	-			
Interest due thereon	-	-			
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	-			
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-			
Interest accrued and remaining unpaid as at the year end	-	-			
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-			
	867,118	-			
Note: This information has been determined to the extent such parties have been identified by the management on the basis of the information available with the Company and relied upon by the auditors.					
10 Employee benefits					
i) Gratuity					
In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. The Company does not maintain any plan assets to fund its obligation towards gratuity liability.					
The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation. The Company provides for gratuity liability under the provisions of the Payment of Gratuity Act, 1972. The Company does not maintain any plan assets to fund its obligation towards gratuity liability.					
	Year ended	Year ended			
	31 March 2020	31 March 2019			
a) Changes in the present value of the defined benefit obligation are as follows:					
Projected benefit obligation at the beginning of the year	6,928,466	3,401,079			
Service cost	4,506,970	2,577,739			
Interest cost	879,608	470,373			
Acquisitions	-	(215,023)			
Actuarial loss/(gain) due to change in assumptions	909,786	(5,408)			
Actuarial loss due to plan experience	573,515	699,706			
Projected benefit obligation at the end of the year	13,798,345	6,928,466			
b) Amount recognised in the Statement of Profit and Loss					
Current service cost	4,506,970	2,577,739			
Interest cost on benefit obligation	879,608	470,373			
Net actuarial loss recognised in the year	1,483,301	694,298			
Net employee benefit expense	6,869,879	3,742,410			
c) Reconciliation of present value of obligation					
	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Present value of defined benefit obligation	13,798,345	6,928,466	3,401,079	1,086,157	609,324
Fair value of plan assets	-	-	-	-	-
Net liability	13,798,345	6,928,466	3,401,079	1,086,157	609,324
Experience adjustments on plan liabilities	573,515	699,706	132,829	(208,761)	-
	As at	As at			
	31 March 2020	31 March 2019			
d) Assumptions used					
Discount rate	6.61%	7.53%			
Long-term rate of compensation increase	10.00%	10.00%			
Attrition rate	12.00%	12.00%			

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 Employee Benefits (continued)

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

Principal actuarial assumptions used :
Discount rate 8.61%
Long-term rate of compensation increase 7.53%
Attrition rate 10.00%
12.00%

11 Property, plant and equipment

Particulars	Tangible assets					Intangible assets		
	Free hold land	Furniture and fittings	Office equipment	Computers and accessories	Vehicles	Leasehold improvements	Total	Software
Gross block								
As at 01 April 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)	(35,731)	-	(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
Additions	-	1,912,142	4,842,142	6,480,468	17,619,392	12,897,218	43,751,362	220,565
Disposals	-	(310,972)	(86,010)	-	-	(157,871)	(554,853)	-
As at 31 March 2020	2,311,880	10,311,175	12,478,785	20,864,852	19,626,626	24,213,921	89,807,239	2,621,310
Accumulated depreciation and amortisation								
As at 01 April 2018	-	1,073,638	1,006,787	3,068,104	291,709	169,725	5,607,963	284,196
Charge for the year	-	671,294	866,995	2,869,846	123,488	994,080	5,625,703	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
Charge for the year	-	923,951	1,443,400	4,775,234	2,402,932	3,212,963	12,758,480	514,378
Reversal on disposal of assets	-	(99,156)	(33,016)	-	-	(83,331)	(215,503)	-
As at 31 March 2020	-	2,547,362	3,247,909	10,698,702	2,818,129	4,142,445	23,454,547	1,179,658
Net block								
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
As at 31 March 2020	2,311,880	7,763,813	9,230,876	10,166,150	16,808,497	20,071,476	66,352,692	1,441,652

Intangible assets under development

As at 31 March 2019 4,189,960
As at 31 March 2020 24,350,358

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

12 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
632,484 (previous year 190,000) equity shares with nominal value of ₹ 10 each; extent of share holding 100% (previous year: 100%)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current

	780,099,454	-	180,100,000	-
--	-------------	---	-------------	---

Current (Non-Trade Investments):

-Unquoted

Carried at Net Asset Value

Investments in Mutual Funds (unquoted)

	-	-	-	30,000,000
	780,099,454	-	180,100,000	30,000,000

Aggregate amount of quoted investments and market value thereof

	-	-	-	-
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Aggregate amount of unquoted investments

	780,099,454	-	180,100,000	30,000,000
--	-------------	---	-------------	------------

Aggregate amount of impairment in the value of investments

	-	-	-	-
--	---	---	---	---

	As at 31 March 2020		As at 31 March 2019	
	Number	₹	Number	₹

Details of current investments

Current investments in mutual funds comprise:

Tata Liquid Fund Regular Plan-Growth

	-	-	10,197	30,000,000
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13 Deferred tax assets (net)

Provision for loan receivables
Provision for employee benefits
Depreciation and amortisation

	As at	As at
	31 March 2020	31 March 2019
	52,823,860	-
	6,567,743	-
	(747,208)	-
	58,644,395	-

14 Receivables from financing activity*

Secured

Standard assets
Non-performing assets

	As at 31 March 2020		As at 31 March 2019#	
	Non-current	Current	Non-current	Current
	1,357,772,339	2,923,430,928	236,547,866	1,191,697,410
	11,388,591	65,721,897	2,101,838	13,982,336
	1,369,160,930	2,989,152,825	238,649,704	1,205,679,746

Unsecured

Standard assets
Non-performing assets

	820,705,137	1,535,516,618	693,790,031	2,111,526,627
	9,028,434	137,628,909	8,979,391	48,997,030
	829,733,571	1,673,145,527	702,769,422	2,160,523,657
	2,198,894,501	4,662,298,352	941,419,126	3,366,203,403

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

Previous year numbers have been reclassified between secured and unsecured based on RBI inspection team's recommendations.

