



ANNUAL REPORT

2020 – 2021





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2020
2021



CEO DESK



Dear Stakeholders,

I am happy to share that we are performing with passion, commitment, and resilience in one of India's most crucial segment, agriculture. Samunnati thrives year-on-year with a vision to make markets work for smallholder farmers. The external situation has tested the resilience of Samunnati and has further sharpened its mission and delivery mechanism. 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 gives me immense pleasure to share with you the Annual Report for FY 2021. The year started with challenges of covid19, the crisis continues to have ripple effects on the entire global economy, including India. 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.

To enable the company, expand financing and technical assistance to low-income farmers and enterprises throughout the agricultural value chain in India, we have got a sanction of 148.5 crores as ECB from U.S. International Development Finance Corporation and raised 89.6 crores in debt from FMO – Entrepreneurial

Bank and Triodos Fair Share Fund and Triodos Microfinance Funds, two financial inclusion funds managed by Triodos Investment Management (Triodos IM).

Samunnati Finance witnessed 25.1% in the disbursements while Samunnati Agro witnessed 29.1% growth in its turnover. Samunnati, as a group, has expanded its outreach to over 800 Farmer Collectives and 393 AEs in FY 2021.

Samunnati has been working with Farmer Collectives and Agri-Enterprises (AEs) 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.

The year 2020-21 started with COVID-19 cases leading to disruption in overall markets. It was the need of the hour to educate our FPOs about the alternative platforms to trade. We conducted webinars for FPOs of Maharashtra, MP, Rajasthan, Gujarat, and Karnataka to educate them about the importance and benefits of trade in derivatives market. In FY 2021, 200 FPOs and 282 institutional buyers were onboarded for market linkages across 7 States (Gujarat, Maharashtra, Telangana, Andhra Pradesh, Madhya Pradesh and Tamil Nadu) and have successfully facilitated market linkages for over 180 commodities via Samunnati's Agri Commerce solutions.

We are on a mission to create an open agri-network to unlock the trillion-dollar plus potential of Indian agriculture with smallholder farmers at the center of it. Samunnati stands for collective growth & collective prosperity for the agri ecosystem. Staying true to its name, Samunnati ensures this collective growth by connecting players across the agriculture value chain and enabling affiliated Farmer Collectives and the larger ecosystem to be more efficient and productive through multiple technology enabled interventions and collaborative partnerships.

In FY 2021, we focussed on deployment of our technology and digital solutions that create transparent and economically viable value chains for the agri ecosystem players. We have launched two new platforms Samaarambh and Agri Elevate. Agri Elevate being a first-of-its-kind ecosystem platform for all agri ecosystem players, including but not limited to incubators, lenders, new age start-ups, agri ecosystem solution providers. This unified platform aims to serve FPOs and fulfil all their service needs and in turn, actively spearheading digital transformation in the agriculture industry. Samaarambh – an Agri Start-up Engagement Platform, aims at providing solutions to prime challenges faced by the start-ups, directly or indirectly benefitting the true stakeholder of the Agri ecosystem, the small holder farmers.

Amidst COVID 19, we have focused on continuing and enabling FPOs with capacity building programs. Webinars and virtual engagement sessions were organized for FPCs with content-based modules like legal, compliance, bookkeeping, and other aspects of FPC Management including applying input license. A total of 64 online trainings were conducted along with over 70 in person sessions this year. Exposure visits were offered for the FPCs to complement these sessions.

In FY 2021, Samunnati received several recognitions from reputed institutions not just in India but from across the globe. I am happy to share with you that Samunnati secured a place among the Top

100 Companies globally, under the Visa Initiative and we have been awarded ET start-up award in Social Enterprise category. Samunnati has also been recognised by Great Place to work in FY2021.

In the coming years, we will further expand our AMLA offerings with focus on market linkages, capacity building and institutional development of the Farmer Collectives using a combination of innovative, financial and technology solutions. With the launch of 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 team members 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. Anil Kumar S G

Founder and CEO

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

Mr. Gurunath N

Whole 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 (Pudhuaaru Financial Services Private Limited) while at IFMR.



Mr. Akshay Dua

Nominee Director, responsibility Investments AG

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



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

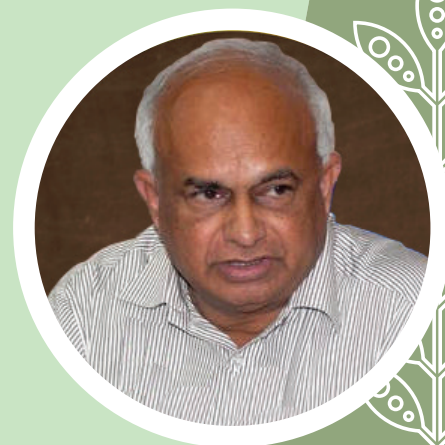
Mr. Sunil Gulati has three decades of global experience in the banking industry across investment banking, corporate finance, relationship management, risk management and corporate strategy. In the last 15 years, Sunil was a key member (Chief Risk Officer) of the management teams at RBL Bank Ltd, Yes 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 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. Jyotsna has spent considerable time with low-income communities and has translated her admiration for these communities into concrete observations.



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.



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.



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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 Agri finance 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. Nitin Chaudhary

Chief Technology Officer

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. 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.





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. 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. Anuj Narang

Group Business Head

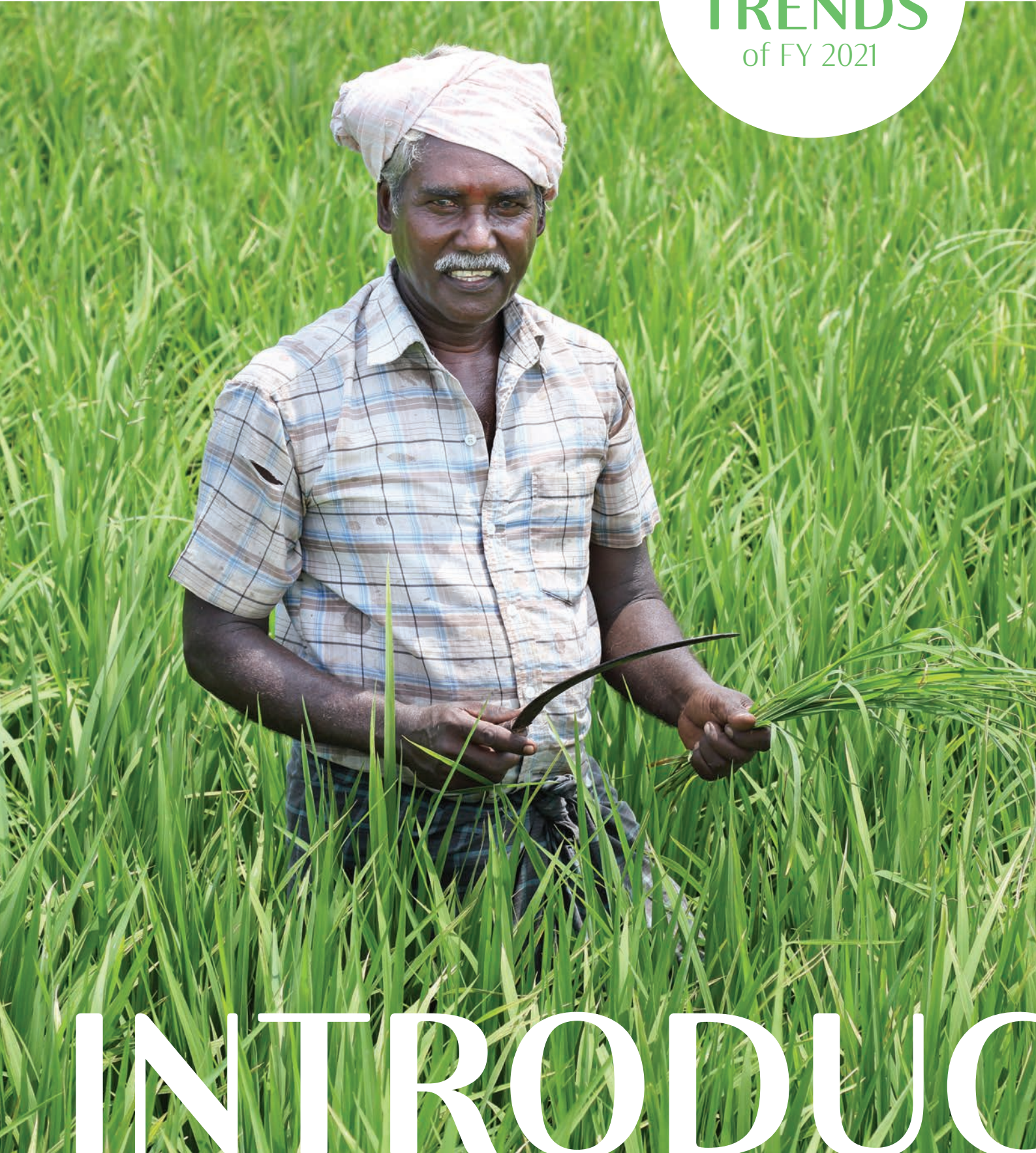
With around 25 years' experience in P&L management, Business Development, Sales & Marketing, Budgeting and Strategic Planning in the Commodity and Consumer space, Anuj was managing an entrepreneurial venture as a Consultant & Investor and was based in Singapore. He was focussed on consulting with leading FMCG companies and offering risk management services for Supply Chain & Procurement. In the past, Anuj was associated with Engelhart Commodities Singapore, Czarnikow Group and ITC Foods. His expertise lies in managing businesses in both Indian as well as international markets. At Samunnati, he would lead business verticals of FPO & AE/Trade.





KEY TRENDS

of FY 2021



INTRODU



The agriculture sector in India is providing a direct and indirect source of income for 58 percent of India's population. During 2020, the sector also faced critical challenges amidst the Covid-19 outbreak. A significant number of sector's vulnerabilities were highlighted; however, the country saw the resilient sector emerging strongly to take up responsibilities of stabilizing a volatile economy, and showcased growth because of good monsoon and prompt interventions by government of India.

Still, there have been numerous components of the agricultural value chain which have been disrupted and are undermining the sustainability of organizations and farm workers across the country. Impact of country-wide lockdown on the Indian agriculture sector has been quite complex across different parts of the agricultural value chain. Temporary but acute shortage of labour, reverse migration, disruptions in harvest, logistics and transportation and exports were a portion of the un-anticipated challenges that agricultural ecosystem stakeholders witnessed. Liquidity crunch in rural regions further aggravated the issue.

During the Covid crisis too, Samunnati has continued to follow a non-traditional approach to design custom financial solutions, based on cashflow rather than collateral, focused on utilizing buyer-sellers relationship and their social and trade capital, thus creating an excellent example of how Agri value chains can be made to work at higher equilibrium despite the challenges posed by pandemic for small and marginal farmers. Samunnati also believes that technological innovations and the new agri-market related reforms would enable the evolution of approaches and products that can help agricultural finance. An integrated value chain approach has the capabilities to highlight the untapped opportunities and present operational nuances in the value chains. Such opportunities can help us understand the financing within the value chain tailored to fit the requirements in most efficient manner.

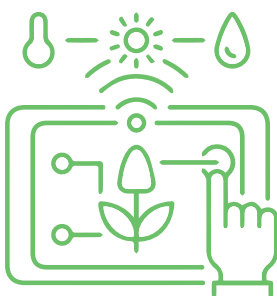
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GOVERNMENT INITIATIVES

To address the Covid impact on agriculture, Government of India has taken number of proactive measures to protect the interest of the stakeholders especially the farming community. The Indian government has addressed the setback faced by the agricultural community, among others, and introduced a stimulus of INR 1.7 lakh crore, for shielding the vulnerable sections from any adverse effects of the pandemic. The benefit incorporates advance release of INR 2,000 directly to the bank accounts of farmers under PM-KISAN scheme. The government's stimulus package for agriculture under "Atmanirbhar Bharat" have produced positive sentiments and will offer extended support to the sector to grow and develop adapting to the constantly evolving COVID-19 conditions. The Reserve Bank of India (RBI) had granted a moratorium on agricultural term and crop loans for a period of 3 months in first quarter of FY2021, with a 3% concession on the interest rate of crop loans, up to INR 3,00,000, for borrowers with a good repayment record. Increased liquidity for companies working in Agri space has been a focus for the government.

With significant uncertainty in the yield and harvest due to the unpredictable rainfall and ongoing crisis, the agriculture sector has continued to operate at a higher risk. The industry has been acknowledging insurance as a viable product to mitigate the production related risks. Insurance is likely to continue as a focal point for public and private companies considering the risk profile of the Agri sector and we believe the mitigation of the production related risk in agriculture will continue to become an important dimension in the next year as well. With the nationwide introduction of two indemnity and parametric-based programs, Pradhan Mantri Fasal Bima Yojana (PMFBY), and the Restructured Weather-Based Crop Insurance Scheme (RWBCIS), the crop insurance in India will be undergoing significant changes.

ENHANCEMENT OF TECHNOLOGY IN THE SECTOR



COVID-19 has enhanced the use of technology in a variety of industries. Digitization is emerging as a key trend in Indian agriculture, and it will be crucially significant in the post-covid period as well. Currently, over 1.25 lakh panchayats in India have reported to have internet connections. Online connectivity and work-from-home would continue to be the vital linkage between people working in organizations to keep things rolling. At Samunnati being exclusively in the agri-space, we would nonetheless require keeping a touch and feel with the clients on the ground as well. The pandemic has impacted the capital infusion and the capital streamlining of many companies. With the outbreak of second wave of COVID-19, we should be expecting a very lean business development in the first quarter of FY2021-22 depending on the severity and duration of the second wave.



COVID-19 SECOND WAVE & CHALLENGES

The rural India is not untouched by the second wave of Covid and in many predominantly rural districts, the number of active COVID-19 cases are reported to be upto ten times higher than what it was in the first wave of the pandemic in the month of September 2020. The share of predominantly rural districts in new cases in April 2021 was 30%, up from 21% in March 2021, according to a report released by CRISIL. India's agriculture sector could prove to be a collateral damage to this potentially catastrophic wave II of the pandemic. Farmers are staying away from the markets, resulting in lower prices of the agri-produce, meanwhile the agri-prices continue to rise globally owing to dry weather in major producing countries. Due to the fear factor and lockdown restrictions, local markets in India are mostly either shut down or have stipulated operational timings.

In rural India, agriculture is only a portion of the income generated while remaining comes from non-agriculture, a very large part of which is services of various kinds - which would get impacted due

to the mandis not being operational. Operational mandis are currently working at lower capacities around 40% and due to the uncertainty regarding the pandemic, there are frequent price variations. Government has been taking steps to decongest the markets and to ease the flow of produce, and the Electronic National Agriculture Market (e-NAM) app has been revised with modules on procurement, logistics and farmer-friendly interface for advance registration of the produce for sale. Due to the lockdown, there is reportedly a shortage of farm labour, which can impose significant challenges for the upcoming Kharif season.

Our learnings and experiences from last year would prove to play a key role in defining how India can deal effectively with the second wave of Covid, where emphasis should be given on infrastructure, capacity building and efficiently managing supply chains to connect to the smallest and most remote parts of the country.





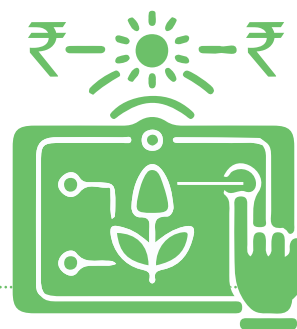
SAMUNNATI'S APPROACH IN COVID-19 SCENARIO

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 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.

Unique challenges during ongoing COVID-19 crisis have 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 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'S REGULATORY PACKAGE FOR COVID-19



In accordance with the COVID-19 – Regulatory Package notification dated March 27, 2020 issued by Reserve Bank of India (“RBI”) and empathising with our customers and standing by them during these troubled times, we are pleased to offer a moratorium on the repayment of loans falling due between March 1, 2020 and May 31, 2020.

While extending support to the customers as per the Covid-19 Regulatory package, Samunnati approached each customer segment distinctly and the details are given below.

Farmer Producer Organisations (FPO)- FPO(AC), FPO (WCTL) and Retail

All customers in these verticals were offered a moratorium period of up to 3 months (in line with RBI Covid-19 Regulatory Package). All term and working capital loans with unpaid instalments/ interest payments falling due during the period 1st March 2020 to 31st May 2020 was rescheduled with the new repayment dates as per the moratorium policy.

In FY 2021, 80 FPOs have opted for moratorium. In instances where a customer didn't wish to avail the moratorium benefit in this segment, the original repayment schedule remained in force.

80 FPOs

OPTED FOR
MORATORIUM
IN 2021



41 AGRICULTURE
ENTERPRISES

OPTED FOR MORATORIUM
IN 2020

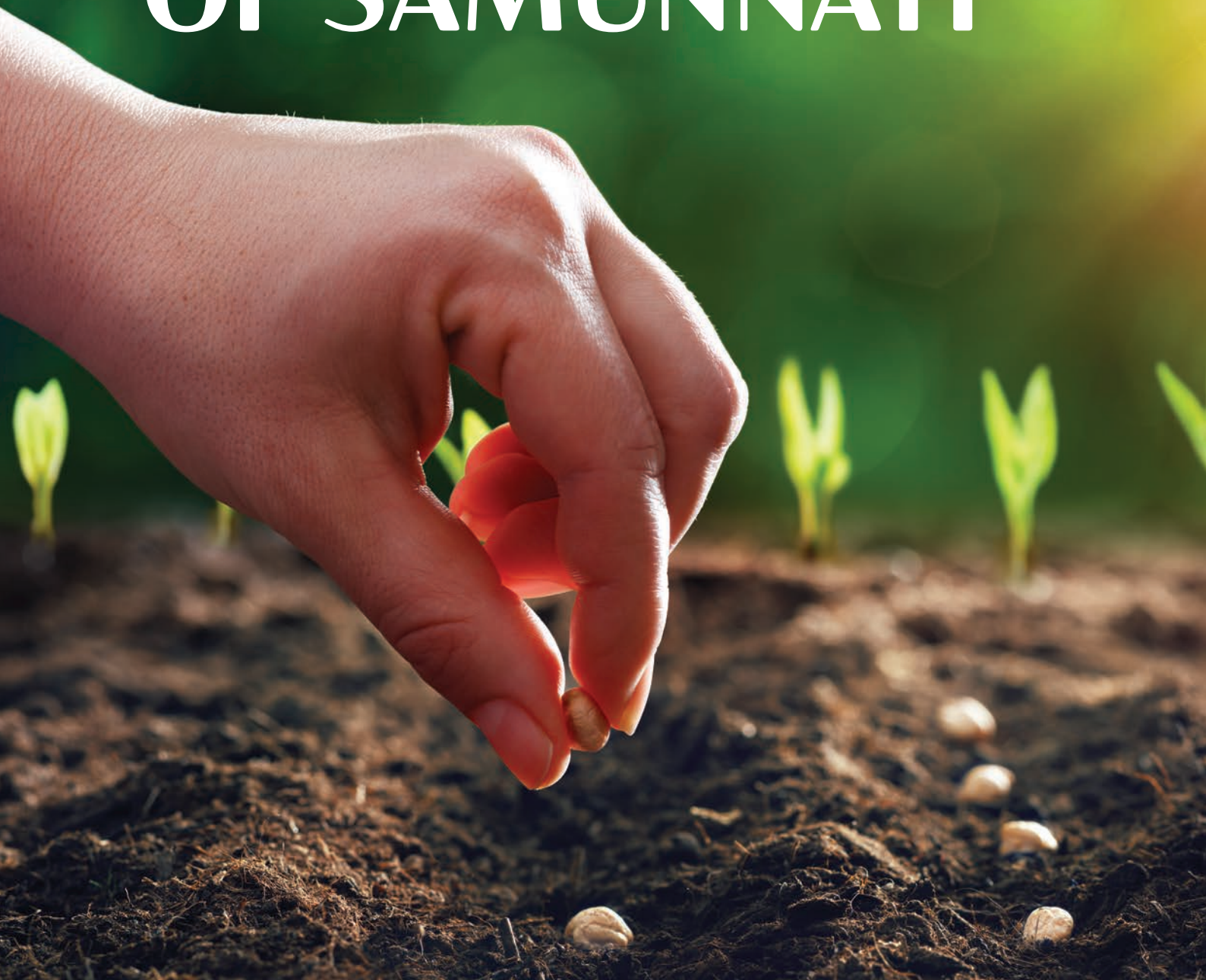
Agri Enterprises

For all customers in this segment and not covered in clause (1) above, whose loans have instalments or interest payments during the period 1st March 2020 till 31st May 2020, Samunnati extended the moratorium benefit based on customer request (anytime till 31st May 2020 but not with retrospective effect) on a case-to-case basis based on our assessment of the impact of Covid-19 on the customer's income and cashflows. In FY 21, 41 Agri enterprises have availed the moratorium.





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).



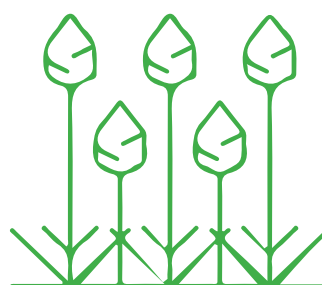
20 STATES



446 EMPLOYEES

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 20 states with 446 employees in FY 2021 and will continue to expand in more states.





1.

SAMUNNATI FINANCE

A FPO

Samunnati had an overall strong growth in FY 2021, with the disbursements increasing at 7.38% from INR 1624 Cr in FY 2020 to INR 1744 Cr in FY 2021 with an outreach to over 800 FPOs in FY 2021 compared to 647 FPOs in FY 2020.

FPO TRAINING & CAPACITY BUILDING

Institution Development and Capacity Building of Farmer Producer Organization connotes programmes of sustainable, constructive, change in organizations which are designed to make farmers/producers better at doing what they already do, and more efficient; or which are designed to change the character of institutions by modifying their goals and strategies, cultures, ways of functioning, management styles and so on.

CAPACITY BUILDING

Inhouse Diagnostic assessment tool is standardized, and assessment study is performed for the engaged FPCs. 20+ assessments were carried out using the Institutional Development framework and detailed diagnostics are prepared to understand the FPC strengths and weakness. Samunnati has conducted a total of 110 Capacity Building workshops for the FPO in the year 2020-21 in the states of Bihar, Orissa, MP, Maharashtra, Karnataka and Tamil Nadu.

110 CAPACITY
BUILDING
WORKSHOPS

CONDUCTED IN 2020-21





Online Training

Amid COVID-19 Zoom sessions were organized for project FPCs with content-based modules like legal compliance, bookkeeping and applying input license. Zoom link availability, video recording and efficient participant feedback redressal system was ensured throughout the trainings organized during March – September where a total of 64 online trainings were conducted.

Field Training

Field Training resumed since October with holistic modules with FPO requirements and deploying need-based trainings with internal expertise and external resources. 70+ Trainings have been conducted along with frequent handholding exercise. Following are the focus domains and modules of trainings.

Strengthening Governance of the FPO

Need for FPO Formation, BOD Alignment, Roles and Responsibilities of CEO and BOD, Need for FIG formation, Activations of FIGs, Efficient management of FPO activities - Standard Operating Procedures setup.

Improving the Revenue Streams

Training on new business ideas, Business planning, Financial Planning, Business proposal for additional revenue streams, market quality specifications of commodity trade.

Need Based Trainings

Crop cultivation practices to improve yield or quality, Technology initiatives that can be implemented at Farmer level, Legal Compliance and timely filing, zero tillage, Insect and pest management, Digitization and Pay Card.

Building Connects

Connecting FPOs enhances the business knowledge and widens business opportunity.

Post Training

Post training hand holding sessions are planned by the Relationship Managers of the team. Group discussions with FPO boards to address immediate challenges, advisory services and market linkage facilitation are ensuring continuous engagement processes with the FPO.

Samunnati continues to have a plan for the year of 2021-2022 where it includes having handbook preparation, developing FIG reactivation modules, standardization of business plan templates, planning POP Trainings, deployment of tech-based pilots and trainings focusing on trade initiatives and encouragement for options.

Another important aspect of the trainings is the gender trainings where Samunnati has hired experts to prepare the Gender Strategy for the FPOs. Samunnati project team conducted a field visit for data collection in four states for the following FPOs- Shanthi Sagar FPO, Satkosia/Banarpal FPO, Devanadhi FPO and Dholisakra FPO. A total of 8 gender trainings were conducted in the year. Based on field experiences, the core components of gender inclusion approach include selection of core group, orientation and implementation of gender plan.

Some of the new initiatives and business improvements that have been taken up by Samunnati are FPOs planning approaches to diversify streams, digitalization and robocalling, market linkage and quality standards and policy related discussions.

AGRI INPUT DIVISION

Agri input division was started in 2020-21 with the objective of establishing a one stop shop for all farmer's needs (input, output and advisory) in line with the organization's goal of making markets work for small holder farmers, more specifically to connect the input manufacturers with the (farmer) collectives.



MAJOR HIGHLIGHTS

OF 2020-21

Promotion of 65 Farmer Development Centres (pan India) to facilitate input and output market linkages and advisory services. Farmer Producer organizations have promoted these FDCs in collaboration with Samunnati and eFresh.

Pertaining to output linkages, Samunnati has on boarded some of the top ranked corporate buyers like ITC ABD Ltd, Patanjali, Viterra, Sneha Foods, Shalimar etc.

Samunnati has onboarded 14 input manufacturers who have pan India presence. To name a few companies with whom corporate Distributorship agreement is executed are: Tata Rallis, Deepak Fertilizer, Dhanuka Pesticides, DCM Sriram (Bioseed), NACL, IFFCO online bazar, SWAL, Jain Irrigation etc.

Samunnati availed Agri input licenses from multiple states to facilitate input linkages for FPOs and aggregators. Samunnati Agro secured licences for agri inputs in states of Tamil Nadu, Karnataka, Telangana, Madhya Pradesh, Bihar and Rajasthan. License application is in its final stages in states like Maharashtra, Andhra Pradesh and Chhattisgarh.



Samunnati is in the process of building Centre of Excellence (COE) in Pooriambakkam and Kanha Santhivanam. These CoEs shall showcase a range of the latest technologies pertaining to new-age agricultural technologies and advanced farm equipment.

Samunnati in collaboration with eFresh are in the process of bringing in unique and latest technology products to benefit the farmers.

Steps were taken in standardising the branding (look and feel) and in digitalization. Significant progress was made in developing a Point-Of-Sale software product for the Farmer Development Centres aimed at improving ease of doing business, managing compliances and connecting with agri input advisory partners and manufacturing companies.

Input division has started a new initiative of developing Village Level Entrepreneurs (VLEs) who support in developing the input and output linkage in a micro-geography of interest. This initiative is expected to expand Samunnati's footprint beyond FPOs and expand the avenues of business through FDCs.



FARMER DEVELOPMENT CENTRE

Farmer Development Centre (FDC) is a physical store that is set up at the Farmer Producer Organisation (FPO) premises under the franchise business model as a one-stop solution for all farmers' needs. The model will leverage the power of aggregation to make available high-quality products at the right time and at economical prices. The technology infrastructure & digitization will drive efficiency, ease of doing business at the store level & will opportunity to leverage the benefits of analytics for the system.

FDCs would enhance the learning ecosystem for the farmers through the 'model farmer initiative' & advisory services through its partners. It would extend its coverage to subsume, farm output market linkages, farm machinery, insurance & other value-added services.

FDC is owned, operated, and managed by FPO. eFresh will facilitate the procurement of quality inputs from leading brands and manufacturers based on the demand of the FDCs. Samunnati strengthens the FDCs by providing financing, market linkages, advisory services, and the introduction of advanced technologies through its AMLA [Aggregation, Market Linkage and Advisory] Approach. Overall, the benefits to FPOs through FDCs are as follows.

- Customized software for digitization of data & records, Statutory compliances
- Spreading Good Agricultural practices through model farmers program
- FPO Team can focus more on identification and provision of value-added services.
- Enhanced farm input market linkages through traceability and quality specifications
- Enhanced farm output market linkages through traceability and quality specifications
- Additional income generation through farm machinery hiring, insurance and other digital services linkages.

Aligned with our mission to make markets work for smallholder farmers, Samunnati in partnership with eFresh Agribusiness Solutions has inaugurated 15 FDCs 10 in Maharashtra, 3 in Gujarat and 2 in Rajasthan in the month of October 2021.

As on 31st March 2021, Samunnati promoted 72 Farmer Development Centres in partnership with eFresh.





B

AGRI ENTERPRISE



CLIENT BASE

In FY 2021, Samunnati expanded its AE base to 393 clients with an addition of 60 new AE clients as compared to 333 AEs in previous year.

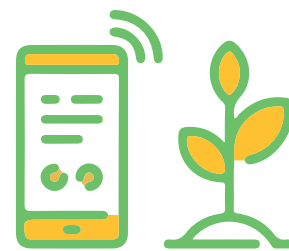
Agri Enterprises represent the demand side of the value chain, wherein Samunnati assists in removing working capital constraints through customised financial solutions. By building market linkages, the Company connects enterprises such as retailers, wholesalers, processors, traders, exporters, and so on, to producer organisations who can meet their aggregation needs on time.

In FY 2021, the total disbursements stood at INR 1,744 Cr, a 7.38% increase when compared to INR 1,624 Cr in previous financial year. The average portfolio yield stood at 19.09%. 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.

7.38%
INCREASE
IN TOTAL
DISBURSEMENTS
BETWEEN 2020 AND 2021



PRODUCT & INNOVATION



In FY20-21, Samunnati focused on multiple digital interventions.



The Kisan PayCard is an innovative credit delivery mechanism to meet the production credit requirements of the farmers in a timely and hassle-free manner. The solution was launched in FY2020 with the scope of digital payments is huge and can facilitate better access to financial services for smallholder farmers by lowering transaction costs, providing flexibility, and improving convenience. Once smallholder farmers experience digital payments, it will allow them to conduct fast, easy, safe, low-cost transactions in small amounts on their Kisan PayCard and mobile phones. This facilitates shifting from cash to digital for all their crop cycle requirements.

- i. In FY21, the Kisan PayCard was designed, developed, and tested for card-based payment solution for the deployment with the farmers.
- ii. Samunnati presented the Kisan PayCard in the Visa Everywhere Initiative (VEI) India 2020 and won the B2B Challenge from a total of 400+ applications.
- iii. A pilot was initiated for the introduction and testing of acceptance of Kisan PayCard solution by farmers through FPOs across 4 states (Bihar, Maharashtra, Karnataka, and Madhya Pradesh).

