SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

CIN: **U65990TN2014PTC096252**

Annual Report
FY 2021-22

Index

NOTICE OF THE EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

NOTICE is hereby given that the Eighth Annual General Meeting ("AGM") of Samunnati Financial Intermediation & Services Private Limited (the "Company") will be held on Monday, September 5, 2022, at 11 A.M. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") in compliance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder read with General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 02/2022 dated May 05, 2022 (hereinafter collectively referred to as "Circulars") and other applicable circulars issued by the Ministry of Corporate Affairs ("MCA"), to transact the businesses set out below. Members participating through the VC / OAVM facility shall be reckoned for the purpose of quorum under Section 103 of the Companies Act, 2013. The proceedings of the AGM will be recorded at the Registered Office of the Company situated at Baid Hi Tech Park, 8th Floor, No 129B, East Coast Road, Thiruvanmiyur, Chennai - 600 041.

In compliance with the Circulars issued by the MCA, the Notice of the AGM and the Audited Financial Statements for the Financial Year 2021-22 along with the Reports of the Board of Directors and Auditors thereon and other documents required to be attached thereon are being circulated to the Members of the Company through electronic mode.

ORDINARY BUSINESS:

ITEM NO. 1 - TO CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022 ALONG WITH THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON

To consider and if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

"**RESOLVED THAT** the Audited Standalone and Consolidated Financial Statements of the Company along with the Reports of the Board of Directors and Auditors thereon for the Financial Year ended March 31, 2022, as circulated to the Members and laid before the Meeting, be and are hereby approved and adopted."

SPECIAL BUSINESSES:

ITEM NO. 2 - TO CONSIDER AND APPROVE RE-APPOINTMENT OF MR. GURUNATH NEELAMANI AS A WHOLE TIME DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Sections 196, 203, Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof, for the time being in force) read with Articles of Association of the Company, the Amended and Restated Shareholders' Agreement dated May 06, 2019, the Amendment to the Amended and Restated Shareholders' Agreement dated April 12, 2021 and the Amendment to the Amended and Restated Shareholders' Agreement dated March 30, 2022, the consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Gurunath Neelamani (DIN: 02799586) as a Whole time Director of the Company for a period of five years with effect from June 21, 2022 on such remuneration as may be fixed by the Nomination & Remuneration Committee / Board of Directors of the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to approve the terms and conditions of re-appointment including remuneration and to alter such terms and conditions from time to time as it may deem appropriate, on the recommendation of the Nomination and Remuneration Committee and in compliance with the applicable provisions of the Companies Act, 2013 and other applicable laws.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question or clarifications that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

ITEM NO. 3 - TO CONSIDER AND APPROVE RE-APPOINTMENT OF MR. SUNIL SATYAPAL GULATI AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Mr. Sunil Satyapal Gulati (DIN:00016990), be and is hereby re-appointed as an Independent Director, not liable to retire by rotation, for a second term of five years with effect from September 25, 2022 up to September 24, 2027.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question or clarifications that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

By Order of the Board of Directors
Sd/-
S Arun Kumar
Company Secretary

Place: Chennai

Date: August 12, 2022

NOTE:

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY SUBJECT TO PROVISIONS OF THE ARTICLES OF ASSOCIATION. However, as per the Circulars issued by MCA, the entitlement for appointment of proxy has been dispensed with for the General Meetings conducted through VC / OAVM. Accordingly, the Attendance Slip, Proxy Form and Route Map have not been annexed to this Notice of AGM.

2) Corporate Members intending to nominate their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3) The explanatory statement as required under Section 102 of the Companies Act, 2013 is annexed hereto and forms an integral part of the Notice.

4) Members may kindly note that since the Annual General Meeting of the Company is scheduled to be held through VC / OAVM, the login credentials shall be shared with the Members along with the instructions for logging in, to their registered mail ids. In case of any clarifications in this regard, Members can reach out to us at secretarial@samunnati.com or 044-66762400.

5) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 read with rules issued thereunder shall be available electronically for inspection.

ANNEXURE TO THE NOTICE

A. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement contains all the material facts relating to the Special Businesses as set out in this Notice:

ITEM NO. 2 - RE-APPOINTMENT OF MR. GURUNATH NEELAMANI AS WHOLE TIME DIRECTOR OF THE COMPANY

Mr. Gurunath Neelamani (DIN: 02799586) was appointed as a Whole time Director of the Company for a period of 5 years on June 21, 2017. Considering his experience, skills, knowledge and performance evaluation, the Nomination and Remuneration Committee at its Meeting held on May 24, 2022 had recommended re-appointment of Mr. Gurunath Neelamani as a Whole time Director for a term of five years effective June 21, 2022, after taking note of the requisite consents and disclosures/declarations received from him under the provisions of the Companies Act, 2013 and rules made thereunder.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, re-appointed Mr. Gurunath Neelamani as Whole time Director for a further period of 5 years w.e.f. June 21, 2022 subject to approval of the Members.

The brief profile of Mr. Gurunath Neelamani and other information as required under the Secretarial Standards are disclosed under Para - B of this statement.

The Board recommends passing of the resolution at Item No. 2 of the notice as a Special Resolution.

Except Mr. Gurunath Neelamani, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution as set out in Item No. 2.

ITEM NO. 3 - RE-APPOINTMENT OF MR. SUNIL SATYAPAL GULATI AS AN INDEPENDENT DIRECTOR OF THE COMPANY

Mr. Sunil Satyapal Gulati (DIN:00016990) was appointed as an Independent Director of the Company at the Meeting of Board of Directors held on September 25, 2017 for a period of five years effective September 25, 2017, which was approved by Members at the Extraordinary General Meeting of the Company held on February 8, 2018. Accordingly, Mr. Sunil Satyapal Gulati's tenure as Independent Director of the Company comes to an end on September 24, 2022.

As per the provisions of Section 149(10) and (11) of the Companies Act, 2013 ("the Act"), an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company but shall be re-appointed by the Company by passing a special resolution and disclosure of such re-appointment in the Boards' Report.

Considering his experience, skills, knowledge and performance evaluation, the Nomination and Remuneration Committee at its Meeting held on August 03, 2022 had recommended re-appointment of Mr. Sunil Gulati as an Independent Director for a second term of five consecutive years after taking note of the consents and disclosures/declarations received from him. The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, re-appointed Mr. Sunil Gulati as an Independent Director, not liable to retire by rotation, for a second term of five years with effect from September 25, 2022 up to September 24, 2027 subject to approval of the Members.

In the opinion of the Board, Mr. Sunil Gulati fulfils the conditions specified in the Act and the Rules framed thereunder and he is independent of the Management. The brief profile of Mr. Sunil Gulati and other information as required under the Secretarial Standards are disclosed under Para - B of this statement.

The Board recommends the re-appointment of Mr. Sunil Gulati for a further term of five years. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Sunil Gulati is being placed before the Members for their approval by means of a Special Resolution.

Except Mr. Sunil Gulati, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution as set out in Item no.3.

B. DISCLOSURE UNDER SECRETARIAL STANDARDS 2 ON GENERAL MEETINGS

Name of the Director	Mr. Gurunath Neelamani	Mr. Sunil Satyapal Gulati
DIN	02799586	00016990
Date of Birth	18/03/1964	28/07/1961
Age	58 years	61 years
Qualification(s)	B Sc - Physics, PGDSM - NIIT	B. Tech, PGDM
Date of Appointment (Initial Appointment)	June 21, 2017	September 25, 2017
Nature of his expertise in specific functional areas	Banker with over 32 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. Played key roles across Business and Operations in IFMR group of companies and also served as CEO of a NBFC (Pudhuaaru Financial Services Private Limited)	Experienced Banker for over 3 decades across multinational and Domestic Private sector banks with global and Indian experience
Number of Board Meeting attended during FY 2021-22	Eleven	Twelve
Inter-se relationship with any other directors and KMPs of the Company	None	None
Directorships in other Companies	Samunnati Finance Private Limited	- Varthana Finance Private Ltd - Tapstart Capital Private Ltd - PNB Metlife India Insurance Company Ltd - Fincare Small Finance Bank Ltd

		- Empays Payment Systems India Private Ltd - Merisis Advisors Private Ltd - Visage Holdings and Finance Private Ltd - Arthan Finance Private Ltd - SBI Mutual Fund Trustee Company Private Ltd - Perfios Account Aggregation Services Private Ltd - White Wizard Capital Private Ltd
Number of shares held in the Company	1200	NIL
Details of remuneration sought to be paid	As may be fixed by the Board of Directors from time to time	Not Applicable
Details of remuneration last drawn	INR 11.86 MN	NIL (only sitting fee is paid)

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the eighth 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, 2022.

A. FINANCIAL PERFORMANCE

The summarised Standalone results of your Company are given in the table below:

(INR MN)

Particulars	Year ended 31st March,2022	Year ended 31st March,2021*
Revenue from Operations (A)	1,692.46	1,603.86
Other Income (B)	82.46	72.97
Total Income (A+B)	**1,774.92**	**1,676.83**
Expenditure		
Total Expenses (Including Interest & Depreciation)	**2,590.92**	**1,674.06**
Profit / (Loss) before Tax	**(816.00)**	**2.77**
Less: Tax expenses:		
1. Current tax	-	0.00
2. Deferred tax	(149.81)	(0.96)
Profit/ (Loss) after tax	**(666.19)**	**3.73**
Other Comprehensive Income	2.07	4.11
Total Comprehensive Income	**(664.12)**	**7.84**

**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 31st March, 2022	Year ended 31st March, 2021*
Revenue from Operations (A)	22,755.36	9,141.68
Other Income (B)	165.65	124.15
Total Income (A+B)	**22,921.01**	**9,265.83**
Expenditure		
Total Expenses (Including Interest & Depreciation)	**24,248.11**	**9,352.22**
Profit/(Loss) before Tax	**(1,327.10)**	**(86.39)**
Less: Tax expenses:		
1. Current tax	-	-
2. Deferred tax	(260.71)	(20.10)
Profit/ (Loss) after tax	**(1,066.39)**	**(66.29)**
Other Comprehensive Income	(1.94)	4.75
Total Comprehensive Income	**(1,064.45)**	**(61.54)**

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

B. SUMMARY OF OPERATIONS

Standalone

The Company achieved 21.8% growth in Asset under Management (AUM) which grew by INR 2,040 MN to INR 11,414 MN during FY 2021-22 from INR 9,374 MN during FY 2020-21. Revenue from operations grew by INR 88.6 MN (growth of 5.5%) to INR 1,692.46 MN from INR 1,603.86 MN. Other Income grew by INR 9.49 MN (growth of 13%) to INR 82.46 MN from INR 72.97 MN. Total comprehensive income after tax has gone down from INR 7.84 MN to a loss of INR 664.12 MN primarily on account of higher impairment / ECL provision.