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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 2020		As at 31 March 2019	
	Long-term	Short-term	Long-term	Short-term
15 Loans and advances				
(Unsecured, considered good)				
Security deposits	8,419,292	-	7,642,827	-
Capital advances	2,545,224	-	397,368	-
Balances with government authorities	2,903,780	881,076	-	3,363,657
Tax deducted at source receivable	24,185,935	-	24,458,405	-
MAT credit entitlement	-	-	-	13,662,403
Advance paid to creditors	-	681,573	-	-
Employee advances	-	4,878,996	-	513,471
Prepaid expenses	1,666,984	14,789,390	3,433,140	14,670,187
Other advances	-	-	-	-
Receivable from related parties:				
Loans to Samunnati Agro Solutions Private Limited* #	-	420,000,000	-	272,000,000
Deputation cost receivable from Samunnati Agro Solutions Private Limited #	-	-	-	1,859,038
Loans and advances to ESOP Trust #	105,000	-	113,380	-
	39,826,215	441,231,035	36,045,120	305,868,756

* The Company has advanced loans for working capital purposes repayable within one year from the date of disbursement. Interest charged is 13% p.a (previous year: 14% to 18% p.a).

Also, refer note 33.

	As at 31 March 2020	As at 31 March 2019
--	------------------------	------------------------

16 Other non-current assets		
Margin money deposits	58,407,145	143,435,249
Deposits held with financial institutions	5,000,000	12,000,000
Interest accrued but not due on deposits	1,093,905	1,061,634
Interest strip on securitisation	4,094,861	3,234,539
Unamortised cost of borrowings	6,180,740	15,611,113
	74,776,651	175,342,535

17 Trade receivables		
Outstanding for a period of more than six months	-	-
Other debts - considered good	-	1,878,152
Loan service fee receivable	-	1,878,152
	-	1,878,152

18 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	148,174	261,275
Balances with banks		
- in current accounts	565,779,865	377,165,703
- in deposit account (with original maturity upto 3 months)	617,000,000	110,000,000
	1,182,928,039	487,426,978
Other bank balances		
Margin money deposits#	184,116,593	25,751,344
	184,116,593	25,751,344
	1,367,044,632	513,178,322

Held as collateral against borrowings and securitisation transactions

19 Other current assets		
Current maturities of Investments in Pass Through Certificates	-	40,375,944
Deposits held with financial institution	46,000,000	4,833,334
Interest income accrued on		
- Receivables from financing activity	133,282,052	72,148,014
- Loans to subsidiary (Also, refer note 33)	11,230,397	5,699,466
- Deposits	22,957,855	6,566,596
Interest strip on securitisation	55,471,480	46,478,371
Unamortised cost of borrowings	16,691,774	17,179,014
Prepayments receivable on securitisation	32,084,515	12,198,169
Other receivables	5,122,690	2,580,776
	322,840,763	208,059,684

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 2020	Year ended 31 March 2019
20 Revenue from operations		
Interest income on receivables from financing activity	1,080,151,301	678,856,681
Interest income from securitization of loans	57,825,368	48,808,633
Interest on loan to subsidiary (Also, refer note 33)	44,912,988	30,192,604
Loan processing fees	71,941,803	48,841,418
Other operating income	2,977,071	2,142,125
	1,257,808,531	808,841,461
21 Other income		
Interest income on fixed deposits	15,887,410	8,847,156
Interest income on security deposits held with lenders	16,634,048	8,301,408
Income from mutual fund investments	50,805,725	23,652,792
Interest Income from investment in Pass Through Certificates	3,597,652	2,890,208
Recovery of defaults in loan serviced	3,164,667	2,832,497
Income from subsidiary for shared services (Also, refer note 33)	17,560,077	4,025,128
Miscellaneous income	1,562,593	309,630
	109,212,172	50,858,819
22 Employee benefits expense		
Salaries and wages (Also, refer note 33)	311,730,981	196,560,550
Gratuity and leave encashment expenses (Also, refer note 10)	12,438,230	8,449,120
Contribution to provident and other funds	10,377,744	6,217,737
Employee stock option expenses (Also, refer note 4)	6,492,903	25,987,304
Staff welfare expenses	6,500,582	5,781,751
Employee Insurance	5,747,408	5,932,958
	353,287,848	248,929,420
23 Finance costs		
Interest on borrowings	203,642,923	194,709,564
Interest on debentures	197,884,962	115,683,196
Other borrowing costs	22,072,465	17,762,186
	423,600,350	328,154,946
24 Loan provisions and write-offs		
Provision against standard assets (Also, refer note 7)	12,796,590	10,071,313
Provision against non performing assets (Also, refer note 7)	39,942,261	11,854,420
Provision for loss on loans serviced (Also, refer note 7)	2,506	24,931
Loan receivables waivers and write-offs	81,187,640	31,263,352
	133,928,997	53,214,016
25 Moratorium and contingency provision		
Provision in connection with COVID-19 regulatory package:		
- against standard assets opted for moratorium per RBI directions (Also, refer note 7(D), 41 and 42)	33,220,708	-
- contingency provision against receivable under financing activity (Also, refer note 7(D), 41 and 42)	102,917,893	-
	136,138,601	-
26 Depreciation and amortization expense		
Depreciation expense (Also, refer note 11)	12,758,480	5,525,703
Amortisation expense (Also, refer note 11)	514,378	381,084
	13,272,858	5,906,787