Current extraordinary circumstances (COVID-19), reemphasize on the importance of digital transformation in agri ecosystem. Aligning to the changes in agri ecosystem, deployment of Kisan PayCard solution will be an important step towards creating a transparent and economically viable value chains for the ecosystem players.



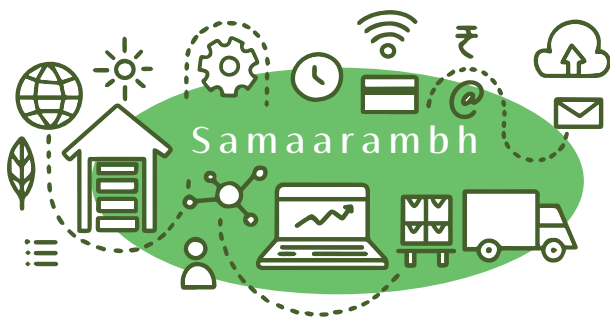


Samaarambh

A platform for Agri Startups & AgTech players

SAMUNNATI'S AGRI STARTUP ENGAGEMENT PLATFORM

While working with Agri startups, Samunnati discovered the prime intricacies that Agri startups and Agtech players face and come across during Ideation, Launch and Growth stage and launched the Agri Startup Engagement Platform - "SAMAARAMBH".



The platform aims at integrating and enhancing capabilities of Agri startups and AgTech players that are innovating solutions in the fields of fintech, mechanization, IoT, Value added services, Warehousing and Storage, Inputs, Advisory and many other diverse portfolios to benefit the agriculture ecosystem. The platform aims to provide an array of support services such as financial, advisory and market linkage solutions to enable innovative Agri startup enterprises to grow.

SAMAARAMBH AIMS AT



Engaging with more agri startups and deepen the reach to promote and enable them to make markets work for small holder farmers.



Initiating pilots for the deployment of technologies provided by the startups for better reach of technology.



Connecting to idea phase agri startups to nurture and support the ecosystem by connecting to incubators, and other similar entities.



Developing new customized solutions for startups based on the learning of the first year of operations.



Innovating more services/solutions to be offered to startups for better engagement and nurturing.

During the pandemic, most startups faced a gap in working capital and market linkage and hence Samaarambh witnessed a good number of registrations and engagements from the startups. The team witnessed a wide range of startups registering on the platform pertaining to stage of the startup, geography, mode of operation, sub-sectors, value chains, etc.

Samaarambh was launched on August 15th'2020 and over 250+ agri startups have registered for more than 450 engagement opportunities. Through Samaarambh, Agri Startup Funding Committee has sanctioned INR 1500 Lakhs to the agri startups.



The key challenges faced by FPOs, as well as the ecosystem players trying to address their issues include information asymmetry, lack of access to network channels and financial intermediation. As an ecosystem leader, Samunnati launched Agri Elevate on national Farmer's Day in FY 2021.

Agri Elevate, an online platform acts as a self-functioning ecosystem, all the agri ecosystem players, including but not limited to incubators, lenders, new age start-ups, agri ecosystem solution providers can interact with each other to serve their needs. Further, Farmers & their collectives as FPOs will be at the core for all initiatives of this platform and will be the primary beneficiaries of this initiative.

Agri Elevate operates as a 'neutral platform' with linkage to Samunnati's products and services being kept separate from this platform. Therefore, this Platform will be a not-for-profit initiative spearheaded by Samunnati, with the sole aim to facilitate connections in the agri-eco-system. Since the launch 180+ FPOs and 73+ individuals have registered on the platform and 235+ agri enterprises registered across 6 main categories and 10 Subcategories.

Serving as a neutral platform with linkage to Samunnati's products and services maintained separately, Agri-Elevate is a not-for-profit initiative, with the sole aim to facilitate connections in the agri-eco-system.

Various digital solutions for the FPO were under pilot in FY 2021 and was beta tested. Both the platform was, officially launched in April 2021.



An initiative from Samunnati seeking to build FPOs as an asset class- facilitating the participation of mainstream banks and financial institutions. This portal enables FPOs to explore financial solutions for their business needs.



A single port of call for the Farmer Producer Organizations (FPOs) to interact with the Agri Eco System and vice-versa. It is a technology platform that delivers different products and solutions to the FPO from Samunnati as well as from other eco system partners.





SAMUNNATI AGRO

A

SAMUNNATI TRADE SOLUTIONS

Samunnati's Agro clients are divided into two categories:

Fruits & 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 2021. The operations were expanded to new States such as Uttar Pradesh, Punjab, Haryana and Delhi in FY 2021 and included new value chains such as fish meal, salt, malt, broken rice, and so on.

Exchange registered members are big entities with their clients having exposure in Agri domain. Onboarding the Exchange members as Samunnati associates gives them opportunity to serve short term funding/trade requirement to their clients. We have onboarded SMC and FINDOC as Samunnati associates last year and did 15 Crores of trade business though clients introduced by these SAs. We have also onboarded India's largest DSA ANDROMEDA with a very strong distribution presence. We are working for a simplified small ticket size loan product which can be easily marketed by these SAs.



TIE UP WITH NeML

NCDEX e Markets Limited (formerly known as NCDEX Spot Exchange Ltd) is the leading National Spot Exchange in India. With a national presence, the company has pioneered breakthrough initiatives like Mandi Modernization Program (MMP), e-Pledge, and e-marketing. NeML works closely with its ecosystem partners to create efficient commodity markets services. We facilitated financing for participants of government auctions for various civil supplies department settled through the Exchange platform and over INR 12 Crores funding was done using this route.

SEA FOOD INDUSTRY



India is top shrimp exporter globally and industry is expected to grow at CAGR of 4.5% for next five years. We made inroads into Shrimp value chain, where there is huge opportunity to work with Shrimp suppliers from producing areas and processors/exporters of value-added products. Samunnati partnered with various value chain participants on supply side and demand side and could help them operate at higher equilibrium. This year we onboarded shrimp processors including Sreeragam Exports, Bone Exports, Bhimraj Exports, Penver Products limited. On supply side we engaged with suppliers like Shiva Industries, Konark Sea Foods, SM Marines, APR sea Foods etc. Disbursement of Rs. 12 crores were done in the sea food value.

SUGAR



In sugar sector team worked on two new models 1) Advance Payment to Mills 2) E buy Sugar Platform. Trader's face working capital gap for arranging same. We worked with JK Enterprises on similar model under trade structure. Disbursement to tune of Rs.17 Crore was done under this model. Sugar Millers and traders engage in buying and selling of commodities through platform. For Samunnati it presents an opportunity, where we are introduced to multiple suppliers and buyers of commodity as this platform acts as aggregator platform for the industry participants. Disbursement of Rs. 8 Cr was made through this model.



BROKER MODEL

Commodity brokers were engaged on brokerage basis to introduce buyers and sellers for market linkage of commodity. This model provides quicker access to market participants and experience of brokers also helps in assessing social capital and trade capital of participants. Commodity Brokers BB Cotton and McDonald Pelz were appointed as brokers under this model. This year market Linage trades was done with cotton millers like Bannari Amman, East Man Spinning Mills, Sunny Trexim Private Limited, Raghunath Agrotech. On Supply side ginners from Karnataka acted as suppliers. We engaged with ginners like MAG Cotton, Ganesh Industries, Tulsi Cotton Industries, Anjali Cotton Traders, Karnataka Cotton Industries, Sri Ghodalaxmi Industries, Bhansali Ginning and Pressing factory. Disbursement of Rs. 8 Cr was made under broker model during the year 2020-21.



AWARENESS CREATION



The year 2020-21 started with COVID-19 cases leading to disruption in overall markets. It was the need of an hour to educate our FPOs about the alternative platforms to trade. Futures provide a robust platform to hedge and sell the commodities, even the payments are guaranteed through. We conducted webinars for FPOs of Maharashtra, Madhya Pradesh, Rajasthan, Gujarat, and Karnataka to educate them about the importance and benefits of trade in derivatives market.

Registration as Pledgee with NERL and pledge transactions

Samunnati would focus to provide this solution to more FPCs from other geographies producing the commodities traded on Exchange platform.

Hedging of BMGF project FPCs on NCDEX

Samunnati would keep on building the capacity of BMGF project linked FPCs for the price risk management and output market linkage.

Farm gate linkages with buyers

FPCs generally sell the aggregated commodities in the local market or to the local traders. In a quest to provide the FPCs a stable market linkage for their commodities we helped FPCs to connect with institutional buyers for Soybean, Maize, Wheat and Mustard Seeds. Samunnati is continuously scouting for FPCs to link with the nearest available buyers and with the AMLA center approach we are hopeful of connecting more FPCs for their output market linkage.

Tie up with IFFCO Kisan Sanchar Ltd.

Samunnati is under process to have a tie up with Kisan Finance (subsidiary of IFFCO) to work together on various fronts like

1. Co-lending to FPOs for their input and output linkages
2. Tractor Financing
3. Value added Ag-tech services offering of IKSL

NAFED and FIFA

NAFED acts as central agency for procurement and sales of commodity. Samunnati engaged with NAFED in Bihar for sales of Maize procured by BISCOMAUN. BISCOMAUN act as local procurement agency for NAFED. FIFA is taken over by NAFED with an aim to support Cooperative societies and FPCs by linking them to markets for their Agriculture Produce as well as supply of agricultural inputs.

Following engagements are being explored with FIFA

- FPO institutional building and capacity building
- Collaborate with FIFA in increasing Membership base
- Facilitate setting up E-Kisan Mandi
- Customised working capital offerings to FIFA members
- CCRL onboarding, Products and geographies: We are in process to register SamFin as a pledgee with them to enable our linked FPOs to get pledge financing in products like Cotton, Mentha oil, Cardamom and Rubber. The potential geographies will be Maharashtra, Gujarat, Kerala, UP and Karnataka.
- Work with Exchange members for their financial requirements
- Exchange registered members generally trade on Exchange platform for the registered clients and their proprietary trades. Here, we can find opportunity to fund the members for taking deliveries from Exchange. We are willing to do one such pilot in this year and on successful completion of loan we will extend the services to other Exchange members.





B MARKET LINKAGES

The main demand from FPOs is both input and output (direct market) linkages to reduce cost of cultivation and increase returns. Samunnati Agro facilitates 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.

282
INSTITUTIONAL
BUYERS
ONBOARDED
ACROSS 7 STATES



In FY 2021, 200 FPOs and 282 institutional buyers were onboarded for market linkages across 7 States (Gujarat, Maharashtra, Telangana, Andhra Pradesh, Madhya Pradesh and Tamil Nadu) and have successfully traded 181 commodities via bill-to-ship to model with the gross margin of INR 0.37 Cr.





SAMUNNATI HUMAN RESOURCE

Samunnati is an equal opportunity employer. Samunnati Group focuses on continuous learning and development of its employees. As on March 31, 2021, Samunnati Group has a total of 446 employees on its payroll. The Group strengthened the needs of the growing business and has onboarded ~130 employees from the sources like Campus, employee reference, LinkedIn, Naukri etc.

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. Crisis management teams were formed to analyse the crisis and to take timely actions. Samunnati's commitment to growing despite challenges has certified us a Great Place to Work®

MEASURES TAKEN TO ENSURE HEALTH & 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, daily.

TRAINING PROGRAMS



In the amid of Covid-19, trainings were conducted online over zoom. Few of the crucial trainings conducted are as below.

Induction Programme Samunnati Swaagat

Samunnati Swaagat was revamped to welcome our new joiners into the organisation. This was launched on 11 January 2021. A HR Buddy was also allocated to each employee for them to feel more welcomed on their first day.

~10 batches of Induction programs were conducted covering total onboarded employees, with average batch size of 8 participants.

~ 18, covering organisational policies, genetic code, core values, systems walkthrough, our solutions, org structure, introduction to teams etc.

Training

A total of 26 batches of trainings were conducted which included AVCF Training, Prevention of Sexual Harassment at Workplace, Policies on travel/ reimbursements, employment of relatives' policy, etc., E&S Policy and IT Security Policy with a total of 1080+ participants.

Various initiatives were initiated such as **Sam-Mitra** - to nudge a connect with our colleagues and get to know them better, **Sam Milan** – an engagement to feel connected at a more personal level within their regions and **Samvaad** – an initiative to increase awareness on various topics ranging from Covid safety, employee well-being, OKRs, LinkedIn learning, etc.

As an organisation, Samunnati has contributed 10 EL's of each employee towards Covid Relief as part of CSR, Covid Policy including contract staff like security, & housekeeping.



Samunnati ensured adequate medical coverage under our Group Insurance plans.



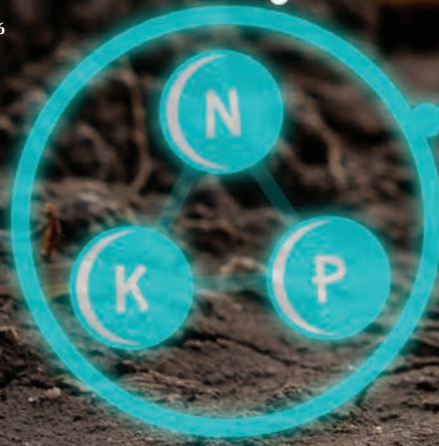
Engaged with mental well-being partner IWill, to provide individual support to employees in cases of anxiety, stress or mental health related concerns and held meditation sessions in collaboration with Heartfulness.



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



Having envisioned the significance of cutting-edge technology and data driven decision making, we have implemented three major systems in FY 2021 to support the core business and enabling functions:

LMS

Current LMS lacks certain key features like audit trail & other regulatory requirements and subsequent internal review it was decided a more robust, sophisticated application to meet our growing business requirement and to meet the compliance requirements. Oracle Loans from Oracle Corporation has been implemented and currently in parallel run. This system meets RBI and other regulatory requirements such as limit management, audit trails and so on.

LOS

Last year we have submitted the need to implement the LOS and the following is the status. LOS was implemented as the Loan Origination System in Samunnati for the AE vertical. This system will be further extended to all other products gradually. LOS helps to perform real time validation of PAN No, GST, TIN, Passport, Driving License, Bank Account, CIBIL and High Mark bureau scores and enables better TAT for credit underwriting and helps sustain portfolio quality.

SUN INFOR

Sun Infor ERP was implemented to meet all aspects of finances, including accounting measures, revenue and expense schedules, wages, and balance sheet verification. Sun Infor ERP system is live for NBFC business and parallel run is in progress for Sam Agro.

TECHNOLOGY INITIATIVES

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.



Virtual meetings, reviews, planning and mobile based learning sessions help reduce carbon footprints.



Recycling and reduced usage of paper



Energy efficient lighting in its offices



Introduction of mobile based training app



Usage of solar power



SAMUNNATI FOUNDATION

Registered as a not-for-profit company under section 8 of companies act 2013 and involved in activities as per schedule 7 from section 135 of the companies act 2013.

ACTIVITIES OF SAMUNNATI FOUNDATION IN FY 21



Samunnati Foundation is an innovation led social impact entity determined to improve the livelihoods of the farming community and the stakeholders in Agri ecosystem. The entity thrives to make a tangible difference in the livelihoods of unserved/ underserved communities of the agricultural ecosystem. The constituents of such communities include smallholder farmers highly prone to risks of agriculture, aspirational youth from farming community lacking resources for skill development and potential Agri entrepreneurs lacking resources, support and exposure from the industry.

Grama-unnati

Create a conducive village ecosystem by bringing socio economic transformations in a sustained way.

Fellowship

Nurture change agents to transform Agri Ecosystem by empowering rural youth

North East Outreach Program

Engage with Agri ecosystem in North Eastern states to provide a sustainable means to livelihood.

Community Kitchen

Serve the underserved communities by providing nutritious food and job creation for women.

S. No	Project Activity	Focus Area	Expenditure in INR for FY 2021	Mode of Expense
1	GRAMA-UNNATI	Rural Development projects		
2	FELLOWSHIP PROGRAM	Vocational Training, Exposure to Industry, Facilitate job creation	62,500	Direct payment for implementing agency
3	NORTH EAST OUTREACH PROGRAM	Social business projects, Climate smart agriculture	750	Direct Payment
4	COMMUNITY KITCHEN	Women empowerment, Promote nutritional food, Social business project	6,00,000	Grant payment for the implementing agency
5	CENTRE OF EXCELLENCE	Rural development projects, Climate smart Agriculture, Vocational training	28,128	Direct payment for set up cost
6	MISCELLANEOUS		4,136	Direct payment
7	Total Payment		6,95,514	

OUTLOOK FOR FY 2022



Grama-unnati

Replicable SOPs to be devised for PALM (Participatory Learning Meet) activities and develop further intervention strategies at village level to reach at least one lakh farmers.

Fellowship

Aim to train 100 progressive Farmers with a size of 25-member batch. Initiate on field support programs for entrepreneurs.

FPO Academy

Develop, deploy and manage an online repository of all capacity building material on farming practices for the development of FPO stakeholders. Targeted FPO is more than 800.

AgriElevate

Deploy and manage an FPO centric self-functioning ecosystem with the sole aim to facilitate connections in Agri ecosystem. Target is to achieve 5000 registrations, as of now more than 200 FPOs and 290 AE has registered.

Policy & Advocacy Group

Bring awareness and stimulate advocacy to harness opportunities to scope policy strategies, initiatives and Government programs.

Centre of Excellence

Develop nodal hubs of knowledge imparting best practices, training & infra demonstrable for farming communities.



FINDING GROWTH IN COLLABORATION

EVOLVING THROUGH STRATEGIC PARTNERSHIPS



Post the lockdown announced by Govt of India during COVID-19's first wave in March 2020, the Indian economy started showing signs of getting back to normalcy in response to the staggered easing of restrictions in the month of June 2020. Samunnati has worked very closely with agri-ecosystem players to ensure continuity of 'essential services' as designated by the government. Samunnati has supported various key agri sub-sectors during these volatile times – providing significant funding support to important value chains like sugar, seafood and cotton.

Samunnati also established market linkages for our network FPOs with large sectoral corporates like Ruchi Soya, Adani Wilmar and ITC and enabled higher efficiencies within agri value chains. In the Fresh segment, Samunnati is now working with all major modern retail and e-commerce entities like MORE, Big Basket, Ninjakart and Waycool.

In line with our B2B2C model of outreach in agri value chains, Samunnati has established an anchor partnership with Swiggy, India's largest online food ordering and delivery platform. This partnership will enable the company to lend to Swiggy restaurant partners for both market linkage for backend supplies as well as extend receivable finance solutions. Similarly, we have forged an anchor partnership with Solv, a B2B e-commerce SME marketplace, 100% subsidiary of Standard Chartered Bank, United Kingdom.



SOURCE OF FINANCE



In FY 20-21, Samunnati has raised debt of INR 1022 Cr from domestic and international banks and financial institutions: INR 692 Cr in Samunnati Finance and INR 230 Cr in Samunnati Agro Solutions. Samunnati has tapped different avenues to raise debt: issuing NCDs under the TLTRO (Targeted Long-Term Repurchase Operations) window, Market Linked Debentures and External Commercial Borrowings.

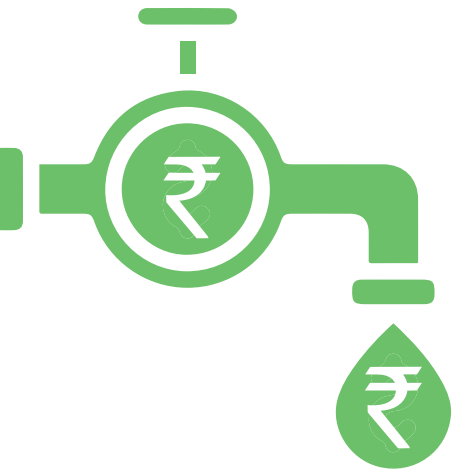
The asset quality and the significant impending business plan has enabled CRISIL (affiliate of S&P) in reaffirming the credit rating of BBB+ (Stable) for Samunnati. In FY 2020-21, we have received a credit rating upgrade of A- (Stable) from Infomeric, another rating agency registered with SEBI and accredited by RBI. This has helped open more avenues in engaging with different lenders as well as in negotiating lower costs of borrowing.

We continue to forge partnerships with international institutions to support liquidity for our journey. Samunnati has raised a large long-term debt facility from the United States International Development Finance Corporation (USDFC), the development finance institution of the United States federal government. Raised under the ECB route, the funds will be used for asset creation in agri value chains. We also issued NCDs to funders such as FMO, Triodos Bank, Symbiotics and Blue Orchard.

The above fund-raising has taken place in the context of the continued downturn in financial markets in FY2020-21 and an increasing risk-aversion towards the NBFC sector, especially in the context of the large originators from the NBFC and housing finance space. This risk-off approach from lenders compounded in quarters 2 & 3, 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, due to the lockdown that had been imposed in many parts of India during the initial phase of FY 20-21.

Under the above circumstances, Samunnati took 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 upto 6 months.

Explaining the unique business proposition to financial institutions has been challenging as Samunnati is an agri value chain entity and not an MFI (an asset class now understood by lenders). Our engagement with state-owned banks has just commenced, given our credit rating upgrade to A- category. The risk aversion amongst lenders has led us to maintain higher liquidity and lower leveraging on our equity, given the emphasis on high capitalisation. The prevailing circumstances have also resulted in downward rigidity of the interest rates on our borrowings, despite significant improvement in credit quality and overall good liquidity in the economy.



ECOSYSTEM INITIATIVE



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 in FY19-20, with a leading international bank. The initial outreach of this program is to provide agri-enterprises with working capital solutions. This successful partnership has helped Samunnati in engaging with further partnerships with many banks. 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.

Samunnati is also working to create a safety net to propel its outreach in hitherto under-penetrated, higher-risk borrower segments. Samunnati is one of three Indian partner financial institutions under a loan portfolio credit guarantee from USDFC. This facility will enable Samunnati to create a portfolio of ~USD 25 million- extending loans to FPOs, ag-tech companies, and companies engaged in clean energy solutions for the agriculture sector, with a clear goal of supporting smallholder farmers, including female farmers.

We are already working to enable finance in the sustainable landscapes sector in partnership with the United States Agency for International Development (USAID) and Rabo Foundation. We have a credit guarantee from these agencies to help us create a loan portfolio of ~INR 35 Cr to support activities that 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 2021, Samunnati extended loans to 11 new FPOs and Agri Enterprises, with total disbursement until date of ~INR 18 Cr.

We have been supported by our long-standing partners Rabo Foundation since 2019 under a portfolio guarantee focused on the lending to nascent and emerging FPOs. Under this program, Samunnati has been able to support credit to 100+ FPOs, reaching out to nascent FPOs in their first few cycles of credit. A total FPO portfolio of ~INR 100 Mn was made under this guarantee program.



NETWORK ECOSYSTEM

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.



SAMUNNATI PARTNERS WITH ET VIRTUAL AGTECH SUMMIT 2020

Samunnati is proud to be the Title Partner of the Virtual AgTech Summit 2020 hosted by ET. This is India's 1st Virtual Summit on AgTech with the theme: "Envisioning Business Growth: Disruptive Technologies: IN and POST COVID Era". The Summit initiated thought provoking discussions and advocated technology innovation and practices for business growth at the time of crisis. Samunnati believes that as an ecosystem player we have a responsibility to make tailor-made tech solutions for small holder farmers and farmer collectives in the areas of access of input (financial and non-financial), farmer data management, market linkages and more. We at Samunnati, have kept our ears to the ground and constantly engaged with the customers to respond to their requirements.

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 DISCUSSION

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.



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 requirements to be done in the next one year or so and the prioritisation of the same.



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 grassroots perspectives from the agri practitioners, Samunnati organised regional webinar in 5 vernacular languages including Tamil, Kannada, Marathi, Hindi and Oriya.



AWARDS & RECOGNITION



ET START-UP AWARD IN SOCIAL ENTERPRISE

For the scale and complexity of the challenges that it is attempting to tackle in agricultural finance through its market-linkage model, Samunnati was the overwhelming favourite of the jury in the social enterprise category.



GREAT PLACE TO WORK

Samunnati's unparalleled commitment to growing despite setbacks and trying times has certified it a Great Place To Work®. We are invested in helping both our Samunnati family and the agri ecosystem grow holistically.



VISA EVERYWHERE INITIATIVE
VISA

VISA INITIATIVE

Samunnati is excited to announce our win in India's first-ever Visa Everywhere Initiative for transforming B2B Payments with our digital payment's solution. In 2020, Samunnati was selected by Visa Initiative as one of the 11 start-ups for the Visa Everywhere Initiative which tasks start-ups to solve the payment and commerce challenges of tomorrow.



REAL LEADERS AWARD

Samunnati has secured a place (Rank 83) in Top 100 Companies globally, under the Real Leaders Impact Award 2020 - the premier ranking of companies making a positive impact on their communities and the world. The Award honours the companies that are achieving great financial, environmental and social returns by creating value for all their stakeholders.

ISO

Between 18th to 20th of March 2021, both Samunnati Financial Intermediation and Services Pvt Ltd and Samunnati Agro Solutions Pvt Ltd were successfully ISO 9001:2015 certified. Quality is a way of life at Samunnati and an independent verification by a certification body adds more value. This certification will help in strengthening the organization through standardization of processes, enhance Samunnati as a brand in the market thereby boosting investor confidence.

SAMUNNATI'S ENVIRONMENTAL & 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.



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-fined 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.



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 behaviours, 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 an active compliance function which attends to all compliances in a timely and appropriate manner designed to provide comfort to the different regulators. 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.



SAMUNNATI IN THE NEWS

This ex-banker's agri-fintech startup has disbursed loans worth Rs 6,000 Cr to 4M farmers

By Srinivas Mishra | 20th Mar 2021



Chennai-based agri-fintech startup Samunnati solves the working capital needs of smallholder farmers and agri-SMEs. It has impacted 54 agri value chains in 20 Indian states.

Agritech innovations will be key to farmer uplift

By Srinivas Mishra | April 23, 2021 | AgriBusiness



Anilkumar SG, Founder & CEO, Samunnati



Today, there is increasing awareness in the farming community regarding IoT-enabled sensors, modern soil and water management systems, digital tools, such as precision tools, apps, AI, digital platforms providing market linkage and information flow, etc. However, there is a clear need to bring together all the stakeholders in the agri ecosystem on a single, unified platform. To empower farmers to reap the benefits of digitalisation, we announced Agri Elevate, a first-of-its-kind ecosystem platform offering services across the value chain to FPOs and Agri-Enterprises. It can be considered a dedicated search engine for agricultural services which helps FPOs and Agri-Enterprises to identify and gainfully engage with each other, nationally as well as regionally.

Samunnati launches a unified agri platform to connect farmers, FPOs

Agri Elevate helps meet service needs of agri enterprises



Anilkumar SG, CEO and Founder, Samunnati

Samunnati, a financial solutions provider for the agri sector, announced the launch of Agri Elevate, an ecosystem platform to offer services across the agri value chain to farmers, farmer producer organisations (FPOs) and agri enterprises. The platform, essentially on the lines of business directory services, is aimed at helping FPOs and agri enterprises share their information and service needs. The key challenges faced by FPOs, as well as the ecosystem players trying to address their needs include information

asymmetry, lack of access to network channels and financial intermediaries, the complex nature of the ecosystem, and the lack of a common platform as FPOs will be at the core for all activities of Agri Elevate, which will support multiple regional linkages in the coming years. Agri Elevate is a central platform with linkage to Samunnati's products and services matrix.

As a result, Agri Elevate is a need for growth companies, with the role aim of facilitating connections in the agri ecosystem. "We see Agri Elevate, our vision to be a hub for all activities of self-reliance and free access to services and markets, empowering farmers and FPOs to discover the right partners and form associations that can serve their needs," said Anilkumar SG, CEO and founder of Samunnati. "A unified platform that brings together all the stakeholders in the agriculture ecosystem, especially FPOs and agri enterprises, can provide an opportunity to bring in the collaborations for mutual benefits," Anilkumar added. Agri Elevate is a central platform and would be managed by Samunnati Foundation.

Flush with funds, agritech startups to step up hiring in 2021

February 4, 2021



Agri Business

Samunnati launches Agri Elevate platform to connect farmers, FPOs, agri enterprises

Our Bureau (Bangalore) | Updated on December 23, 2020



Akin to business directory services, it helps FPOs and agri enterprises meet their info, service needs

Samunnati, a financial solutions provider for the agri sector, announced the launch of Agri Elevate, an ecosystem platform to offer services across the agri value chain to farmers, farmer producer


The Hindu BusinessLine

organisation (FPO) and agri enterprises. The platform, essentially on the lines of business directory services, is aimed at helping FPOs and

How connected agri-value chains can pave way for an Atmanirbhar farming sector

by Nishu Chaudhary, ET CONTRIBUTORS | Last Updated Feb 11, 2021, 9:46 AM IST

Synopsis
The priority of a self-reliant India should be a self-reliant farming sector. Connecting all stakeholders across the agri-value chain would be a step towards the goal of making India agriculturally self-reliant.



IN THE DEVELOPER
Sanku Chavla has highlighted the success of India

Samunnati's playbook to create a holistic agri-lending ecosystem



CEO | **Prasi-Cash Samunnati**

Key Point | 14 Feb 2021

Nearly 35% of India's population relies on agriculture as the primary source of livelihood, as per data from government-backed India Bond Equity Foundation. And it's not news to anyone how cash-strapped the agriculture ecosystem is.

While there are government schemes that aim to support them, several startups have also shown interest in the sector.

One such startup is Chennai-based Samunnati, which calls itself a specialised agri-value chain solutions provider.

దైకుల ప్రయోజనాలే లక్ష్యంగా ఆగ్రి ఎలవేట్ ప్రారంభం



Andraprabha

ప్రముఖ ఆగ్రి-టెక్ కంపెనీ ఆగ్రి ఎలవేట్ ప్రారంభం చేసింది. దీని ద్వారా రైతులకు ప్రయోజనాలే లక్ష్యంగా ఉంటుంది. ఆగ్రి ఎలవేట్ ప్రారంభం ద్వారా రైతులకు ప్రయోజనాలే లక్ష్యంగా ఉంటుంది. ఆగ్రి ఎలవేట్ ప్రారంభం ద్వారా రైతులకు ప్రయోజనాలే లక్ష్యంగా ఉంటుంది.