During the year, the Company raised debt funding of INR 8,554 MN from Banks, NBFCs and foreign institutions, despite adverse financial market conditions.

Performance of Subsidiaries

- Samunnati Agro Solutions Private Limited is a wholly owned subsidiary of the Company which trades in agro commodities. The Gross Transaction Value / Sales of the subsidiary during FY 2021-22 increased to INR 21,102.3 MN from INR 7,567.5 MN during FY 2020-21 registering a growth of ~ 179%. The Gross Margin earned during FY 2021-22 was INR 409.2 MN compared to INR 212.7 MN during FY 2020-21. The EBITDA was INR 108.4 MN during FY 2021-22 as against INR 84.3 MN during FY 2020-21.

- Samunnati Finance Private Limited is a wholly owned subsidiary of the Company incorporated during the financial year. The Company has filed application with Reserve Bank of India for issuance of Non-Banking Finance Company license and the Company is yet to commence its business operations.

- Kamatan Farm Tech Private Limited ("Kamatan"), which deals in trading of agro commodities, was acquired as a wholly owned subsidiary on April 16, 2021. Post acquisition, all transactions have been undertaken in Samunnati Agro Solutions Private Limited for strategic reasons executed by the erstwhile employees of Kamatan. As a result, sales was lower by more than 85% during FY 2021-22 at INR 53.5 MN compared to INR 359.7 MN during FY 2020-21. Net Income was INR 2.7 MN during FY 2021-22 compared to INR 8.1 MN during FY 2020-21. EBITDA was negative at INR 37.1 MN

- Samunnati Foundation, a wholly owned subsidiary, is a not-for-profit company incorporated under Section 8 of the Companies Act, 2013. It was established to enable inclusive growth and create opportunities for the unserved/ underserved communities in the agricultural ecosystem in order to make a tangible difference to livelihood of small holder farmers. Samunnati Foundation has been excluded from consolidation as its inclusion is not material to the Group and being not for profit organisation, impairs its ability to transfer any benefit to the Company.

C. COMPANY OVERVIEW

Your Company is a Non-Banking Finance Company (NBFC) registered with Reserve Bank of India and 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 30 years in the rural & retail financial services, microfinance and financial inclusion sectors.

Samunnati leverages on the ‘social capital’ and ‘trade capital’ in buyer-seller relationships via Samunnati Aggregators, through non-traditional sourcing, risk assessment and mitigation, aided by cutting edge technology and an experienced management team with deep domain expertise. All these contribute to building a quality business that is sustainable and inclusive growth. These values are embedded in the genetic code of 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.

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 then existing shareholders, by way of swap of shares. As part of the share swap arrangement, the then existing shareholders of Kamatan have been allotted Compulsorily Convertible Preference Shares (CCPS) of the Company as consideration. With this acquisition, the Company hopes 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.

The Company has also incorporated Samunnati Finance Private Limited as a wholly owned Subsidiary on September 22, 2021. Samunnati Finance Private Limited will engage in the business of providing Financial Assistance and improving access to finance to underserved geographies and customer segments by providing or arranging loans and advances. Samunnati Finance Private Limited is in the process of obtaining Registration/License from the Reserve Bank of India (RBI), to operate as a Non-Banking Finance company (NBFC). The NBFC business of the Company would be transferred to Samunnati Finance Private Limited by way of a slump sale, as part of the Scheme of Arrangement.

Samunnati Agro Solutions Private Limited has incorporated Samunnati Investment Management Services Private Limited on March 08, 2022 as a wholly owned subsidiary, which will manage an Alternative Investment Fund (“AIF”) (Category 2 – Debt fund) with emphasis on Sustainability, Scalability and Impact.

D. COMPOSITE SCHEME OF ARRANGEMENT

The Board of Directors of the Company had, at the Meeting held on October 28, 2021, approved the Composite Scheme of Arrangement (“**Scheme**”) for:

(a) the slump sale (i.e., transfer and vesting) of the Business Undertaking of Samunnati Financial Intermediation & Services Private Limited as a going concern into Samunnati Finance Private Limited, pursuant to the provisions of Section 230 to Section 232 of the Companies Act, 2013, and

(b) Post giving effect to (a) above, the amalgamation of Samunnati Agro Solutions Private Limited into Samunnati Financial Intermediation & Services Private Limited, pursuant to the provisions of Section 230 to Section 232 of the Companies Act, 2013.

Further to this, the abovesaid Companies had filed a joint application before the National Company Law Tribunal, Chennai ("**NCLT**") on December 04, 2021, seeking its directions for convening of the Meetings of the Equity Shareholders, Preference Shareholders, Debenture holders and Creditors and for dispensation of Meetings wherever approvals of the particular class of stakeholders had already been filed with the NCLT.

In this connection, NCLT had passed an order dated March 29, 2022 [CA/(CAA)/118(CHE)2021] ("NCLT Order") directing the Company to convene the Meetings of the concerned stakeholders seeking their approval for implementation of the Scheme. Accordingly, the Meetings of all stakeholders i.e. Equity Shareholders, Compulsorily Convertible Preference Shares, Debenture Holders and other creditors of the Company were convened on May 4, 2022 and approvals with requisite majority were obtained. Subsequently, the Company and its subsidiaries had filed joint petition before the NCLT on May 13, 2022. The matter is now pending hearing before NCLT.

E. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

No material changes and commitment that affect the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of this report.

F. DIVIDEND

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

G. TRANSFER TO RESERVES

As the Company has not made profits during the financial year 2021-22, your Company has not transferred any amount to statutory reserve under Section 45-IC of the Reserve Bank of India Act, 1934.

H. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year 2021-22.

I. 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, 2022.

J. 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.

K. CHANGES TO SHARE CAPITAL

During the year under review, 67,624 compulsorily convertible preference shares (CCPS) of face value of Rs.10/- each were issued for consideration other than cash as consideration for acquisition of Kamatan Farm Tech Private Limited. The details of the same are given below:

S.No	Date of Allotment	Name of the Shareholder	Type of Shares	Mode of allotment	No of Shares
1.	16.04.2021	Elevar M-III	Series D1 Compulsorily Convertible Preference Shares	Private Placement	43,448
2.	16.04.2021	Elevar I-IV AIF represented by its trustee Vistra ITCL (India) Ltd	Series D1 Compulsorily Convertible Preference Shares	Private Placement	19,617
3.	16.04.2021	Mr. Pravesh Sharma	Series D1 Compulsorily Convertible Preference Shares	Private Placement	1,912
4.	16.04.2021	Mr. Amol Patil	Series D1 Compulsorily Convertible Preference Shares	Private Placement	2,647
Total					**67,624**

Consequent to the same, the paid-up capital as on March 31, 2022 was INR 2,25,76,800/- (Rupees Two Crore Twenty Five Lakhs Seventy Six Thousand Eight Hundred Only) divided into 5,73,861 (Five Lakhs Seventy Three Thousand Eight Hundred and Sixty One only) Equity Shares of Rs.10/- each and 16,83,819 (Sixteen Lakhs Eighty Three Thousand Eight Hundred and Nineteen only) Compulsorily Convertible Preference shares of Rs. 10/- each.

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

Particulars	Opening (April 01, 2021)	Closing (March 31, 2022)
Authorized Capital (INR)	INR 2,50,00,000/-	INR 2,50,00,000/-
Paid Up Capital (INR)	INR 2,19,00,560/-	INR 2,25,76,800/-

L. DISCLOSURE UNDER SECTION 67(3)(C) OF COMPANIES ACT, 2013

The disclosure with regard to voting rights not exercised directly by the employees of the Company as required under proviso to Section 67(3)(c) of Companies Act, 2013 read with rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not applicable to the Company.

M. DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any Equity Shares with differential rights during the financial year 2021-22.

N. DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS / SWEAT EQUITY SHARES

The Company currently administers an Employee Stock Option Plan (ESOP) which was initially constituted during 2015. The Board had approved the amended Employee Stock Option Plan 2019, at its Meeting held on May 22, 2019 and the same was also approved by the Members at the Extraordinary General Meeting held on May 24, 2019. Further with a view to broaden the terms and conditions, including those on vesting, exercise, lapse and surrender the Board has approved the Employee Stock Option Plan 2022 ("ESOP Scheme 2022"), at its Meeting held on February 10, 2022 and the same was approved by the Members in the Extraordinary General (EGM) Meeting held on March 07, 2022.

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.

O. DISCLOSURES UNDER RULE 12(9)(A) TO (I) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014

Particulars	Value
Outstanding Options at the beginning of the year – April 01, 2021	1,02,565
Options Granted during FY 2021-22	43,380
Options Vested during FY 2021-22	10,500
Options Exercised during FY 2021-22	-
Total No. of Shares arising as a result of exercise of option during FY 2021-22	-
Options Lapsed	15,232
Exercise Price (Weighted)	No options exercised during FY 2021-22

<table>
<tr><th>Particulars</th><th colspan="2">Value</th></tr>
<tr><td>Variation of terms of options</td><td colspan="2">The existing Employee Stock Option Plan 2019 amended to broaden the terms and conditions including those on vesting, exercise, lapse, surrender, etc.</td></tr>
<tr><td>Money realised by exercise of options</td><td colspan="2">No options exercised during FY 2021-22</td></tr>
<tr><td>Total No. of Options in force as on March 31, 2022</td><td colspan="2">1,30,713</td></tr>
<tr><td>Employee wise details of options granted to:</td><td colspan="2"></td></tr>
<tr><td>(1) key managerial personnel;</td><td colspan="2">Disclosed in MGT-7</td></tr>
<tr><td rowspan="6">(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</td><td>Name of the Employee</td><td>No of Options Granted</td></tr>
<tr><td>Mr. Lalit Malik</td><td>5960</td></tr>
<tr><td>Mr. Raghavan HKN</td><td>4350</td></tr>
<tr><td>Mr. Suresh Venkatesan</td><td>4400</td></tr>
<tr><td>Mr. Pravesh Sharma</td><td>8000</td></tr>
<tr><td>Mr. Amol Patil</td><td>2500</td></tr>
<tr><td>(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</td><td colspan="2">Nil</td></tr>
</table>

P. CAPITAL ADEQUACY RATIO

The Company's Capital Adequacy ratio stood at 20.43% as on March 31, 2022 which is well within the regulatory limits applicable for NBFC- ND-SI as stipulated by the Reserve Bank of India.