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 2020	Year ended 31 March 2019
27 Other expenses		
Power and fuel	2,818,745	1,570,521
Rent (Also, refer note 34)	14,059,620	9,663,097
Repairs and maintenance - others	6,308,678	6,634,849
Technology and communication expenses	13,742,429	12,449,045
Insurance	312,194	162,096
Rates and taxes	722,277	635,200
Legal and professional charges	51,655,681	36,509,329
Loan servicing fee expenses	20,680,957	16,494,934
Payments to auditors (Also, refer note 28)	2,650,830	1,714,700
Sitting fees	2,152,750	899,250
Travelling and conveyance	32,808,572	25,064,610
Membership and subscription charges	7,537,824	4,002,036
Printing and stationery	3,652,834	2,647,623
Marketing expenses	7,299,231	1,141,667
Provision against doubtful debts	-	272,066
Loss on sale of property, plant and equipment	263,030	1,760,086
Miscellaneous expenses	1,877,203	1,682,711
	168,542,855	123,303,820
28 Payment to auditors (excluding applicable taxes)		
Statutory audit	1,700,000	1,400,000
Limited review	550,000	-
Tax audit	150,000	150,000
Certification	180,000	80,000
Out of pocket expenses	70,830	84,700
	2,650,830	1,714,700
29 Expenditure in foreign currency		
Expenditure relating to debenture issue	-	14,669,634
Legal and professional charges	3,144,431	-
30 Corporate social responsibility expenditure		
As per section 135 of the Companies Act, 2013, 2% of the average net profit of the last 3 years is required to be contributed towards Corporate social responsibility expenditure. However, there is no expense to be incurred in the current and previous years on account of losses incurred during the previous years.		
31 Earnings per equity share		
Profit for the year (In ₹)	104,751,519	94,469,315
Less: Preference dividend (In ₹)	-	-
Profit attributable to equity shareholders (In ₹)	104,751,519	94,469,315
Weighted average number of equity shares in calculating basic EPS	363,828	326,837
Add: Effective of dilutive potential equity shares	1,748,525	1,260,779
Weighted average number of equity shares in calculating dilutive EPS	2,112,353	1,587,616
Earnings per share		
- Basic (In ₹)	287.92	289.04
- Diluted (In ₹)	49.59	59.50
	As at 31 March 2020	As at 31 March 2019
32 Classification and provisions for loan assets (net) *		
Asset classification		
Standard assets	7,057,425,022	4,498,442,893
Substandard	210,853,968	62,944,098
Doubtful	12,913,863	11,116,497
Less: Provision#		
Standard assets	35,288,804	22,492,214
Substandard	51,762,831	14,120,801
Doubtful	5,945,678	3,645,447
Loan outstanding (net)		
Standard assets	7,022,136,218	4,475,950,679
Substandard	159,091,137	48,823,297
Doubtful	6,968,185	7,471,050

* includes loans given to subsidiaries

does not include provision created on account of Covid-19:

- against standard assets opted for moratorium

- contingency provision against receivable under financing activity

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

33 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)	Anil Kumar S G - Director and CEO Gurunath N - Director Nitin Chaudhary - Head, Strategy Ashok Dhamankar - Chief Financial Officer (with effect from 18 July 2019) Niranjan Chandrasekaran - Company Secretary
Entity in which KMP has significant influence	Samunnati ESOP Welfare Trust
Entity in which directors has significant influence	Riviera Investors Private Limited

b) Related party transactions

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
Samunnati Agro Solutions Private Limited		
Loans given	898,000,000	472,000,000
Loans repaid	750,000,000	410,000,000
Corporate guarantee provided by Company towards borrowings	100,000,000	100,000,000
Investment in equity shares (Non-current investments)	599,999,454	-
Interest income on loans	44,912,988	30,192,604
Income for shared services	17,560,077	4,025,128
Miscellaneous income	558,537	-
Salaries and wages (deputation charges)	2,240,697	-
Anil Kumar S G		
Remuneration *	16,500,004	12,321,996
Reimbursement of expenses	-	54,530
Amounts paid towards buyback of securities	32,656,530	-
Amounts received towards exercise of ESOP options	285,290	-
Gurunath N		
Remuneration *	8,045,634	5,000,004
Amounts received towards exercise of ESOP options	382,800	-
Nitin Chaudhary		
Remuneration *	8,622,468	4,998,204
Loans given	3,600,000	-
Loans repaid	3,600,000	-
Interest income on loans	17,382	-
Amounts paid towards buyback of securities	3,250,650	-
Amounts received towards exercise of ESOP options	227,860	-
Ashok Dhamankar		
Remuneration *	10,949,460	-
Niranjan Chandrasekaran		
Remuneration *	1,066,860	764,730
Samunnati ESOP Welfare Trust		
Loans given	431,543,250	-
Shares subscribed including premium	431,543,250	-
Loan repaid	1,553,480	-
Riviera Investors Private Limited		
Portfolio purchased through assignment	108,951,437	-