దైకుల ప్రయోజనాలే ఆగ్రి ఎలవేట్ లక్ష్యం



Telugu Prabha

ప్రముఖ ఆగ్రి-టెక్ కంపెనీ ఆగ్రి ఎలవేట్ ప్రారంభం చేసింది. దీని ద్వారా రైతులకు ప్రయోజనాలే లక్ష్యంగా ఉంటుంది. ఆగ్రి ఎలవేట్ ప్రారంభం ద్వారా రైతులకు ప్రయోజనాలే లక్ష్యంగా ఉంటుంది.

Samunnati launches platform to digital connect of FPOs and Agri-Enterprises

CHENNAI, JAN 2
Samunnati today announced the launch of Agri Elevate, a B2B-to-B2B ecosystem platform offering services across the agri value chain to FPOs and Agri-Enterprises. This platform is aimed at helping FPOs and Agri-Enterprises fulfil all their service needs and in turn actively spearheading digital transformation in the agriculture industry.

Andreasen S CEO and Founder of Samunnati said, "A unified platform that brings together all the stakeholders in the agriculture ecosystem, especially the FPOs and agri-enterprises, can provide an opportunity to bring in this collaboration for mutual benefits. With Agri Elevate, our vision is to enable an ecosystem of self-sufficiency and free access to services & markets, empowering Farmers, FPOs to discover the right partners and firm associations that can serve their needs. We look forward to working with the ecosystem players in Agriculture including various Government Agencies, to deliver the best of services to our Value Chain players."

Afternoon

అగ్రి-వాల్యూ చైన్స్ ద్వారా రైతులకు ప్రయోజనం

Dina Bhoomi

ప్రముఖ ఆగ్రి-టెక్ కంపెనీ ఆగ్రి ఎలవేట్ ప్రారంభం చేసింది. దీని ద్వారా రైతులకు ప్రయోజనాలే లక్ష్యంగా ఉంటుంది. ఆగ్రి ఎలవేట్ ప్రారంభం ద్వారా రైతులకు ప్రయోజనాలే లక్ష్యంగా ఉంటుంది.

Understanding the immediate priorities to empower women in the Indian agriculture sector

by Nishu Chaudhary, ET CONTRIBUTORS | Last Updated Apr 20, 2020, 11:32 AM IST

Synopsis
Presently, the agriculture sector employs 80% of economically active women in India, which includes 45% of the self-employed farmers and 25% of the agriculture labour force.

The Government of India in its Economic Survey in 2018 noted that the agricultural sector is undergoing feminization, a term used to indicate how increasingly a large number of women are taking up roles as entrepreneurs, cultivators and labourers. Presently, the agriculture sector employs 80% of all economically active women in India, which includes



ICSI 2021 Summit
30 April 2020

A special series to empower MSMEs rise again
Wednesday 1 October 1 Article

Reaping Rewards for Tackling Big Challenges

Scale and complexity of challenges in agri-finance that firm attempts to tackle clinched them the award

THE ECONOMIC TIMES START-UP AWARDS
Social Enterprise
And the award goes to Samunnati
Anil Kumar



for its efforts in helping create a market for farmers and agri-entrepreneurs, and help improve their livelihood

AS YOU KNOW Anil Kumar, Founder, Samunnati

The company's social objectives in tackling the credit gap through efforts to connect small and medium farmers with the government's Kisan Credit Card (KCC) scheme through the launch of its own digital bank, Prasi-Cash, has earned it the award.

Prasi-Cash is a digital bank built for over 25 years of experience, and it is a B2B-to-B2B ecosystem platform offering services across the agri value chain to FPOs and Agri-Enterprises. This platform is aimed at helping FPOs and Agri-Enterprises fulfil all their service needs and in turn actively spearheading digital transformation in the agriculture industry.

Andreasen S CEO and Founder of Samunnati said, "A unified platform that brings together all the stakeholders in the agriculture ecosystem, especially the FPOs and agri-enterprises, can provide an opportunity to bring in this collaboration for mutual benefits. With Agri Elevate, our vision is to enable an ecosystem of self-sufficiency and free access to services & markets, empowering Farmers, FPOs to discover the right partners and firm associations that can serve their needs. We look forward to working with the ecosystem players in Agriculture including various Government Agencies, to deliver the best of services to our Value Chain players."

समुन्नति ने प्लेटफॉर्म 'एग्री एलिवेट' लॉन्च

दहीमा, 27 दिसम्बर (बीएनडी) - एग्री एलिवेट समुन्नति ने नए आगमन परिचालित की है। यह प्लेटफॉर्म एग्री-वैल्यू चेन को जोड़ने के लिए है।

Punjab Kesari

समुन्नति ने इकोसिस्टम प्लेटफॉर्म 'एग्री एलिवेट' प्रारंभ किया

Indore Patrika

प्रमुख आगमन परिचालित करने वाली समुन्नति ने नए आगमन परिचालित की है। यह प्लेटफॉर्म एग्री-वैल्यू चेन को जोड़ने के लिए है।

समुन्नति ने एग्री एलिवेट लॉन्च किया

Indore Samachar

प्रमुख आगमन परिचालित करने वाली समुन्नति ने नए आगमन परिचालित की है। यह प्लेटफॉर्म एग्री-वैल्यू चेन को जोड़ने के लिए है।

समुन्नति ने लॉन्च किया इकोसिस्टम प्लेटफॉर्म एग्री एलिवेट

Sandesh

प्रमुख आगमन परिचालित करने वाली समुन्नति ने नए आगमन परिचालित की है। यह प्लेटफॉर्म एग्री-वैल्यू चेन को जोड़ने के लिए है।

Dear Members,

On behalf of the Board of Directors, we are pleased to present the seventh Annual Report together with the Audited Financial Statement of Samunnati Financial Intermediation & Services Private Limited (“the Company” or “Samunnati”) for the year ended March 31, 2021.

FINANCIAL PERFORMANCE

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

(INR MN)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020*
Revenue from Operations (A)	1,603.86	1,281.81
Other Income (B)	72.97	78.57
Total Income (A+B)	1,676.83	1,360.38
Expenditure		
(Including Interest & Depreciation)	1,674.06	1,359.13
Profit / (Loss) before Tax	2.77	1.25
Less: Tax expenses:		
1. Current tax	0.00	92.15
2. Deferred tax	(0.96)	(69.00)
Profit/ (Loss) after tax	3.73	(21.90)
Other Comprehensive Income	4.11	(1.11)
Total Comprehensive Income	7.84	(23.01)
*previous year figures have been regrouped/rearranged wherever necessary		

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

(INR MN)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020*
Revenue from Operations (A)	9,207.09	7,161.82
Other Income (B)	8.44	99.12
Total Income (A+B)	9,215.53	7,260.94
Expenditure		
(Including Interest & Depreciation)	9,301.75	7,274.81
Profit/(Loss) before Tax	(86.22)	(13.87)
Less: Tax expenses:		
1. Current tax	0.00	100.57
2. Deferred tax	(20.11)	(80.09)
Profit/ (Loss) after tax	(66.11)	(34.35)
Other Comprehensive Income	4.75	(0.99)
Total Comprehensive Income	(61.36)	(35.34)
* previous year figures have been regrouped/rearranged wherever necessary		

Summary of Operations (Standalone)

- Company achieved 30.3% growth in AUM which has gone up by INR 2,170.53 MN to INR 9,676.19 MN from INR 7,428.27 MN in previous year.
- Revenue from operations grew by INR 322.05 MN (25.1%) to INR 1,603.86 MN from INR 1,281.81 MN.
- Other Income was lower by INR 5.60 MN (-7.1%) at INR 72.97 MN from INR 78.57 MN.
- The annual total comprehensive income after tax grew by INR 30.85 MN to INR 7.84 MN from a loss of INR 23.01 MN.
- During the year Company raised debt funding of INR 6,917.75 MN 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. The revenues grew substantially by INR 1,722.83 MN (29.1%) to INR 7,647.75 MN from INR 5,924.92 MN.
- EBITDA decreased by INR 11.77 MN (-12.2%) to INR 84.52 MN from INR 96.29 MN.

COMPANY OVERVIEW

Samunnati was incorporated in the year 2014 as a Private Limited Company under the provisions of the Companies Act 2013, with its registered office 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 Mr. Anil Kumar S G who began his career as a banker, with an experience of over 29 years in the rural & retail financial services, microfinance and financial inclusion sectors.

Samunnati leverages on the 'social capital' and 'trade capital' in buyer-seller relationships via Samunnati Aggregators¹, through non-traditional sourcing, risk assessment and mitigation, aided by cutting edge technology and an experienced management team with deep domain expertise. All these contribute to building a quality business that is sustainable and results in inclusive growth. These values are embedded in the genetic code of Samunnati 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 October 14, 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 are present in over 100 value chains including pilots across more than 21 states.

Samunnati has also incorporated Samunnati Foundation, a Company set up under Section 8 of the Companies Act 2013, on March 09, 2020, to undertake various Corporate Social Responsibility activities for Samunnati group and also in partnership with other entities.

¹Samunnati 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.



During the year, to further the synergies of agri related technology, the Company has acquired Kamatan Farm Tech Private Limited (“Kamatan”), as a wholly owned subsidiary with effect from April 16, 2021 by way of acquisition of 3,44,848 equity shares constituting the entire paid-up share capital of Kamatan’s existing shareholders, for consideration other than cash. With this acquisition, we hope to enhance the combined market linkage outreach of Samunnati and Kamatan to Farmer Producer Organisations (FPOs), small traders, farmer aggregators, and Agri SMEs - helping them connect to corporate buyers and drive higher farmer income. Recognising the impact, a technology-led approach to agriculture can create, Samunnati has joined hands with Kamatan to bring the last-mile benefits of digitalisation to FPOs and Agri enterprises. Further, Kamatan’s expertise in agricultural institution building, farming best practices, farmer collectives, distribution, logistics, and technology coupled with Samunnati’s holistic solutions approach through Aggregation, Market Linkages, and Advisory services (AMLA) is expected to help agri value chains operate at a higher equilibrium.

OUTLOOK

Samunnati’s Approach in COVID-19 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 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.

Unique challenges during ongoing COVID-19 crisis have 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 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 retailing platforms in some cases, ensuring timely offtake of perishable farm produce and better profit realisation for small holder farmers. We have supported many 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 Regulatory Package for COVID-19

To provide much needed relief to with our customers and stand by them during these troubled times, Samunnati offered a moratorium on the repayment of loans falling due between March 1, 2020 and May 31, 2020, in accordance with the COVID-19 – Regulatory Package notification dated March 27, 2020 issued by Reserve Bank of India (“RBI”).

While extending support to the customers as per the COVID-19 Regulatory package, Samunnati approached each customer segment distinctly and the details are given below.

- **Farmer Producer Organisations (FPO)- FPO(AC), FPO (WCTL) and Retail** – All customers in these verticals were offered a moratorium period of up to 3 months (in line with RBI Covid-19 Regulatory Package). All term and working capital loans with unpaid instalments/ interest payments falling due during the period March 01, 2020 to May 31, 2020 were given moratorium with the new repayment dates as per the moratorium policy.
- **In FY 2020-21, 80 FPOs have opted for moratorium.** In instances where a customer didn't wish to avail the moratorium benefit in this segment, the original repayment schedule remained in force.
- **Agri Enterprises** – For all customers in this segment and not covered in FPO segment, whose loans have instalments or interest payments during the period March 01, 2020 till May 31, 2020, Samunnati extended the moratorium benefit based on customer request (anytime till May 31, 2020) on a case-to-case basis based on our assessment of the impact of Covid-19 on the customer's income and cashflows. In FY 2020-21, 41 Agri enterprises have availed the moratorium.

Challenges & Gaps in Agriculture Financing

Agriculture and agriculture-based enterprises are unlike any other businesses, exposed to multiple risks related to production, weather, prices and policy. This, coupled with lack of financial data about agri-businesses 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 agri-business, 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'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

The Company has transitioned to Ind-AS (Accounting Standards), format of reporting and disclosures in the Financial Statements reflect the same. This has also necessitated restatement of previous year's (FY 2019-20) Financial Statements under Ind-AS (Accounting Standards). Your Company has not made any other significant material changes and commitments during the FY 2020-21.

Dividend

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

Transfer to reserves

Your Company has transferred INR 8.53 MN to statutory reserve as required under Section 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 FY 2020-21.

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, 2021.

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 provided in the Management Discussion and Analysis Report.

Changes to Share Capital

During the year under review, there was no changes to the share capital of the Company.

Disclosure Regarding Issue of Equity Shares with Differential Rights

The Company has not issued any Equity Shares with differential rights during the FY 2020-21.

Disclosure Regarding Issue of Employee Stock Options / Sweat Equity Shares

The Company currently administers an Employee Stock Option Plan (ESOP) constituted in 2015. 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 Members 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.

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

Particulars	Amount in INR
Outstanding Options at the beginning of the year – April 01, 2020*	93,635
Options Granted FY 2020-21	11,413
Options Vested in 2020-21	10,769
Options Exercised in 2020-21	-
Total No. of Shares arising as a result of exercise of option in FY 2020-21	-
Options Lapsed	2,483
Exercise Price (Weighted)	
Variation of terms of options	3 Years & 4 Years – ESOP
Money realised by exercise of options	NIL
Total No. of Options in force as on March 31, 2021	1,02,565
Employee wise details of options granted to;	
(1) key managerial personnel	Disclosed under MGT-9
(2) any other employee who has been granted options in any one year amounting to five percent or more of options granted during that year	Nil
(3) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Nil

Capital Adequacy Ratio

The Company's Capital Adequacy ratio stood at 40.6% 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(l) of the Companies (Management and Administration) Rules, 2014, extract of annual return in Form MGT 9 is annexed as Annexure I and uploaded on Company's website on this link - <https://site.samunnati.com/notices/>

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	Nil
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	Nil
8.	Mr. Anil Kumar S G	01189011	Director & CEO	Nil
9.	Mr. Gurunath Neelamani	02799586	Wholetime Director	Nil
10.	Mr. Ashok Dhamankar	AECPD4476R	CFO (KMP)	Nil
11.	Mr. Niranjana Chandra Shekar	ANBPN9694F	Company Secretary	Resigned on May 29, 2020
12.	Ms. Ashwini Venkataraman	ASBPA2554Q	Company Secretary	Appointed w.e.f. November 06, 2020

Nomination and Remuneration Policy

The Nomination and Remuneration Policy, inter-alia, provides for criteria and qualifications for appointment of Director, Key Managerial Personnel and Senior Management, Board diversity, remuneration to Directors, Key Managerial Personnel, etc. The policy can be accessed at the following link:

<https://site.samunnati.com/samunnati-financial-intermediation-and-services-private-limited/>

Details of Meetings of the Board

The Directors of the Company met 7 (seven) times during the FY 2020-2021.

S. No	Date of Meeting	No. of Directors who attended the Meeting
1	April 30, 2020	9/9
2	July 02, 2020	9/9
3	July 21, 2020	7/9
4	September 10, 2020	9/9
5	November 06, 2020	9/9
6	December 11, 2020	7/9
7	February 12, 2021	8/9

List of Committees

The Constitution of the Board Committees as of March 31, 2021 are as below:

1. Audit Committee

The composition of the Audit Committee is as follows:

- a) Mr. Sunil Gulati - Chairman
- b) Mr. N. Srinivasan – Member
- c) Mr. Akshay Dua – Member

2. Nomination and Remuneration Committee

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

- a) Mr. N. Srinivasan – Chairman
- b) Mr. Sunil Gulati – Member
- c) Dr. Venkatesh Tagat - Member
- d) Ms. Jyotsna Krishnan – Member
- e) Ms. Rekha Unnithan – Member
- f) Mr. Anil Kumar S G – Member

3. Risk Management Committee

The composition of the Risk Management Committee is as follows:

- a) Mr. Sunil Gulati - Chairman
- b) Mr. N. Srinivasan - Member
- c) Mr. Akshay Dua - Member
- d) Mr. Anil Kumar S G - Member
- e) Mr. N. Gurunath - Member
- f) Mr. Madhu Varma Raja - Head of Risk – Member

4. 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

5. 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

6. 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. N. Gurunath - Member

7. Finance Committee*

The composition of the Finance Committee is as follows:

- a) Mr. Anil Kumar S G - Member
- b) Mr. Gurunath N - Member

*The Board of Directors had re-constituted the Finance Committee of the Company as a sub-Committee of the Board on February 12, 2021.

Details of Committee Meetings

During FY 2020-21, the following Committee Meetings were held:

AUDIT COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1	April 29, 2020	3/3
2	July 01, 2020	3/3
3	September 09, 2020	3/3
4	November 05, 2020	3/3
5	December 11, 2020	3/3
6	February 11, 2021	3/3

NOMINATION & REMUNERATION COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1	July 01, 2020	6/6
2	September 09, 2020	6/6
3	November 05, 2020	6/6

RISK MANAGEMENT COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1	April 29, 2020	6/6
2	September 09, 2020	6/6
3	November 05, 2020	6/6
4	February 11, 2021	6/6

STAKEHOLDERS RELATIONSHIP COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1	February 12, 2021	3/3

IT STRATEGY COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1	September 09, 2020	5/5
2	March 08, 2021	5/5

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1	February 12, 2021	3/4

FINANCE COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	February 25, 2021	2/2
2.	March 08, 2021	2/2
3.	March 09, 2021	2/2
4.	March 18, 2021	2/2
5.	March 25, 2021	2/2
6.	March 26, 2021	2/2
7.	March 27, 2021	2/2
8.	March 29, 2021	2/2
9.	March 30, 2021	2/2
10.	March 31, 2021	2/2

Particulars of loans, guarantees or investments

The particulars of loan, investments and guarantee for FY 2020-21 have been provided in notes to the Financial Statements of the Company.

Regulatory Compliance

The Company has complied with all the mandatory regulatory requirements as required under the Reserve Bank of India guidelines, the Companies Act 2013, SEBI (LODR) Regulations and other applicable tax statutes and regulations.

Details of Subsidiary/Joint Ventures/Associate Companies as of March 31, 2021

As of March 31, 2021, the Company held 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 as on March 31, 2021.

The information as required under the first provision to Sub-Section (3) of Section 129 is given in Form AOC- 1 in Annexure II.

Related Party Transactions

Details of contracts or arrangements with related parties as per Section 188(1) of the Companies Act, 2013 for FY 2020-21 are given in form AOC 2 as Annexure III.

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

Details of Credit Ratings of the Company during FY 2020-21

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

Rating agency	Ratings as on April 01, 2020	Changes/revisions of rating during the year, if any	Ratings as on March 31, 2021
ICRA	ICRA BBB(Stable)	No Change	ICRA BBB(Stable)
CARE	CARE BBB(Stable)	No Change	CARE BBB(Stable)
CRISIL - Long term	CRISIL BBB+(Stable)	No Change	CRISIL BBB+(Stable)
CRISIL - Short term	CRISIL A2+ (Reassigned)	No Change	CRISIL A2+ (Reassigned)
Infomeric*	NA	New	IVR A- (Stable)

*Rating effective from May 07, 2020.

Details of Debenture Trustee of the Company as on March 31, 2021

Name of the Debenture Trustee	Complete Postal Address	Email ID and Contact Number
Catalyst Trusteeship Limited	Windsor, 6th floor, Office no.604, CST Road, Kalina, Santacruz, Mumbai – 400098	E mail ID: deesha.trivedi@ctltrustee.com Contact No: 9833630277

Declaration from Independent Directors

The Independent Directors of the Company have submitted declarations as required under Section 149(7) of the Companies Act, 2013 (“the Act”) stating that they meet the criteria of independence as provided in Section 149(6) of the Act. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act and the rules made thereunder for appointment and confirm that they are independent of the Management.

Particulars of Employees

Details of the following employees are being disclosed as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014.

S. No	Name and Age of the Employee	Designation	Remuneration (INR)	Nature of Employment and date of commencement of Employment	Qualifications and experience of the employee	Percentage of equity shares held by the employee of the total equity	Last employment held by such employee before joining the company
1.	Anil Kumar S G 49 Years	Director & CEO	1,87,13,505	Full time, June 23, 2014	Master's in management, MBA, BA, Banker with Over 28 years' experience	41.51%	CEO – IFMR Rural Channels and Services Pvt Ltd
2.	Gurunath Neelamani 57 years	Wholetime Director	85,76,206	Full time from June 21, 2017	B Sc – Physics, PGDSM – NIIT and Banker with over 31 years of experience in the banking and financial services space. Started career with TMB and moved to ICICI and served in various roles for 15 years.	0.05%	President & Director General – Wali Hotels & Resorts.
3.	Ashok Dhamankar 52 years	Group Chief Financial Officer	1,32,77,778	Full time from August 9, 2019	CA, CPA & ICAEW with more than 26 year's post qualification experience in the fields of finance, accounts, treasury, Agri, commodities, risk management, and pre-engineered buildings.	NIL	Group CFO - NCML

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 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. The policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, can be accessed at the following link:

<https://site.samunnati.com/samunnati-financial-intermediation-and-services-private-limited/>

During the FY 2020-21, your Company has not received any complaints pertaining to sexual harassment.

Statutory Auditors, their report and notes to Financial Statements

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.

The Members may note that pursuant to the applicability of Guidelines for Appointment of Statutory Auditors of NBFCs issued by Reserve Bank of India (RBI) vide ref. no. RBI/2021-22/25 - DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, as M/s Walker Chandiok & Co. LLP have already completed a term of 6 (Six) years as Statutory Auditors of the Company as of March 31, 2021, they were required to step down and consequently, had expressed their intention to resign as the Statutory Auditors of the Company with effect from the conclusion of the ensuing 7th Annual General Meeting of the Company.

Pursuant to the proposed resignation of M/s Walker Chandiok & Co. LLP, Chartered Accountants (Registration No. 001076N/N500013) as Statutory Auditors of the Company effective from the conclusion of the ensuing 7th Annual General Meeting, the Board had at their Meeting held on July 29, 2021 recommended the appointment of M/s PKF Sridhar & Santhanam LLP, Chartered Accountants (Registration No. 003990S/S200018) with effect from the conclusion of the ensuing 7th Annual General Meeting, subject to the approval of the Members of the Company, in line with the applicable provisions of the Companies Act, 2013 and the Guidelines for Appointment of Statutory Auditors of NBFCs issued by Reserve Bank of India (RBI) vide ref. no. RBI/2021-22/25 - DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021.

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 employee related fraud.

Cost Auditor and Cost Audit Report

The Company did not fall under the ambit of Section 148 of the Companies Act, 2013 during FY 2020-21.

Secretarial Audit and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, the Board of Directors had appointed Ms. Jayashree S Iyer, Practicing Company Secretary (Membership No.10394/Certificate of Practice No.21403), to undertake the Secretarial Audit of the Company for FY 2020-21. The Secretarial Audit Report in the prescribed form MR-3, is annexed as Annexure IV. There are no qualifications, reservations or adverse remarks or disclaimers made by the Secretarial Auditor in her Report dated July 22, 2021.

Compliance with the Secretarial Standards

The Secretarial Auditor of the Company has confirmed that the Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

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, 2013 read with rule 13 of Companies (Accounts) Rules 2014, the Board of Directors at their Meeting held on July 02, 2020, had re-appointed M/s T.R. Chadha & Co LLP, Chartered Accountants (Reg. No. 06711N/N500028) as the external Internal Auditors of the Company for FY 2020-21.

The Internal Auditors (both external and in-house) of the Company carried out the 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, the Company was required to appoint Information Systems (IS) Auditors 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 July 02, 2020, approved the re-appointment of M/s RGN Price & Co (Firm Registration No. 002785S) as Information Systems Auditors of the Company for FY 2020-21. The Information Systems Auditors conducted the Information System audit and confirmed that the Company is in compliance with all applicable regulations as prescribed by the RBI. The 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 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.

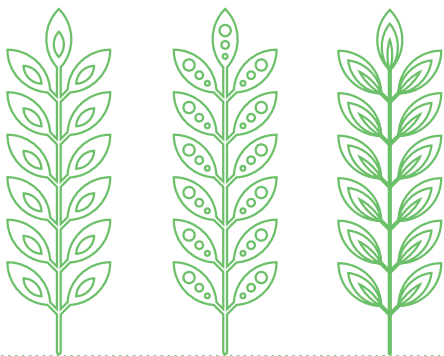


The Company has established a Board approved policy on whistle blowing and separate email addresses are designated wherein the employees or the stakeholders can report the matters falling under the purview of Vigil Mechanism. There were no complaints received under this category during the financial year ended March 31, 2021.

Corporate Social Responsibility (CSR)

In compliance with the requirements of Section 135 and Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Board of Directors have adopted a policy on CSR as recommended by the CSR committee duly constituted and the said policy is available on the Company's website.

The composition and terms of reference of the CSR Committee are detailed in this report. The update on the policy on Corporate Social Responsibility and activities of the Company is provided in Annexure-V annexed to this report.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT – OUR BUSINESS

A. Industry Structure and Key Trends of FY 2020-2021

The agriculture sector in India is providing a direct and indirect source of income for 58 percent of India's population. During the year 2020, the sector also faced critical challenges amidst the COVID-19 outbreak. A significant number of sector's vulnerabilities were highlighted; however, the country saw the resilient sector emerging strongly to take up responsibilities of stabilising a volatile economy, and showcased growth because of good monsoon and prompt interventions by Government of India. Still, there have been numerous components of the agricultural value chain which have been disrupted and are undermining the sustainability of organisations and farm workers across the country. Impact of country-wide lockdown on the Indian agriculture sector has been quite complex across different parts of the agricultural value chain. Temporary but acute shortage of labour, reverse migration, disruptions in harvest, logistics & transportation and exports were a portion of the un-anticipated challenges that agricultural ecosystem stakeholders witnessed. Liquidity crunch in rural regions further aggravated the issue.

During the COVID-19 pandemic, Samunnati has continued to follow a non-traditional approach to design custom made financial solutions, based on cashflow rather than collateral, focused on utilising buyer-sellers relationship and their social and trade capital, thus creating an excellent example of how Agri value chains can be made to work at higher equilibrium despite the challenges posed by pandemic for small and marginal farmers. Samunnati also believes that technological innovations and the new agri-market related reforms would enable the evolution of approaches and products that can help agricultural finance. An integrated value chain approach has the capabilities to highlight the untapped opportunities and present operational nuances in the value chains. Such opportunities can help us understand the financing within the value chain tailored to fit the requirements in most efficient manner.

B. Opportunities and Threats

To address the COVID-19 impact on agriculture, Government of India has taken many proactive measures to protect the interest of the stakeholders, especially the farming community. The Indian Government has addressed the setback faced by the agricultural community, among others, and introduced a stimulus of INR 1.7 Lakh Crores, for shielding the vulnerable sections from any adverse effects of the pandemic. The benefit incorporates advance release of INR 2,000 directly to the bank accounts of farmers under PM-KISAN scheme. The government's stimulus package for agriculture under "Atmanirbhar Bharat" has produced positive sentiments and will offer extended support to the sector to grow and develop adapting to the constantly evolving COVID-19 conditions. The Reserve Bank of India (RBI) had permitted banks and Financial Institutions to offer a moratorium on agricultural term and crop loans for a period of 3 months in first quarter of FY 2020-2021. Increased liquidity for Companies working in Agri space has also been a focus for the Government.



With significant uncertainty in the yield and harvest due to the unpredictable rainfall and ongoing crisis, the agriculture sector has continued to operate at a higher risk. The industry has been acknowledging insurance as a viable product to mitigate the production related risks. Insurance is likely to continue as a focal point for Public and Private Companies considering the risk profile of the Agri sector and we believe the mitigation of the production related risk in agriculture will continue to become an important dimension in the next year as well. With the nationwide introduction of two indemnity and parametric-based programs, Pradhan Mantri FasalBima Yojana (PMFBY), and the Restructured Weather-Based Crop Insurance Scheme (RWBCIS), the crop insurance in India will be undergoing significant changes.

COVID-19 has enhanced the use of technology in a variety of industries. Digitisation is emerging as a key trend in Indian agriculture, and it will be crucially significant in the post-covid period as well. Currently, over 1.25 Lakh panchayats in India are reported to have internet connections. Online connectivity and work-from-home would continue to be the vital linkage between people working in organisations to keep things rolling. At Samunnati being exclusively in the agri-space, we would nonetheless require keeping a touch and feel with the clients on the ground as well. The pandemic has impacted the capital infusion and the capital streamlining of many Companies. With the outbreak of second wave of COVID-19, we expect a very lean business development in the first quarter of FY 2021-22 depending on the severity and duration of the second wave.

C. COVID-19 Second Wave and Related Challenges

Rural India has been significantly affected by the second wave of COVID-19 and predominantly in many rural districts, the number of active COVID-19 cases are reported to be up to ten times higher than what it was in the first wave of the pandemic in the month of September 2020. The share of predominantly rural districts in new cases in April 2021 was up from 21% in March 2021 to 30%, according to a report released by CRISIL Ltd. India's agriculture sector could prove to be a collateral damage to this second wave of the pandemic. Farmers are staying away from the markets, resulting in lower prices of the agri-produce, meanwhile the agri-prices continue to rise globally owing to dry weather in major producing countries. Due to the fear factor and lockdown restrictions, local markets in India are mostly either shut down or have stipulated operational timings.

In rural India, agriculture is only a portion of the income generated while remaining comes from non-agricultural activities, a very large part of which is services of various kinds - which would get impacted due to the mandis not being operational. Operational mandis are currently working at capacities around 40% and due to the uncertainty regarding the pandemic, there are frequent price variations. Government has been taking steps to decongest the markets and to ease the flow of produce, and the Electronic National Agriculture Market (e-NAM) application has been revised with modules on procurement, logistics and farmer-friendly interface for advance registration of the produce for sale. Due to the lockdown, there is reportedly a shortage of farm labour, which can impose significant challenges for the upcoming Kharif season.

Our learnings and experiences from last year would prove critical in defining how India can deal effectively with the second wave of COVID-19, where emphasis should be given on infrastructure, capacity building and efficiently managing supply chains to connect to the smallest farmer and most remote parts of the country.

Vertical wise or sector wise performance of the Company

a. Agri Enterprise (AE)

In FY 2020-2021, Samunnati expanded its AE base to 393 clients with an addition of 60 new AE clients as compared to 333 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 2020-2021, the total disbursements stood at INR 17,440 MN, a 7.38% increase when compared to INR 16,240 MN in previous Financial Year. The average portfolio yield stood at 19.09%. 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 sets of market participants.

b. FPO

Samunnati had an overall strong growth in FY 2020-2021, with the disbursements increasing at 7.38% from INR 16,240 MN in FY 2020 to INR 17,440 MN in FY 2021 with an outreach to over 800 FPOs in FY 2021 compared to 647 FPOs in FY 2020.