Q. EXTRACT OF THE ANNUAL RETURN

In accordance with Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 ('the Act'), the annual return in Form MGT-7 is placed on the website of the Company and is available on https://site.samunnati.com/annual-returns/

R. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL DURING THE YEAR

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

S No.	Name of the Director	DIN/PAN	Category	Changes during the year, if any
9.	Mr. Gurunath Neelamani	02799586	Whole-time Director	Nil
10.	Mr. Ashok Dhamankar	AECPD4476R	CFO (KMP)	Cessation w.e.f. April 22, 2022 *
11.	Mr. Lalit Malik	AKDPM0939K	CFO (KMP)	Appointed w.e.f. April 22, 2022 *
12.	Ms. Ashwini Venkataraman	ASBPA2554Q	Company Secretary	Cessation w.e.f September 15, 2021
13.	Mr. S Arun Kumar	AIPPA8757R	Company Secretary	Appointed w.e.f. March 11, 2022

** Change post end of the financial year*

Mr. Gurunath Neelamani (DIN: 02799586) was appointed as a Whole-time Director of the Company for a period of 5 years on June 21, 2017 and his tenure as Whole-time Director was until June 20, 2022. The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, re-appointed Mr. Gurunath Neelamani as Whole-time Director for a further period of 5 years w.e.f. June 21, 2022 subject to approval of the shareholders.

Mr. Sunil Satyapal Gulati (DIN:00016990) was appointed as an Independent Director for the first term of five years effective September 25, 2017. His office of directorship is due for retirement on September 24, 2022. Based on the recommendation of the Nomination and Remuneration Committee and after taking into account the performance evaluation of his first term of five years and considering the knowledge, acumen, expertise, experience and the substantial contribution he brings to the Board, the Committee has recommended the appointment of Mr. Sunil Satyapal Gulati to the Board for a second term of five years. The Board, at its Meeting held on August 05, 2022, approved the reappointment of Mr. Sunil Satyapal Gulati as an Independent Director of the Company for a second term of 5 years with effect from September 24, 2022, whose office shall not be liable to retire by rotation.

The Board recommends the above reappointments to the shareholders. The notice convening the Annual General Meeting, sets out the details.

S. 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/

T. DETAILS OF MEETINGS OF THE BOARD

The Directors of the Company met 12 (Twelve) times during the financial year 2021-22. The details of Board Meetings held during the year and the attendance of Directors at the said Meetings are given below:

BOARD MEETINGS		
Sl. No	Date of Meeting	No. of Directors who attended the meeting
1.	April 09, 2021	7/9
2.	April 16, 2021	7/9
3.	June 24, 2021	8/9
4.	June 29, 2021	9/9
5.	July 29, 2021	8/9
6.	September 07, 2021	6/9
7.	October 28, 2021	7/9
8.	November 11, 2021	8/9
9.	January 18, 2022	9/9
10.	February 02, 2022	7/9
11.	February 10, 2022	7/9
12.	March 11, 2022	7/9

U. LIST OF COMMITTEES

The Constitution of the Board Committees as of March 31, 2022 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 – 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. Suresh Venkatesan - Member
e) Mr. Chandra Sekhar Nallagonda - Member

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

V. DETAILS OF COMMITTEE MEETINGS

The details of Committee Meetings held during the year and the attendance at the said Meetings are given below:

AUDIT COMMITTEE		
S. No.	**Date of Meeting**	**No. of Members who attended the Meeting**
1.	June 15, 2021	3/3
2.	June 29, 2021	3/3
3.	July 29, 2021	3/3
4.	October 28, 2021	3/3
5.	November 09, 2021	3/3
6.	January 18, 2022	3/3
7.	February 02, 2022	3/3
8.	February 10, 2022	3/3

NOMINATION & REMUNERATION COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	June 22, 2021	6/6
2.	August 19, 2021	6/6
3.	February 09, 2022	6/6

RISK MANAGEMENT COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	June 15, 2021	6/6
2.	November 11, 2021	6/6
3.	February 09, 2022	4/6

STAKEHOLDERS RELATIONSHIP COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	February 09, 2022	3/3

IT STRATEGY COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	September 07, 2021	3/4
2.	February 09, 2022	5/5

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	June 15, 2021	4/4
2.	February 07, 2022	4/4

FINANCE COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	April 26, 2021	2/2
2.	May 26, 2021	2/2
3.	June 17, 2021	2/2
4.	June 30, 2021	2/2
5.	July 20, 2021	2/2
6.	August 20, 2021	2/2
7.	September 09, 2021	2/2
8.	September 17, 2021	2/2
9.	September 24, 2021	2/2
10.	October 11, 2021	2/2
11.	November 23, 2021	2/2

FINANCE COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
12.	December 16, 2021	2/2
13.	December 28, 2021	2/2
14.	December 31, 2021	2/2
15.	January 20, 2022	2/2
16.	February 18, 2022	2/2
17.	March 02, 2022	2/2
18.	March 17, 2022	2/2
19.	March 28, 2022	2/2

W. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, investments and guarantees for FY 2021-22 have been provided in the notes to the Financial Statements of the Company.

X. REGULATORY COMPLIANCE

The Company has complied with all the mandatory regulatory requirements of the Reserve Bank of India guidelines, the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable statutes and regulations except for a delay in submission of the financial results for the year ended March 31, 2021 under Regulation 52(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as a result of delay in audit closure on account of the COVID-19 pandemic.

Y. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES AS OF MARCH 31, 2022

As of March 31, 2022, the Company has five wholly owned subsidiaries as given below:

(a) **Samunnati Agro Solutions Private Limited**, which offers trading facilities and market linkages to Agri value chain players.

(b) **Samunnati Foundation** - It was established to enable inclusive growth and create opportunities for the unserved/ underserved communities in the agricultural ecosystem in order to make a tangible difference to livelihood of small holder farmers.

(c) **Kamatan Farm Tech Private Limited,** which deals in Agri related technology offering software, technical and engineering solutions and undertakes all other technology-based interventions. The Company emphasizes on development of value chains in agriculture, organize, catalyse institutions to integrate producers in Agri value chains, promote, invest in, organise and support organization of marketing chains.

(d) **Samunnati Finance Private Limited**, will engage in the Business of providing Financial Assistance and improving access to finance to underserved geographies and customer segments by providing or arranging loans and advances. It is in the process of obtaining NBFC license from the Reserve Bank of India. The NBFC business of the Company would be transferred to Samunnati Finance Private Limited as part of the Scheme of Arrangement.

(e) **Samunnati Investment Management Services Private Limited** - which will manage an Alternative Investment Fund (“AIF”) (Category 2 – Debt fund) with emphasis on

Sustainability, Scalability and Impact. Samunnati Investment Management Services Private Limited is a subsidiary of Samunnati Agro Solutions Private Limited and is a step down subsidiary of the Company.

The information as required under the first proviso to sub Section (3) of Section 129 is given in Form AOC- 1 in **Annexure I.**

Z. RELATED PARTY TRANSACTIONS

There were no contracts, arrangements or transactions entered into during the financial year 2021-22 that fall under the scope of Section 188(1) of the Companies Act, 2013. As required under the Companies Act, 2013, the prescribed Form AOC-2 for the financial year 2021-22 is appended as **Annexure II** to this Board's report.

Also, the Related Party Disclosures under Regulation 53(f) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been provided in the notes to the Financial Statements of the Company.

AA. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

The Board of Directors of the Company had at the Meeting held on October 28, 2021, approved the Composite Scheme of Arrangement ("**Scheme**"). Further the Company along with its subsidiaries Samunnati Finance Private Limited and Samunnati Agro Solutions Private Limited had filed a joint application before the National Company Law Tribunal, Chennai ("NCLT") on December 04, 2021, seeking its directions for convening of the Meetings of the Equity Shareholders, Preference Shareholders, Debenture holders and Creditors and for dispensation of Meetings wherever approvals of the particular class of stakeholders had already been filed with the NCLT.

In connection with this, the NCLT had passed an order dated March 29, 2022 [CA/(CAA)/118(CHE)2021] ("NCLT Order") directing the Company to convene the Meetings of concerned stakeholders on May 4, 2022.

Pursuant to the NCLT Order, the Company has obtained the approval of the Equity Shareholders, Preference Shareholders, Debenture holders and Creditors and has along with its subsidiaries filed a joint petition before the National Company Law Tribunal, Chennai ("NCLT") seeking its approval for the Scheme.

BB. DETAILS OF CREDIT RATINGS OF THE COMPANY DURING FY 2021-22

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

Rating agency	Ratings as on April 01, 2021	Changes/revisions of rating during the year, if any	Ratings as on March 31, 2022
ICRA	ICRA BBB/ Stable	ICRA BBB/ Stable; Rating Withdrawn	-
CARE	CARE BBB/ Stable	-	CARE BBB/ Stable (Reaffirmed)

Rating agency	Ratings as on April 01, 2021	Changes/revisions of rating during the year, if any	Ratings as on March 31, 2022
CRISIL - Long term	CRISIL BBB+/ Stable	-	CRISIL BBB+/ Stable (Reaffirmed)
CRISIL - Short term	CRISIL A2+	-	CRISIL A2+
Infomerics	IVR A-/ Stable Outlook	Revised from IVR A-/ Stable Outlook to IVR BBB+ / Stable Outlook	IVR BBB+/ Stable Outlook

CC. DETAILS OF DEBENTURE TRUSTEE OF LISTED DEBENTURES

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

DD. 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 as Independent Directors including their integrity, expertise and experience and confirm that they are independent of the Management.

EE. 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 Companies.

FF. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has complied with the provisions relating to the constitution of Internal 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 financial year 2021-22, your Company has not received any complaints pertaining to sexual harassment.

GG. STATUTORY AUDITORS, THEIR REPORT AND FINANCIAL STATEMENTS

The report of the Statutory Auditors along with the Financial Statements together with the Notes to the Financial Statements are 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 had 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 resigned as the Statutory Auditors of the Company with effect from August 31, 2021.

The Board of Directors at its Meeting held on July 29, 2021, recommended the appointment of M/s PKF Sridhar & Santhanam LLP, Chartered Accountants (Registration No. 003990S/S200018) as Statutory Auditors of the Company for a period of 3 (three) consecutive years. Subsequently, the Members, at the 7th Annual General Meeting held on August 31, 2021, had approved the appointment of M/s PKF Sridhar & Santhanam LLP, Chartered Accountants as the Statutory Auditors from the conclusion of the 7th Annual General Meeting till the conclusion of 10th Annual General Meeting (i.e. FY 2021-22 to FY 2023-24).