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

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

33 Related party disclosures (continued)

c) Balances at the end of the year

Particulars	As at 31 March 2020	As at 31 March 2019
Anil Kumar S G		
Reimbursement of expenses	-	54,530
Samunnati Agro Solutions Private Limited		
Loans and advances	420,000,000	272,000,000
Interest accrued on loans	11,230,397	5,699,466
Corporate guarantee provided by Company towards borrowings	100,000,000	100,000,000
Deputation cost receivable	-	1,659,038
Accrued expenses	4,421,906	-
Samunnati ESOP Welfare Trust		
Advances given	105,000	113,380

34 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 2020	Year ended 31 March 2019
Total lease payments charged off to the statement of profit and loss (Also, refer note 27)	14,059,620	9,663,097

Disclosures in respect of non-cancellable operating leases

	As at 31 March 2020	As at 31 March 2019
The total of future minimum lease payments for each of the following periods:		
Payable not later than 1 year	9,877,390	5,219,337
Payable later than 1 year and not later than 5 years	23,977,271	17,436,810
Total	33,854,661	22,656,147

35 Segment reporting

The Company has only one business segment and geographical segment, since it is only into the business of loan financing and operates only within India. Therefore, reporting under Accounting Standard (AS) 17- Segment Reporting, is not applicable for its financial statements.

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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)

36 Details of security, repayment terms, applicable interest rates on borrowings

For balances outstanding as at 31 March 2020

Original maturity of loan	Face value	Date of allotment	Maturity date	Rate of interest	Balance outstanding as at 31 March 2020		Security details
					Due within one year	Due beyond one year	
					No of instalments	Amount	
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	12.60%	-	450,000,000	Book debts and first mortgage on immovable property
48 Months	50,000	12-Dec-18	12-Dec-22	12.30%	-	353,100,000	Book debts and first mortgage on immovable property
36 Months	1,000,000	30-Aug-18	31-Aug-21	12.580%	-	244,000,000	Book debts
30 Months	100,000	5-Dec-18	7-Jun-21	12.1%	-	333,000,000	Book debts and first mortgage on immovable property
36 Months	100,000	4-Apr-18	9-Apr-21	12.600%	-	200,000,000	Book debts
						1,580,100,000	1,580,100,000
II. Term loans							
Monthly repayment of principal							
18 Months	11.3% to 12.5%	670,000,000	1 - 12	240,442,629	5	50,705,319	Book debts, Post Dated Cheques and Cash Collateral (Rs. 12.5 lakhs)
19 Months	12.50%	150,000,000	6	53,924,276	Nil	-	Book debts and Post Dated Cheques
24 Months	10% to 13%	565,000,000	2 - 12	264,124,367	8 - 12	115,151,492	Book debts and Cash Collateral (Rs. 1.5 crores)
36 Months	12.5% to 14.8%	560,000,000	2 - 12	111,692,334	8	22,222,244	Book debts and Post Dated Cheques
37 Months	14.50%	20,000,000	6	3,320,000	Nil	-	Book debts and Post Dated Cheques
36 Months	14.50%	20,000,000	6	3,320,000	Nil	-	Book debts and Post Dated Cheques
Quarterly repayment of principal							
18 Months	12.4%	100,000,000	2	33,291,755	Nil	-	Book debts
36 Months	12% to 14.3%	780,000,000	1 - 4	255,000,000	6	500,000,000	Book debts and Cash Collateral (Rs. 10 lakhs)
38 Months	13%	200,000,000	4	61,538,465	Nil	-	Book debts and Cash Collateral (Rs. 1 crore)
44 Months	14%	50,000,000	4	16,672,145	Nil	-	Book debts
45 Months	14%	50,000,000	4	16,666,668	Nil	-	Book debts
46 Months	14.0%	50,000,000	4	16,666,664	Nil	-	Book debts
48 Months	14%	50,000,000	4	16,666,664	Nil	-	Book debts
				1,093,315,668		688,073,053	1,781,394,923

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 Details of security, repayment terms, applicable interest rates on borrowings
For balances outstanding as at 31 March 2020 (continued)

Original maturity of loan	Rate of interest	Sanction limit	Balance outstanding as at 31 March 2020		Security details
			Due within one year	Due beyond one year	
			No of instalments	Amount	Total
Short-term borrowings					
I. Term Loans					
Quarterly repayment of principal	10%	150,000,000	NA	150,000,000	150,000,000
3 Months					
12 Months	13%	100,000,000	NA	100,000,000	100,000,000
Monthly Repayment of Principal	12%	200,000,000	NA	200,000,000	200,000,000
5 Months					
12 Months	12.50%	500,000,000	10 - 11	433,333,328	433,333,328
II. Cash credit	10.45%	50,000,000	Not Applicable	49,530,663	49,530,663
III.OD backed by FD	6.75%	100,000,000	Not Applicable	99,153,347	99,153,347
IV. Commercial Paper	12.40%	120,000,000	Bullet Repayment on Maturity	120,000,000	120,000,000
				1,152,017,338	1,152,017,338

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
Long-term borrowings							
I. Non Convertible Redeemable Debentures							
Repayment at the end of the term	1,000,000	24-Sep-18	24-Sep-24	12.6%	-	450,000,000	450,000,000
72 Months							
48 Months	50,000	12-Dec-18	12-Dec-22	12.3%	-	353,100,000	353,100,000
30 Months	100,000	5-Dec-18	7-Jun-21	12.1%	-	333,000,000	333,000,000
36 Months	100,000	4-Apr-18	9-Apr-21	12.600%	-	200,000,000	200,000,000
36 Months	1,000,000	30-Aug-18	31-Aug-21	12.580%	-	244,000,000	244,000,000
						1,580,100,000	1,580,100,000