- **FPO Training and capacity building**

Institution Development and Capacity Building of Farmer Producer Organisation connotes programmes of sustainable and constructive change in organisations which are designed to make farmers/producers better at doing what they already do, and more efficient; change the character of institutions by modifying their goals and strategies, cultures, ways of functioning, management styles and so on.

- **Capacity Building**

With the help of a standardised Inhouse Diagnostic assessment tool an assessment study is performed for each engaged FPO. 20+ assessments were carried out using the Institutional Development framework and detailed diagnostics are prepared to understand the FPC strengths and weakness. Samunnati has conducted a total of 110 Capacity building workshops for the FPO in the FY 2020-21 in the states of Bihar, Orissa, MP, Maharashtra, Karnataka and Tamil Nadu.

- a. Amid COVID-19 Zoom sessions were organised for project FPCs with content-based modules like legal compliance, book-keeping, applying input license. Zoom link availability, video recording and efficient participant feedback redressal system was ensured during the trainings organised during the months of March – September 2020 where a total of 64 online training sessions were conducted.
- b. Field Training resumed since October 2020 with holistic modules with FPO requirements and deploying need-based trainings with internal expertise and external resources. 70+ Training sessions have been conducted along with frequent handholding exercise. Following are the focus domains and modules of trainings.



- Strengthening Governance of the FPO – Need for FPO Formation, Board of Directors Alignment, Roles and Responsibilities of CEO and Board of Directors, Need for FIG formation, Activations of FIGs, Efficient management of FPO activities- Standard Operating Procedures setup.
 - Improving the Revenue Streams – Training on new business ideas, Business Planning, Financial Planning, Business proposal for additional revenue streams, market quality specifications of commodity trade.
 - Need Based Trainings – Crop cultivation practices to improve yield or quality, Technology initiatives that can be implemented at Farmer level, Legal Compliance and timely filing, zero tillage, Insect and Pest management, Digitisation and Pay card.
 - Building connects between FPOs enhanced the business knowledge and widens business opportunity.
- c. Post training, hand holding sessions are planned by the relationship managers of the team. Group discussion with FPO Board to address immediate challenges, advisory service and market linkage facilitation is ensuring continuous engagement process with the FPOs.

Samunnati continues to have a plan for the year of 2021-2022 where it includes having handbook preparation, developing FIG reactivation module, standardisation of business plan templates, planning POP Trainings, deployment of tech-based pilots and trainings focusing on trade initiatives and encouragement for options.

Another important aspect of the training is the gender trainings where Samunnati has hired experts to prepare the Gender Strategy for the FPOs. Samunnati's Project team conducted a field visit for data collection in four states for the following FPOs- Shanthi Sagar FPO, Satkosia/Banarpal FPO, Devanadhi FPO and Dholisakra FPO. A total of 8 gender trainings were conducted during the FY 2020-21. Based on field experiences, the core components of gender inclusion approach include selection of core group, orientation and implementation of gender plan.

Some of the new initiatives and business improvement that have been taken up by Samunnati are FPOs planning approaches to diversify streams, digitalisation and robocalling, market linkage and quality standards and policy related discussions.

Farmer Development Centers

Farmer Development Centers (FDC) is a physical store that is set up at the Farmer Producer Organisation (FPO) premises under the franchise business model as a one-stop solution for all farmers' needs. The model will leverage the power of aggregation to make available high-quality products at the right time and at economical prices. The technology infrastructure & digitisation will drive efficiency, ease of doing business at the store level & will provide opportunity to leverage the benefits of analytics for the system.

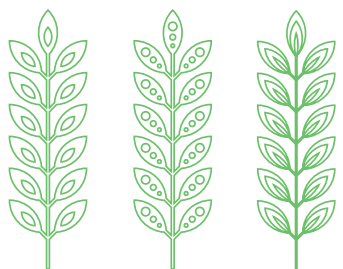
FDCs would enhance the learning ecosystem for the farmers through the 'model farmer initiative' & advisory services through its partners. It would extend its coverage to include farm output market linkages, farm machinery, insurance and other value-added services.

FDCs are owned, operated and managed by the FPOs. eFresh will facilitate the procurement of quality inputs from leading brands and manufacturers based on the demand of the FDCs. Samunnati strengthens the FDCs by providing financing, market linkages, advisory services, and the introduction of advanced technologies through its AMLA [Aggregation, Market Linkage and Advisory] Approach. Overall, the benefits to FPOs through FDCs are as follows:

- Customised software for digitisation of data & records, statutory compliances
- Spreading good agricultural practices through model farmers program
- FPO team can focus more on identification and provision of value-added services.
- Enhanced farm output market linkages through traceability and quality specifications
- Additional income generation through farm machinery hiring, insurance and other digital services linkages.

Aligned with our mission to make markets work for smallholder farmers, Samunnati in partnership with eFresh, Agri business Solutions has inaugurated 15 FDCs - 10 in Maharashtra, 3 in Gujarat and 2 in Rajasthan in the month of October 2020.

As on March 31, 2021, Samunnati promoted 72 Farmer Development Centres in partnership with eFresh.





PRODUCT AND INNOVATION

In FY 2020-21, Samunnati focused on multiple digital interventions. Few of them are listed below:

Samunnati's PayCard Solution

The PayCard is an innovative credit delivery mechanism to meet the production credit requirements of the farmers in a timely and hassle-free manner. The solution was launched in FY 2019-20 with the scope of digital payments is huge and can facilitate better access to financial services for smallholder farmers by lowering transaction costs, providing flexibility, and improving convenience. Once smallholder farmers experience digital payments, it will allow them to conduct fast, easy, safe, low-cost transactions in small amounts on their Pay card and mobile phones. This facilitates shifting from cash to digital for all their crop cycle requirements.

- i. i. In FY 2020-21, the PayCard was designed, developed, and tested for card-based payment solution for the deployment with the farmers.
- ii. ii. Samunnati presented the PayCard in the Visa Everywhere Initiative (VEI) India 2020 and won the B2B Challenge from a total of 400+ applications.
- iii. iii. A pilot was initiated for the introduction and testing of acceptance of Pay-card solution by farmers through FPOs across 4 states (Bihar, Maharashtra, Karnataka, and Madhya Pradesh).

Current extraordinary circumstances (COVID-19), highlight the importance of digital transformation in agri ecosystem. Aligning to the changes in agri ecosystem, deployment of Pay card solution will be an important step towards creating transparent and economically viable value chains for the ecosystem players.

Samaarambh- Samunnati's Agri Startup Engagement Platform

While working with Agri startups, Samunnati discovered the prime intricacies that Agri startups and Agtech players face and come across during Ideation, Launch and Growth stage and launched the Agri Startup Engagement Platform - "SAMAARAMBH".

The platform aims at integrating and enhancing capabilities of agristartups and AgTech players that are innovating solutions in the fields of fintech, mechanisation, IoT, Value added services, Warehousing and Storage, Inputs, Advisory and many other diverse portfolios to benefit the agriculture ecosystem. The platform aims to provide an array of support services such as financial, advisory and market linkage solutions to enable innovative Agri start-up enterprises to grow.

Samaarambh aims at:

- i. Engaging with more agristartups and deepen the reach to promote and enable them to make markets work for small holder farmers.
- ii. Initiating Pilots for the deployment of technologies provided by the startups for better reach of technology.
- iii. Connecting to idea phase agristartups to nurture and support the ecosystem by connecting to incubators, and other similar entities.
- iv. Developing new customised solutions for startups based on the learning in the first year of operations.
- v. Innovating more services/solutions to be offered to startups for better engagement and nurturing.

During the pandemic, most start-ups faced a gap in working capital and market linkage and hence Samaarambh witnessed a good number of registrations and engagements from the startups. The team witnessed a wide range of start-ups registering on the platform pertaining to stage of the startup, geography, mode of operation, sub-sectors, value chains, etc.

Samaarambh was launched on August 15, 2020 and over 250+ agristartups have registered for more than 450 engagement opportunities. Through Samaarambh, Agri Start-up Funding Committee has sanctioned INR 1500 Lakhs to the agri start-ups.

Agri Elevate

The key challenges faced by FPOs, as well as the ecosystem players trying to address their issues include information asymmetry, lack of access to network channels and financial intermediation. As an ecosystem leader, Samunnati launched Agri Elevate on National Farmer's Day in FY 2020-2021.

Agri Elevate, an online platform acts as a self-functioning ecosystem, all the agri ecosystem players, including but not limited to incubators, lenders, new age start-ups, agri ecosystem solution providers can interact with each other to serve their needs. Further, Farmers & their collectives as FPOs will be at the core for all initiatives of this platform and will be the primary beneficiaries of this initiative.

Agri Elevate operates as a 'neutral platform' with linkage to Samunnati's products and services being kept separate from this platform. Therefore, this Platform will be a not-for-profit initiative spearheaded by Samunnati, with the sole aim to facilitate connections in the agri-eco-system. Since the launch, 180+ FPOs and 73+ individuals have registered on the platform and 235+ agri enterprises registered across 6 main categories and 10 Subcategories.

Various digital solutions for the FPO were under pilot in FY 2020-2021 and was beta tested. Both the platforms were, officially launched in April 2021.

- **AgFinMart** - An initiative from Samunnati seeking to build FPOs as an asset class- facilitating the participation of mainstream banks and financial institutions. This portal enables FPOs to explore financial solutions for their business needs.
- **FPO Gateway** - A single port of call for the Farmer Producer Organisations (FPOs) to interact with the Agri Eco System and vice-versa. It is a technology platform that delivers different products and solutions to the FPO from Samunnati as well as from other eco system partners.



SUBSIDIARIES

A. Samunnati Agro Solutions Private Limited

Samunnati Agro witnessed a 29.1% growth in the turnover with INR 7,647.75 MN compared to INR 5,924.92 MN in the previous year and trade receivables of INR 2,719.66 for the year compared to INR 1,595.68 MN in the previous year.

a. Samunnati Trade Solutions

During the year, the Company, to expand its market presence has continued its engagement with E- Market auction platforms like NCDEX e Markets Limited (NEML) and others to widen its presence in the Government purchase market and has provided trade solutions of over INR 120 MN to suppliers supplying to various state agencies. Apart from this, Samunnati Agro has onboarded Exchange members such as ANDROMEDA, SMC and FINDOC as Samunnati Associates during FY 2020-21 to leverage on the opportunities of market linkages available through them. Samunnati Agro did INR 150 MN of trade business through clients introduced by these SAs.

b. Market Linkages

Samunnati Agro Solutions has extensively engaged with FPOs to establish market linkages for their produce. Commodities like Maize, Soybean, Castor etc produced by these entities were sold to large institutional buyers, where Samunnati Agro solutions provided market Linkage, providing benefit of assured market and better prices for FPOs.

In FY 2021, 200 FPOs and 282 institutional buyers were onboarded for market linkages across six States (Gujarat, Maharashtra, Telangana, Andhra Pradesh, Madhya Pradesh and Tamil Nadu) and have successfully traded 181 commodities via bill-to-ship to model.

SAMUNNATI FOUNDATION

Samunnati Foundation intends to focus on innovation led social impact. It has designed a few projects and activities and commenced some of them. Significant progress is expected during FY 2021-22.

NETWORK ECOSYSTEM

Aligning to the changes in Agri ecosystem, Samunnati believes that deployment of technology and digital solutions is an important step towards creating transparent and economically viable value chains for the ecosystem players.

ET Virtual AgTech Summit 2020

Samunnati was the Title Partner of the Virtual AgTech Summit 2020 hosted by ET. This was India's 1st Virtual Summit on AgTech with the theme: "Envisioning Business Growth: Disruptive Technologies: IN and POST COVID Era". The Summit initiated thought provoking discussions and advocated technology innovation and practices for business growth at the time of crisis. Samunnati believes that as an ecosystem player it has a responsibility to make tailor-made tech solutions for small holder farmers and farmer collectives in the areas of access of input (financial and non-financial), farmer data management, market linkages and more

Webinars

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. 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 grassroots perspectives from the agri practitioners, Samunnati also organised regional webinars in 5 vernacular languages.

Virtual Round Table Discussion

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 May 16, 2020.

National Consultative Workshop

Samunnati brought together ~50 representatives from FPO Federations across the country in co-creating a roadmap for 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 and the prioritisation of the same.

AWARDS AND RECOGNITION

ET Start-up Award in Social Enterprise

For the scale and complexity of the challenges that it is attempting to tackle in agricultural finance through its market-linkage model, Samunnati won the award for being best start-up in social enterprise category.

Visa Initiative

Samunnati won India’s first-ever Visa Everywhere Initiative for transforming B2B Payments with our digital payment’s solution. In 2020, Samunnati was selected by Visa Initiative as one of the 11 start-ups for the Visa Everywhere Initiative which tasks start-ups to solve the payment and commerce challenges of tomorrow.

Real Leaders Award

Samunnati secured a place (Rank 83) in Top 100 Companies globally, under the Real Leaders Impact Award 2020 - the premier ranking of Companies making a positive impact on their communities and the world. The Award honours the companies that are achieving great financial, environmental and social returns by creating value for all their stakeholders.

Great Place To Work

Samunnati’s unparalleled commitment to growth despite setbacks and trying times has helped it to be certified as a Great Place To Work®.



ISO Certification

Between the 18th to 20th of March 2021, both Samunnati Financial Intermediation & Services Private Limited and Samunnati Agro Solutions Private Limited were successfully certified as ISO 9001:2015 compliant. Quality is a way of life at Samunnati and an independent verification by a certification body adds more value. This certification will help in strengthening the organisation through standardisation of processes, enhance Samunnati as a brand in the market thereby boosting investor confidence.

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 borrowers through robust processes and effective communication.

Climate Smart Agriculture

Samunnati, with its inclusive approach acknowledges the effect of climate change on agriculture and aims at committing its resources to promote sustainable practices across agri-value chains. Through financial intermediation, Samunnati continued to infuse liquidity into initiatives which bring in food security and resilience into agriculture while the focus also went into activities such as agro-forestry, organic cultivation etc.

which contributes towards reduction in greenhouse gas emission. Overall, INR 352 Crores was deployed across various financial solutions and included activities from millet cultivation in drought-prone regions of Tamil Nadu to funding biofuels to replace wood & fossil-fuel. An estimated 15% of the Company's overall disbursement was towards climate smart agriculture covering 554 farmer collectives and 579 enterprises during FY 2020-21. Samunnati aims to focus on promoting climate smart agriculture and monitor the impact generated over time.




Samunnati, FPOs 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-communicable 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





HUMAN RESOURCES

A large part of FY 2020-21 entailed work from home across all locations on account of the pandemic and related lockdown. During this period, as part of its employee well-being programme, Samunnati had rolled out several new initiatives like 100%++ projects, HR Samvad, Sam-Milan, Sam-Mitr, etc. All these initiatives were launched and implemented virtually, with an idea to upscale the learning culture and collaboration between the members despite being connected virtually. The Company also ran several sessions of Living True North to reiterate our Vision and how each one of us associate to it.

As on March 31, 2021, Samunnati Group (the Company and its subsidiaries) had a total of 446 employees on its payroll. To meet the needs of the growing business the Group has onboarded 130 employees in FY 2021 across verticals through various sources like LinkedIn, Naukri and Campus recruitments. We have conducted smooth onboarding of 74 Management Trainees amidst the pandemic with focused training programs and defined learning expectations. HR Team at Samunnati also facilitated various training programmes on Induction, policies awareness and online courses etc. Around 10 batches of Samunnati Swaagat (Induction program) were conducted covering total onboarded employees, with average batch size of 8 participants. A focused training program on agri value chain and finance (AVCF) was conducted that covered 100 participants. At organisation level, several knowledge management sessions like 'Samtalks' and policies awareness sessions were conducted covering topics on Prevention of Sexual Harassment at Workplace, Vigilance awareness, Travel policy, etc.

We conducted several Townhalls and CEO meetings with small regional groups to address Pandemic and related queries. To revamp and enhance the goal setting process, OKRs (Objective and Key Results) were implemented at organisation level with various identified champions to drive the initiative. We also introduced Feedback as a part of performance management process and encouraged employees and managers to request/give feedback. ~Over 250 employees have been recognised on performance and on making impact. We conducted two half yearly reviews at organisational level for documentation of annual performance by self and respective reporting managers/functional heads/additional reviewers.

TECHNOLOGY RELATED UPDATES

Technology Initiatives

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
- Virtual meetings, reviews, planning and mobile based learning sessions help reduce carbon footprints.

Core Systems Updates

Having envisioned the significance of cutting-edge technology and data driven decision making, we have implemented three major systems in FY 2020-2021 to support the core business and enabling functions:

i. Loan Management System (LMS):

During the year, it was decided to implement a more robust, sophisticated application to meet our growing business and compliance requirements. Oracle Loans from Oracle Corporation has been implemented and is currently being run in parallel. This system meets RBI and other regulatory requirements such as limit management, audit trails and so on.

ii. Loan Origination System (LOS):

The Company has developed an in-house one stop solution systematic workflow that will route the application to different stages like Credit Underwriting, Committee, Sanction, Post Sanction Documentation, Disbursement etc., thereby tracking the entire loan management process.

iii. Sun Infor:

Sun Infor ERP was implemented during FY 2020-21 to meet all aspects of finance, including accounting measures, revenue and expense schedules, wages, and balance sheet verification. Sun Infor ERP system is live for NBFC business.

iv. Deferral Tracking System (DTS):

This system helps to tracks all the deferrals given to customers till the closure. A fully automated system triggers periodic alerts to Regional Managers (RMs) and other stakeholders for the pending deferrals.

v. Integrated Document Archival System (i-Das):

All customer KYC as well as loan documents were converted into soft copies and uploaded in this system. Users can search and download any documents from this system very easily.

vi. Legal Management System (Lgl):

This system used to track all Legal Service Request across the organisation and maintains the history of all legal proceedings.

vii. Risk Management System (Rsk):

This system helps the Risk Monitoring to digitise their entire customer visits as well as automatic DN generations.



viii. Power BI:

Power BI is a cloud based data analysis tool, which is used for reporting and data analysis from wide range of data source. Power BI is powerful and mature enough so is used in Samunnati for complex data mash-up, modelling, and generating dashboard reports based on the LMS & financial data. It is both web and mobile based tool used by Samunnati which is hosted in Azure cloud.

Other Technology Initiatives

a. FPO Gateway

FPO Gateway is the first port-of-call for FPOs to interact with the Agri Eco System players and vice-versa. This is the single largest platform that delivers AgriTech solutions from Samunnati as well as other eco system partners to FPOs and their member farmers. It also enables Samunnati to provide its Aggregation, Market Linkage & Advisory (AMLA) services to the Agri value chains.

FPO Gateway is available in Web and Mobile Application versions and in 6 different languages.

b. Business Management System (BMS)

Accounting & Finance Solutions for FPOs, Digitising transaction data helps the FPO manage their business in a much more efficient way. BMS is a system that provides point-of-sale, accounting and rich analytics and reports on a single platform.

BMS is envisaged to become the 'Tally for agriculture' with its customised UI that suits the needs of FPOs and their member farmers.

FPO Gateway and Business Management System (Accounting) form a 'Digitisation suite' for FPOs to do smart business. 825+ FPOs have registered on the platform so far.

c. Financial Marketplace (AgFinMart)

AgFinMart is a platform where Farmer Producer Organisations (FPOs) can explore loan products for their business requirements whether it is for their working capital needs or some long-term activities. Once an FPO submits a loan application, multiple financial institutions (FIs) will be able to review and show interest in lending to the FPO.

Samunnati brings in its expertise of understanding the FPO landscape well and through 'FPO Gateway', it has the unique ability to help assess an FPO in the least possible time.

d. Samunnati Academy for FPOs

Information asymmetry is the key issue that needs to be resolved in the Agri sector and Samunnati understands that very well. Farmers and farmer collectives need a lot of information on a day-to-day basis. FPOs also have many training needs on various topics like 1) How to set up an FPC, 2) What are essential qualities of a CEO and/or Board of Directors, 3) How to conduct an Annual General Meeting, 4) How to engage well with the FPOs member farmers, 5) What kind of leadership will make the FPO successful in business as well as create social impact etc.

The 'Samunnati Academy for FPO' has several courses and stand-alone videos that provides self-paced learning opportunity for FPOs, their staff and their member farmers. The platform is envisaged to be the 'LinkedIn Learning of Agriculture'.

e. FPO Grading and Engagement and Know Your Member Surveys

- **FPO Grading & Engagement**

Grading tools assess the performance of FPO parametrically. The analysis is made based on eight indicators- Governance, Compliance, Accounts and Finance, Outreach, Management, Operations, Technology & Services, and Socio economic and environmental impact.

Engagement tool helps to understand the aspiration of FPO with respect to the areas like input business, output business, Sorting and grading facility Processing facility, Packaging facility, Custom hiring centre.

- **Know Your Member Project**

A 'Know Your Members (KYM)' survey is conducted with about 125 questions for the farmer to digitise information about them, their family, the crops they grow, the farm- land that they own or lease, the irrigation techniques they use, the livestock they own, the equipment that they own, whether they have any insurance etc.

Most FPOs and Farmers realise that it is very important for them to digitise their profiles so they can gain better access to the markets and to improve their borrowing capacity.

10,000+ farmers are digitised across 30 FPOs under KYM project so far.

f. Kisan Connect App

Status- Work in Progress

Kisan Connect is an application for farmers associated with FPOs registered on FPO Gateway, enabling farmer data syncing (membership, crop details, etc.) & making communication between farmers & their FPOs easier.

Kisan Connect focuses on Strengthening FPO-farmer interactions, Farmer data management, Crop health management for farmers, Weather & price information, Crop Advisory, Alerts & notifications.

So far, we have completed two sprints & testing of features - Basic Farmer Profiling, , Hyper-local Weather prediction for Hourly and next 7 days + extreme weather alerts, Price Dissemination across State/Mandi/Commodity/Variety wise trends, Notifications from FPO to farmers on Information dissemination/collection of responses on input and output demand and available in 5 different languages.

g. Dashboards

MIS dashboards provided at different levels of aggregation. RI/POPI/Consortium/ Federation, FPO, FIG/SHG/JLG, Member-Crop-Village.



Risk Management and Concerns

COVID-19 pandemic has impacted the economy, institutions and livelihoods worldwide, besides taking a huge toll on human lives. Agriculture and Agro based industry were the only sectors that recorded growth and contributed significantly to the GDP in FY 2020-21. Cumulative impact of slowdown in all sectors had a bearing on the functioning of banking and financial sector. FY 2020-21 was characterised by challenges arising out of the impacts of complete lockdown, liquidity crunch, high defaults and increased levels of NPAs. Government's supportive measures like grant of emergency lines of credit backed by Government guarantee and restructuring of loans rescued the industrial units and businesses, especially those in the vulnerable MSME sector. RBI's proactive measures like providing additional liquidity and softening the IRAC norms, helped the Banks and NBFCs to weather the storm. Samunnati, through its robust risk management practices followed in underwriting and monitoring of loans, cautiously treaded the path by supporting the needy small farmers and garnering fresh business in the last two quarters of the year. The company also built sufficient liquidity cushion to meet its business and debt commitments.

Approaches to Risk Management

The ever-changing terrain of financial markets has made the Risk Department a very critical part of the organisation. Last year the Company has adopted an ERM Framework which defines the Risk metrics aligning with the strategy of the Company, and has also focused on its governance, with well-defined procedures. During the year, despite working under challenging environment the Company has managed the Operational Risk well, by monitoring the performance of Key Risk Indicators, across all departments. Samunnati has further enhanced the Credit Risk management by closely monitoring the performance of individual relationships through identification of early warning signals and initiate appropriate action.

During the FY 2020-21, the Company developed an inhouse internal risk rating scoring model for all business verticals, which provide the real time portfolio performance and classification of portfolio exposure into High, Medium, and Low risk category.

The risk management approaches followed are:

- 1. Account Acquisition** - This involves careful selection of customers based on its defined credit policy. Clear definition of prudential norms in terms of client wise exposures, sector wise exposures are defined and monitored through a strong governance mechanism.
- 2. 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, ascertaining end use of funds and assessing early warning signals.

3. **Portfolio Management** – A strong follow-up and collections team and Risk Monitoring department, supported by daily MIS on the portfolio performance aid the Company's efforts to have a satisfactory loan book, in tune with the risk appetite.
4. **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 in the organisation.
5. **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.

 - a. **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.
 - b. **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.
 - c. **Review and Revision:** By reviewing entity performance, an organisation can consider how well the enterprise risk management components are functioning over time, and what revisions are needed, when required.
 - d. **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.

This year the focus area of interest for risk department is to further enhance the risk management practices like

- Automated real time tracking of all key risk indicators, which will reduce the risk reporting turnaround.
- Further improve our Operational Risk Management by using model-based approach.
- Considering advance analytics practices for improving risk scoring model, that helps to identify emerging risk and take appropriate preventive action.



Directors' Responsibility Statement

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

- a. In the preparation of the annual accounts for the FY ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the of the Company as March 31, 2021 and of the profit and loss of the Company for that period;
- c. The directors had taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual accounts on a going concern basis;
- e. The Board of Directors have laid down internal Financial Controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Conservation of Energy, Technology Absorption

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

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

- linking buyers and sellers using online market linkage platforms like NCDEX and reducing the multiple movements of the produce thereby reducing transportation costs and carbon emissions.
- Recycling and reduced usage of paper
- Energy efficient lighting in its offices
- Introduction of mobile based training app
- Usage of solar power
- Virtual meetings, reviews, planning and mobile based learning sessions help reduce carbon footprints.

Conservation of Energy

S. 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	NA	Outflow
Current Year	Nil	INR 17.46 MN
Previous Year	Nil	INR 3.14 MN



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, Members, 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.