HH. 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 identified any employee related frauds.

II. DETAILS OF PENALTIES/ FINES/ LATE FEES PAID BY THE COMPANY

During the year under review, the Company was levied a penalty of INR 1,77,000/- (Indian Rupees One Lakh Seventy Seven Thousand Only) by BSE Limited for delay in submission of the financial results under Regulation 52(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the penalty levied and the payment made were tabled to the Board of Directors for information at the Meeting held on September 7, 2021.

JJ. COST AUDITOR AND COST AUDIT REPORT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

KK. SECRETARIAL AUDIT AND SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Companies Act, 2013 and the rules made thereunder, 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 the financial year 2021-22. The Secretarial Audit Report in the prescribed Form MR-3 is annexed as **Annexure III**. There are no qualifications, reservations or adverse remarks or adverse disclaimers made by the Secretarial Auditor in her Report dated May 30, 2022.

LL. COMPLIANCE WITH THE SECRETARIAL STANDARDS

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

MM. 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, based on the recommendation of the Audit Committee, 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 2021-22.

The Internal Auditors (both external and in-house) of the Company carried out the Audit and have 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 were tabled to the Audit Committee on a quarterly basis.

NN. INFORMATION SYSTEM AUDIT

In line with the requirements of RBI's Master Direction on Information Technology Framework for the NBFC Sector, 2017, the Company is 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 had re-appointed M/s RGN Price & Co (Firm Registration No. 002785S) as Information Systems Auditors of the Company for FY 2021-22. 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.

OO. 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 was no complaint received under this category during the financial year ended March 31, 2022.

PP. 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 has adopted a policy on CSR as recommended by the CSR committee and the said policy is available on the Company's website, at:

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

The annual report on CSR activities is provided in **Annexure-IV** to this report.

QQ. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Industry Structure and Key Trends

Agriculture, with its allied sectors, is the largest source of livelihoods in India, where 70 percent of the rural households still depend primarily on agriculture for their livelihood, with 82 percent of farmers being small and marginal.

The economic implications of the Coronavirus (COVID-19) pandemic have brought the agricultural sector into sharp focus and heightened its responsibility to feed and employ thousands who might have lost livelihoods. The agriculture sector in India also faced some challenges during COVID-19 in terms of production, marketing and consumption. Though the agriculture industry did not face the challenge of labour scarcity, since many people went back to their hometowns, disruptions in supply chain was a major challenge. The restrictions on movement disrupted the supply chains, hampering the uninterrupted flow of inputs for and outputs of agricultural activities. Supply of perishable commodities were affected more, challenging the food and nutritional security of the vulnerable sections of the society.

However, India's agricultural sector has shown resilience amid the adversities of COVID-19 induced lockdowns. As per 1st advance estimates of National Income FY 2022, the percentage share of Gross Value Added (GVA) of Agriculture and Allied Sectors (at current prices) is 18.8% of the total GVA. Agriculture and allied activities recorded a growth of ~ 3.6% at constant prices in FY 2022 and is expected to surpass the same by growing at ~ 3.9% during FY 2023.

The sector has also recorded a sharp increase in investments with cumulative FDI inflow of US$ 10.94 billion between April 2000-December 2021. From 2017 to 2020, India received ~US$ 1 billion in agritech funding. With significant interest from the investors, India ranks third in terms of agritech funding and number of agritech start-ups. By 2025, Indian agritech companies are likely to witness investments worth US$ 30-35 billion.

b) Opportunities and Threats

In India, though the rural credit scenario has undergone a significant change, money-lenders are still the largest contributor of agricultural credit. Further, due to the absence of good and sustainable agricultural marketing, farmers are usually exploited by local traders and middlemen. Though the government has set up regulated markets, farmers also need to be introduced and exposed to online platforms to sell their produce.

The agricultural sector in India is expected to gain better momentum in the coming years due to increased investment in agricultural infrastructure such as irrigation facilities, warehousing and cold storage.

The government's priority continues to be on doubling the farmers income. In this regard, the government has announced the following measures for the Agricultural sector as part of the budget for FY 2023:

- The Government shall ensure wheat and paddy farmers get assured income by making direct payments of INR 2.37 lakh crore for minimum support price (MSP) from April 2022 to March 2023.
- Oilseed cultivation shall be expanded to reduce dependency on imports and production of millet will be encouraged.
- Kisan drones shall be employed for crop assessments, digitalisation of land records, spraying of pesticides and nutrients.
- Chemical-free natural farming shall be promoted all over India which will help farmers improve their income as well as sustainable agricultural productivity.
- About 9 lakh farmers will benefit from the Ken-Betwa River linking project. A total of INR 44,000 crore has been earmarked for this project.

The forecast for the current year is for normal rains during the southwest monsoon which would be good as farmers would respond to record high prices of many agri field crops like oilseeds, paddy, cotton, sugar, maize, spices.

The COVID-19 crisis has also exposed the vulnerability of India's agriculture and food markets. Both demand and supply shocks emphasise the need for reforms to connect farmers to markets, ensure adequate labour supplies, and create safety nets to make them more resilient.

As challenges come with an opportunity, the pandemic helped the Indian agriculture sector make significant progress in adjusting to changing circumstances and capitalizing on opportunities. At a time when most sectors of the economy are reported to be under stress, the agricultural sector continues to be promising and cushioning the economy.

The disruption caused by the Pandemic also underlines the need for robust, secure crop / fresh produce storage facilities, ready availability of Market linkages for the produce to reduce wastages. All these augur well for the Company as they present great opportunity for growing the business.

c) <u>Vertical wise or sector wise performance of the Company</u>

<u>Agri Finance</u>

The Farmer Network vertical had an overall strong growth in FY 2021-22, with the disbursements increasing by 46.4% from INR 17,438.75 MN during FY 2020-21 to INR 25,523.07 MN during FY 2021-22 with an outreach of 735 FPOs in FY 2021-22 compared to 151 FPOs in FY 2020-21.

Numbers at a glance:

Particulars	FY 2020-21	FY 2021-22
No of FPOs onboarded	151	735
No of FPOs in Financial relationship	566	1301
AUM (INR MN)	9,374	11,414

Strengthening the delivery structure:

- First half of FY 2022 was severely impacted due to COVID. The Business was impacted in terms of onboarding and disbursements.

- The Second half marked the reopening of business avenues with people accepting to the new normal and thus, notable traction was observed across the business spectrum.
- Exemplar changes in the Vertical's Organization structure pertaining to the addition of field staff was undertaken to strengthen the execution team. This could help the efficient deployment of multiple products and services rolled-out during the period.

Products:

New Financial Solution were deployed to the FPOs and their farmer members, such as –

Samunnati Instant Pre-approved Loan (IPL):

- Sam IPL (Samunnati Instant Pre-approved Loan) is a complete digitally enabled process of on-boarding and lending to the FPO up to INR 5 lakhs. The Company was able to onboard 550 plus new FPO's during the financial year 2021-22.
- IPL will act as the catalyst to engage with nascent FPOs struggling for working capital which subsequently shall provide a promising avenue for offering other products and solutions.

Samunnati Farmer Loans (SAFAL):

- One of its kind, Samunnati Farmer Loans that aim to fund the individual farmers for their Working capital requirements was piloted during FY 2022.
- 231 farmer members across 6 FPOs were offered a total disbursement of INR 10 MN.
- This holds a promising future to deepen the engagement with the FPOs.

Capacity Building of FPOs:

Samunnati having a strong history of performance and a unique business model in the FPO lending space, envisions to create FPOs that are well-governed through digital tools, access services for improved productivity, access to markets to buy and sell inputs & output in markets at fair prices and access formal finance at transparent terms. Capacity building fosters stakeholders of the FPO to modify their goals and strategies, cultures, ways of functioning and management styles to achieve their business plans.

FPO Trainings:

Standardised Inhouse Assessment, Grading & Engagement tool is deployed during FPO onboarding process for parametric need gap analysis. The scoring pattern assists the Relationship manager plan the interventions specific to the FPO and align activities as per aspirations and capabilities of the FPO. Detailed Diagnostic Assessment report is generated for specific model project for In-depth analysis and engagement as per Institutional Development Framework.

Samunnati has conducted a total of 150+ Capacity building workshops for the FPO during FY 2021-22. Need-based trainings were organized with internal expertise and partnership with external resources.

Following are the focus domains and modules of trainings:

- **FPO Governance & Management** – Aims to strengthen the governance of the FPO coupled with advisory on business operations through business planning exercise for efficient management of FPO activities through - Standard Operating Procedures setup.

- **Member Management -** Training regarding activation of the existing members and FIG creation for better monitoring and business expansion of the FPOs through Samunnati's various digital initiatives.

- **Enhanced FPO Business Efficiency -** Building connects between FPOs and other stakeholders in Agri-ecosystem. Refresher Trainings on Legal Compliance and timely filing are conducted besides relationship manager on renewal of required business license and application for various government schemes and grants like SFAC equity/MSP procurement scheme/POCRA/Business Development Assistance – NABARD.

- **Samunnati associates with KVKs and RI** to provide Good Agriculture Practices Training. 20+ Model FPOs have been facilitated through partner agencies like Automatic Weather Stations – WRMS, Krishitantra – Soil testing facility, Drones – Pesticide Spraying as custom hire equipment for FPOs.

- **Gender Inclusion Trainings -** Motivated FPOs are selected for the pilot program on inclusion of women in FPO business through various gender specific programs. Thematic modules have been designed and trainings have been imparted through active core group formation and designing specific revenue streams for women members like processing units, value add services, etc., of their interest.

Digitization:

- Digitization forms an integral tool for improving efficiency and productivity of resources by acting as a catalyst for realization of planned solution deployment through means of efficient communication and transaction recording.

- Multiple branches were identified at the state-levels to deploy digital solutions to the partnered FPOs and engaged members.

- Various solutions were introduced and made available to the FPOs post handholding training sessions and workshops. Few of them include thus –

  i. **FPO Gateway** – One stop solution for FPOs to interact with Agri-ecosystem. FPOs were onboarded and all the necessary details regarding Members engaged, Business Activities, Financial performance and other key details were recorded which can increase efficiency of business operations of an FPO.

  ii. **BMS (Business Management Software) a.k.a Agrikhata -** A custom built ERP software to manage and digitize day to day business transactions and activities of an FPO.

  iii. **Communication tools** – Communication tools like robocalling and bulk SMS were deployed by Samunnati through FPO Gateway for FPOs to communicate with member farmers and develop realistic market plans for successful businesses.