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

For balances outstanding as at 31 March 2019 (continued)

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	Total
II. Term loans					
Monthly repayment of principal					
18 months	12.25% - 12.5%	500,000,000	12	326,000,399	454,813,556
19 months	12.5%	150,000,000	12	95,771,179	150,000,000
24 months	12% - 14.75%	555,000,000	3 - 12	285,097,668	431,040,200
31 months	13.35%	35,000,000	12	13,566,957	24,991,928
35 months	14.25%	20,000,000	11	7,026,237	7,026,237
36 months	12.5% - 14.75%	620,000,000	6 - 12	214,856,254	360,610,296
37 months	14.5%	20,000,000	12	6,672,000	9,992,000
38 months	14.5%	20,000,000	12	6,672,000	9,992,000
Quarterly repayment of principal					
18 months	12.4%	100,000,000	4	50,000,001	100,000,000
28 months	13%	50,000,000	4	22,222,216	22,222,216
29 months	13%	50,000,000	4	22,222,225	22,222,225
30 months	13%	100,000,000	4	44,444,442	44,444,442
36 months	14.25% - 14.75%	180,000,000	2 - 4	55,833,342	60,833,342
39 months	12.6%	200,000,000	4	61,538,460	123,076,925
44 months	14%	30,000,000	4	16,672,143	33,338,814
45 months	14%	50,000,000	4	16,666,665	33,333,330
46 months	14%	50,000,000	4	16,666,667	33,333,334
48 months	14%	50,000,000	4	16,666,668	33,333,328
				1,278,995,523	1,954,604,172

For balances outstanding as at 31 March 2019

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	Total
Short-term borrowings					
I. Term Loans					
Quarterly repayment of principal	12%	80,000,000	NI	-	20,000,000
11 months					
12 months	12%	20,000,000	NI	-	5,000,000
II. Cash credit					
	12.75%	50,000,000	Not Applicable	30,080,639	30,080,639
				55,080,639	55,080,639

37 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) issued by the RBI

Liabilities side:		As at 31 March 2020	
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	1,622,973,477	-	
-Unsecured	-	-	
(b) Deferred credits	-	-	
(c) Term loans	2,671,957,544	-	
(d) Inter-corporate loans and borrowing	-	-	
(e) Commercial paper	120,000,000	-	
(f) Public deposits	-	-	
(g) Cash credit	148,684,010	-	
Assets side:		Amount outstanding	
2 Break up of loans and advances including bills receivable (receivable from financing activity)			
(a) Secured		4,358,313,755	
(b) Unsecured - includes loans to subsidiary		2,922,879,098	
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			
(ii) Debentures and Bonds		-	
(iii) Units of mutual funds		-	
(iv) Government Securities		-	
(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		780,099,454	
(b) Preference		-	
(ii) Debentures and Bonds			
(iii) Units of mutual funds		-	
(iv) Government Securities		-	
(v) Investment in securitized assets		-	

37 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) issued by the RBI (Continued)

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

As at 31 March 2020			
Category	Secured	Unsecured	Total
1) Related parties			
(a) Subsidiaries	-	420,000,000	420,000,000
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2) Other than related parties			
	4,358,313,755	2,502,879,098	6,861,192,853
Total	4,358,313,755	2,922,879,098	7,281,192,853

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

As at 31 March 2020		
Category	Book Value (Net of Provisions)	Market value/ Break up or fair value or NAV
1) Related Parties		
(a) Subsidiaries	780,099,454	780,099,454
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2) Other than related parties		
	-	-
Total	780,099,454	780,099,454
	As at	As at
	31 March 2020	31 March 2019

7 Other Information

(i) Gross Non-Performing Assets

(a) Related parties	-	-
(b) Other than related parties	223,767,831	74,060,595
(ii) Net Non-Performing Assets#		
(a) Related parties	-	-
(b) Other than related parties	166,059,322	56,294,347
(iii) Assets acquired in satisfaction of debt	-	-

does not include provision created on account of Covid-19.
- against standard assets opted for moratorium
- contingency provision against receivable under financing activity

37 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) issued by the RBI (continued)

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

Particulars	As at	As at
	31 March 2020	31 March 2019
CRAR (percent)	50.98%	31.21%
CRAR – Tier I Capital (percent)	50.80%	31.21%
CRAR – Tier II Capital (percent)	0.18%	0.00%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

9 Investments

Particulars	As at	As at
	31 March 2020	31 March 2019
Value of Investments		
(i) Gross value of investments		
(a) In India	780,099,454	210,100,000
(b) Outside India	-	-
(ii) Provisions for impairment		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	780,099,454	210,100,000
(b) Outside India	-	-
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	-	-

10 The Company does not have derivative contracts as at 31 March 2020 and 31 March 2019.

11 Disclosures relating to Securitization

Particulars	Year ended	Year ended
	31 March 2020	31 March 2019
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	4	3
2. Total amount of securitised assets as per books of the SPVs sponsored as on the date of the balance sheet	271,495,449	404,832,455
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)	72,149,922	62,616,593
Others (credit enhancement)	98,344,499	73,490,035
Amount of exposures to securitisation transactions other than MRR		
Off-balance sheet exposures		
Exposure to own securitizations		
First loss	-	-
Others	-	-
Exposure to third party securitisations		
First loss	-	-
Others	-	-
Exposure to third party securitisations		
First loss	-	-
Others	-	-

37 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) issued by the RBI (continued):

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

The Company has not sold financial assets to securitisation/reconstruction companies for asset reconstruction in the current and previous year.