Gurunath Neelamani
Wholetime Director
DIN: 02799586

Anil Kumar S G
Director & CEO
DIN: 01189011

Place: Chennai

Date: July 29, 2021



ANNEXURE - I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2021 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 Company	Non-Government

- v) Details of Stock Exchange where shares are listed BSE Limited (Debt Listed)
- vi) 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	100	2(87)

IV. (A) (I) SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % TO TOTAL EQUITY)

Category of Members	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Increase	Decrease
A. Promoters										
(1) Indian										
a) Individual/HUF	2,38,257	5,000	2,43,257	42.39%	2,38,257	5,000	2,43,257	42.39%	-	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	2,38,257	5,000	2,43,257	42.39%	2,38,257	5,000	2,43,257	42.39%	-	-
(2) Foreign									-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)										
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	2,38,257	5,000	2,43,257	42.39%	2,38,257	5,000	2,43,257	42.39%	-	-
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-

IV. (A) (I) SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % TO TOTAL EQUITY)

Category of Members	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	19,746	-	19,746	3.44	19,746	-	19,746	3.44	-	-
ii) Overseas	83,304	7,937	91,241	15.90	83,304	7,937	91,241	15.90	-	-
b) Individuals	-									
i) Individual Members holding nominal share capital upto INR1 lakhs	3334	2760	6094	1.06	3334	2760	6094	1.06		
ii) Individuals Members holding nominal share capital in excess of INR 1 lakhs	-	-	-	-	-	-	-	-	-	-
c) Others [ESOP Trust]	-	2,13,523	2,13,523	37.21	-	2,13,523	2,13,523	37.21	-	-
SUB TOTAL (B)(2):	106384	224220	330604	57.61	106384	224220	330604	57.61	-	-
Total Public Shareholding	106384	224220	330604	57.61						
	106384	224220	330604	57.61	106384	224220	330604	57.61	-	-
(B)= (B)(1)+(B)(2)										
C. Shares held by Custodian										
For	-	-	-	-	-	-	-	-	-	-
GDRs & ADRs										
Grand Total (A+B+C)	3,44,641	2,29,220	5,73,861	100%	3,44,641	2,29,220	5,73,861	100%	-	-

(II) SHARE HOLDING OF PROMOTERS (EQUITY SHARE CAPITAL)

S. No.	Members' 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	
1.	Anil Kumar S G	2,38,257	41.51%	-	2,38,257	41.51%	-	
2.	K. Seetha Lakshmi	5,000	0.87%	-	5,000	0.87%	-	
	Total	2,43,257	42.39%	-	2,43,257	42.39%	-	

(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	% of Shares pledged encumbered to total Shares	No of Shares	% of total Shares of the Company
1.	At the beginning of the year	2,43,257	42.39%	-	2,43,257	42.39%
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.)	No change during the year				
3.	At the end of the year	2,43,257	42.39%	-	2,43,257	42.39%

(IV) SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL) OF TOP TEN MEMBERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sl. No	Top Ten Members	Category	Shareholding at the beginning of the year		Shareholding at the end of 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	Foreign Body Corporate	75,733	13.19	75,733	13.19
2.	Elevar M III	Foreign Body Corporate	7,571	1.63	7,571	1.31
3.	Elevar I-IV AIF represented by its trustee Vistra ITCL India Limited	Indian Body Corporate	19,746	3.44	19,746	3.44
4.	responsAbility Agriculture I, SLP	Foreign Body Corporate	7,637	1.33	7,637	1.33
5.	Ms. Poorna Pushkala, (Trustee of Samunnati Employees Stock Option Plan Welfare Trust)	Trust	2,13,523	37.20	2,13,523	37.20
6	Nitin Chaudhary	Individual	2,815	0.49	2,815	0.49
7	Gurunath Neelamani	Individual	1,200	0.21	1,200	0.21
8	Sridhar Easwaran	Individual	1,080	0.19	1,080	0.19
9	Ritesh Nair	Individual	519	0.09	519	0.09
10	Poorna Pushkala	Individual	450	0.08	450	0.08

(V) SHAREHOLDING OF DIRECTORS & KMP (EQUITY SHARE)

Sl. 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	2,38,257	41.51%	2,38,257	41.51%
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.)	No change during the year			
iii)	At the end of the year	2,38,257	41.51%	2,38,257	41.51%
i)					
ii)					
2	Mr. N. Gurunath – Wholetime Director				
i)	At the beginning of the year	1200	0.05%	1200	0.05%
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%

IV (A) (i) SHAREHOLDING PATTERN

(PREFERENCE SHARE CAPITAL BREAK UP AS % TO TOTAL PREFERENCE)

Category of Members	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	-	-	-	-	-	-	-	-	-	-
i) Indian	99,340	-	99,340	6.15	99,340	-	99,340	6.15	-	-
ii) Overseas	7,41,681	7,37,324	14,79,005	91.51	7,53,023	7,25,982	14,79,005	91.51	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual Members holding nominal share capital upto INR1 lakhs	-	-	-	-	-	-	-	-	-	-
ii) Individuals Members holding nominal share capital in excess of INR 1 lakhs	37,850	-	37,850	2.34	37,850	-	37,850	2.34	-	-
c) Others	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	8,78,871	7,37,324	16,16,195	100.00%	8,90,213	7,25,982	16,16,195	100.00%	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	8,78,871	7,37,324	16,16,195	8,78,871	8,90,213	7,25,982	16,16,195	100.00%	-	-
C. Shares held by Custodian For GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	8,78,871	7,37,324	16,16,195	8,78,871	8,90,213	7,25,982	16,16,195	100.00%	-	-

(iii) SHARE HOLDING OF PROMOTERS (PREFERENCE SHARE CAPITAL)

S. No.	Members' 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	
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	% of Shares pledged encumbered to total Shares	No of Shares	% of total Shares of the Company	% of Shares pledged encumbered to total
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					
3.	At the end of the year	-	-	-	-	-	-

(V) CHANGE IN PROMOTERS' SHAREHOLDING (PREFERENCE SHARE CAPITAL) (SPECIFY IF THERE IS NO CHANGE)

S. No.	Top Ten Members	Category	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	Foreign Body Corporate	3,74,949	23.20	3,74,949	23.20
2.	Elevar M III	Foreign Body Corporate	3,78,074	23.39	3,78,074	23.39
3.	responsAbility Agriculture I, SLP	Foreign Body Corporate	3,66,594	22.68	3,66,594	22.68
4.	Teachers Insurance and Annuity Association of America	Foreign Body Corporate	2,26,730	14.03	2,26,730	14.03
5.	Accel Growth Fund V L.P	Foreign Body Corporate	1,10,075	6.81	1,10,075	6.81
	Allotment of 1,10,075 Preference Shares on 24.05.2019		-	-	1,10,075	6.81
6.	Elevar I-IV AIF represented by its trustee Vistra ITCL India Limited	Foreign Body Corporate	99,340	6.15	99,340	6.15
7.	Ramaraj Rajasekhar	Individual	37,850	2.34	37,850	2.34
	No Increase or Decrease		-	-	37,850	2.34
8.	responsAbility SICAV (Lux) Micro and SME Finance Leaders	Foreign Body Corporate	22,583	1.40	22,583	1.40

(VI) SHAREHOLDING OF DIRECTORS & KMP (PREFERENCE SHARE)

S. No.	Members' Name	Shareholding at the beginning of the year		Shareholding at the end of 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. Gurunath N – Wholetime Director				
(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 (INR in MN)				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,513.51	-	-	4,513.51
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	50.10			50.10
Total (i+ii+iii)	4,563.61			4,563.61
Change in Indebtedness during the financial year				
Additions	6,917.75			6,917.75
Reductions	3,919.93	-	-	3,919.93
Net Change	2,997.82	-	-	2,997.82
Indebtedness at the end of the financial year				
i) Principal Amount	7,511.33			7,511.33
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	109.75	-	-	109.75
Total(i+ii+iii)	7,621.08	-	-	7,621.08

IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime Director, Executive Director and/or Manager

Sl. No	Particulars of Remuneration	Name of the MD/WTD	Total Amount (INR)
1.	Gross salary	Mr. N. Gurunath (Wholetime Director)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	8,126,206.00	8,126,206.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	450,000.00	450,000.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock option*		
3.	Sweat Equity	-	-
4.	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5.	Others, please specify	-	-
	Total (A)	8,576,206	8,576,206
	Ceiling as per the Act		NA

*This represents the total number of Stock options available as on March 31, 2021 after exercise of vested options

**B. REMUNERATION TO OTHER DIRECTORS**

Sl. No	Particulars of Remuneration in INR	Name of the Directors			Total Amount (in INR)
1.	Independent Directors	Mr. Sunil Gulati	Mr. N. Srinivasan	Dr. Venkatesh Tagat	
	(a) Fee for attending board & committee meetings	7,80,000	6,85,000	5,10,000	19,75,000
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	7,80,000	6,85,000	5,10,000	19,75,000
2.	Others, please specify				
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (2)	-	-	-	-
	Total Managerial Remuneration (Total=(1+2))	7,80,000	6,85,000	5,10,000	19,75,000
	Overall Ceiling as per the Act.	NA	NA	NA	NA

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel				TOTAL
		Mr. Anil Kumar S G, Director & CEO	Mr. Ashok Dhamankar, CFO	Mr. Niranjn Chandrashekar, Company Secretary (resigned w.e.f May 29, 2020)	Ms. Ashwini Venkataraman, Company Secretary (appointed w.e.f November 06, 2020)	
1.	Gross Salary					
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	18,655,905	13,245,378	173,003	640,550	32,714,836
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	57,600	32,400	-	-	90,000
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option**	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	as % of profit	-	-	-	-	-
	others, specify	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total	18,713,505	13,277,778	173,003	640,550	3,28,04,836

** Number of Stock Options

**Vii. PENALTIES/ PUNISHMENT /COMPOUNDING OF OFFENCES**

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

For Samunnati Financial Intermediation & Services Private Limited

Gurunath Neelamani
 Wholetime Director
 DIN: 02799586

Anil Kumar S G
 Director & CEO
 DIN: 01189011

Place: Chennai

Date: July 29, 2021

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

Sl. No	Particulars	Details	Details
1.	Name of the subsidiary	Samunnati Agro Solutions Private Limited	Samunnati Foundation
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	N.A
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A
4.	Share capital	INR 6.32 MN	INR 0.10 MN
5.	Reserves & surplus	(INR 112.55) MN	INR 1.10 MN
6.	Total assets	INR 3,324.92 MN	INR 1.55 MN
7.	Total Liabilities	INR 3,324.92 MN	INR 1.55 MN
8.	Investments	INR 50.01 MN	NIL
9.	Turnover	INR 7,702.73 MN	INR 2.18 MN
10.	Profit before taxation	(INR 90.09) MN	INR 1.10 MN
11.	Provision for taxation	(INR 19.15) MN	NIL
12.	Profit after taxation	(INR 70.94) MN	INR 1.10 MN
13.	Proposed Dividend	NIL	NIL
14.	% of shareholding	100%	100%

Names of subsidiaries which are yet to commence operations – Not Applicable

Names of subsidiaries which have been liquidated or sold during the year – Not Applicable

**PART “B”: ASSOCIATES AND JOINT VENTURES****Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures NA

1. Latest audited Balance Sheet Date

2. Shares of Associate/Joint Ventures held by the company on the year end

No.

Amount of Investment in Associates/Joint Venture

Extent of Holding%

3. Description of how there is significant influence

4. Reason why the associate/joint venture is not consolidated

5. Net worth attributable to shareholding as per latest audited Balance Sheet

6. Profit/Loss for the year

i. Considered in Consolidation

ii. Not Considered in Consolidation

1. Names of associates or joint ventures which are yet to commence operations – Not Applicable

2. Names of associates or joint ventures which have been liquidated or sold during the year - NA

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

ANNEXURE - III

FORM 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 there to.

1. Details of contracts or arrangements or transactions not at arm's length basis						
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transactions	Justification for entering into such contracts or arrangements or transactions	Date of Approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188
NIL						

2. Details of material contracts or arrangement or transactions at arm's length basis					
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any (Amount in INR)	Date of Approval by the Board	Amount paid as advances, if any
Employees of Samunnati Financial Intermediation & Services Private Limited	Deputation of the Employees of Samunnati Agro Solutions Private Limited, to the Holding company, Samunnati Financial Intermediation & Services Private Limited	As per the agreement dated 1st July 2017 and as amended periodically.	Deputation of the Employees of the subsidiary Company. An amount of INR 19.11 MN (exclusive of Taxes), has been charged to the Holding Company, Samunnati Financial Intermediation & Services Private Limited, as deputation charges.	September 10, 2020	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 19.11 MN (exclusive of Taxes), has been charged to the Holding Company, Samunnati Financial Intermediation & Services Private Limited, as deputation charges.	-	NIL
Fees for Corporate Guarantee provided as security for the borrowings availed by its wholly owned subsidiary, Samunnati Agro Solutions Private Limited.	Fees charged by Samunnati Financial Intermediation & Services Private Limited, to its wholly owned subsidiary, Samunnati Agro Solutions Private Limited	-	An amount of INR 13.04 MN (exclusive of Taxes), has been charged to the Company's wholly owned Subsidiary, Samunnati Agro Solutions Private Limited.	February 27, 2020	Nil
Long term working capital loan availed by Riviera Investors Private Limited (Indifi Technologies Private Limited ("Indifi") Holding Company of Riviera Investors Private Limited)	Loan Agreement dated March 15, 2021	24 Months	INR 100 MN	February 12, 2021	Nil

For Samunnati Financial Intermediation & Services Private Limited

Gurunath Neelamani
Wholetime Director
DIN: 02799586

Anil Kumar S G
Director & CEO
DIN: 01189011

Place: Chennai

Date: July 29, 2021

ANNEXURE - IV

JAYASHREE S IYER
PRACTISING COMPANY SECRETARY, INSOLVENCY PROFESSIONAL &
REGISTERED VALUER

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2021

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

To,

The Members

M/s. Samunnati Financial Intermediation & Services Private Limited

CIN No.: U65990TN2014PTC096252

Baid Hi Tech Park, 8th Floor, No129 B,

East Coast Road, Thiruvanniyur

Chennai-600041

Dear Members,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Samunnati Financial Intermediation & Services Private Limited** (here in after 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 there on.

Based on my verification of the soft copy of Company’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 considering the relaxation granted by the Ministry of Corporate Affairs warranted due to the spread of COVID-19 Pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 generally complied with the provisions of Acts, Rules, Regulations, Guidelines, Standards listed here under subject to the reporting made here in after:

- (i) The Companies Act, 2013 (‘the Act’) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under to the extent applicable to the Company;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992(‘SEBI Act’):
 - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008;
 - (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015;

23 Lake Area, 3rd Cross Street, Nungambakkam, Chennai 600034

Mobile: 9840908393 E- mail: jayashree2505@gmail.com



JAYASHREE S IYER
PRACTISING COMPANY SECRETARY, INSOLVENCY PROFESSIONAL &
REGISTERED VALUER

- vi) The following laws specifically applicable to the Company viz.,
- (a) Reserve Bank of India Act, 1934, Rules, Regulations, Guidelines, Circulars, Master Directions, Notifications made there under;
 - (b) Non-banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;
 - (c) NBFC Auditors Report Reserve Bank Directions, 1998;
- vii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- viii) Other laws applicable to the Company as per the representations made by the Company;

I report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the applicable laws, rules, regulations and guidelines.

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

- (i) Secretarial Standards issued and amended by The Institute of Company Secretaries of India;
- (ii) The Debt Listing Agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Standards and Agreement mentioned above.

I further report that—

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- (ii) The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (iii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iv) As per the minutes of the meetings duly recorded and confirmed by the Directors and taken on record by the Board, the decisions of the Board were unanimous and no dissenting views have been recorded.
- (v) The Compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial auditors, tax auditors and other designated professionals.

23 Lake Area, 3rd Cross Street, Nungambakkam, Chennai 600034
Mobile: 9840908393 E-mail: jayashree2505@gmail.com

JAYASHREE S IYER
PRACTISING COMPANY SECRETARY, INSOLVENCY PROFESSIONAL &
REGISTERED VALUER

I further report that based on the information received, explanations given, process explained, records maintained, statutory compliance and statutory internal audit reports submitted to the Board on quarterly basis, and taken on record by the Board of Directors of the Company, in my opinion 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.




Jayashree S Iyer
Practising Company Secretary
Membership No.: 10394
CPNo.:21403
UDIN: F010394C000674794

Place: Chennai
Date : 22.07.2021

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JAYASHREE S IYER
PRACTISING COMPANY SECRETARY, INSOLVENCY PROFESSIONAL &
REGISTERED VALUER

‘ANNEXURE–A’

To,

The Members

M/s.Samunnati Financial Intermediation & Services Private Limited

CINNo.: U65990TN2014PTC096252

Baid Hi Tech Park, 8th Floor, No129 B,

East Coast Road, Thiruvanmiyur

Chennai-600041

Dear Members

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The review was done to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I 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 management. My examination was limited to the verification of procedures.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.




Jayashree S Iyer
Practising Company Secretary
Membership No.: 10394
CPNo.:21403
UDIN: F010394C000674794

Place: Chennai
Date: 22.07.2021

23 Lake Area, 3rd Cross Street, Nungambakkam, Chennai 600034
Mobile: 9840908393 E- mail: jayashree2505@gmail.com

ANNEXURE - V

Annual Report on Corporate Social Responsibilities (CSR) Activities

I. REGISTRATION AND OTHER DETAILS

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 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 various CSR entities including 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/wpcontent/uploads/2020/03/CSR-Policy.pdf>)

2. COMPOSITION OF THE CSR COMMITTEE:

S. NO.	NAME OF THE MEMBER	DESIGNATION	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Venkatesh Tagat	Chairman	1	1
2.	Ms. Jyotsna Krishnan	Member		1
3.	Mr. Anil Kumar S G	Member		1
4.	Mr. Gurunath N	Member		-

3. Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company and can be accessed at the following link: <https://samunnati.com/csr/>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : Nil
6. Average net profit (PBT) of the Company as per Section 135(5):
 - a) Net profit (PBT) for the year 2017-18 : INR -2,89,50,523/-
 - b) Net profit (PBT) for the year 2018-19 : INR 10,01,91,291/-
 - c) Net profit (PBT) for the year 2019-20 : INR 13,82,49,194/-

Average net profit for last three financial years : INR 6,98,29,987/-
7.
 - (a) Two percent of average net profit of the company as per section 135(5): INR 13,96,600/-
 - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 - (c) Amount required to be set off for the financial year, if any: Nil
 - (d) Total CSR obligation for the financial year: INR 13,96,600/-
8. (a) CSR amount spent or unspent for the financial year:

TOTAL AMOUNT SPENT FOR THE FINANCIAL YEAR. (IN INR)	AMOUNT UNSPENT (IN INR)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
18,82,514	NA				

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	State.	District.	Project duration. (in months)	Amount allocated for the project (in INR).	Amount spent in the current financial Year (in INR).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
1	SEEDS	Promoting health care including preventive health care and sanitation	Yes	Tamilnadu	Virudhunagar	3		5,00,000		No	Social Education Economical Development Society
2	Ripples of Change Foundation	Promoting health care including preventive health care and sanitation	No	Karnataka	Bangalore	3		2,05,000		No	Ripples Of Change Foundation
3	Sripur Swami vivekananda Society	Disaster management, including relief, rehabilitation and reconstruction activities	No	West Bengal	Hoogly	2		1,82,000		Yes	
4	KVN Foundation	Eradicating hunger, poverty and malnutrition	Yes	Tamilnadu	Chennai	2		3,00,000		No	KVN Foundation

1	2	3	4	5		6	7	8	9	10	11
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	State.	District.	Project duration. (in months)	Amount allocated for the project (in INR).	Amount spent in the current financial Year (in INR).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
5	Fellowship Programme	ii. Promotion of Education	Yes	Maharashtra	Nanded	36		62,500		No	Samunnati Foundation
				Telangana	Khammam, Kamareddy, Jagital, Nalgonda, Narayanpet, Nagarkurnool, Warangal, Guntur, Rangareddy, Krishna	36					CSR00007979
6	North East outreach Programme	Ensure environmental sustainability	Yes	Assam	Bongaigaon, Chirang, Goalpara and Kamrup Metropolitan	36				No	Samunnati Foundation
				Meghalaya	West Jantia Hills	36		5,166			CSR00007979
				Sikkim	East Sikkim, West Sikkim, and South Sikkim	36					
7	Community Kitchen	iii. Promoting gender equality, i. Eradicating extreme hunger	Yes	Karnataka	Bengaluru	36		6,00,000		No	Samunnati Foundation
				Tamil Nadu	Krishanagiri						CSR00007979
8	Centre of Excellence (Gramunnati)	Rural Development projects	Yes	Telangana	Rangareddy	36		27,848		No	Samunnati Foundation
Total											18,82,514

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Not applicable

(d) Amount spent in Administrative Overheads - NA

(e) Amount spent on Impact Assessment, if applicable - NA

(f) Total amount spent for the Financial Year = INR 18,82,514/-

(g) Excess amount for set off, if any: Nil

9. a) Details of Unspent CSR amount for the preceding three financial years : Nil

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Nil

For Samunnati Financial Intermediation & Services Private Limited

sd/-

sd/-

Chief Executive Officer

Chairman - CSR Committee

Place: Chennai

Date: July 29, 2021

Para A as per SCHEDULE V:
[See Regulation 34(3) and 53(f)]

The annual report shall contain the following additional disclosures:

1. Related Party Disclosure:

1. The listed entity shall make disclosures in compliance with the Accounting Standard on “Related Party Disclosures”.
2. The disclosure requirements shall be as follows:

S. NO.	In the account of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company	Loans and advances in the nature of loans to subsidiaries - Samunnati Agro Solutions Private Limited for INR 700.00 MN
		Loans and advances in the nature of loans to associates - Nil
		Loans and advances in the nature of loans to firms/companies in which directors are interested - Nil
2.	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company - Yes
3.	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan. - Nil

For the purpose of above disclosures Directors’ interest shall have the same meaning as given in Section 184 of Companies Act, 2013.

Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results.

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Independent Auditor's Report

To the Members of Samunnati Financial Intermediation & Services Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Samunnati Financial Intermediation & Services Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter – Impact of COVID 19

4. We draw attention to Note 44 of to the accompanying standalone financial statements, which describes the uncertainties relating to the effects of Covid-19 pandemic on the Company's operations and the impact on the impairment provision recognised towards the loan assets outstanding as at 31 March 2021. Our opinion is not modified in respect of this matter.



Chartered Accountants

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

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2008 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
First time Adoption of Indian Accounting Standards Framework	
<p>Refer Note 2 for significant accounting policies and Note 42 for reconciliation.</p> <p>As disclosed in Note 42 to the standalone financial statements, the Company has adopted the Indian Accounting Standards notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') with effect from 01 April 2020 (01 April 2019 being the transition date) and prepared the first set of standalone financial statements under Ind AS framework in the current year.</p> <p>For periods up to and including the year ended 31 March 2020, the Company prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).</p> <p>This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each component of the financial statement including presentation thereof, additional notes and disclosures which were carried out by the management with the help of a management expert and involved significant efforts. This process also required the management to apply significant judgements to identify and elect appropriate accounting policies suitable for various transactions and balances relating to the operations of the Company including electing of available options for transition of balances as at transition date from the previous GAAP to the new GAAP.</p> <p>Further, the first time preparation of the Ind AS financial statements involved preparation and presentation of additional notes and disclosures as required by the Ind AS framework as compared to the previous GAAP in addition to Note 42 to the financial statements setting forth the reconciliation of balances from previous GAAP to the new GAAP as at the transition date, and the impact of restatement on the results of the comparative period due to such transition.</p>	<p>Our procedures in respect of the first time adoption of Ind AS financial reporting framework included, but not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's processes and controls to identify the potential impact areas in the financial statements due to the adoption of Ind AS; • Reviewed the diagnostics performed by the management and their experts to assess the impact on Ind AS transition to the individual financial statement line items • Reviewed the professional competence, professional reputation, experience, objectivity and the scope of work of the management's expert in relation to providing assistance in Ind AS transition • Reviewed the implementation of exemptions availed and options chosen by the Company in accordance with the requirements of Ind AS 101, First Time Adoption of Indian Accounting Standards; • Assessed the appropriateness of the adjustments made to the opening balance sheet as at 01 April 2019; • Assessed the appropriateness of the adjustments recorded in the financial statements as of and for the year-ended 31 March 2020 which were prepared in the previous GAAP • Evaluated the appropriateness of accounting policies adopted by the Company on transition to Ind AS on the basis of understanding of the Company, the nature and size of its operations and the requirements of relevant accounting standards under the Ind AS framework;



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<p>The areas where there was a significant impact on account of first time adoption of Ind AS; involved the application of the following standards amongst others:</p> <p>Ind AS 109: Financial Instruments Ind AS 116: Leases Ind AS 102: Share-based Payment Ind AS 12: Income Taxes</p> <p>Considering the significance of the above transition with respect to the standalone financial statements, the complexities and audit efforts involved, this matter has been identified as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> • Obtained written representations from management and those charged with governance on whether the standalone financial statements comply with the Ind AS in all respects, and • Evaluated the appropriateness and adequacy of disclosures in the standalone financial statements on adoption of the Ind AS to determine if these are in compliance with the requirements of the Ind AS;
--	--

<p>Impairment loss on loan assets (expected credit losses on loans) and Implementation of COVID-19 related packages (Refer Note 2.5 for significant accounting policies, Note 44 for Impact of Covid-19 and Note 33 for credit risk disclosures)</p>	
<p>As at 31 March 2021, the Company has reported gross loan assets of ₹ 9,829.63 millions against which an impairment loss of ₹ 153.44 millions has been recorded.</p> <p>The Expected Credit Loss ('ECL') approach as required under Ind AS 109, Financial instruments, involves high degree of complexity and requires significant judgement of the management.</p> <p>The Management is required to determine the ECL that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset. The key areas of judgment include:</p> <ol style="list-style-type: none"> 1. Categorization of loans in Stage 1, 2 and 3 based on identification of: <ol style="list-style-type: none"> a) exposures with Significant Increase in Credit Risk (SICR) since their origination which involved determination of days past due as per the guidance under Ind AS 109 and b) Individually impaired / default exposures. 2. Segmentation of loan portfolio based on nature of customers for risk profiling. 3. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on past experience. 4. The impact of different future macroeconomic conditions in the determination of ECL. <p>These parameters are derived from the Company's internally developed statistical models, historical data and macro-economic factors and a change in such models or assumptions could have a material impact on the accompanying financial statements.</p>	<p>Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Evaluated the Company's accounting policies for estimation of expected credit loss on loan assets in accordance with the requirements of Ind AS 109; • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios. • Assessed the design and implementation, and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions • Evaluated the appropriateness of the Company's process of determination of significant increase in credit risk and default assets and the rebuttal of presumptions prescribed under Ind AS 109 and the basis for classification of exposures into various stages. • Verified appropriateness of segmentation of loan assets based on nature of customers for risk profiling.



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Implementation of COVID-19 related packages

Also, during the current year, the Reserve Bank of India ('RBI') issued several guidelines/notifications to NBFCs, as a relief measures to the borrowers, that included:-

1. Regulatory Packages that required NBFCs to provide moratorium in repayment of loans based on certain conditions and the asset classification and provisioning norms to be applied on such loans by NBFCs.
2. Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances

These factors required the models to be reassessed based on the available information including the additional risk profiling due to the impact of COVID-19 Pandemic and economic risk to measure the ECL.

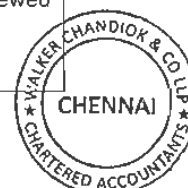
Management has made a number of interpretations and assumptions when designing and implementing models that are compliant with the standard. The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Considering the significance of the above matter to the financial statements and the significant auditor attention required to test such complex accounting estimates, we have identified this as a key audit matter for current year audit.

We also draw attention to Note 44 of the accompanying standalone financial statements, regarding effects of COVID-19 uncertainties on the appropriateness of impairment losses provided on the above mentioned loan assets as on 31 March 2021, as the same is fundamental to the understanding of the users of financial statements.

- Assessed the key judgments and assumptions relating to the macro-economic scenarios including the impact of COVID 19 pandemic, RBI guidelines/notification and the associated probability weights.
- Obtained the approved policy of board of directors to understand the relief measures sanctioned to various class of borrowers in accordance with the directions given by the RBI and tested, on sample basis, the compliance with respect to asset classification and provisioning norms as per such directions.
- Tested management's computation of ECL by performing following procedures:
 - a. Evaluated management's groupings of borrowers on the basis of customer segments;
 - b. Tested classification of loans into various categories based on their past due status and other loss indicators;
 - c. Tested various assumptions for calculation of expected loss viz, probability of default, loss given default, exposure at default;
 - d. Performed test of details of the input information used in ECL computation on a sample basis.
 - e. Tested the arithmetical accuracy of the computation.
 - f. Performed analytical procedures by determining various ratios or percentage-based measures to review overall reasonableness of the estimate determined by the management.
- Assessed disclosures included in the financial statements in respect of ECL including the specific disclosure made with regards to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL.



Information Technology system for the financial reporting process	
<p>The Company is highly dependent on their IT system (Encore software) for recording customer's operational data, supporting their business processes, ensuring complete and accurate processing of financial transactions and supporting the overall internal control framework</p> <p>This system is maintained by a third party which acts as technology partner for implementing an end-to-end loan management solution, infrastructure and network components. Their scope includes customer information management, user management and role-based access control.</p> <p>Encore software is a complex IT system which runs on a mobility platform and is used for recording all disbursements and collections, identification and tagging of pledged loans to customers and calculating interest income and overdue days.</p> <p>The Company's accounting and financial reporting processes are dependent on manual controls which are dependent on above IT system which impacts key financial accounting and reporting items such as loans, interest income, impairment on loans amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.</p> <p>Accordingly, considering the pervasive impact of the IT system on the standalone financial statements and testing of such IT systems and related controls being the most significant aspect of our audit strategy, we have determined the same as a key audit matter.</p>	<p>Our audit procedures with the involvement of auditor's IT specialists included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's IT related control environment and conducted risk assessment and identified IT applications, data bases and operating systems that are relevant to our audit. Also, obtained an understanding of the changes that were made to the identified IT applications during the audit period including the impact on asset classification on account of moratorium relief extended to its customers and tested those changes that had a significant impact on financial reporting. • Evaluated the appropriateness of controls for security governance to protect systems and data from unauthorised use, including logging of security events and procedures to identify vulnerabilities. Tested controls for segregation of duties around program maintenance, security administration and key business processes. • Evaluated management processes for modifications to the IT environment including monitoring and authorization of such modifications and interactions with the third party for carrying out such modifications. Tested changes made to the IT system that involved significant impact on financial reporting. • Tested the design and operating effectiveness of the Company's IT controls over the IT applications as identified above; • Tested related interfaces, configuration and other application layer controls identified during our audit and report logic for system generated reports relevant to the audit mainly for loans, interest income and impairment of loan assets for evaluating completeness and accuracy; • Tested IT general controls particularly, logical access, change management and aspects of IT operational controls. Tested that requests for access to systems were appropriately reviewed and authorized;



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	<ul style="list-style-type: none">• Tested controls around Company's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorization; and• Where deficiencies were identified, tested compensating controls or performed alternative procedures to ensure control objectives are met.
--	--

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

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report and Director's report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report and Director's report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report and Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.



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Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





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Other Matter:

16. The Company had prepared standalone financial statements for the year ended 31 March 2020 in accordance with accounting standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), on which we have issued an unmodified opinion vide our audit report dated 02 July 2020. These standalone financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

17. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
19. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 29 July 2021 as per Annexure B expressed unmodified opinion; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 37 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and



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- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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



Praveen Warriar
Partner
Membership No.: 214767
UDIN: 21214767AAAACA9663



Place: Kannur
Date: 29 July 2021



Walker ChandioK & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited on the standalone financial statements for the year ended 31 March 2021

Annexure A referred to in paragraph (1) under the heading 'Report on other legal and regulatory requirements' of our report of even date

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured loans to parties covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.
 - (b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular;
 - (c) there is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable



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Annexure A to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited on the standalone financial statements for the year ended 31 March 2021

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

Statement of Disputed Dues:

Name of the statute	Nature of dues	Amount (₹ in millions)	Amount paid under Protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and Interest	10.18	2.1	AY 16-17	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income tax and Interest	3.57	0.8	AY 17-18	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Interest	0.29	Nil	AY 18-19	Assessing Officer

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- (ix) In our opinion, the Company has applied moneys raised by way of issuance of debentures and the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer during the year.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.