Model FPO project:

Samunnati through its experience of FPO-engagements, realises that there is a substantial gap in the overall business and governance structure of the FPO. Thus, the visioning of creating Ideal FPO models. Model FPO projects aims to create asset class which is profitable and sustainable.

Partnerships for Business Growth and Ecosystem building:

i. **MAVIM (Mahila Arthik Vikas Mahamandal)** is the State Women's Development Corporation of Government of Maharashtra, making women economically and socially empowered and enabling them to access sustainable livelihoods. Samunnati has planned to offer financial assistance to women SHGs and cluster level SHG federations for asset creation leveraging MAVIM's existing network.

ii. **BMGF (Bill and Melinda Gates Foundation)** funding for Agri-development projects. Samunnati has partnered with BMGF for strengthening the FPO ecosystem and create a pool of 50 asset class FPOs by providing training for capacity building, market linkages, access to finance and other solutions required by the FPOs.

iii. Samunnati has signed an **MOU with SBI** for knowledge sharing and improving the institutional strength of the FPOs by implementing digital strategies to transform FPOs into asset class organizations. More than 100 FPOs have been identified for the project.

iv. Samunnati has collaborated with **AEGF (Agri Entrepreneur Growth Foundation)** to provide a digitized lending program aimed at providing loans to Village level Entrepreneur (VLE) as an anchor. Due to digitized nature, disbursement can be processed within 3 days of application. The program plans to create 700 new entrepreneurs in rural parts of Maharashtra and Madhya Pradesh in FY 2023.

v. **Consortiums:** Samunnati is partnering with various FPO federations and consortiums to deliver its products and services to a larger pool of FPOs in a nonlinear growth model.

Agri Enterprise (AE)

The entire spectrum of business of the Agri Enterprise was also impacted due to the second wave of COVID during H1FY 2022. Keeping in view the safety and health of the employees, the Company advised the field force to avoid / restrict travel and field visits.

As a result, the sales and New Customer Acquisitions were majorly impacted during H1FY 2022. Although business was impacted during H1FY 2022 due to second wave of COVID, the Company was able to expand the business during the latter part of the year. Agri Enterprises business onboarded 129 new customers during FY 2022 as against 91 new customers during FY 2021. Also, some highly rated customers were onboarded.

Numbers at a glance:

The Agri Enterprises business also expanded its operations to 157 districts in the country during FY 2022 from 132 districts during FY 2021. Also, the number of districts with total GTV of more than INR 1000 MN has increased to 30 districts during FY 2022 from 17 districts during FY 2021.

The number of active relationships with Agri Enterprises (including buyers & suppliers) has increased to 1429 entities during FY 2022 from 896 entities during FY 2021.

There has also been significant increase in the number of customers and transactions during FY 2022 across the entire spectrum as summarized below:

Number of customers:

Type of Customers	FY 2021	FY 2022
Buyers	192	268
Suppliers	557	1011

Number of transactions:

Transaction with	FY 2021	FY 2022
Buyers	11,169	29,132
Suppliers	10,557	27,144

The average ticket size also improved across the board with the B2B ticket size increasing by 5% to INR 6.26 MN from INR 5.95 MN although the number of cycles only increased marginally to 17 cycles during FY 2022 as against 14 cycles during FY 2021.

The number of commodities in which SamAgro deals has also improved from 168 commodities to 293 commodities as summarized below:

Nature of Commodity	FY 2021	FY 2022
Agri Input	20	32
Agri Processing	9	11
Commodities	36	55
Food processing	33	54
Fresh produce	46	103
Livestock	7	11
Services & Others	17	27
Total number of commodities	**168**	**293**

Performance at a glance:

The Gross Transaction Value / Sales of the Agri Enterprises during FY 2021-22 increased to INR 21,102.3 MN from INR 7,567.5 MN during FY 2021 registering a growth of ~ 179%. The Gross Margin earned during FY 2021-22 was INR 409.2 MN compared to INR 212.7 MN during FY 2020-21. The EBITDA was INR 108.4 MN during FY 2021-22 as against INR 84.3 MN during FY 2020-21.

The Assets under Management (AUM) as on March 31, 2022 stood at INR 4,310 MN comprising both receivables and inventory as against INR 2,677 MN as on March 31, 2021. The delinquencies had also come down due to the shorter tenure of the trades and continuous engagement with the customers.

Products:

- Market linkage was a major challenge faced by the FPO ecosystem. To overcome this, Samunnati shouldered the market risks to facilitate linkage with the market.

- New products in Agri Commerce like Structured Trade Facility, EXIM and Market Linkage were introduced during the year.

- Samunnati procured 1.72L MT of Soyabean, Maize and Groundnut from 31 FPOs in the pilot phase, majorly from MP, Gujarat, Maharashtra, and Rajasthan, with cooperation of KVH team.

- The Company shall be increasing the said FPO engagement with 200 FPOs in the current financial year.

Samunnati Foundation

During the year, the following major Initiatives have been undertaken by Samunnati Foundation:

- Northeast Outreach Program: Engaged with Agri ecosystem in North-eastern states to provide sustainable means of livelihood
- Community Kitchen: For serving the underserved communities by providing nutritious food and create jobs for women
- Fellowship: For nurturing change agents to transform Agri ecosystem by empowering rural youth
- FPO Academy: Online repository of capacity building material for the development of Farmer collectives
- Centre of Excellence: Demonstrate initiatives to farmer beneficiaries so that they can be replicated by trained farmer collectives

These initiatives will improve the standard of living of farmers, improve efficiency, effectiveness, and capabilities of farmer collectives, promote women empowerment, reduce inequalities, and increase the creation of women-led enterprises/ farmer collectives. It will also facilitate the creation of sustainable and efficient rural enterprises which will help improve ecology through climate-smart agriculture.

RR. AWARDS AND RECOGNITION

i. Best Digitization Kaizen

Samunnati was ranked as a position holder in various categories by one of India's biggest industry bodies – the Confederation of Indian Industry (CII) in the 5th CII National Kaizen Circle Competition 2021 and won the award under the Best Digitization Kaizen category.

ii. Great Place to Work Award

Samunnati was recognised by the Great Place to Work Institute on July 7, 2021. Further, Samunnati has also been recognized by the Great Place to Work Institute on September 25, 2021 among the Top 50 - India's Best Workplaces™ for Women 2021.

Samunnati was awarded the 25th rank in the Top 50 of India's Great Mid-size Workplaces – 2022 by the Great Place to Work India on June 23, 2022.

iii. Best Tech Startup – Ambition Box

Samunnati was recognised as a Best Tech Startup by Employee Choice Awards of Ambition Box on July 9, 2021.

iv. Distinguished NBFC Awards

Samunnati was awarded under the categories of the Best Corporate Communication Initiative, Best Design Thinking Initiative and Best Group Synergy Initiative on August 20, 2021 by Banking Frontiers, a focused magazine for the Financial Services.

v. ABSA award

Samunnati won the ABSA 2021 award under the category - Best NBFC in Agri Financing on September 8, 2021. This award is given to recognise the efforts of the Agri Input industry in enhancing crop productivity by offering innovative and superior Agri inputs and services.

vi. The Economic Times Promising Brand 2021

Samunnati won the 'Most Promising Brand 2021' from the Economic Times from amongst 200 organisations selected on parameters of innovation, brand value, brand recall, consumer satisfaction, customer service and quality.

vii. Aegis Graham Bell Award

Samunnati was awarded the 'Aegis Graham Bell Award' on February 28, 2022 under the category "Innovative Business Model". This award is one of Asia's largest innovation awards, intended to promote innovations in the IT, Telecom, Social, Mobility, Analytics & Cloud domain and the Exponential Technologies to provide recognition for outstanding contributions by the innovators, which is supported by the Ministry of Electronics and Information Technology - Government of India, NITI Aayog, Skill India and National Informatics Centre Services Incorporated.

viii. Naanayam Vikatan Business Star

Samunnati won the Naanayam Vikatan Business Startup Champion Award under the category "Start-up Champion" for the year 2021. The award was conferred on March 18, 2022.

ix. Finnoviti Award

Samunnati was awarded with Finnoviti award under the Category 'Digital Agri Suit' on May 5, 2022 by Banking Frontiers.

SS. SAMUNNATI'S ENVIRONMENTAL AND SOCIAL POLICY

Your Company maintains a rigorous Enterprise Risk management (ERM) that identifies and assesses the likelihood and impacts of risks and mitigation required to minimize the impact across the business. The Company has risk management and internal controls in place to identify, assess, monitor, and manage the credit, operational, environmental, and social risks associated with the business. The key objectives of the ERM of Samunnati are:

- to establish methodologies and lay down a multi-tier governance structure;
- to build a profitable and sustainable business with conservative risk management approach;
- to have risk management as an integral part of the organization's business strategy; and
- to undertake business activities that are well understood and within acceptable risk appetite.

The ERM embeds an Environmental and Social Management System (ESMS), which hedges the organization's socio-environmental risks.

To achieve long-term value through sustainability, Samunnati has rolled out its Environmental and Social Management System (ESMS) to implement the E&S Policy and Operational Principles. Samunnati's Environmental & Social Policy reinforces its commitment towards sustainable development and integrates environmental and social considerations into decision-making and operations. This is done to effectively manage environmental and social risks and enhance positive impacts, thus improving outcomes.

Accordingly, Samunnati 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.

TT. HUMAN RESOURCES

The Company had 344 employees on payroll as on March 31, 2022. The management team of the Company comprises of passionate professionals committed to achieve the organizational goals.

Initial part of FY 2021-22 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 program, Samunnati had rolled out several initiatives like HR Samvad, Sam-Milan, Special Projects, special sessions focused on Employee Wellness and exclusive connect sessions with every region. All these initiatives were launched and implemented virtually and physically, with an idea to encourage collaboration between the team members during trying times and also act as a constant source of support/ strength for the team members and their families. The Company also ran several employee engagement sessions to ensure that the employees felt more connected to each other. Monthly learning challenges were run to encourage better learning in the organization and increased participation levels were observed across the organization.

HR Samvaad - our Employee connect program started during COVID helped us check on the well-being of all our employees. The senior management group also connected on a personal level with several employees to check on their well-being. This made employees feel more connected with the organization. We had reiterated the need for mental wellbeing and over

15 employees have benefitted from the mental wellness interactions with our mental health partner.