13 Details of assignment transactions undertaken

There were no assets sold through assignment transactions during the current and previous year.

14 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.

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

As at 31 March 2020 #

Maturity pattern	Assets				Liabilities
	Advances	Investments	Deposits	Total	Borrowings
1 to 7 days *	579,666,121	-	-	579,666,121	161,890,939
8 to 14 days *	149,948,271	-	-	149,948,271	60,833,334
14 days to 1 month*	569,796,029	-	-	569,796,029	244,225,660
1 - 2 months	568,998,078	-	58,553,262	627,551,340	348,558,458
2 - 3 months	628,301,399	-	-	628,301,399	205,218,649
3 - 6 months	956,214,147	-	15,000,000	971,214,147	553,179,444
6 - 12 months	1,477,663,938	-	156,563,331	1,634,227,269	671,626,721
1 - 3 years	2,046,663,243	-	63,407,145	2,110,070,388	2,268,179,055
3 - 5 years	289,196,438	-	-	289,196,438	-
> 5 years	14,745,189	780,099,454	-	794,844,643	-
Total	7,281,192,853	780,099,454	293,523,738	8,354,816,045	4,513,512,261

As at 31 March 2019 #

Maturity pattern	Assets				Liabilities
	Advances	Investments	Deposits	Total	Borrowings
Upto 1 month*	840,013,065	30,000,000	-	862,894,024	79,164,042
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 - 12 months	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	1,249,177,160
> 5 years	850,000	180,100,000	101,500,000	282,450,000	353,100,000
Total	4,579,622,529	250,475,944	186,019,927	5,008,999,359	3,589,784,811

Note

- The Company do not have any foreign currency assets or liabilities as at 31 March 2020 and 31 March 2019.
- The above borrowings exclude interest accrued.
- The advances comprise of loan principal and does not include interest accrued.
- Amounts overdue against standard assets are considered under 1 to 7 days bucket (previous year upto 1 month).
- Amounts overdue against non-performing assets are considered under 3 to 5 years bucket.

* Pursuant to RBI notification dated 4th November 2019, (reference no. DOR.NBFC (PD) CC. No.102/03.10.001/2019-20) on "Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies", the "1-30 day" time bucket in the Statement of Structural Liquidity is disaggregated to 1-7 days, 8-14 days, and 15-30 days. The Company has revised its maturity profiling in accordance with this circular in the current year.

16 Exposure to real estate sector

Category	As at 31 March 2020	As at 31 March 2019
a) Direct exposure		
I) Residential Mortgage Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	552,250,518	161,592,101
II) Commercial Real Estate a) Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	80,296,045	109,030,550
III) Agricultural Land	89,758,406	71,852,667
IV) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a) Residential	-	-
b) Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	722,304,969	342,475,317

37 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) issued by the RBI (continued):

17 Exposure to capital market

The Company does not have any capital market exposure as at 31 March 2020 and 31 March 2019.

18 Details of financing of parent company products

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

19 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).

20 Advances against intangible securities

The Company has not given any advances against the rights, licenses, authorisations, etc.

21 Registration obtained from other financial regulators

During the year Company has not obtained any approvals from other financial regulators.

22 Disclosure of penalties imposed by RBI and other regulators

There were no penalties imposed on the Company by RBI or any other regulator.

23 Related party transactions

Refer note 33 for related party transactions.

24 Ratings assigned by credit rating agencies and migration of ratings during the year

Instrument	Name of the rating agency	As at 31 March 2020		As at 31 March 2019	
		Amount rated	Rating assigned	Amount rated	Rating assigned
Non Convertible Debentures and Market Linked Debentures	ICRA	147 crores	BBB (stable)	96.4 Crores	BBB-(stable)
Non Convertible Debentures	CARE	45 Crores	BBB (stable)	45 Crores	BBB-(stable)
Term loans	CARE	40 Crores	BBB (stable)	40 Crores	BBB-(stable)
Term loans	CRISIL	200 Crores	BBB+ (stable)	NA	NA

Subsequent to 31 March 20, the Company's rating has improved to 'IVR A- Stable' assigned by Infomeric, rating agency recognised by SEBI and accredited by RBI.

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Provision for depreciation on investments	-	-
Provision towards NPA	39,942,261	11,854,420
Provision made towards income tax	87,775,524	19,384,379
Provision for standard assets	12,796,590	10,071,313
Provision for depreciation and amortisation on property, plant and equipment and intangible assets	13,272,858	5,906,787
Provision for employee benefits	12,438,230	8,449,120
Covid-19 Regulatory package provision against standard assets opted for moratorium	33,220,708	-
Contingency provision against receivable from financing activity	102,917,893	-

26 Draw down from reserves

Refer note 4 for details relating to draw down from reserves.