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Annexure A to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited on the standalone financial statements for the year ended 31 March 2021

- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

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

Praveen Warriar
Partner
Membership No.: 214767
UDIN: 21214767AAAACA9663



Place: Kannur
Date: 29 July 2021

Walker ChandioK & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited on the standalone financial statements for the year ended 31 March 2021

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Samunnati Financial Intermediation & Services Private Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are



Walker ChandioK & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited on the standalone financial statements for the year ended 31 March 2021

being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

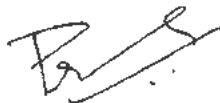
Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

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



Praveen Warriar
Partner
Membership No.: 214767
UDIN: 21214767AAAACA9663



Place: Kannur
Date: 29 July 2021

Samunnati Financial Intermediation & Services Private Limited
 Standalone Balance Sheet as at 31 March 2021

(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Particulars	Note	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
ASSETS				
Financial assets				
a) Cash and cash equivalents	3	1,157.74	1,184.02	487.43
b) Bank balances other than (a) above	4	523.66	284.04	176.82
c) Loans	5	9,676.18	7,428.27	4,608.27
d) Investments	6	1,156.14	780.10	260.80
e) Other financial assets	7	111.33	106.42	80.02
		12,624.96	9,762.86	6,603.04
Non-financial assets				
a) Current tax assets (net)	8	56.42	14.89	26.58
b) Deferred tax assets (net)	9	105.09	105.51	41.24
c) Property, plant and equipment	10	54.38	65.37	35.70
d) Right of use assets	10	11.22	16.84	0.67
e) Other intangible assets	10	25.23	1.44	1.74
f) Intangible assets under development	10	0.46	24.36	4.18
g) Other non-financial assets	11	28.02	32.88	20.55
		262.82	282.28	130.56
Total assets		12,907.77	10,025.13	6,733.60
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
a) Debt securities	12	4,213.92	1,622.97	1,819.61
b) Borrowings (other than debt securities)	13	3,479.32	3,171.25	1,998.38
c) Other financial liabilities	14	44.89	83.01	77.42
		7,738.13	4,877.23	3,895.41
Non-financial liabilities				
a) Provisions	15	27.30	26.27	13.78
b) Other non-financial liabilities	16	16.75	23.28	10.71
		44.05	49.55	24.49
Equity				
a) Equity share capital	17	19.76	19.76	14.48
b) Other equity	18	5,105.83	5,079.58	1,999.20
		5,125.59	5,099.34	2,013.68
Total liabilities and equity		12,907.77	10,025.13	6,733.60

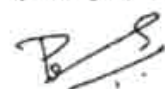
The accompanying notes 1 to 45 form an integral part of the financial statements

As per our report of even date attached

For Walker Chandiook & Co LLP

Chartered Accountants

(Firm Regn No. 001076NN500013)



Praveen Warrior
Partner

Membership No. 214767



Place: Kannur

Date: 29 July 2021

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



S G Anil Kumar
Director and CEO
DIN : 01189011



Gurunath Neelaman
Director
DIN : 02799586



Ashok Dhamankar
Group Chief Financial Officer



Ashwini Vankatraman
Company Secretary

Place: Chennai
Date: 29 July 2021

Place: Chennai
Date: 29 July 2021



Samunnati Financial Intermediation & Services Private Limited
Standalone Statement of profit and loss for the year ended 31 March 2021
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
I Revenue from operations			
(i) Interest income	18	1,603.86	1,281.81
		<u>1,603.86</u>	<u>1,281.81</u>
ii Other income	20	72.97	78.57
III Total Income (I+II)		<u>1,676.83</u>	<u>1,360.38</u>
Expenses			
(i) Finance costs	21	684.10	437.12
(ii) Impairment on financial instruments	22	322.51	239.85
(iii) Employee benefit expenses	23	485.76	497.40
(iv) Depreciation and amortization	24	28.09	17.28
(v) Other expenses	25	173.60	167.46
IV Total expenses		<u>1,674.06</u>	<u>1,359.13</u>
V Profit before tax (III-IV)		<u>2.77</u>	<u>1.25</u>
VI Tax expense	26		
(i) Current tax		-	92.15
(ii) Deferred tax		(0.96)	(69.00)
VII Profit/ (loss) for the year (V-VI)		<u>3.73</u>	<u>(21.90)</u>
VIII Other comprehensive income (OCI)			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurement gains and (losses) on defined benefit plans		5.49	(1.46)
(ii) Income tax impact thereon	26	(1.36)	0.37
Other comprehensive Income (i)+(ii)		<u>4.11</u>	<u>(1.11)</u>
IX Total comprehensive income for the year (VII+VIII)		<u>7.84</u>	<u>(23.01)</u>
X Earnings per equity share (face value Rs. 10/- per equity share)	28		
Basic (₹)		10.35	(60.19)
Diluted (₹)		1.64	(60.19)

The accompanying notes 1 to 45 form an integral part of the financial statements

As per our report of even date attached
 For Walker Chandio & Co LLP
 Chartered Accountants
 (Firm Regn No. 001076N/N500013)

Praveen Warriar
 Partner
 Membership No. 214787



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

S.G Anil Kumar
 Director and CEO
 DIN : 01189011

Gurunath Neelamani
 Director
 DIN : 02799536

Ashok Dharamaker
 Group Chief Financial Officer

Ashwini Venkatraman
 Company Secretary

Place: Kannur
 Date: 29 July 2021

Place: Chennai
 Date: 29 July 2021

Place: Chennai
 Date: 29 July 2021



Samunnati Financial Intermediation & Services Private Limited
 Standalone Statement of Changes in Equity for the year ended 31 March 2021
 (All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

A. Equity share capital

Particulars	Equity share capital		Compulsorily convertible preference shares ("CCPS")		Total	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	5.74	4.66	10.15	11.22	21.90	15.86
Issued during the year	-	1.15	-	4.94	-	6.09
Buyback of shares	-	(0.07)	-	-	-	(0.07)
Sub-total	5.74	5.74	10.15	16.16	21.90	21.90
Equity shares held under trust for employees under ESOP scheme	(2.14)	(2.14)	-	-	(2.14)	(2.14)
Balance at the end of the year	3.60	3.60	10.15	16.16	13.75	19.76

B. Other equity

Particulars	Statutory Reserve	Securities Premium	Stock Options Outstanding	Capital Redemption Reserve	Other comprehensive income	Retained Earnings	Total
Balance as at 01 April 2019	16.89	1,956.10	50.73	-	-	(26.52)	1,995.20
Comprehensive income for the year	-	-	-	-	(1.11)	(21.90)	(23.01)
Premium on issue of shares	-	3,478.99	-	-	-	-	3,478.99
Employee stock options expense	-	-	152.47	-	-	-	152.47
Transfer to statutory reserve	20.95	-	(38.69)	-	-	(20.95)	-
Employee stock options exercised	-	38.69	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	(0.07)	-	0.07	-	-	-
Share issue expenses	-	(54.51)	-	-	-	-	(54.51)
Amount recoverable from ESOP Trust	-	(429.25)	-	-	-	-	(429.25)
Tax on buyback of shares	-	-	-	-	-	(7.83)	(7.83)
Premium on buyback of shares	-	(36.47)	-	-	-	-	(36.47)
Balance as at 31 March 2020	39.84	4,953.68	112.04	0.07	(1.11)	(77.20)	5,079.59
Comprehensive income for the year	-	-	-	-	4.11	3.73	7.84
Transfer to statutory reserve	0.75	-	-	-	-	(0.75)	-
Issue expenses for debt securities	-	(22.58)	-	-	-	-	(22.58)
Employee stock options expense	-	-	40.88	-	-	-	40.88
Balance as at 31 March 2021	40.59	4,931.10	205.29	0.07	3.00	(74.22)	5,105.83

As per our report of even date attached
 For Walker Chandlok & Co LLP
 Chartered Accountants
 (Firm Regn No. 001076N/NS00013)



Praveen Warriar
 Partner
 Membership No. 214767

Place: Kannur
 Date: 29 July 2021

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

S G Anil Kumar
 Director and CEO
 DIN : 01189011

Ashwinthi Venkatraman
 Group Chief Financial Officer
 Ashwinthi Venkatraman
 Company Secretary

Place: Chennai
 Date: 29 July 2021



Samunnati Financial Intermediation & Services Private Limited
Standalone Statement of cash flows for the year ended 31 March 2021
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
A. Operating activities		
Profit before tax	2.77	1.26
<i>Adjustments for:</i>		
Depreciation and amortization	28.09	17.28
Employee stock option expenses	40.98	152.47
Gratuity and leave encashment expenses	7.82	10.57
Loss on sale of property, plant and equipment	0.74	0.26
Income from mutual funds	(4.00)	(50.81)
Income from debt funds	(0.65)	-
Impairment on financial instruments (at amortised cost)	23.59	158.66
Bad debts written off	298.92	81.19
Amortisation of origination costs of borrowings	22.59	19.50
Cash generated from operations before working capital changes	411.65	390.37
Changes in working capital:		
Loans	(2,670.43)	(3,059.85)
Other financial assets	(4.91)	(26.40)
Other non-financial assets	2.88	(10.18)
Net movement in provisions	(4.11)	(4.57)
Other financial and non-financial liabilities	(40.87)	28.66
Cash used in operations	(2,205.49)	(2,661.97)
Income taxes paid (net of refunds)	(43.53)	(80.48)
Net cash (used in) operating activities (A)	(2,249.02)	(2,762.46)
B. Investing activities		
Purchase of property, plant and equipment and intangible assets	(12.21)	(84.42)
Proceeds from sale of property, plant and equipment	1.02	0.08
Movement in capital advances	1.98	(2.15)
Movement in deposits with banks and financial institutions	(259.51)	(87.22)
Purchase of investments	(376.04)	(829.50)
Interest income received on investments measured at amortised cost, FVTPL and at cost	13.66	50.81
Net cash (used in) investing activities (B)	(631.11)	(652.50)
C. Financing activities		
Proceeds from issue of shares including share premium (net of share issue expenses)	-	2,999.18
Buyback of shares	-	(44.37)
Proceeds from debt securities	3,143.37	-
Repayment of debt securities	(575.00)	-
Proceeds from other than debt securities	3,766.50	2,486.68
Repayment of other than debt securities	(3,471.02)	(1,328.95)
Net cash generated from financing activities (C)	2,863.85	4,111.54
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(28.28)	696.69
Cash and cash equivalents at the beginning of the year	1,184.02	487.43
Cash and cash equivalents at the end of the year	1,157.74	1,184.02



Samunnati Financial Intermediation & Services Private Limited
 Standalone Statement of cash flows for the year ended 31 March 2021
 (All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
Components of cash and cash equivalents		
Cash and cash equivalents at the end of the year (also, refer note 3)		
- Cash on hand	0.08	0.15
- Balances with banks in current accounts	1,157.55	1,183.87
Total	1,157.74	1,184.02

The accompanying notes 1 to 45 form an integral part of the financial statements

As per our report of even date attached

For Walker Chandlok & Co LLP
 Chartered Accountants
 (Firm Regn No. 001078MN500013)



Praveen Warrior
 Partner
 Membership No. 214757

Place: Kannur
 Date: 29 July 2021



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



S G Anil Kumar
 Director and CEO
 DIN : 01189011



Ashok Dhamankar
 Group CFO

Place: Chennai
 Date: 29 July 2021



Gurunath Neelamani
 Director
 DIN : 02799586



Ashwini Venkatraman
 Company Secretary

Place: Chennai
 Date: 29 July 2021



Samunnati Financial Intermediation & Services Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021****1 Corporate information**

Samunnati Financial Intermediation & Services Private Limited (The Company) is a Non-Banking Financial Institution (NBFI) incorporated on June 23, 2014. The Company has received certificate of registration dated February 25, 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).

2 Basis of preparation of financial statements**2.1 Statement of compliance with Ind AS and basis for preparation and presentation of financial statements**

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Company's financial statements up to and for the year ended 31 March 2020 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs and the guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable, collectively referred as "Previous GAAP".

These are the Company's first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has applied Ind AS 101, First-time Adoption of Indian Accounting Standards for transition from Previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flow of the Company is provided in Note 42.

These standalone financial statements were approved by the Company's Board of Directors and authorized for issue on 29 July 2021.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ("INR" or "Rs.") which is also the Company's functional currency. Amounts less than the rounding off norms adopted by the Company are disclosed as 0. All amounts are rounded-off to the nearest millions, unless otherwise indicated.

2.3 Historical cost convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

2.4 Measurement of fair value changes

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

2.5 Critical accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimation and judgement or complexity in determining the carrying amount of some assets and liabilities

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, financial and non financial assets. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the present business trends. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of the financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Property, Plant and Equipment (PPE)

Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.



2.5 Critical accounting estimates and judgements (continued)

Income tax

Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Deferred tax assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Effective Interest Rate (EIR) Method

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

Overview of the Expected Credit Loss (ECL) model

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset.

At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses means expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

For non-impaired financial assets (Stage 1 and Stage 2):

• Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.

• Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognizes lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision.

For impaired financial assets (Stage 3):

Financial assets are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognizes lifetime ECL for impaired financial assets.

The loans are segmented into homogenous product categories to determine the historical PD/LGD as per similar risk profiles, this segmentation is subject to regular review. The loan portfolio are segmented into two broad categories i.e., loans to Community-Based Organizations or Farmer Producer Organizations 'CBO/FP0 and Others' and Agri enterprises.

The company has rebutted the presumption prescribed under Ind AS 109 that the credit risk increases significantly since initial recognition when contractual payments are more than 30 days (Stage 2) and that default occurs when a financial asset is 90 days past due (Stage 3). The risk profiling is determined for each business vertical indicated below based on historical and market trends and directions from RBI including guidance for identification of NPA in agricultural advances.

Name of the pool of loan assets	Stage	Loans Days past due (DPD)
CBO/FP0 and others	Stage 1	Upto 60 days
	Stage 2	61 days to 240 days
	Stage 3	More than 240 days
Agri enterprises	Stage 1	Upto 60 days
	Stage 2	61 days to 360 days
	Stage 3	More than 360 days



Samunnati Financial Intermediation & Services Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021****2.5 Critical accounting estimates and judgements (continued)****Estimation of Expected Credit Loss:**

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. The Company uses historical information to determine PD. Considering the different categories of customers, the Company has bifurcated its loan portfolio into two pools (CBO/FPO and others). For each pool of loan assets, the PD is calculated using Incremental 30 DPD approach considering fresh slippage using historical information.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. Management had assumed that the outstanding balance as at each reporting date (including interest and other components) as the exposure at default for purpose of computing the ECL.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as land, building, books debts, securities, letters of credit/guarantees, etc. However, the fair value of collateral affects the calculation of ECL. The fair value of the same is based on management judgements.

Forward looking information - While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macroeconomic trends reasonably.

Impairment of non-financial assets (PPE)

The impairment assessment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined benefit plans and other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provisions and other contingent liabilities

The reliable measure of the estimates and judgements pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

2.6 First time adoption of Ind AS - mandatory exceptions and optional exemptions**Overall principle**

The Company has prepared the opening balance sheet as per Ind AS of 1 April 2019 ("the transition date") by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as mentioned below:

A. Ind AS optional exemptions**Deemed cost for property, plant and equipment and intangible assets**

The Company has elected to measure property, plant and equipment, and intangible assets at its Previous GAAP carrying amount and use that Previous GAAP carrying amount as its deemed cost at the date of transition to Ind AS.

Share based payments

The Company has availed the exemption of not applying Ind AS 102 "Share-based Payment" in respect options already vested before the date of transition.

Leases

When a first-time adopter that is a lessee recognizes lease liabilities and right-of-use assets, it may apply the following approach to all of its leases:

- (a) measure a lease liability at the date of transition to Ind AS; and
- (b) measure a right-of-use asset at the date of transition to Ind AS.

Deemed cost for investments in subsidiaries

When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either (a) at cost, or (b) in accordance with Ind AS 109. The company has elected to account for its investments in subsidiaries at cost.

Designation of previously recognized financial Instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.



2.6 First time adoption of Ind AS - mandatory exceptions and optional exemptions (continued)

B. Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has not elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

2.7 Revenue recognition

a) Recognition of interest income on loans

Interest income is recognized in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVTOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection.

b) Dividend and interest income on investments

Dividends are recognized in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Interest income from investments is recognized when it is certain that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.8 Property, Plant and Equipment (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Assets held for sale or disposals are stated at the lower of their net book value and net realizable value.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis. Assets costing less than Rs.5,000 are fully depreciated in the period of purchase.

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

2.9 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets comprises of computer software which is amortized over the estimated useful life. The amortization period is lower of license period or 36 months which is based on management's estimates of useful life. Amortisation is calculated using the straight line method to write down the cost of intangible assets over their estimated useful lives.



Samunnati Financial Intermediation & Services Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

2.10 Investment in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment, if any

2.11 Foreign exchange transactions and translations**a) Initial recognition**

Transactions in foreign currencies are recognized at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date.

b) Conversion

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Thus, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVTOCI are recognized in other comprehensive income. Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

2.12 Financial Instruments**a) Recognition and initial measurements**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the Instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of profit and loss.

b) Classifications and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost
- Fair value Through Other Comprehensive Income (FVTOCI) - debt instruments;
- Fair value Through Other Comprehensive Income (FVTOCI) - equity instruments; and
- Fair Value Through Profit or Loss (FVTPL)

Amortised cost

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

FVTOCI - debt instruments

The Company measures its debt instruments at FVTOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset meet the SPPI test.

FVTOCI - equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

FVTPL

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in Statement of profit and loss. Any gain and loss on derecognition is recognized in Statement of profit and loss. Debt investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in Statement of profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss. For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading; instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of profit and loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of profit and loss.



2.12 Financial Instruments (continued)

c) Financial liabilities and equity instruments

Classification of debt and equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognized at the proceeds received. Transaction costs of an equity transaction are recognized as a deduction from equity.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized in Statement of profit and loss.

d) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 "Financial Instruments"; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 "Revenue from contracts with customers".

e) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

A financial liability is derecognized when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognized in Statement of profit and loss.

f) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

g) Write offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss.

2.13 Employee benefits

a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to PF and other funds

Company's contribution paid/payable during the year to provident fund and employees state insurance is recognized in the Statement of profit and loss. The Company has no further obligation other than the contributions made.

c) Gratuity

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognized at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

Remeasurement gains and losses

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognized immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.





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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

2.13 Employee benefits (continued)

- d) **Leave encashment/ compensated absences/ sick leave.**
The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.
- e) **Employee stock options**
The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

2.14 **Finance cost**

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include term loans, fixed deposits mobilized, debt instruments, commercial papers and subordinated debts. Finance costs are charged to the Statement of profit and loss.

2.15 **Taxation - current tax and deferred tax**

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

a) **Current tax**

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

b) **Deferred tax**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.16 **Impairment of assets other than financial assets**

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized in Statement of profit and loss.



2.17 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Contingent assets are not recognized. However, when inflow of economic benefits is probable, the related asset is disclosed.

2.18 Leases

The Company's lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

2.19 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.20 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is primarily engaged in financing agri businesses. The Company's activity falls within a single primary business segment. The Company operates primarily in India and there is no other geographical segment.

2.22 Recent accounting pronouncements

Amendments to Schedule III to the Companies Act, 2013

On 24 March 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III are applicable from 1 April 2021.

2.23 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.





Samunnati Financial Intermediation & Services Private Limited

Summary of significant accounting policies and other explanatory Information for the year ended 31 March 2021

(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
3 Cash and cash equivalents			
Cash-on-hand	0.08	0.15	0.26
Balances with banks			
(i) In current account	1,157.80	565.78	377.17
(ii) in deposit account (with original maturity up to 3 months)	-	618.09	110.00
Total	1,157.74	1,184.02	487.43
4 Bank balances other than cash and cash equivalents			
Deposit account with banks			
Balances with banks to the extent held as margin money (Refer note below)	523.55	264.04	176.82
Total	523.55	264.04	176.82
Details of balances with banks to the extent held as margin money or security against the borrowings and securitization transactions			
Maturity period of less than 12 months			
(i) Held as collateral against borrowings and securitization transactions	467.68	204.74	33.38
	467.68	204.74	33.38
Maturity period of more than 12 months			
(ii) Held as collateral against borrowings and securitization transactions	55.87	59.30	143.44
	55.87	59.30	143.44
Total	523.55	264.04	176.82
5 Loans			
(A) Term Loans at amortised cost			
To clients	9,374.20	7,195.96	4,370.83
To subsidiary (also, refer note 41)	455.43	431.23	277.70
Total- Gross	9,829.63	7,627.19	4,648.53
Less: Impairment loss allowance	(153.44)	(198.92)	(40.26)
Total- Net	9,676.19	7,428.27	4,608.27
(B) Secured/ Unsecured break up			
(i) Secured against tangible assets:			
Gross	374.53	100.28	120.19
Less: Impairment loss allowances	-	-	-
Net	374.53	100.28	120.19
(ii) Secured against receivables:			
Gross	5,975.28	4,258.03	1,324.14
Less: Impairment loss allowances	(121.68)	(109.46)	(11.77)
Net	5,853.60	4,148.57	1,312.37
(iii) Unsecured			
Gross	3,479.82	3,268.88	3,204.20
Less: Impairment loss allowances	(31.76)	(89.46)	(28.49)
Net	3,448.06	3,179.42	3,175.71
Total (B) = (i) + (ii) + (iii)	9,676.19	7,428.27	4,608.27



Samunnati Financial Intermediation & Services Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
5 Loans (continued)			
(C) Loans in/ outside India			
(i) Loans in India			
(a) Public sector	-	-	-
(b) Others	9,829.63	7,627.19	4,648.53
	9,829.63	7,627.19	4,648.53
Less : Impairment loss allowance	(153.44)	(198.92)	(40.26)
Total (i)	9,676.19	7,428.27	4,608.27
(ii) Loans outside India	-	-	-
Total (C) = (i) + (ii)	9,676.19	7,428.27	4,608.27

Note: There is no loan asset measured at FVTOCI or FVTPL

Summary of loans by stage distribution

	Gross Carrying Amount (A)	Impairment Loss Allowance (B)	Net Carrying Amount (A-B)
As at 31 March 2021			
Stage 1 - Considered good	8,556.60	27.46	8,529.14
Stage 2 - Significant increase in credit risk	1,109.75	26.54	1,083.21
Stage 3 - Credit impaired	163.28	99.44	63.84
	9,829.63	153.44	9,676.19
As at 31 March 2020			
Stage 1 - Considered good	7,058.98	99.19	6,959.77
Stage 2 - Significant increase in credit risk	483.01	24.57	458.45
Stage 3 - Credit impaired	85.20	75.16	10.05
	7,627.19	198.92	7,428.27
As at 01 April 2019			
Stage 1 - Considered good	4,426.26	20.59	4,405.67
Stage 2 - Significant increase in credit risk	186.48	9.48	177.00
Stage 3 - Credit impaired	35.79	10.19	25.60
Total	4,648.53	40.26	4,608.27

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
6 Investments			
(A) Investments in subsidiaries carried at cost			
(i) In equity shares of subsidiaries:			
Samunnati Agro Solutions Private Limited 632,484 (previous year: 632,484; 01 April 2019: 190,000) equity shares of ₹10 each	780.10	780.10	180.10
Samunnati Foundation 10,000 (previous year: Nil) equity shares of ₹10 each	0.10	-	-
(B) Investments carried at amortised cost			
(i) In Pass Through Certificates ("PTC")	222.25	-	40.38
(ii) In non convertible debentures ("NCD")	53.68	-	-
(C) Investments at fair value through profit or loss			
In mutual funds			
(i) Tata Liquid Fund Regular Plan - Growth Fund	-	-	30.02
(ii) SBI Mutual Fund - Savings Fund	100.00	-	-
Total	1,156.14	780.10	250.50
Note: No impairment loss has been provided on the above investments.			
Out of above			
In India	1,156.14	780.10	250.50
Outside India	-	-	-
Total	1,156.14	780.10	250.50





Samunnati Financial Intermediation & Services Private Limited
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021
 (All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019				
7 Other financial assets							
<i>Unsecured, considered good</i>							
Security deposits	8.25	7.07	6.85				
Employee advances	4.64	-	0.51				
Deposits with financial institutions	80.00	51.00	16.83				
Interest accrued but not due on deposits with financial institutions	1.67	1.44	-				
Interest strip asset	-	15.19	49.71				
Payment receivable on securitization	13.40	26.60	-				
Other receivables	3.37	5.12	6.12				
Total	111.33	106.42	80.02				
8 Current tax assets (Net)							
Advance tax (net of provisions)	58.42	14.89	26.56				
Total	58.42	14.89	26.56				
9 Deferred tax assets (net)							
	Balance as at 01 April 2019	(Charge) / credit to Statement of profit and loss	(Charge) / credit to OCI	Balance as at 31 March 2020	(Charge) / credit to Statement of profit and loss	(Charge) / credit to OCI	Balance as at 31 March 2021
Tax effect of items constituting deferred tax assets / (liabilities) :							
Fixed assets	(0.56)	4.38	-	3.82	(1.81)	-	2.01
Provisions for employee benefits	3.73	3.38	0.37	7.46	1.82	(1.38)	7.90
Impairment loss allowance	11.20	35.08	-	46.28	(11.52)	-	34.76
Employee stock option expenses	-	36.77	-	36.77	-	-	36.77
Carried forward losses	7.89	(7.89)	-	-	17.74	-	17.74
Others	18.98	(7.80)	-	11.18	(5.27)	-	5.91
	41.24	63.90	0.37	105.51	0.96	(1.38)	105.09



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Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

10 Property, plant and equipment, right of use assets, intangible assets and intangible assets under development

Particulars	Property, Plant and Equipment							Right of use assets	Other intangible assets		Intangible assets under development
	Freehold land	Furniture and fittings	Office equipment	Computers & accessories	Vehicles	Leasehold Improvements	Total		Computer Software		
Gross block											
Balance as at 01 April 2019	2.31	6.99	5.88	8.47	1.59	10.46	35.70	0.57	1.74	4.19	
Additions	-	1.91	4.94	6.49	17.62	12.90	43.76	20.30	0.20	20.58	
Disposals/ deductions	-	(0.31)	(0.08)	-	-	(0.16)	(0.55)	-	-	(0.41)	
Balance as at 31 March 2020	2.31	8.59	10.64	14.96	19.21	23.20	78.91	20.87	1.94	24.35	
Additions	-	0.13	0.30	5.11	2.30	0.09	7.93	-	28.17	1.58	
Disposals/ deductions	-	(1.11)	(0.37)	-	-	(0.90)	(2.38)	-	(0.11)	(25.47)	
Balance as at 31 March 2021	2.31	7.61	10.57	20.07	21.51	22.39	84.46	20.87	30.00	0.46	
Accumulated depreciation and amortisation											
Balance as at 01 April 2019	-	-	-	-	-	-	-	-	-	-	
Charge for the year	-	0.92	1.44	4.78	2.40	3.21	12.75	4.03	0.50	-	
Disposals	-	(0.10)	(0.03)	-	-	(0.08)	(0.21)	-	-	-	
Balance as at 31 March 2020	-	0.82	1.41	4.78	2.40	3.13	12.54	4.03	0.50	-	
Charge for the year	-	0.70	1.59	6.26	4.94	4.67	18.16	5.62	4.31	-	
Disposals	-	(0.33)	(0.13)	-	-	(0.16)	(0.62)	-	(0.04)	-	
Balance as at 31 March 2021	-	1.19	2.87	11.04	7.34	7.64	30.08	9.65	4.77	-	
Net block											
As at 01 April 2019	2.31	6.99	5.88	8.47	1.59	10.46	35.70	0.57	1.74	4.19	
As at 31 March 2020	2.31	7.77	9.23	10.18	16.81	20.07	66.37	16.84	1.44	24.35	
As at 31 March 2021	2.31	6.42	7.70	9.03	14.17	14.75	54.38	11.22	25.23	0.46	

Deemed cost of property, plant and equipment - reconciliation of gross block and net block

Particulars	Property, Plant and Equipment						Other intangible assets	
	Freehold land	Furniture and fittings	Office equipment	Computers & accessories	Vehicles	Leasehold improvements	Total	Computer Software
Gross block	2.31	8.71	7.72	14.39	2.01	11.47	46.61	2.40
Accumulated depreciation and amortisation	-	1.72	1.84	5.92	0.42	1.01	10.91	0.66
Net block	2.31	6.99	5.88	8.47	1.59	10.46	35.70	1.74

ii) On the date of transition, in accordance with Ind AS 101, the Company has elected to measure the net carrying amount of property, plant and equipment and other intangible assets as deemed cost.



Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
11 Other non-financial assets			
<i>Unsecured, considered good</i>			
Capital advances	0.57	2.55	0.40
Prepaid expenses	21.38	20.99	18.89
Advance paid to vendors	4.78	0.68	-
Balances with government authorities	1.29	3.78	1.26
Advances to employees	-	4.86	-
Total	28.02	32.88	20.55
12 Debt securities			
At amortised cost			
Non-convertible redeemable debentures (secured)	4,213.92	1,622.97	1,619.61
Total	4,213.92	1,622.97	1,619.61
Debt securities in India	448.07	-	-
Debt securities outside India	3,765.85	1,622.97	1,619.61
Total	4,213.92	1,622.97	1,619.61
(also, refer note 31(a))			
13 Borrowings (other than debt securities)			
At amortised cost			
Secured:			
Term loans: (also, refer note 31(b))			
from banks	1,729.69	1,267.70	509.76
from other parties	1,556.87	1,399.15	1,458.62
Working capital facilities from banks (also, refer note 31(b))	127.04	148.68	30.00
Commercial paper (also, refer note 31(b))	-	120.00	-
Liabilities against securitisation (also, refer note (i) below)	65.72	235.72	-
Total	3,479.32	3,171.25	1,998.38
Borrowings in India	3,479.32	3,171.25	1,998.38
Borrowings outside India	-	-	-
Total	3,479.32	3,171.25	1,998.38
i) Liabilities against securitisation represents amounts received in respect of securitisation transactions (net of repayments & investment therein) as these transactions do not meet the de-recognition criteria specified under Ind AS 109. These are secured by way of hypothecation of designated assets on finance receivables.			
14 Other financial liabilities			
At amortised cost			
Payable towards securitised transactions	-	13.12	33.07
Lease liabilities (also refer note 35)	14.36	18.95	0.57
Employee related payables	1.55	17.95	20.90
Payable to subsidiaries (also, refer note 41)	3.43	-	-
Other payables (also, refer note 41)	5.65	12.41	20.78
Provision for expenses	19.90	20.58	2.10
Total	44.89	83.01	77.42
15 Provisions			
Provision for employee benefits: (also, refer note 30)			
Gratuity	15.22	13.80	6.93
Compensated absences	12.18	11.47	6.48
Provision for loss on loans serviced	-	-	0.37
Total	27.30	25.27	13.78
16 Other non-financial liabilities			
Statutory dues payable	15.86	22.39	10.71
Others	0.89	0.89	-
Total	16.75	23.28	10.71



Samunnati Financial Intermediation & Services Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
17 Equity share capital						
Authorised share capital						
Equity shares of ₹ 10 each	750,000	7.50	750,000	7.50	750,000	7.50
Compulsorily convertible preference shares of ₹ 10 each	1,750,000	17.50	1,750,000	17.50	1,250,000	12.50
Total		25.00		25.00		20.00
Issued, subscribed and paid-up:						
Equity shares of ₹ 10 each	573,861	5.74	573,861	5.74	465,661	4.66
Less: Equity shares held under trust for employees under ESOP scheme (also, refer note 17(g))	(213,523)	(2.14)	(213,523)	(2.14)	(138,824)	(1.38)
Compulsorily convertible preference shares of ₹ 10 each	1,616,195	16.16	1,616,195	16.16	1,121,955	11.22
Total		19.76		19.76		14.49
a) Reconciliation of number of equity shares and amount outstanding						
Issued, subscribed and paid-up						
Balance at the beginning of the year	573,861	5.74	465,661	4.66	465,661	4.66
Shares issued during the year	-	-	115,500	1.15	-	-
Shares bought back during the year	-	-	(7,300)	(0.07)	-	-
	573,861	5.74	573,861	5.74	465,661	4.66
Less: Equity shares held under trust for employees under ESOP scheme	(213,523)	(2.14)	(213,523)	(2.14)	(138,824)	(1.38)
Balance at the end of the year	360,338	3.60	360,338	3.60	326,837	3.27
b) Reconciliation of number of preference shares and amount outstanding						
Issued, subscribed and paid-up:						
Balance at the beginning of the year	1,616,195	16.16	1,121,955	11.22	1,121,955	11.22
Shares issued during the year	-	-	494,240	4.94	-	-
Balance at the end of the year	1,616,195	16.16	1,616,195	16.16	1,121,955	11.22
c) Shareholders holding more than 5 percent						
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 10 each						
S G Anil Kumar	238,257	42%	238,257	42%	230,058	49%
Samunnati ESOP Welfare Trust	213,523	37%	213,523	37%	138,824	30%
Accel India V (Mauritius) Ltd	75,733	13%	75,733	13%	-	-
Ecap Equities Limited	-	-	-	-	75,699	16%
Compulsorily convertible preference shares of ₹ 10 each						
Elevor M-III	378,074	23%	378,074	23%	366,732	33%
Accel India V (Mauritius) Ltd	374,949	23%	374,949	23%	362,100	32%
ResponsAbility Agriculture I, SLP	366,594	23%	366,594	23%	317,423	28%
Teachers Insurance and Annuity Association of America	226,730	14%	226,730	14%	-	-
Accel Growth Fund V L.P	110,075	7%	110,075	7%	-	-
Elevor I-IV AIF represented by its Trustee Vistra ITCL	99,340	6%	99,340	6%	-	-

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 shall declare and pay dividends in Indian rupees. The dividend proposed by the Board of Directors shall be 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.



Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

17 Equity share capital (continued)
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

Series	Date	Amount
Series A1	25 Feb 2034	0.99
Series A2	25 Jul 2034	1.26
Series A3	31 Mar 2035	0.61
Series B	25 Feb 2036	2.76
Series C	27 Dec 2036	5.60
Series D	23 May 2038	4.94
		16.16

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 Company treats ESOP trust as its extension and shares held by ESOP trust are treated as treasury shares. Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from Equity share capital (to the extent of face value) and from Other equity (to the extent of premium on shares). (Also refer note 29)

h) During the previous year ended 31 March 2020, the Company has bought back 7,300 nos of equity shares from its share holders based on approval received from the members at EGM dated 17 January 2020

18 Other equity

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Statutory Reserve	40.59	39.84	18.89
Securities Premium (also refer note 17(g))	4,931.10	4,953.68	1,956.10
Employee stock options outstanding	205.29	164.31	50.73
Capital Redemption Reserve	0.07	0.07	-
Other comprehensive income	3.00	(1.11)	-
Retained earnings	(74.22)	(77.20)	(26.52)
	5,105.83	5,079.59	1,999.20

Description of the nature and purpose of other equity
Statutory reserve

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve. An amount equal to 20% of profits after tax is transferred to this reserve every year. This is a restricted reserve and any appropriation from this reserve can only be made after prior approval from RBI.

Securities premium

Securities premium is used to record the premium on issue of shares. This amount can be utilised in accordance with the provisions of the Companies Act 2013.

Employee stock options outstanding

The employee stock options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company and its subsidiaries in pursuance of the Employee Stock Option Plan

Capital redemption reserve

Capital Redemption Reserve is created as per the provisions of the Companies Act, 2013 in respect of the shares bought back by the Company.

Other comprehensive income

Represents remeasurement of defined benefit liability which comprises of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liabilities and income tax impact thereon.

Retained earnings

Retained earnings or accumulated surplus/ (loss) represents total of all profit/ (losses) retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend pay-outs, transfers to General reserve or any such other appropriations to specific reserves.



Samunnati Financial Intermediation & Services Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
19 Interest income		
On financial instruments measured at amortised cost		
Loans	1,488.38	1,200.78
Investments in Pass Through Certificates	6.06	3.60
Security deposits held with lenders	27.19	16.63
Fixed deposits	35.53	15.89
Loans to subsidiary (also, refer note 41(b))	46.70	44.91
Total	1,603.86	1,281.81
20 Other income		
Income from subsidiary for shared services (also, refer note 41(b))	47.73	17.56
Income from debt fund investments	9.65	-
Income from mutual fund investments	4.00	50.81
Recovery of defaults in loan serviced	4.72	3.16
Miscellaneous income	6.87	7.04
Total	72.97	78.57
21 Finance costs		
On financial liabilities measured at amortised cost		
Interest expense on:		
Borrowings (other than debt securities)	310.57	217.81
Debt securities	340.57	198.17
Other borrowing costs	27.96	21.14
Total	684.10	437.12
22 Impairment on financial instruments		
At amortised cost		
Impairment of loans	(45.48)	158.66
Bad debts written off	367.99	81.19
Total	322.51	239.85
23 Employee benefit expenses		
Salaries and wages (also, refer note 41)	385.25	311.73
Gratuity and leave encashment expenses (also, refer note 30)	7.62	10.57
Contribution to provident and other funds	12.74	10.38
Employee stock option expenses (also refer note 29)	40.98	152.47
Staff welfare expenses	19.17	12.25
Total	465.76	497.40
24 Depreciation and amortization		
(Also, refer note 10)		
Depreciation on property, plant and equipment	18.16	12.75
Amortisation charge on right of use assets	5.62	4.03
Amortization of intangible assets	4.31	0.50
Total	28.09	17.28
25 Other expenses		
Legal and professional charges	81.02	51.66
Service fee expenses	9.36	22.87
Technology and communication expenses	22.36	13.74
Membership and subscription charges	10.88	7.54
Travelling and conveyance	11.61	32.81
Insurance	1.51	0.31
Payments to auditors (also, refer note 27)	2.60	2.65
Repairs and maintenance - others	5.59	6.31
Rates and taxes	0.03	0.72
Rent (also, refer note 35)	9.80	10.79
Printing and stationery	3.36	3.65
Power and fuel	2.56	2.82
Sitting fees	2.32	2.15
Loss on sale of property, plant and equipment	0.74	0.26
Marketing expenses	5.41	7.30
CSR contribution (also, refer note 38)	1.88	-
Miscellaneous expenses	2.57	1.90
Total	173.60	167.48





Samunnati Financial Intermediation & Services Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
26 Tax expense		
<i>a) Income tax recognized in statement of profit and loss</i>		
Current tax:		
In respect of current year	-	92.15
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(0.96)	(69.00)
Total income tax recognized in statement of profit and loss	(0.96)	(69.00)
Total	(0.96)	23.15
<i>b) Income tax recognized in other comprehensive income</i>		
Deferred tax related to items recognized in Other Comprehensive Income during the year:		
Remeasurement of defined employee benefits	(1.38)	0.37
Total income tax recognized in other comprehensive income	(1.38)	0.37
<i>c) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in the statement of profit and loss:</i>		
Profit before tax	2.77	1.25
Corporate tax rate	25.17%	27.82%
Expected income tax expense at corporate tax rate	0.70	0.35
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of expenses / provisions not deductible in determining taxable profit	0.55	-
Effect of change in enacted tax rate	-	11.47
Others	(2.21)	11.33
Tax expense	(0.96)	23.15
27 Payments to auditors		
Statutory audit	1.70	1.70
Limited review	0.55	0.55
Tax audit	0.15	0.15
Certification	0.10	0.18
Out of pocket expenses	0.10	0.07
	2.60	2.65
28 Earnings Per Share (EPS)		
Net profit (loss) attributable to equity shareholders ₹ in millions (Basic and Diluted)	3.73	(21.90)
Weighted average number of equity shares used in computing basic EPS (in numbers)	360,338	363,818
Effect of potential dilutive equity shares (in numbers)	1,910,320	1,748,525
Weighted average number of equity shares used in computing diluted earnings per share (in numbers)	2,270,658	2,112,343
Basic EPS (₹) - face value of share ₹10 each	10.35	(60.19)
Diluted EPS (₹) - face value of share ₹10 each *	1.64	(60.19)

*Due to the loss incurred for the previous year ended 31 March 2020, the potential equity shares are considered as anti-dilutive.



29 Employee share based payments

ESOP 2015 Scheme

- a) 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.

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.

During the current year, Board of directors approved issue of 11,500 grants to employees of which 11,413 grants has been issued to employees as at 31 March 2021.

Particulars	No. of options as at 31 March 2021	Weighted Average Rate	No. of options as at 31 March 2020	Weighted Average Rate	No. of options as at 31 March 2019	Weighted Average Rate
Options outstanding at the beginning of the year	48,635	2,170	37,357	517	28,512	205
Granted during the year	11,413	7,500	23,480	3,753	9,025	1,520
Exercised during the year	-	-	(11,772)	107	-	-
Expired/ lapsed during the year	(2,483)	3,403	(430)	1,532	(180)	1,240
Options outstanding at the end of the year	57,565	3,173	48,635	2,170	37,357	517
Options exercisable as at the end of the period	15,956	3,173	10,777	260	11,772	107

The weighted average remaining contractual life for the stock options outstanding at the end of the year was 318 days (previous year 578 days; 01 April 2019: 574 days)

- b) The fair value of the options granted is determined on the date of the grant using the "Black-Scholes option pricing model" with the following assumptions, as certified by an independent valuer.

Particulars	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Fair market value of option on the date of grant	582.86	806.84	636.10	1,726.61	2,970.44	3,318.07
Exercise price range (weighted average)	10.00	319.00	618.00	1,484.45	3,203.50	7,500.00
Expected volatility (%)	60.29%	60.29%	60.29%	60.29%	60.29%	60.29%
Expected forfeiture percentage on each vesting date	-	-	-	-	-	-
Expected option life (weighted average in years)	3.87	3.57	3.22	3.10	2.47	3.00
Expected dividends yield	-	-	-	-	-	-
Risk free interest rate (%)	7.55%	6.85%	6.66%	7.62%	6.81%	5.86%

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, 28,529 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, 45,000 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.

The weighted average remaining contractual life for the stock options outstanding at the end of the year was 212 days (previous year: 394 days; 01 April 2019: Nil)

Particulars	No. of options as at 31 March 2021	Weighted Average Rate	No. of options as at 31 March 2020	Weighted Average Rate	No. of options as at 31 March 2019	Weighted Average Rate
Options outstanding at the beginning of the year	45,000	3,753	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	45,000	3,753	28,529	10
Options exercisable as at the end of the period	15,000	3,753	-	-	-	-



Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

29 Employee share based payments (continued)

The fair value of the options granted is determined on the date of the grant using the "Black-Scholes option pricing model" with the following assumptions, as certified by an independent valuer.

Particulars	FY 2019-20
Fair market value of option on the date of grant	2,938.71
Number of options granted	45,000
Exercise price range (weighted average)	3,752.55
Expected volatility (%)	60.29%
Expected forfeiture percentage on each vesting date	0%
Expected option life (weighted average in years)	3
Expected dividends yield	-
Risk free interest rate (%)	6.86%

Note: Since the MSOP shares issued on 20 December 2017 were vested before the date of transition, the Company has not fair valued such grants. Hence above disclosure is not presented for the same.

30 Employee benefits
General description of defined benefit plans
a) 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 provide 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.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Inflation risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Discount rate

Reduction in discount rate in subsequent valuations can increase the plan's liability.

Details of defined benefit plans as per actuarial valuation are as follows

	Year ended 31 March 2021	Year ended 31 March 2020	
I. Amount recognized in the statement of Profit and Loss			
Current service cost	5.73	4.51	
Net Interest cost	1.18	0.88	
Total expenses included in employee benefit expenses	6.91	5.39	
II. Amount recognized in Other Comprehensive income			
Remeasurement (gains)/ losses:			
Actuarial (gain)/ losses arising from changes in			
- Experience adjustments	(5.49)	1.48	
Total amount recognized in other comprehensive income	(5.49)	1.48	
	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
III. Changes in the defined benefit obligation			
Opening defined benefit obligation	13.80	6.93	3.41
Current service cost	5.73	4.51	2.58
Interest expense	1.18	0.88	0.47
Remeasurement (gains)/losses arising from changes in -			
- Experience adjustments	(5.49)	1.48	0.59
Benefits paid	-	-	(0.22)
Closing defined benefit obligation	15.22	13.80	6.93



30 Employee benefits (continued)

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
IV. Net defined benefit obligation			
Defined benefit obligation	15.22	13.80	6.93
Current portion of the above	2.07	0.65	0.19
Non current portion of the above	13.15	13.15	6.74

	As at 31 March 2021	As at 31 March 2020
V. Maturity profile of defined benefit obligation (undiscounted)		
Within 1 year	2.08	0.65
1 to 5 years	6.91	5.26
More than 5 years	14.17	19.31

Particulars	As at 31 March 2021	As at 31 March 2020
I. Actuarial assumptions and sensitivity		
Discount rate (p.a.)	6.50%	6.61%
Attrition rate	15.00%	12.00%
Rate of salary increase	7.00%	10.00%
In-service Morality rate	IAL2012-14UII	IAL2006-08UII
II. Quantitative sensitivity analysis for input of significant assumptions on defined benefit obligations are as follows	Year ended 31 March 2021	Year ended 31 March 2020
One percentage point increase in discount rate	(0.81)	(0.98)
One percentage point decrease in discount rate	0.89	1.15
One percentage point increase in salary growth rate	0.85	1.01
One percentage point decrease in salary growth rate	(0.78)	(0.92)

b) 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 provided by an independent actuary. The company does not maintain any plan assets to fund its obligation towards compensated absences.

Actuarial assumptions for compensated absences

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
I. Actuarial assumptions and sensitivity		
Discount rate (p.a.)	6.50%	6.61%
Rate of salary increase	7.00%	12.00%
Attrition rate over different age brackets	15.00%	10.00%

The estimate of future salary increases, considered in actuarial valuation, considers inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	Year ended 31 March 2021	Year ended 31 March 2020
II. Expenses recognized in Statement of profit and loss		
Included under gratuity and leave encashment expenses	0.71	5.18

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
III. Net defined benefit obligation			
Defined benefit obligation	12.18	11.47	6.48
Current portion of the above	3.34	2.13	0.87
Non current portion of the above	8.84	9.34	5.61



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

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

a) Debt securities

For balances outstanding as at 31 March 2021

Original maturity of loan	Face value (amount)	Date of allotment	Maturity date	Rate of interest	Amount due within one year	Amount due beyond one year	Total	Security details
Non Convertible Redeemable Debentures								
30 Months	100,000	9-Oct-18	8-Apr-21	12.60%	214.19	-	214.19	Book debts
37 Months	100,000	13-May-18	7-Jun-21	12.10%	351.95	-	351.95	
33 months	1,000,000	30-Nov-18	31-Aug-21	12.60%	249.35	-	249.35	
72 Months	1,000,000	24-Sep-18	21-Sep-21	12.60%	455.85	-	455.85	
48 Months	100,000	12-Dec-18	12-Dec-22	12.30%	13.10	353.10	366.20	
36 Months	633,333	17-Jun-20	17-Jun-23	12.80%	52.16	75.00	127.16	
36 Months	1,000,000	19-Jun-20	19-Jun-23	13.00%	0.24	50.00	50.24	
33 months	1,000,000	25-Sep-20	25-Jun-23	11.70%	41.85	288.75	330.60	
36 Months	1,000,000	17-Jul-20	17-Jul-23	12.00%	21.43	250.00	271.43	
36 Months	1,000,000	15-Dec-20	15-Dec-23	12.10%	16.01	448.00	464.01	
36 Months	1,000,000	15-Dec-20	15-Dec-23	12.10%	16.01	448.00	464.01	
36 Months	1,000,000	31-Mar-21	1-Apr-24	12.30%	0.12	354.00	354.12	
60 months	5,000	20-Aug-20	20-Aug-25	12.40%	8.56	506.25	514.81	
					1,440.82	2,773.10	4,213.92	

For balances outstanding as at 31 March 2020

Original maturity of loan	Face value (amount)	Date of allotment	Maturity date	Rate of interest	Amount due within one year	Amount due beyond one year	Total	Security details
Non Convertible Redeemable Debentures								
36 Months	100,000	4-Apr-18	9-Apr-21	12.60%	-	211.34	211.34	Book debts
36 Months	1,000,000	30-Aug-18	31-Aug-21	12.59%	-	246.59	246.59	
30 Months	100,000	5-Dec-18	7-Jun-21	12.10%	-	348.33	348.33	
48 Months	50,000	12-Dec-18	12-Dec-22	12.30%	-	366.24	366.24	
72 Months	1,000,000	24-Sep-18	24-Sep-24	12.60%	-	450.47	450.47	Book debts and first mortgage on immovable property
					-	1,622.97	1,622.97	

For balances outstanding as at 31 March 2019

Original maturity of loan	Face value (amount)	Date of allotment	Maturity date	Rate of interest	Amount due within one year	Amount due beyond one year	Total	Security details
Non Convertible Redeemable Debentures								
36 Months	100,000	4-Apr-18	9-Apr-21	13.00%	-	211.36	211.36	Book debts
30 Months	100,000	5-Dec-18	7-Jun-21	12.10%	-	345.21	345.21	
36 Months	1,000,000	30-Aug-18	31-Aug-21	12.60%	-	246.46	246.46	
48 Months	50,000	12-Dec-18	12-Dec-22	12.30%	-	365.47	365.47	
72 Months	1,000,000	24-Sep-18	24-Sep-24	12.60%	-	451.11	451.11	Book debts and first mortgage on immovable property
					-	1,619.61	1,619.61	



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

b) Borrowings (other than debt securities)

For balances outstanding as at 31 March 2021

Original maturity of loan	Rate of interest	Due within one year		Due beyond one year		Total	Security details
		No of instalments	Amount	No of instalments	Amount		
I. Long-term							
Monthly repayment of principal							
36 months	12.75%	12	62.58	18	105.30	171.86	
36 months	13.50%	8	6.68	-	-	6.68	Book debts and Post Dated
36 months	13.50%	8	6.68	-	-	6.68	Cheques
36 months	13.50%	8	8.9	-	-	8.91	
24 Months	12.50%	8	16.7	-	-	16.71	
24 Months	12.50%	8	16.71	-	-	16.71	
36 months	9.45%	9	50.45	27	148.60	200.05	Book debts and Cash Collateral
24 Months	10.00%	12	82.57	-	-	82.57	
24 Months	11.75%	12	125.00	12	93.75	218.75	
36 months	11.80%	12	46.47	19	85.44	131.91	Book debts
18 months	14.00%	5	51.12	-	-	51.12	
Quarterly repayment of principal							
36 months	12.00%	4	250.00	4	250.00	500.00	Book debts and Cash Collateral
35 Months	11.75%	4	50.00	6	75.00	125.00	Book debts
			773.86		763.09	1,536.95	

Original maturity of loan	Rate of interest	No of instalments		Amount		Security details
		No of instalments	Amount	No of instalments	Amount	
II. Short-term						
Quarterly repayment of principal						
12 months	11.00%	3	143.00			Book debts and Cash
12 months	8.00%	3	8.00			Collateral
Monthly Repayment of Principal						
12 Months	9.00%	12	200.00			
6 months	11.00%	1	150.00			Book debts and Cash
6 months	9.00%	1	201.00			Collateral
6 months	8.00%	1	7.00			
9 months	13.00%	3	167.00			Book debts and Post Dated
9 months	12.00%	6	336.00			Cheques
9 months	12.00%	9	500.00			
12 months	12.00%	5	22.00			Book debts
8 months	7.00%	1	29.00			Cash Collateral
III.OD backed by FD		Not Applicable	127.00			
			1,890.00			



Samunnati Financial Intermediation & Services Private Limited
 Summary of significant accounting policies and other explanatory information
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31 Details of security, repayment terms and applicable interest rates on borrowings (continued)

For balances outstanding as at 31 March 2020

i. Long-term Original maturity of loan	Rate of interest	Due within one year		Due beyond one year		Total	Security details
		No of instalments	Amount	No of instalments	Amount		
Monthly repayment of principal	11.3% to 12.5%	1 - 12	240.81	5	50.71	291.52	Book debts, Post Dated Cheques and Cash Collateral
24 Months	10% to 13%	2 - 12	264.95	8 - 12	115.15	380.10	Book debts and Cash Collateral (Rs. 15 millions)
19 Months	12.50%	6	54.64	Nil	-	54.64	Book debts and Post Dated Cheques
36 Months	12.5% to 14.8%	2 - 12	112.08	6	22.22	134.30	Book debts and Post Dated Cheques
37 Months	14.50%	6	3.33	Nil	-	3.33	Book debts and Post Dated Cheques
38 Months	14.50%	6	3.33	Nil	-	3.33	Book debts and Post Dated Cheques
Quarterly repayment of principal	12% to 14.3%	1 - 4	255.05	8	600.00	755.05	Book debts and Cash Collateral
36 Months	13%	4	61.56	Nil	-	61.56	Book debts
39 Months	12.4%	2	33.28	Nil	-	33.28	Book debts
44 Months	14%	4	16.92	Nil	-	16.92	Book debts
45 Months	14%	4	16.67	Nil	-	16.67	Book debts
46 Months	14.0%	4	16.91	Nil	-	16.91	Book debts
48 Months	14%	4	16.91	Nil	-	16.91	Book debts
			1,086.44		688.08	1,784.52	

ii. Short-term

Original maturity of loan	Rate of interest	No of instalments	Amount	Security details
Quarterly repayment of principal	10%	1	150.00	Book debts and Cash Collateral (Rs. 10 millions)
3 Months	13%	4	100.00	Book debts and Cash Collateral (Rs. 15 millions)
Monthly Repayment of Principal	12%	5	201.71	Book debts
5 Months	12.50%	10 - 11	434.37	Book debts
12 Months	10.15%	Not Applicable	49.53	Book debts
ii. Cash credit	6.75%	Not Applicable	99.15	Cash collateral
iii. OD backed by FD	12.40%	Buyer Repayment on Maturity	120.00	Not applicable
iv. Commercial Paper				
			1,154.76	



Samunnati Financial Intermediation & Services Private Limited
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31 Details of security, repayment terms and applicable interest rates on borrowings (continued)

For balances outstanding as at 01 April 2019

Original maturity of loan	Rate of interest	Due within one year		Due beyond one year		Total	Security details
		No of instalments	Amount	No of instalments	Amount		
I. Long-term							
Original maturity of loan							
Monthly repayment of principal							
18 months	12.25% - 12.5%	12	328.00	1 - 6	128.81	454.81	Book debts
19 months	12.5%	12	96.00	6	54.23	150.23	Book debts
24 months	12% - 14.75%	3 - 12	285.00	2 - 12	145.94	430.94	Book debts, Post Dated Cheques
36 months	12.5% - 14.75%	6 - 12	215.00	2 - 20	145.75	360.75	and Cash collateral
31 months	13.35%	12	14.00	9	11.42	25.42	Book debts
35 months	14.25%	11	7.00	Nil	-	7.00	Book debts
37 months	14.5%	12	7.00	6	3.32	10.32	Promissory Note and book debts
38 months	14.5%	12	7.00	6	3.32	10.32	
Quarterly repayment of principal							
18 months	12.4%	4	60.00	2	50.00	100.00	Book debts and Post Dated
36 months	14.25% - 14.75%	2 - 4	56.00	1	5.00	61.00	Cheques
28 months	13%	4	22.00	Nil	-	22.00	Book debts
29 months	13%	4	22.00	Nil	-	22.00	Book debts
30 months	13%	4	44.00	Nil	-	44.00	Book debts
39 months	12.6%	4	62.00	4	61.54	123.54	Cash collateral
44 months	14%	4	17.00	4	16.67	33.67	Book debts
45 months	14%	4	17.00	4	16.67	33.67	Book debts
46 months	14%	4	17.00	4	16.67	33.67	Book debts
48 months	14%	4	17.00	4	16.67	33.67	Book debts
			1,281.00		676.01	1,957.01	

II. Short-term		Rate of Interest		Security details	
Original maturity of loan	No of instalments	Amount	No of instalments	Amount	Security details
Original maturity of loan					
Quarterly repayment of principal					
11 months	1	20.00	1	20.00	Book debts and Post Dated
12 months	1	5.00	1	5.00	Cheques
II. Cash credit	Not Applicable	30.08			Book debts
		55.08			

Notes:
The balance outstanding as at 31 March 2021, 31 March 2020 and 01 April 2019 does not include the amortised borrowing costs.





Samunnati Financial Intermediation & Services Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

32 Fair value measurement

32.1 Financial instruments by category

a) Financial instruments measured at amortized cost

Particulars	As at	As at	As at
	31 March 2021 Carrying value	31 March 2020 Carrying value	01 April 2019 Carrying value
Financial assets			
Cash and cash equivalents	1,157.74	1,184.02	487.43
Other Bank Balances	523.55	264.04	176.82
Loans	9,676.19	7,428.27	4,608.27
Investments	1,056.14	780.10	220.48
Other financial assets	111.33	106.42	80.02
	12,524.95	9,762.85	5,573.02
Financial liabilities			
Debt securities	4,213.92	1,622.97	1,619.61
Borrowings (other than debt securities)	3,479.32	3,171.25	1,998.38
Other financial liabilities	44.89	83.01	77.42
	7,738.13	4,877.23	3,695.41

The management assessed that fair value of above financial instruments measured at amortised cost approximate to their carrying amounts largely due to the short-term maturities of these instruments.

b) Financial instruments measured at fair value through profit or loss

Particulars	Carrying value	Fair value	Fair value		
			Level 1	Level 2	Level 3
As at 31 March 2021					
Financial assets					
Investments	100.00	100.00	100.00	-	-
As at 31 March 2020					
Financial assets					
Investments	-	-	-	-	-
As at 01 April 2019					
Financial assets					
Investments	30.02	30.02	30.02	-	-

32.2 Fair value measurement hierarchy

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1 - Valuation based on quoted market price: Financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2 - Valuation using observable inputs: Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 - Valuation technique with significant unobservable inputs: Financial instruments valued using valuation techniques where one or more significant inputs are unobservable.



33 Financial Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed by the management on a continuous basis.

(a) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(b) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

The Company provides for expected credit loss based on the following:

Assets covered	Nature	Basis of expected credit loss
Cash and cash equivalents (excluding cash on hand), other bank balances, investments and other financial assets	Low credit risk	Life time expected credit loss
Loans	Low credit risk	12 month expected credit loss
Loans	Moderate credit risk	Life time expected credit loss
Loans	High credit risk	Life time expected credit loss or fully provided for

Financial assets that expose the entity to credit risk

Particulars	Nature	As at	As at	As at
		31 March 2021	31 March 2020	01 April 2019
Cash and cash equivalents (excluding cash on hand)	Low credit risk	1,157.66	1,183.87	487.17
Bank balance other than above	Low credit risk	523.55	264.04	176.82
Loans *	Low credit risk	8,556.60	7,058.98	4,426.26
Loans *	Moderate credit risk	1,109.75	483.01	186.48
Loans *	High credit risk	163.28	85.20	35.79
Investments	Low credit risk	1,156.14	780.10	250.50
Other financial assets	Low credit risk	111.33	106.42	80.02

(*) These represent gross carrying values of loans, without netting off impairment loss allowance

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents (excluding cash on hand) and bank deposits is managed by only investing in highly rated deposits of banks across the country.

Other financial assets

Other financial assets measured at amortized cost includes security deposits, employee advances, deposits with financial institutions, payment receivable on securitisation, interest strip assets and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for the counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 60 days.





Samunnati Financial Intermediation & Services Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

33 Financial Risk Management Framework (continued)

The major guidelines for selection of the client includes:

1. The client's income and indebtedness levels must be within the prescribed guidelines of Reserve Bank of India;
2. The client must possess the required KYC documents
3. The client must be engaged in some form of economic activity which ensures regular income;
4. Client must agree to follow the rules and regulations of the organisation and
5. Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the organisation undertakes credit bureau checks compulsorily for every client. The credit bureau check helps the organisation in identifying clients with poor repayment histories and multiple loans

(II) Credit risk exposure

(i) Expected credit losses for financial assets other than loans

The Company have not made expected credit losses for financial assets other than loans.

(ii) Movement of carrying amount and expected credit loss for loans

Definition of default:

The company has rebutted the presumption prescribed under Ind AS 109 that the credit risk increases significantly since initial recognition when contractual payments are more than 30 days (Stage 2) and that default occurs when a financial asset is 90 days past due (Stage 3). The risk profiling is determined for each segmented loan portfolio indicated below based on historical and market trends and directions from RBI including guidance for identification of NPA in agricultural advances

Segmentation for ECL risk profiling	Stage	Loans Days past due (DPD)
CBO/FPO and others	Stage 1	Upto 60 days
	Stage 2	61 days to 240 days
	Stage 3	More than 240 days
Agri enterprises	Stage 1	Upto 60 days
	Stage 2	61 days to 360 days
	Stage 3	More than 360 days

Credit Quality of Loan Assets

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Stage 1	8,556.60	7,058.98	4,426.26
Stage 2	1,109.75	483.01	186.48
Stage 3	163.28	85.20	35.79
Total	9,829.63	7,627.19	4,648.53

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

As at 31 March 2021

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying value of opening balances	7,058.98	483.01	85.20
New assets originated/purchased*	7,463.43	428.65	103.31
Assets repaid	(5,216.68)	(288.90)	(0.13)
Transfer to stage 1	139.50	(135.29)	(4.21)
Transfer to stage 2	(873.71)	955.56	(1.10)
Transfer to stage 3	(14.92)	(126.82)	141.74
Amounts written off	-	(206.46)	(161.53)
Gross carrying value of closing balances	8,556.60	1,109.75	163.28

As at 31 March 2020

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying value of opening balances	4,426.26	186.48	35.79
New assets originated/purchased*	6,648.66	253.27	35.10
Assets repaid	(3,732.73)	(127.38)	(17.50)
Transfer to stage 1	46.46	(44.39)	(2.07)
Transfer to stage 2	(268.58)	268.58	-
Transfer to stage 3	(61.09)	(53.55)	114.64
Amounts written off	-	-	(80.76)
Gross carrying value of closing balances	7,058.98	483.01	85.20



33 Financial Risk Management Framework (continued)

As at 31 March 2021

Particulars	Stage 1	Stage 2	Stage 3
ECL allowance - opening balances	99.19	24.57	75.16
New assets originated/purchased	24.65	4.88	0.29
Assets repaid	(67.96)	(14.69)	(0.12)
Transfer to stage 1	(6.64)	10.68	(4.04)
Transfer to stage 2	-	0.99	(0.99)
Transfer to stage 3	(0.29)	(16.15)	16.44
Impact of ECL on exposures transferred between stages during the year	(21.49)	23.08	45.09
Amounts written off	-	(8.82)	(32.39)
ECL allowance - closing balances	27.46	26.54	99.44

As at 31 March 2020

Particulars	Stage 1	Stage 2	Stage 3
ECL allowance - opening balances	20.59	9.48	10.19
New assets originated/purchased	88.43	8.30	2.06
Assets repaid	(14.83)	(6.47)	(4.99)
Transfer to stage 1	3.61	(2.78)	(0.83)
Transfer to stage 2	(1.34)	1.34	-
Transfer to stage 3	(0.37)	(4.90)	5.27
Impact of ECL on exposures transferred between stages during the year	3.17	24.05	69.23
Amounts written off	(0.06)	(4.46)	(5.78)
ECL allowance - closing balances	99.19	24.57	75.16

(i) If the probability of default and loss given default increases or decrease by 100 basis point the expected credit loss will increase or decrease by ₹ 90.45 millions (As at 31 March 2020: ₹ 67.57 millions).