Samunnati took special initiatives during the pandemic and ensured oxygen concentrators were made available in each region for the employees and their family members. The annual foundation day – Shrishti was celebrated virtually over three days with several cultural performances from team members across the regions. This further brought the team closer and encouraged collaboration and creativity. Annual performance awards were issued to top performers in several categories and over 100 employees were recognized under 12 categories.

The middle and senior management was part of a program called LIME (Lead, Inspire, Mentor and Empower) to hone their leadership skills. A DEI workshop exclusively for the leadership was held to sensitize the employees and make them aware and understand the criticality of Diversity and Inclusion, and how we can leverage as a group on our cultural dynamics.

Samunnati was certified by Great Place to Work again and has been recognized by Great Place to Work India among the Top 50 - India's Best Workplaces™ for Women 2021 in the Mid-size Companies Category. Samunnati also won Ambition Box Best Places to Work in India 2021 award.

The HR Team also facilitated various training programs on Induction, Refresher sessions on policies and systems, and addressed the changing business needs of the organization through product/ process training. Around 12 batches of Samunnati Swaagat (Induction program) were conducted covering all the onboarded employees. A focused training program on Agri value chain and finance (AVCF) was conducted across three batches and covered over 80 participants.

Samunnati conducted regular companywide meetings / townhalls and had smaller focused group discussions with regional teams. Over 300 employees have been recognized for their performance and contributions in their respective functions.

As on March 31, 2022, Samunnati Group (the Company and its subsidiaries) had a total of 609 employees on its payroll.

UU. <u>TECHNOLOGY RELATED UPDATES</u>

a. Technology roadmap

Technology is a key enabler in the growth agenda for Samunnati. Keeping in view our growth agenda and developments in the information technology space, Samunnati has done a comprehensive review of all technology and infrastructure platforms and developed the Technology roadmap. All the business and functional leads and senior members were actively involved in shaping the roadmap and aligning the business strategy with the IT strategy.

Samunnati took the help of EY to bring in outside perspective and also took into account the emerging trends within FinTech, AgriTech and Data & Analytics. A detailed presentation was made to the IT strategy committee and their inputs were also taken.

b. Technology initiatives

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

- Learnings from work from home during the pandemic, we have enhanced the IT infrastructure for remote and agile working
- Digital scanning and workflow solutions to minimize paper-based approvals
- Enabling API's for data mining and extraction to increase efficiency

c. Core systems updates

Samunnati has enhanced its core systems to comply with regulatory requirements and further support new product launches, as given below:

SAM IPL:

Developed an end to end digital solution to enable pre-approved loans for FPOs at record time of about 3 months and deployed in production. The entire journey from client identification, underwriting, onboarding and disbursement has been developed through integrating workflows, KYC & e-documentation.

Digital client on-boarding (VKYC):

To enable seamless client onboarding, video KYC from IDFY has been implemented. Through this solution the Company can onboard clients virtually. This solution is as per RBI regulations for digital client onboarding and a number for NBFCs are already using this approach.

SAM Custopedia (Loan Origination system):

Loan origination system has been further enhanced with digital CAM and approval process. With this, the proposal log-in, reviews, approvals and sanction letter process has been fully integrated. Keeping the strategic nature of this solution, the Company has taken up the IP ownership.

Loan Management System:

Oracle Loans: While doing the parallel run, Oracle Loans had issues in processing value dated transactions and revised repayment schedule generation. Business team has requested for additional functionalities which was not available off-the shelf. In the meantime, Oracle has asked all the clients to upgrade their database which requires additional efforts.

In the meantime, Encore has released a latest version that could meet most of the above requirements and considering the business continuity, a decision was taken to upgrade Encore and continue using it as the core LMS.

As a result of the above decision, Oracle Loan solution has not moved into production and all IT infrastructure is being released.

Sun-Infor:

Sun-Infor is fully operational in production. Implemented audit trails for better monitoring and controls. To facilitate historical data availability in SunInfor, Tally data preparation as per Infor requirements has been completed. Independent verification by auditors is in progress. Once completed it will be migrated into production.

d. Risk Management

Crime check solution has been enabled to check BODs before underwriting client proposals. HighMark data scrub is being put in place to proactively monitor customer behaviour across financial institutions. A pilot program for Client rating movements by Ratings Agencies has been completed. This will be put in production upon final sign-off.

e. Information Security

The Company has further strengthened the information and cyber security infrastructure through the following initiatives.

- Inbound/Outbound Email Security - Barracuda Email Gateway Security (Spam / Anti-virus / Denial of Service & Encryption
- Network Protection - Sonicwall (Firewall) (Anti-Spyware and Malware, Intrusion prevention and Content filtering)
- End Point Protection - Kaspersky Endpoint Security – (Antivirus, Spyware, Malware, Network Threat protection, Web controls and Removable storage device control)
- Vulnerability and Penetration Test (VAPT) for Infra/Network
- O365 activity monitoring and security incidents alerts
- Multi-factor authentication for CRIAS, O365 and Sam Custopedia

VV. RISK MANAGEMENT

The ever-changing complexities of financial markets has made the Risk Department a very integral part of the organisation. Samunnati has over a period of time, evolved its customer onboarding process, improved underwriting norms, enhanced the Credit Risk management by closely monitoring the performance of individual relationships through identification of early warning signals and initiate appropriate action. In fact, 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:

a) **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.

b) **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.

c) **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.

d) **Risk Architecture** – The framework is guided by the tenets which are elicited below:

   a. **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.

   b. **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.

   c. **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.

   d. **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.

   e. **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.

WW. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) In the preparation of the annual accounts for the financial year ended March 31, 2022, 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 Company as at March 31, 2022 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.

XX. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosure of particulars regarding conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014, are given below:

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

Technology Absorption

The Company has no Technology Absorption during the period under review as given below:

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

Foreign exchange earnings and outgo:

Particulars	Inflow	Outflow
Current Year (FY 2021-22)	NIL	INR 5.07 MN
Previous Year (FY 2020-21)	NIL	INR 17.46 MN

YY. 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.

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

Sd/-	**Sd/-**
Gurunath Neelamani	**Anil Kumar S G**
Wholetime Director	**Director & CEO**
DIN: 02799586	**DIN: 01189011**

Place: Chennai
Date: August 12, 2022

ANNEXURE - I

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

S.No.	Particulars	Details			
1.	**Name of the subsidiary**	**Samunnati Agro Solutions Private Limited (INR MN)**	**Samunnati Finance Private Limited (INR MN)**	**Kamatan Farm Tech Private Limited (INR MN)**	**Samunnati Foundation (INR MN)**
2.	Date since when subsidiary was incorporated/acquired	October 14, 2016	September 22, 2021	April 16, 2021	March 9, 2020
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA
5.	Share capital	6.32	25.00	34.48	8.50
6.	Reserves & surplus	304.60	0.03	(105.45)	(1.00)
7.	Total assets	5334.89	25.03	262.10	8.77
8.	Total Liabilities	5334.89	25.03	262.10	8.77
9.	Investments	NIL	NIL	NIL	NIL
10.	Turnover	21,209.90	NIL	534.58	NIL
11.	Profit / (Loss) before taxation	(467.29)	0.03	(447.44)	(2.13)
12.	Provision for taxation	(110.90)	NIL	NIL	NIL
13.	Profit / (Loss) after taxation	(356.39)	0.03	(447.44)	(2.13)
14.	Proposed Dividend	NIL	NIL	NIL	NIL
15.	% of shareholding	100%	100%	100%	100%

Names of subsidiaries which are yet to commence operations

- **Samunnati Finance Private Limited**
- **Samunnati Investment Management Service Private Limited ***

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

** Samunnati Investment Management Service Private Limited was Incorporated on March 08, 2022 – As per Section 2(41) of Companies Act, 2013, the first financial year of the company is from March 08, 2022 to March 31, 2023. Hence the Books of Account of Samunnati Investment Management Service Private Limited are not closed as of March 31, 2022. The capital contribution was made on April 20, 2022.*

<u>Part B : Associates and Joint Ventures</u>

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

Name of Associates/Joint Ventures	**Not applicable**
1. Latest audited Balance Sheet Date	
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of Associate/Joint Ventures held by the company on the year end	
No. of shares	
Amount of Investment in Associates/Joint Venture	
Extent of Holding%	
4. Description of how there is significant influence	
5. Reason why the associate/joint venture is not consolidated	
6. Net worth attributable to shareholding as per latest audited Balance Sheet	
7. 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 – **Not applicable**

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

Sd/-
Gurunath Neelamani
Wholetime Director
DIN: 02799586

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

Place: Chennai
Date: August 12, 2022

Annexure II
Form No. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain Arm's Length Transactions under third provision thereto.

a) 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						

b) 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
Samunnati Agro Solutions Private Limited, wholly owned subsidiary	Deputation of the Employees of Samunnati Financial Intermediation & Services Private Limited, to its wholly owned subsidiary, Samunnati Agro Solutions Private Limited	Annual basis	Deputation of the Employees of the Holding Company. An amount of Rs.35.41 MN (exclusive of Taxes), has been charged to the Company's wholly owned Subsidiary, Samunnati Agro Solutions Private Limited, as deputation charges	November 11, 2021 & February 10, 2022	Nil
Samunnati Agro Solutions Private Limited, wholly owned subsidiary	Deputation of the Employees of Samunnati Agro Solutions Private Limited, to the Holding company, Samunnati Financial Intermediation &	Annual basis	Deputation of the Employees of the subsidiary Company. An amount of Rs 2.01 MN (exclusive of Taxes), has been charged to the Holding Company, Samunnati Financial	February 12, 2021	Nil

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
	Services Private Limited		Intermediation & Services Private Limited.		
Samunnati Agro Solutions Private Limited, wholly owned subsidiary	Fees charged by Samunnati Financial Intermediation & Services Private Limited for the Corporate Guarantee to its wholly owned subsidiary, Samunnati Agro Solutions Private Limited	-	An amount of INR 6.35 MN (exclusive of Taxes), has been charged to the Company's wholly owned Subsidiary, Samunnati Agro Solutions Private Limited.	February 12, 2021	Nil
Riviera Investors Private Limited (Indifi Technologies Pvt Limited, Holding Company of Riviera Investors Pvt Ltd), Company in which Director is interested	Loan Agreement dated 22nd November 2021	24 Months	Long-term working capital loan granted to INR 100 MN	February 12, 2021	Nil
Wheelsemi Private Limited, Company in which Director is interested	Loan Agreement dated 13th Dec 2021	12 months	Short term working capital loan granted to INR 200 MN	February 12, 2021	Nil
Arthan Finance Private Limited, Company in which Director is interested	Loan Agreement dated 24th May 2021	24 months	Long term working capital loan granted to INR 30 MN	June 24, 2021	Nil