27 Concentration of deposits, advances, exposures and NPAs

Particulars	As at 31 March 2020	As at 31 March 2019
i. Concentration of advances		
Total advances to twenty largest borrowers	1,944,069,093	1,250,642,000
Percentage of advances to twenty largest borrowers to total advances of the NBFC	28.33%	27.35%
ii. Concentration of exposures (undrawn limits not considered)		
Total exposures to twenty largest borrowers/customers	1,944,069,093	1,250,642,000
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/ customers	28.33%	27.35%
iii. Concentration of exposures		
Total exposures to top four NPA accounts	51,243,898	31,135,232
iv. Sector-wise NPAs		
All of the Company' NPAs are related to agricultural and allied activities.		

37 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) issued by the RBI (continued):

27 Concentration of deposits, advances, exposures and NPAs (continued)

v. Movement of NPAs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A Net NPAs to Net Advances (%)	2.31%	1.24%
B Movement of NPAs (Gross)		
a) Opening balance	74,060,595	57,537,796
b) Additions during the year	203,901,518	134,480,590
c) Reductions during the year	2,999,861	86,694,435
d) Write-off during the year	51,194,421	31,263,356
e) Closing balance	223,767,831	74,060,595
C Movement of Net NPAs		
a) Opening balance	56,294,347	51,625,964
b) Additions during the year	150,670,054	91,362,818
c) Reductions during the year	40,905,079	86,694,435
d) Closing balance	166,059,322	56,294,347
D Movement of provisions for NPAs (excluding provision on standard assets)		
a) Opening balance	17,766,248	5,911,832
b) Provisions made during the year	53,231,464	43,117,772
c) Write-off during the year	10,312,936	31,263,356
d) Write-back of excess provisions	2,976,267	-
e) Closing balance	57,708,509	17,766,248

vi. Overseas assets

The Company does not have any overseas assets as at 31 March 2020 and 31 March 2019.

28 There are no off-balance sheet SPVs sponsored by the Company as at 31 March 2020 and 31 March 2019 that are required to be consolidated.

29 Customer complaints*

	Year ended 31 March 2020	Year ended 31 March 2019
i) No. of complaints pending at the beginning of the year	-	-
ii) No. of complaints received during the year	5	-
iii) No. of complaints redressed during the year	5	-
iv) No. of complaints pending at the end of the year	-	-

*Based on the information available with the management and relied upon by the auditors

30 Public Disclosure on Liquidity risk as at 31 March 2020

(i) Funding Concentration based on significant Counterparty(both deposits and borrowings)

S.No.	Number of Significant Counterparties	Amount(In crores)	% of Total borrowings	% of Total liabilities
1	14	432.47	95.82%	86.16%

(ii) Top 20 large deposits (amount in crores and % of Total Deposits) Nil

(iii) Top 10 borrowings (amount in crores and % of Total Borrowings)

Amount(in crores)	% of Total Borrowings
391.09	86.65%

(iv) Funding Concentration Based on Significant Instrument/ Product

S.No.	Name of the instrument	Amount(in crores)	% of Total liabilities
1	Cash credit	5	1%
2	Commercial paper	12	2%
3	Non convertible debentures	158	31%
4	Overdraft facilities	10	2%
5	Short-term Loans	88	18%
6	Long-term loans	178	35%
	Total	451	

37 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) issued by the RBI (continued):

30 Public Disclosure on Liquidity risk as at 31 March 2020 (continued)

(v) Stock ratios:

S.No	Particulars	% of Public funds	% of Total liabilities	% of Total assets
a	Commercial Paper as a % of total public funds, total liabilities and total assets	2.66%	2.39%	1.20%
b	Non-convertible debentures (Original Maturity less than 1 year) as a % of total public funds, total liabilities and total assets	Not applicable	Not applicable	Not applicable
c	Other Short Term Liabilities as a % of total public funds, total liabilities and total assets	49.77%	44.73%	22.37%

(vi) Institutional set-up for Liquidity risk management

Nature of risk:

a) Liquidity risk arises from mismatches in the timing of cash flows and loan collection defaults.

b) Funding risk arises from:

- Inability to raise incremental borrowings to fund business requirement or repayment obligations
- When assets cannot be funded at the expected term resulting in cashflow mismatches
- Volatile market conditions impacting sourcing of funds from banks and money markets

Measurement, monitoring and management of risk

Liquidity and funding risk is measured by:

- Identification of gaps in the structural and dynamic liquidity statements.
- Assessment of incremental borrowings required for meeting the repayment obligation as well as the Company's business plan in line with prevailing market conditions.

Monitored by:

- assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs.
- a constant calibration of sources of funds in line with emerging market conditions in banking and money markets
- periodic reviews by Asset Liability Committee (ALCO) relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company.

Managed by:

The Company's treasury team under the guidance of ALCO through various means like liquidity buffers, sourcing of long term funds, positive asset liability mismatch, keeping strong pipeline of sanctions and approvals from banks and assignment of loans

Executive governance structure- Board appointed Asset Liability Committee (ALCO): The Company's ALCO monitors Asset Liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet. The Company continuously monitors liquidity in the market. As a part of its Asset-Liability Management (ALM) strategy, the Company maintains a liquidity buffer managed by an active investment to reduce this risk. As on 31 March 2020, the Company has liquidity buffer of ₹ 118 crores. The Company maintains a judicious mix of borrowings from banks, NBFCs and other impact investors and continues to diversify its sources of borrowings. This strategy of balancing varied sources of funds has helped the Company to maintain a healthy asset liability position and contain interest rate movements. During the financial year 2019-20, the weighted average cost of borrowings moved down by 105 basis points despite volatile market conditions. The Company continues to evaluate new sources of borrowing by way of new routes of funding.