*Assets originated during the year has been presented on net basis i.e. the collections towards fresh loans has been netted off.

(b) Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company maintains adequate reserves and banking facilities, and continuously monitors the forecast and actual cash flows by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company periodically. The Company believes that the working capital (including banking limits not utilised) and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Refer Note 31 which details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(c) Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to two types of market risk as follows:

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is subject to interest rate risk, principally because the Company lend to customers at fixed interest rates and for periods that may differ from our funding sources, while the borrowings are at both fixed and variable interest rates for different periods. The Company assess and manage the interest rate risk by managing the assets and liabilities. The Asset Liability Management Committee ensures that all significant mismatches, if any, are being managed appropriately. The Company has Board approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

Sensitivity

The sensitivity of the statement of profit and loss is the effect of the changes in market interest rates on bank and other borrowings. Below is the sensitivity of profit and loss in interest rates.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest sensitivity*		
Interest rates – increase by 0.50%	25.66	14.78
Interest rates – decrease by 0.50%	(25.66)	(14.78)

* Holding all other variables constant

Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

Foreign currency risk

The Company does not have any foreign currency receivables/ payables and hence does not have any foreign currency risk.



**Samunnati Financial Intermediation & Services Private Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

34 Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term/long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

Net debt to equity ratio

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Debt	7,693.24	4,794.22	3,617.99
Less: Cash and bank balances	(1,681.29)	(1,448.06)	(664.25)
Net debt	6,011.95	3,346.16	2,953.74
Total equity	5,125.59	5,099.35	2,013.69
Net debt to equity ratio (%)	117.29%	65.62%	146.68%

35 Leases

The company has applied Ind AS 116 with the date of initial application of 01 April 2019

The company has applied Ind AS 116 using the full retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 01 April 2019.

As a lessee**a) Additions to right of use asset**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Property plant and equipment	-	20.30

b) Carrying value of right of use asset

Particulars	As at 31 March 2021	As at 31 March 2020
Right of use asset as on the opening date	16.84	0.57
Additions during the year	-	20.30
Depreciation charge for the year	(5.62)	(4.03)
Balance as at the year end	11.22	16.84

c) Maturity analysis of lease liability

Contractual Undiscounted Cash Flows	Year ended 31 March 2021	Year ended 31 March 2020
Less than 1 year	5.73	6.24
One to five years	10.40	16.13
Total undiscounted lease liability	16.13	22.37
Lease liabilities included in the statement of financial position	14.36	18.95

d) Amounts recognized in Statement of profit or loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on lease liabilities	1.53	3.66
Depreciation charge for the year	5.62	4.03
Expenses relating to short-term leases	9.8	10.79

e) Amounts recognized in cash flow statements

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Total cash flow for leases	15.65	14.06

36 Operating segments

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 Ind AS 108 on "Operating Segments", is not applicable for its financial statements.



Samunnati Financial Intermediation & Services Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

37 Contingent liabilities

Claims against the company not acknowledged as debts :

The Company had received orders from Income Tax Assessing Officer (AO) pertaining to AY 2016-17, AY 2017-18 and AY 18-19 wherein certain additions were made under section 56, section 68 and section 143(3) 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 2021

	AY 2016-17	AY 2017-18	AY 2018-19
Amount of demand	10.18	3.57	0.29
Amount paid against stay	2.10	0.80	-

As at 31 March 2020

	AY 2016-17	AY 2017-18
Amount of demand	10.18	3.57
Amount paid against stay	2.10	0.80

As at 01 April 2019

	AY 2016-17
Amount of demand	38.65
Amount paid against stay	2.10

Others

Amounts provided as MRR against securitization transactions

Principal sub-ordination

Cash collateral

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Principal sub-ordination	52.59	98.34	73.49
Cash collateral	32.66	72.15	72.14

38 Corporate Social Responsibility

The Company has incurred an expenditure of ₹ 1.88 millions towards CSR activities which includes contribution / donations made to the foundation which are engaged in activities prescribed under Section 135 of the Companies Act, 2013 read with Schedule VII to the said Act.

Details of amount spent towards CSR activities :

a) Gross amount required to be spent by the Company during the year is ₹ 1.4 millions (previous year: Nil)

Particulars	For the year ended					
	31 March 2021			31 March 2020		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
In construction/ acquisition of any asset	-	-	-	-	-	-
On other purposes	1.88	-	1.88	-	-	-

39 Reconciliation of movement in borrowings to cash flows from financing activities

Particulars	31 March 2020	Cash flows (net)	Exchange difference	Amortisation of loan origination	31 March 2021
Debt securities	1,622.97	2,568.37	-	22.58	4,213.92
Borrowings (other than debt securities)	3,171.25	285.48	-	22.59	3,479.32
Total	4,794.22	2,853.85	-	45.17	7,693.24

Particulars	01 April 2019	Cash flows (net)	Exchange difference	Amortisation of loan origination	31 March 2020
Debt securities	1,619.61	-	-	3.36	1,622.97
Borrowings (other than debt securities)	1,998.38	1,156.73	-	16.14	3,171.25
Total	3,617.99	1,156.73	-	19.50	4,794.22



41 Related party disclosures

a) Names of related parties and relationship

Relationship	Name of the related party
Wholly owned subsidiaries	Samunnati Agro Solutions Private Limited Samunnati Foundation (w.e.f 09 March 2020)
Key management personnel (KMP)	Anil Kumar S G - Director and CEO Gurunath N - Director Nitin Chaudhary - Head, Strategy Ashok Dhamankar - Group Chief Financial Officer Niranjani Chandrasekaran - Company Secretary (upto 29 May 2020) Ashwini Venkataraman - Company Secretary (from 06 November 2020) Independent directors: Sunil Satyapal Gulati Narasimhan Srinivasan Venkatesh Tagat Nominee directors: Mahendran Balachandran Jyotsna Krishnan Akshay Dua Rekha Natrajan Unnithan
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 2021	Year ended 31 March 2020
Samunnati Agro Solutions Private Limited		
Loans given	700.00	898.00
Loans repaid	670.00	750.00
Interest income on loans	46.70	44.91
Corporate guarantee provided	350.00	100.00
Investment in equity shares (Non-current investments)	-	600.00
Income from subsidiary for shared services	47.73	17.56
Miscellaneous income	-	0.56
Salaries and wages (deputation charges)	19.11	2.24
Samunnati Foundation		
Donations made	2.18	-
Investment in share capital	0.10	-
Anil Kumar S G		
Remuneration *	18.12	16.50
Amounts paid towards buyback of securities	-	32.66
Amounts received towards exercise of ESOP options	-	0.29
Gurunath N		
Remuneration *	8.28	8.05
Amounts received towards exercise of ESOP options	-	0.38
Nitin Chaudhary		
Remuneration *	8.86	8.62
Loans given	1.00	3.60
Loans repaid	0.85	3.60
Interest income on loans	-	0.02
Amounts paid towards buyback of securities	-	3.25
Amounts received towards exercise of ESOP options	-	0.23





Samunnati Financial Intermediation & Services Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

41 Related party disclosures

b) Related party transactions (contd.)

Nature of transactions	Year ended 31 March 2021	Year ended 31 March 2020
Ashok Dhamankar Remuneration *	12.74	10.95
Niranjan Chandrasekaran Remuneration *	0.17	1.15
Ashwini Venkataraman Remuneration *	0.28	-
Sitting fees paid		
Sunil Satyapal Gulati	0.83	0.78
Narasimhan Srinivasan	0.70	0.69
Venkatesh Tagat	0.53	0.51
Samunnati ESOP Welfare Trust		
Loans given	-	43.54
Shares subscribed including premium	-	43.54
Loan repaid	-	1.55
Riviera Investors Private Limited		
Portfolio purchased through assignment	-	108.95

* 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.

c) Balances at the end of the year

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Anil Kumar S G			
Reimbursement of expenses	-	-	0.05
Samunnati Agro Solutions Private Limited			
Loans and advances (including interest accrued)	455.43	431.23	277.70
Corporate guarantee provided by Company towards borrowings	350.00	100.00	100.00
Deputation cost payable	3.43	-	1.66
Accrued expenses	-	4.42	-
Other payables	3.35	-	-
Samunnati ESOP Welfare Trust			
Advances given	0.11	0.11	0.11

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42 First-time adoption of Ind AS

This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 01 April 2019 and the financial statements as at and for the year ended 31 March 2020 to comply with Ind AS

i. Comparative Balance sheet as at 31 March 2020 and 01 April 2019

	Adjustment reference#	As at 31 March 2020			As at 01 April 2019		
		Previous GAAP	Adjustments	Ind AS	Previous GAAP	Adjustments	Ind AS
ASSETS							
Financial Assets							
a) Cash and cash equivalents		1,184.02	-	1,184.02	487.43	-	487.43
b) Bank balances other than (a) above		264.04	-	264.04	176.82	-	176.82
c) Loans	1, 4, 7	7,403.27	25.00	7,428.27	4,618.68	(10.41)	4,608.27
d) Investments		780.10	-	780.10	250.48	0.02	250.50
e) Other financial assets		107.64	(1.22)	106.42	80.13	(0.11)	80.02
		9,739.07	23.78	9,762.85	5,613.54	(10.50)	5,603.04
Non-Financial Assets							
a) Current tax assets (net)		14.89	-	14.89	26.56	-	26.56
b) Deferred tax assets (net)	8	67.94	37.57	105.51	13.66	27.58	41.24
c) Property, plant and equipment		66.37	-	66.37	35.70	-	35.70
d) Right of use assets	5	-	16.84	16.84	-	0.57	0.57
e) Other intangible assets		1.44	-	1.44	1.74	-	1.74
f) Intangible assets under development		24.35	-	24.35	4.19	-	4.19
g) Other non-financial assets		32.88	-	32.88	20.55	-	20.55
		207.87	54.41	262.28	102.40	28.15	130.55
Total Assets		9,946.94	78.19	10,025.13	5,715.94	17.65	5,733.59
LIABILITIES AND EQUITY							
Liabilities							
Financial liabilities							
a) Debt securities		1,622.97	-	1,622.97	1,619.61	-	1,619.61
b) Borrowings (other than debt securities)	3	3,169.07	2.18	3,171.25	1,993.87	4.51	1,998.38
c) Other financial liabilities	2, 9	87.09	(4.08)	83.01	126.56	(49.14)	77.42
		4,879.13	(1.90)	4,877.23	3,740.04	(44.63)	3,695.41
Non-Financial liabilities							
a) Provisions		26.09	(0.82)	25.27	14.21	(0.43)	13.78
b) Other non-financial liabilities		23.28	-	23.28	10.71	-	10.71
		49.37	(0.82)	48.55	24.92	(0.43)	24.49
Equity							
a) Equity share capital		19.76	-	19.76	14.49	-	14.49
b) Other equity		4,998.68	80.91	5,079.59	1,936.49	62.71	1,999.20
		5,018.44	80.91	5,099.35	1,950.98	62.71	2,013.69
Total Equity and liabilities		9,946.94	78.19	10,025.13	5,715.94	17.65	5,733.59





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42 First-time adoption of Ind AS (continued)

ii. Comparative Statement of profit and loss for the year ended 31 March 2020

	Adjustment reference#	Previous GAAP	Adjustments	Ind AS
Revenue from operations				
(i) Interest Income	1, 2, 7, 9	1,257.81	24.00	1,281.81
Total Revenue from operations		1,257.81	24.00	1,281.81
Other Income	9	109.21	(30.64)	78.57
Total Income		1,367.02	(6.64)	1,360.38
Expenses				
(i) Finance costs	3	423.60	13.52	437.12
(ii) Impairment on financial instruments	4	270.07	(30.22)	239.85
(iii) Employee benefit expenses	6	353.29	144.11	497.40
(iv) Depreciation and amortization	5	13.27	4.01	17.28
(v) Other expenses	9	168.54	(1.06)	167.48
Total Expenses		1,228.77	130.36	1,359.13
Profit/ (loss) before tax		138.25	(137.00)	1.25
Tax expense				
(i) Current tax		92.15	-	92.15
(ii) Deferred tax	8	(58.65)	(10.35)	(69.00)
Profit/ (loss) for the year		104.75	(126.65)	(21.90)
Other Comprehensive Income				
(i) Items that will not be reclassified to profit and loss (net of taxes)		-	(1.48)	(1.48)
(ii) Items that will be reclassified to profit and loss (net of taxes)		-	0.37	0.37
		-	(1.11)	(1.11)
Total Comprehensive Income		104.75	(127.76)	(23.01)

iii. Reconciliations required as per Ind AS 101 on transition to Ind AS

a. Reconciliation of equity

	Adjustment reference#	As at 31 March 2020	As at 01 April 2019
Total equity / shareholders' funds as per Indian GAAP		5,018.44	1,950.88
Ind AS Adjustments			
a) Deferred income on securitised loans recognised	2	20.92	49.71
b) Measurement of loans at amortised cost	1, 4, 7	25.00	(10.41)
c) Measurement of borrowings at amortised cost	3	(2.18)	(4.51)
d) Deferred tax assets recognised	8	37.57	27.58
e) Others		(0.40)	0.34
Total adjustments		80.91	62.71
Total equity as per Ind AS		5,099.35	2,013.69

b. Reconciliation of Profits

Particulars	Adjustment reference#	For the year ended 31 March 2020
Profit after tax as per Indian GAAP		104.75
Transition adjustments:		
a) Recognition of securitised assets	2	(28.79)
b) Measurement of loans at amortised cost and expected credit loss	1, 4, 7	35.41
c) Measurement of borrowings at amortised cost	3	2.33
d) Accounting for ESOP grants at fair value	6	(145.98)
e) Lease accounting	5	(2.19)
f) Others		2.58
g) Timing difference in recognition of deferred tax assets	8	(27.58)
h) Deferred tax impact on above	8	37.57
Net loss after tax under Ind AS		(21.90)
Other comprehensive income (net of taxes)		(1.11)
Total comprehensive income under Ind AS		(23.01)

iv. There were no material adjustments made to the cash flow statement prepared under IGAAP for the year ended 31 March 2020.



42 First-time adoption of Ind AS (continued)

Material adjustments on adoption of Ind AS are explained below

1 Interest income and origination fee measured using effective interest method

Under Previous GAAP, origination fees and transaction costs charged to customers was recognised upfront. Under Ind AS, such fees and costs is amortised over the expected life of the loan assets and recognised as interest income using effective interest method. Under previous GAAP, interest income on non performing assets (i.e. loans that are 90 days past due) was not accrued. Under Ind AS interest income on such loans are recognised on their net carrying amount.

2 Impact of on-balance sheet recognition of securitised loan portfolio

Under Previous GAAP, financial assets were derecognized if the control criteria is met in accordance with relevant RBI guidelines. Under Ind AS, financial assets are derecognised only when the Company transfers substantially all the risks and rewards related to the cash flows. In case of securitisation transactions entered into by the Company, they are exposed to first loss default guarantee and cash collateral and therefore, continues to be exposed to significant risks and rewards relating to the underlying loan assets. Hence, it does not meet the derecognition criteria as stated above.

3 Transaction costs on financial instruments accounted on amortised cost model

Under Previous GAAP, the transaction costs related to borrowings including fixed deposits accepted were recognised upfront in the Statement of profit and loss/ securities premium. Under Ind AS, such costs are amortised over the contractual term of the borrowing and recognised as interest expense using effective interest method in the Statement of profit and loss.

4 Impairment allowance for expected credit loss

Under Previous GAAP, the provisioning on overdue assets was as per management estimates, subject to the minimum provision required as per Master Direction- Non Banking Financial Company - Systematically Important Non Deposit taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016. Under Ind AS, impairment allowance is calculated as per expected credit loss method.

5 Leases

Under previous GAAP, rental charges were recognised in the statement of profit and loss when they were incurred. Under Ind AS, a Right of Use asset and Lease liability are recognised at inception as the present value of future lease payments as on that date. Depreciation is charged on this right of use asset systematically over the lease term. Interest is charged on the Lease liability. Payments of Lease Rentals are reduced from the Lease liability when paid.

6 Accounting for Employee stock option scheme

Under Previous GAAP, the cost of Employee Stock Options was recognised at Intrinsic value. Under Ind AS, the same is recognised on the basis of fair value of the options outstanding. However, the Company can elect not to measure the value of the options vested before the date of transition at fair value. Since the Company has opted for the exemption given under Ind AS 101, this has not resulted in any further adjustment under Ind AS for the options vested before the date of transition.

7 Impact of interest accrual on NPA at net carrying amount

Under the previous GAAP, interest income on NPA was recognised on receipt basis. As per Ind AS such income is accrued on 'Net amount' of outstanding loan balance classified as NPA (i.e. Gross balance less impairment on such asset).

8 Deferred tax adjustments

Recognition criteria for deferred tax assets is different in Ind AS when compared with previous GAAP. Further, retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

9 Reclassification adjustments

Per requirements of IndAS and Division III to Schedule III of Companies Act 2013, certain reclassification adjustments have been carried out.



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43 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 2021 Amount outstanding	As at 31 March 2021 Amount overdue
1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures		
- Secured	4,213.92	-
- Unsecured	-	-
(b) Deferred credits	-	-
(c) Term loans	3,352.28	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial paper	-	-
(f) Public deposits	-	-
(g) Cash credit	127.04	-
		As at 31 March 2021 Amount outstanding
Assets side:		
2) Break up of loans and advances including bills receivable (receivable from financing activity)		
(a) Secured		6,228.13
(b) Unsecured - includes loans to subsidiary		3,448.06
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		-
(i) Debentures and Bonds		53.69
(iii) Units of mutual funds		-
(iv) Government Securities		-
Unquoted		
(i) Shares		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		100.00
(iv) Government Securities		-
(v) Pass through certificates		222.25
Long term investments		
Quoted		
(i) Shares		
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
Unquoted		
(i) Shares		-
(a) Equity		780.20
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Investment in securitized assets		-



43 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 2021

Category	Secured	Unsecured	Total
1) Related parties			
(a) Subsidiaries	-	455.43	455.43
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2) Other than related parties	6,228.13	2,992.63	9,220.76
Total	6,228.13	3,448.06	9,676.19

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

As at 31 March 2021

Category	Book Value (Net of Provisions)	Market value/ Break up or fair value or
1) Related Parties		
(a) Subsidiaries	780.20	Not applicable
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2) Other than related parties	375.94	375.94
Total	1,156.14	375.94

As at
31 March 2021

7) Other Information

(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	424.50
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	307.60
(iii) Assets acquired in satisfaction of debt	-

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

Particulars	As at 31 March 2021	As at 31 March 2020
CRAR (percent)	39.32%	50.98%
CRAR - Tier I Capital (percent)	39.08%	50.80%
CRAR - Tier II Capital (percent)	0.24%	0.18%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

9) Investments

Particulars	As at 31 March 2021	As at 31 March 2020
Value of Investments		
(i) Gross value of investments		
(a) In India	1,156.14	780.10
(b) Outside India	-	-
(ii) Provisions for impairment		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	1,156.14	780.10
(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	-	-





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43 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)

10) The Company does not have derivative contracts as at 31 March 2021 and 31 March 2020.

11) Disclosures relating to Securitization

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
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	2	4
2. Total amount of securitised assets as per books of the SPVs sponsored as on the date of the balance sheet	155.73	271.50
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)	32.66	72.15
Others (credit enhancement)	52.59	98.34
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	-	-

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.



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43 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):

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

As at 31 March 2021

Maturity pattern	Assets				Liabilities
	Advances	Investments	Deposits	Total	Borrowings
1 to 7 days	888.39	153.69	-	1,042	139.79
8 to 14 days	123.79	-	-	124	287.95
14 days to 1 month	452.89	23.15	-	476	235.33
1 - 2 months	1,020.76	24.05	59.53	1,104	297.39
2 - 3 months	1,748.18	25.66	110.24	1,884	811.43
3 - 6 months	1,514.84	77.37	54.18	1,646	1,630.74
6 - 12 months	2,195.20	67.73	325.40	2,588	754.19
1 - 3 years	1,246.30	4.29	55.87	1,306	3,167.17
3 - 5 years	639.28	-	-	639	369.25
> 5 years	-	780.20	-	780	-
Total	9,829.63	1,156.14	605.22	11,589	7,693.24

As at 31 March 2020

Maturity pattern	Assets				Liabilities
	Advances	Investments	Deposits	Total	Borrowings
1 to 7 days	601.33	-	-	601	164.58
8 to 14 days	156.71	-	-	157	73.60
14 days to 1 month	603.37	-	-	603	246.45
1 - 2 months	574.74	-	7.00	582	599.61
2 - 3 months	654.66	-	58.55	713	218.35
3 - 6 months	1,058.02	-	0.47	1,058	554.36
6 - 12 months	1,608.62	-	28.16	1,637	674.22
1 - 3 years	2,065.79	-	158.90	2,225	2,263.05
3 - 5 years	289.20	-	63.40	353	-
> 5 years	14.75	780.10	-	795	-
Total	7,627.19	780.10	316.48	8,724	4,794.22

Note:

- The Company do not have any foreign currency assets or liabilities as at 31 March 2021 and 31 March 2020.
- 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.

16) Exposure to real estate sector

Category	As at 31 March 2021	As at 31 March 2020
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	182.15	52.46
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	6.90	3.67
iii) Agricultural Land	185.48	44.15
IV) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a) Residential	-	-
b) Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	374.53	100.28

17) Exposure to capital market

The Company does not have any exposure to Capital market as at 31 March 2021 and 31 March 2020

18) Details of financing of parent company products

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





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43 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):

- 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 41 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 2021		As at 31 March 2020	
		Amount rated(in millions)	Rating assigned	Amount rated(in millions)	Rating assigned
Non Convertible Debentures and Market Linked Debentures	ICRA	1,477	BBB (stable)	1,470	BBB (stable)
Non Convertible Debentures	CARE	450	BBB (stable)	450	BBB (stable)
Term loans	CARE	400	BBB (stable)	400	BBB (stable)
Term loans	CRISIL	2,000	BBB+ (stable)	2,000	BBB+ (stable)
Non Convertible Debentures (Short Term)	CRISIL	350	A2+ (Assigned)	NA	NA
Non Convertible Debentures (Long Term)	CRISIL	3,250	BBB+ (stable) (Reaffirmed)	NA	NA
Term loans	CRISIL	1,000	A2+ (Reaffirmed)	NA	NA
Term loans	Infomeric	2,000	A- (stable)	NA	NA
				NA	NA

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Provision for depreciation on investments	-	-
Provision towards NPA	59.19	39.94
Provision made towards income tax	-	92.15
Provision for standard assets	(104.67)	118.72
Provision for depreciation and amortisation on property, plant and equipment, right of use assets and other intangible assets	28.09	17.29
Provision for employee benefits	7.62	10.57

26) Draw down from reserves

Refer Statement of Changes in Equity for details relating to draw down from reserves

27) Concentration of deposits, advances, exposures and NPAs

Particulars	As at 31 March 2021	As at 31 March 2020
i. Concentration of advances		
Total advances to twenty largest borrowers	2,935.05	1,944.07
Percentage of advances to twenty largest borrowers to total advances of the NBFC	30.33%	26.17%
ii. Concentration of exposures (undrawn limits not considered)		
Total exposures to twenty largest borrowers/customers	2,935.05	1,944.07
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	30.33%	26.17%
iii. Concentration of exposures		
Total exposures to top four NPA accounts	162.52	51.24
iv. Sector-wise NPAs		
All of the Company' NPAs are related to agricultural and allied activities.		



43 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 2021	Year ended 31 March 2020
A Net NPAs to Net Advances (%)	3.18%	2.24%
B Movement of NPAs (Gross)		
a) Opening balance	223.77	74.06
b) Additions during the year	529.29	203.90
c) Reductions during the year	29.64	3.00
d) Write-off during the year	298.92	51.19
e) Closing balance	424.50	223.77
C Movement of Net NPAs		
a) Opening balance	168.06	56.29
b) Additions during the year	402.60	150.67
c) Reductions during the year	281.06	40.91
d) Closing balance	307.60	168.06
D Movement of provisions for NPAs (excluding provision on standard assets)		
a) Opening balance	57.71	17.77
b) Provisions made during the year	126.69	53.23
c) Utilisation during the year	28.95	10.31
d) Write-back of excess provisions	38.55	2.98
e) Closing balance	116.90	57.71

vi. Overseas assets

The Company does not have any overseas assets as at 31 March 2021 and 31 March 2020

28) There are no off-balance sheet SPVs sponsored by the Company as at 31 March 2021 and 31 March 2020 that are required to be consolidated

29) Customer complaints*

	Year ended 31 March 2021	Year ended 31 March 2020
i) No. of complaints pending at the beginning of the year	-	-
ii) No. of complaints received during the year	11	5
iii) No. of complaints redressed during the year	11	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 2021

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

S.No	Number of Significant Counterparties	Amount	% of Total borrowings	% of Total liabilities
1	23	7359.8	95.67%	94.57%

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

Nil

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

Amount	% of Total Borrowings
5,363.90	70%



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30) Public Disclosure on Liquidity risk as at 31 March 2021 (Contd.)
(iv) Funding Concentration-Based on significant instrument/ product

S.No.	Name of the instrument	Amount	% of Total liabilities
1	Cash credit	-	0.00%
2	Commercial paper	-	0.00%
3	Non convertible debentures	4,213.92	54.77%
4	Overdraft facilities	127.04	1.65%
5	Short-term Loans	242.03	3.15%
6	Long-term loans	3,110.25	40.43%
Total		7,693.24	

A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the the Company. Total liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

(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	0.00%	0.00%	0.00%
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	52.92%	50.94%	30.75%

(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:
 - i) Inability to raise incremental borrowings to fund business requirement or repayment obligations
 - ii) When assets cannot be funded at the expected term resulting in cashflow mismatches
 - iii) 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:

- i) Identification of gaps in the structural and dynamic liquidity statements.
- ii) 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:

- i) assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs.
- ii) a constant calibration of sources of funds in line with emerging market conditions in banking and money markets
- iii) 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- Management level 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 2021, the Company has liquidity of ₹ 1430 millions. The Company maintains a judicious mix of borrowings from banks, Agri Development Institutes, 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 2020-21 the weighted average cost of borrowings moved down by 48 basis points despite volatile market conditions. The Company continues to evaluate new sources of borrowing by way of new routes of funding like Commercial Papers, NCDs, Market Linked Debentures, Special Liquidity Schemes of RBI etc.



44 Covid-19 Impact

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) had issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020 and in accordance therewith, the Company has proposed a moratorium on the payment of all principal instalments and/ or interest, as applicable, falling due between 01 March 2020 and 31 August 2020 to certain eligible borrowers at their request who have no overdue as on 29 February 2020.

For all such accounts where the moratorium was granted, the asset classification will remain at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy). The collection received during moratorium period has been adjusted towards moratorium interest first and then towards principal. Revised repayment schedule has been drawn as at 01 September, 2020 and future collection will be adjusted towards the moratorium interest until it is fully recovered and thereafter towards current interest and principal and accordingly the collections received for the month of September 2020 onwards has been adjusted as per the revised repayment schedule.

Further as per RBI Resolution framework dated 06 August 2020, the Company restructured loans provided to 11 customers upon their request as their operations was severely impacted due to COVID. The loans worth of INR 495 million were restructured which has outstanding balance of INR 495 million as at balance sheet date 31 March 2021.

Until 30 September 2020, the Company has made an additional prudential provision of INR. 103 million, over and above provision made under ECL, towards potential impact on account of COVID-19 pandemic as at 30 September 2020. This provision was made based on available information then and given the uncertainty over the potential macro-economic impact and based on the policy approved by the board, to determine the provision for impairment of financial assets. This provision amount has been reviewed and adjusted against the ECL provision as at 31 March 2021.

The Company witnessed a substantial improvement in all the business parameters from October 2020. The Company has achieved overall collection efficiency of 89% in the last six months and also there was good demand for its loan product given the fact that economic recovery was gaining the momentum.

The nation is now going through the second COVID wave, and this time the impact is more severe and has hit most of the rural districts of the country. The effects of the pandemic on the different Agri sub-sectors have been varied given the different nature of each sub-sector. Based on management's assessment around 95% of Samunnati's net portfolio under Low to Medium risk basis factors like product nature, market dynamics and resilience to COVID-19 situation. The Company has taken adequate safety measures to protect its employees and also will ensure vaccination for its field staff on priority basis which will help company to continue its business operations with minimum disruption.

Considering the unique and wide spread impact of COVID-19, the Company has estimated credit loss ('ECL') allowance towards its loan assets and managed portfolio, based on the information available at this point in time including economic forecasts. The Company believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of these financial statements.

The underlying forecasts and assumptions applied by the Company in determination of ECL allowance are subject to uncertainties which are often outside the control of the Company and accordingly, actual results may differ from these estimates. Any potential excess/shortfall based on actual experience will be adjusted in the relevant period in future. The Company will continue to closely monitor the impact and any material changes in both the internal and external environments. The Company has been duly servicing its debt obligations. The Company's Management believes that Capital Adequacy and Liquidity position remains strong and shall continue to be an area of focus.

45 Events after reporting date

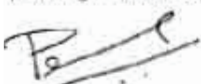
On 15 April 2021, the Board of directors approved the proposal to acquire "Kamalan Farm Tech Private Limited", a private limited company incorporated in India, engaged in the business of trading of wholesale agri produce.

As per our report of even date attached

For Walker Chandlok & Co LLP

Chartered Accountants

(Firm Regn No. 001076N/N500013)



Praveen Warrior
Partner
Membership No. 214757




Place: Kannur
Date: 29 July 2021

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



S G Anil Kumar
Director and CEO
DIN : 01188011



Gurusath Neelaman
Director
DIN : 02798588



Ashok Dhamankar
Group Chief Financial Officer

Place: Chennai
Date: 29 July 2021



Ashwin Venketravan
Company Secretary

Place: Chennai
Date: 29 July 2021





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