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

Sd/-
Gurunath Neelamani
Wholetime Director
DIN: 02799586

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

Place: Chennai
Date: August 12, 2022

JAYASHREE S IYER
COMPANY SECRETARY & INSOLVENCY PROFESSIONAL
C.P.No.21403/ IBBI/IPA-002/IP-N00741/2018-19/12211

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022

[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 Board of Directors
M/s. Samunnati Financial Intermediation & Services Private Limited
CIN No.: U65990TN2014PTC096252
Baid Hi Tech Park, 8th Floor, No129 B,
East Coast Road, Thiruvanmiyur
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** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on 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 and Securities and Exchange Board of India 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, 2022 generally complied with the provisions of Acts, Rules, Regulations, Guidelines, Standards listed hereunder, subject to the reporting made hereinafter:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder to the extent applicable to the Company;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent applicable to the Company;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations 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;

Jayashree S Iyer
FCS 10394
CP 21403
Company Secretary

(b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
(c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company;
(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

vi) Other laws, as amended from time to time, specifically applicable to the Company viz.,
(a) Reserve Bank of India Act, 1934, Rules, Regulations, Guidelines, Circulars, Master Directions, Notifications made thereunder to the extent applicable to Systemically Important Non-Deposit taking NBFC ;
(b) Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016;
(c) Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
(d) Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015;
(e) NBFC Auditors Report Reserve Bank Directions, 1998;
(f) Information Technology Framework for the NBFC Sector;

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 Acts, Rules, Regulations, Guidelines, Standards mentioned above. BSE Limited has levied a penalty of Rs 1,77,000/- (Indian Rupees One Lakh Seventy Seven Thousand Only) for non-submission of the financial results for the half-year ended 31st March 2021 within the period prescribed under for Regulation 52(1) of SEBI(LODR) Regulations, 2015 and the Company has paid the prescribed fine of INR 1,77,000/- (Indian Rupees One Lakh Seventy Seven Thousand Only) via electronic transfer on July 31, 2021. The Board of Directors of the Company has taken note of the same at the meeting held on September 07, 2021.

Jayashree S Iyer
FCS 10394
CP 21403
Company Secretary

I report that there were no events or actions in pursuance of:

(i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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) There was no change in the composition of the Board of Directors during the period under review.
(iii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as stipulated in the Companies Act, 2013, 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, the decisions of the Board were carried through by majority while there were no dissenting views recorded as part of the minutes.
(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.

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
FCS 10394
CP 21403

I further report that during the audit period:

i) Articles of Association of the Company was amended pursuant to Amended and Restated Shareholders' Agreement dated April 12, 2021, executed by the company.

ii) The Company has acquired Kamatan Farm Tech Private Limited, 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.

iii) The Company has issued and allotted 67,624 series D1 compulsorily convertible cumulative preference shares to certain existing and incoming investors through preferential allotment on private placement basis;

iv) Samunnati Finance Private Limited, a wholly owned subsidiary was incorporated on September 22, 2021.

v) The Board of Directors of the Company had, at the Meeting held on October 28, 2021, approved the Composite Scheme of Arrangement ("**Scheme**") for:

   a) the slump sale (i.e., transfer and vesting) of the Business Undertaking of Samunnati Financial Intermediation & Services Private Limited as a going concern into Samunnati Finance Private Limited, pursuant to the provisions of Section 230 to Section 232 of the Companies Act, 2013, and

   b) Post giving effect to (a) above, the amalgamation of Samunnati Agro Solutions Private Limited into Samunnati Financial Intermediation & Services Private Limited, pursuant to the provisions of Section 230 to Section 232 of the Companies Act, 2013.

   Further to this, the abovesaid Companies had filed a joint application before the National Company Law Tribunal, Chennai ("**NCLT**") on December 04, 2021, seeking its directions for convening of the Meetings of the Equity Shareholders, Preference Shareholders, Debenture holders and Creditors and for dispensation of Meetings wherever approvals of the particular class of stakeholders had already been filed with the NCLT.

   In this connection, NCLT had passed an order dated March 29, 2022 [CA/(CAA)/118(CHE)2021] ("NCLT Order") directing the Company to convene the Meetings of the concerned stakeholders seeking their approval for implementation of the Scheme. Accordingly, the meeting of all stakeholders i.e. Equity Shareholders, Compulsorily Convertible Preference Shares, Debenture Holders and other creditors of the Company were convened on May 4, 2022 and approvals with requisite majority were obtained. The Company has filed petition before NCLT and awaiting hearing.

vi) The Company has made equity investment of Rs 84.00 Lakhs in Samunnati Foundation, a Section 8 Company, incorporated by the Company.

vii) The shareholders of the Company have approved Employee Stock Option Plan 2022.

viii) Samunnati Investment Management Services Private Limited was incorporated as a wholly owned subsidiary of Samunnati Agro Solutions Private Limited on March 8, 2022.

Jayashree S Iyer
FCS 10394
CP 21403
Practising Company Secretary

ix) The Company has issued secured redeemable non-convertible debentures for Rs 195.30 crore.

x) The Company has redeemed secured redeemable non-convertible debentures for Rs 86.83 crore.

Jayashree S Iyer
Company Secretary
FCS 10394
CP 21403
UDIN: F010394D000425622

Place: Chennai
Date : 30.05.2022

In view of the covid pandemic all the documents were examined digitally.

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

Jayashree S Iyer
FCS 10394
CP 21403
Practising Company Secretary

JAYASHREE S IYER
COMPANY SECRETARY & INSOLVENCY PROFESSIONAL
C.P.No.21403/ IBBI/IPA-002/IP-N00741/2018-19/12211

'ANNEXURE – A'

To,
The Board of Directors
M/s. Samunnati Financial Intermediation & Services Private Limited
CIN No.: U65990TN2014PTC096252
Baid Hi Tech Park, 8th Floor, No129 B,
East Coast Road, Thiruvanmiyur
Chennai-600041

Dear Sir

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 M/s .Samunnati Financial Intermediation & Services Private Limited (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. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of provisions of all laws, rules, regulations, standards applicable is the responsibility of the management of the Company. My examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
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
Company Secretary
FCS 10394
CP 21403
UDIN: F010394D000425622

Place: Chennai
Date: 30.05.2022

Jayashree S Iyer
FCS 10394
CP 21403
Practising Company Secretary

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

Annexure IV

Annual Report on Corporate Social Responsibilities (CSR) Activities

1. Brief outline on CSR Policy of the Company

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 has constituted the CSR Committee. The Company has put in place a Board approved Corporate Social Responsibility (CSR) Policy which governs the CSR activities of the Company.

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	2	2
2	Ms. Jyotsna Krishnan	Member		2
3	Mr. Anil Kumar S G	Member		2
4	Mr. Gurunath N	Member		2

a) 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://site.samunnati.com/csr/

b) 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**

c) 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**

d) Average net profit (PBT) of the Company as per Section 135(5):
a) Net profit (PBT) for the year 2018-19 : INR 12,41,74,107/-
b) Net profit (PBT) for the year 2019-20 : INR 15,10,000/-
c) Net profit (PBT) for the year 2020-21 : INR 53,90,000/-

Average net profit for last three financial years : INR 4,36,91,369/-

e) (a) Two percent of average net profit of the Company as per section 135(5): **INR 8,73,827/-**

(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 8,73,827/-**

f) (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**
7,00,000	**N.A.**	**N.A.**	Prime Minister's Citizen Assistance and Relief in Emergency Situation Fund (PM CARES FUND)	1,74,000	August 10, 2022

As per the computation carried out by the Company for FY 2021-22, the required CSR spend was INR 678,075/- basis which the Company had spent an amount of INR 700,000/-. However, the Statutory Auditors have opined that the required CSR spend for FY 2021-22 should be INR 873,827/-

(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)**	**Location of the project.**		**Project duration**	**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**	
				State	**District**						**Name**	**CSR Registration number**

1	SEEDS	(x) rural development projects	Yes	Tamil Nadu/ Virudhunagar		2,00,000	2,00,000	-	No	Social Education Economical Development Society	CSR00005762
2	CSA	(ii) Livelihood enhancement projects	Yes	Andhra Pradesh/ Tarnaka, Hyderabad	-	5,00,000	5,00,000	-	No	Centre for Sustainable Agriculture	CSR00011351
Total							**7,00,000**				

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

(d) Amount spent in Administrative Overheads – Not Applicable

(e) Amount spent on Impact Assessment, if applicable – Not Applicable

(f) Total amount spent for the Financial Year - INR 700,000/-

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

g) 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

h) 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/-**
Anil Kumar S G	**Venkatesh Tagat**
Director & CEO	**Chairman of CSR Committee**
DIN: 01189011	**DIN: 02728441**

Place: Chennai
Date: August 12, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Samunnati Financial Intermediation & Services Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Samunnati Financial Intermediation & Services Private Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2022, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated loss, consolidated total comprehensive income, their consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of matter

We draw attention to Note 49 to the consolidated financial statements, about the uncertainties prevailing on the balance sheet date on the recoverability of the Group's loans and advances on account of the COVID-19 impact. The estimates and assumptions made by management in determining the impairment provision required for these loans are subject to matters that are outside the control of the Group and hence actual results may vary from these estimates.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

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

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Firm Regn. No.: 003990S/S200018
★ CHENNAI ★

Key Audit Matter	How the matter was addressed
Provision for expected credit loss (ECL) on loans (Refer Note 6 and Note 25 to the Consolidated Ind AS Financial Statements) Financial instruments, which include loans to customers, represent a significant portion of the total assets of the Holding Company. The Holding Company has loans aggregating Rs. 11,414.21 million as at March 31, 2022. The Holding Company has made a provision for impairment loss aggregating Rs. 352.53 million against the loans outstanding to Customers as at the balance sheet date. Due to the significance of the judgments used in both classification of loans into various stages as well as the computation of expected credit losses on such financial assets as per Ind AS 109, this has been considered as a key audit matter. Management estimates impairment provision using Expected Credit Loss model for the loan exposure using criteria in accordance with Ind AS 109 which also include considering the impact of recent RBI's regulatory circulars. Measurement of loan impairment involves application of significant judgement by the management. These include: (a) Segmentation of the loan portfolio into homogenous pool of borrowers; (b) Identification of exposures where there is a significant increase in credit risk ('SICR') and those that are credit impaired; (c) Determination of the probability of default for each of the segments identified; and (d) Loss given default for various exposures based on past trends / experience, management estimates etc., Additionally, the economic and business consequences of the COVID 19 pandemic as described in Note 49 to the consolidated Ind AS financial statements, slowdown of economic activity, moratoriums granted to borrowers, the related regulatory directives and also the applicable accounting directions, further affect provisioning under the ECL approach. Note 2.5 to the consolidated Ind AS financial statements explains the various matters that the management has considered for developing this expected credit loss model.	Read and assessed the Holding Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109, the governance framework approved by the Board of Directors and moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing loans (stage 1) to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3 or vice versa along with additional considerations applied by the Management for staging of loans as SICR or default categories in view of Holding Company's policy on moratorium. Tested the input data used for grouping and staging of loan portfolio into various categories and default buckets for determining the Probability of Default (PD) and Loss Given Default (LGD) rates. Also, tallied the input data with the underlying books of accounts and records. Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic). Assessed and tested the inputs used in the impairment computation (including the data integrity of information extracted from the Group's IT systems). Tested the arithmetical accuracy of computation of ECL provision performed by the Holding Company in spreadsheets. Assessed disclosures included in the consolidated Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regard to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors report but does not include the consolidated financial statements and our auditors' report thereon. These reports are expected to be made available to us after the date of this auditor's report.