38 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, 20 December 2017 and 29 April 2019 additional shares of 6,794 (nos), 70,368 (nos) and 115,000 (nos) respectively were added to the Plan, issued and allotted to ESOP 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 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 2020.

On 21 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 and are exercisable within 2 months of exercise event, failing which the employees shall have to hold on till the next event arises. On 24 May 2019, the Board of Directors approved and the Company adopted the "Employees Stock Option Plan 2019". The amendment pertains to vesting period. Vesting of Options may now take place between three and four years in the manner, as may be decided by the Nomination and Remuneration Committee.

38 Employee share based plan- ESOP 2015 Scheme (continued)

	No. of options as at 31 March 2020	Weighted average exercise price in ₹	No. of options as at 31 March 2019	Weighted average exercise price in ₹
Options outstanding at the beginning of the year	37,357	517	28,512	205
Granted during the year	23,480	3,753	9,025	1,520
Exercised during the year	11,772	107	-	-
Expired/ lapsed during the year	430	1,532	180	1,240
Options outstanding at the end of the year	48,635	2,170	37,357	517
Options exercisable as at the end of the year	10,777	260	11,772	107

The weighted average remaining contractual life for the stock options outstanding at the end of the year was 578 days (previous year 574 days).

39 Management Stock Option Scheme 2017

On 20 December 2017, the Board of Directors approved and the Company adopted the "Management Stock Option Scheme 2017" hereinafter referred as the "Scheme". Under the Scheme, 28529 options were granted to the promoter (Anil Kumar S G - Director and CEO), vesting over 1 year from the date of the grant. On 29 April 2019, the Board of Directors approved and the Company adopted the "Management Stock Option Scheme 2019". Under the revised Scheme, 45000 options were granted to the promoter, vesting equally over 3 years from the date of the grant. On the happening of any liquidity event as defined in the Scheme, the Nomination and remuneration committee has the discretion to provide cashless exercise.

	No. of options as at 31 March 2020	Weighted average exercise price in ₹	No. of options as at 31 March 2019	Weighted average exercise price in ₹
Options outstanding at the beginning of the year	28,529	10	28,529	10
Granted during the year	45,000	3,753	-	-
Exercised during the year	28,529	10	-	-
Expired/ lapsed during the year	-	-	-	-
Options outstanding at the end of the year	45,000	3,753	28,529	10
Options exercisable as at the end of the period	-	-	-	-

The weighted average remaining contractual life for the stock options outstanding at the end of the year was 394 days (previous year: Nil)

40 Contingent liabilities

Claims against the company not acknowledged as debt

The Company had received orders from Income Tax Assessing Officer (AO) pertaining to AY 2016-17 and AY 2017-18 wherein certain additions were made under section 56 and section 68 of Income Tax Act, 1961.

The Company has obtained a stay on collection of the demand provided below. The Company considers the claims to be erroneous and as not payable under the provisions of Income Tax Act, 1961.

As at 31 March 2020

	AY 2016-17*	AY 2017-18
Amount of demand	10,180,188	3,571,041
Amount paid against stay	2,100,000	800,000

As at 31 March 2019

	AY 2016-17
Amount of demand	38,657,514
Amount paid against stay	2,100,000

* Based on revised assessment order received in the current year

Others

	As at 31 March 2020	As at 31 March 2019
Amounts provided as MRR against securitisation transactions		
Principal sub-ordination	98,344,499	73,490,035
Cash collateral	72,149,922	62,616,593

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

41 Disclosure on existence and nature of the contingency as at balance sheet date:

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Numerous governments and companies, including the Company, have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 19 days across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and 23 May 2020, the Company would be granting a moratorium of three months plus three months (totally six months) on the payment of instalments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the income recognition, asset classification and provisioning norms). The Company holds adequate provision for the moratorium portfolio.

42 Disclosure pursuant to RBI circular DOR.No.BP.BC.63/21.04.048/2020-21 dated 17 April 2020 pertaining to Asset Classification and Provision in terms of COVID 19 Regulatory Package


	As at 31 March 2020
(i) Respective amounts in SMA/ overdue categories, where the moratorium/ deferment was extended	332,207,080
(ii) Respective amount where asset classification benefits is extended	332,207,080
(iii) Provisions made during the Q4 FY 2020	33,220,708
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	-

43 Commitments

	As at 31 March 2020	As at 31 March 2019
Capital commitments that are not cancellable - Estimated amount of capital contracts remaining to be executed	4,734,278	206,500
Corporate guarantee provided on behalf of the Subsidiary	100,000,000	100,000,000

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

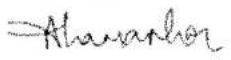
For Walker Chandniok & Co LLP
 Chartered Accountants
 Firm Registration No.: 001076N/N500013


Praveen Warriar
 Partner
 Membership No: 214767

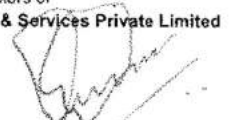
Place: Chennai
 Date: 02 July 2020

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


Anil Kumar S G
 Director
 DIN: 01189011


Ashok Dhamankar
 Group Chief Financial Officer

Place: Chennai
 Date: 02 July 2020


Gurunath Neelamani
 Director
 DIN: 02799586