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No.: 003990S/S200018 CHENNAI

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 SAs 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 consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.

PKF SRIDHAR & SANTHANAM LLP
Firm Regn. No.: 003990S/S200018
CHENNAI

- Obtain an understanding of internal financial controls 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 the Holding Company, its subsidiary companies, which are companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group and to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Other Matters

The audited consolidated financial statements of the Group, for the corresponding year ended 31 March 2021 prepared in accordance with Ind AS included in these consolidated financial statements, have been audited by the predecessor auditor whose audit report dated 29 July 2021 expressed an unmodified opinion on those audited consolidated financial statements

Our opinion is not modified in respect of this matter.

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No.: 003990S/S200018 CHENNAI

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matter specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

e) The matter described in the Basis for Emphasis of matters, in our opinion, may have an adverse effect on the functioning of the Group.

f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

g) With respect to adequacy of the internal financial controls over financial statements of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 37 to the consolidated financial statements.

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

   iv. (a) The management of Holding Company, its subsidiary companies incorporated in India has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiary companies, incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No.: 003990S/S200018 CHENNAI

(b) The management of the Holding Company, its subsidiary companies, companies incorporated in India has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiary companies incorporated in India shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The Group has not paid or declared dividend during the year and until the date of this report.

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

   Since the Holding Company and its subsidiaries are a private limited company, the provisions of Section 197 of the Companies Act, 2013 are not applicable to it. Accordingly, reporting on the compliance with the provisions of Section 197 of the Act is not applicable.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

V Kothandaraman
Partner
Membership No. 025973
UDIN : 22025973AJRIAH4217

Place of Signature: Chennai
Date: May 26, 2022

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Samunnati Financial Intermediation & Services Private Limited ("the Holding Company") on the consolidated financial statements as of and for the year ended 31 March 2022.

(i) As required by Paragraph (xxi) of Companies (Auditor's Report) Order (CARO), there have been no qualifications or adverse remarks by the respective auditors in the CARO reports of the companies included in the consolidated financial statements except:

Sr. No.	Name	CIN	Holding Company / Subsidiary	Clause number of the CARO report which is qualified or adverse
1	Samunnati Financial Intermediation & Services Private Limited	U65990TN2014PTC096252	Holding Company	Clause 3(iii)(c), 3(iii)(d), 3(vii)(a)
2	Samunnati Agro Solutions Private Limited	U74999TN2016PTC112925	Subsidiary	Clause 3(vii)(a)
3	Kamatan Farm Tech Private Limited	U74999TN2017PTC149059	Subsidiary	Clause 3(iii), 3(vii)(a)

As referred to in Note 1 of the consolidated financial statements, above responses in respect of clause 3(xxi) do not include comments in respect of Samunnati Foundation which is not in scope and hence not included in consolidated financial statements.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

V Kothandaraman
Partner
Membership No. 025973
UDIN : 22025973AJRIAH4217

Place of Signature: Chennai
Date: May 26, 2022

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No.: 003990S/S200018 CHENNAI

Annexure B

Referred to in paragraph 2(g) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of Samunnati Financial Intermediation & Services Private Limited

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Samunnati Financial Intermediation & Services Private Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls over financial reporting of the Holding Company" and its 3 subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 ("the 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 its business, including adherence to the respective 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit of the Holding Company and its subsidiary companies, which are companies incorporated in India. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No.: 003990S/S200018 CHENNAI

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, which are companies incorporated in India, have maintained, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the respective companies 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.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

V Kothandaraman
Partner
Membership No. 025973
UDIN : 22025973AJRIAH4217

Place of Signature: Chennai
Date: May 26, 2022

Samunnati Financial Intermediation & Services Private Limited
Consolidated Balance Sheet as at 31 March 2022
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial assets			
a) Cash and cash equivalents	3	1,167.65	1,352.37
b) Bank balances other than (a) above	4	512.15	651.74
c) Trade receivables	5	3,477.40	2,719.66
d) Loans	6	11,061.68	9,220.76
e) Investments	7	192.37	455.95
f) Other financial assets	8	152.09	167.31
		16,563.34	**14,567.79**
Non-financial assets			
a) Inventories	9	849.16	22.68
b) Current tax assets (net)	10	189.33	62.51
c) Deferred tax assets (net)	11	396.54	145.61
d) Property, plant and equipment	12	108.77	60.71
e) Right of use assets	12	31.23	18.41
f) Other intangible assets	12	800.48	25.39
g) Intangible assets under development	12	71.50	15.38
h) Other non-financial assets	13	243.94	74.59
		2,690.95	**425.28**
Total assets		**19,254.29**	**14,993.07**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
a) Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		0.67	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		697.42	77.84
b) **Borrowings**			
Debt securities	15	5,294.84	4,213.92
Borrowings (other than debt securities)	16	8,043.12	5,343.40
c) Other financial liabilities	17	150.35	131.17
		14,186.40	**9,766.33**
Non-financial liabilities			
a) Provisions	18	44.46	30.95
b) Other non-financial liabilities	19	216.69	181.99
		261.15	**212.94**
Equity			
a) Equity share capital	20	20.45	19.76
b) Other equity	21	4,786.29	4,994.04
		4,806.74	**5,013.80**
Total Liabilities and Equity		**19,254.29**	**14,993.07**

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No.: 003990S/S200018

V Kothandaraman
Partner
Membership No.: 025973

Place: Chennai
Date: May 26, 2022

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No.: 003990S/S200018 CHENNAI

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

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

S G Anil Kumar
Director and CEO
DIN : 01189011

Gurunath Neelamani
Whole-time Director
DIN : 02799586

Lalit Malik
Group Chief Financial Officer

Arunkumar Sridharan
Company Secretary
Membership No.: F7112

Place: Chennai
Date: May 26, 2022

Place: Chennai
Date: May 26, 2022

Samunnati Financial Intermediation & Services Private Limited

Consolidated Statement of profit and loss for the period ended 31 March 2022

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

	Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
I	**Revenue from operations**			
	(i) Interest income	22	1,599.57	1,574.20
	(ii) Sale of traded goods	22	21,155.79	7,567.48
	(iii) Other operating revenue	22	107.57	80.27
			22,862.93	**9,221.95**
II	Other income	23	58.08	43.88
III	**Total income (I+II)**		**22,921.01**	**9,265.83**
	Expenses			
	(i) Finance costs	24	1,215.52	793.39
	(ii) Impairment on financial instruments & Allowance for expected credit loss	25	936.00	396.45
	(iii) Purchase of stock-in-trade	26	21,590.20	7,370.26
	(iv) Changes in inventories of stock-in-trade	27	(845.11)	(15.45)
	(v) Employee benefit expenses	28	878.33	525.96
	(vi) Depreciation and amortization	29	64.79	33.68
	(vii Other expenses	30	408.39	247.93
IV	**Total expenses**		**24,248.11**	**9,352.22**
V	**Loss before tax (III-IV)**		**(1,327.10)**	**(86.39)**
VI	**Tax expense**	31		
	(i) Current tax		-	-
	(ii) Deferred tax		(260.71)	(20.10)
VII	**Loss for the year (V-VI)**		**(1,066.39)**	**(66.29)**
VIII	**Other comprehensive income (OCI)**			
	() Items that will not be reclassified to profit or loss			
	- Remeasurement gain / (loss) on defined benefit plans		(2.28)	6.39
	() Income tax impact thereon	31	0.34	(1.64)
	Other comprehensive income (i)+(ii)		**(1.94)**	**4.75**
IX	**Total comprehensive income/(loss) for the year (VII+VIII)**		**(1,064.45)**	**(61.54)**
X	**Earnings per equity share (face value ₹ 10/- per equity share)**	32		
	Basic (₹)		(2,955.14)	(183.97)
	Diluted (₹)		(2,955.14)	(183.97)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No.: 003990S/S200018

V Kothandaraman
Partner
Membership No.: 025973

Place: Chennai
Date: May 26, 2022

PKF SRIDHAR & SANTHANAM LLP
Firm Regn. No.: 003990S/S200018
CHENNAI

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
Whole-time Director
DIN : 02799586

Lalit Malik
Group Chief Financial Officer

Arunkumar Sridharan
Company Secretary
Membership No.: F7112

Place: Chennai
Date: May 26, 2022

Place: Chennai
Date: May 26, 2022

Samunnati Financial Intermediation & Services Private Limited
Consolidated Statement of cash flows for the year ended 31 March 2022
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A. Operating activities		
Loss before tax	**(1,327.10)**	**(86.39)**
Adjustments for:		
Depreciation and amortization	64.79	33.68
Employee stock option expenses	57.03	40.98
Loss on sale of property, plant and equipment	0.08	0.74
Income from mutual funds	(14.40)	(4.06)
Income from debt funds	(16.58)	(9.65)
Impairment on financial instruments	200.24	(45.48)
Impairment on trade receivables	220.56	73.94
Bad debts written off	515.20	368.85
Provision on Inventory	20.15	
Amortisation of origination costs of borrowings	-	33.62
Interest expenses towards financing activities	194.82	94.37
Gain on fair valuation on investments	-	(0.51)
Cash generated from operations before working capital changes	**(85.22)**	**500.09**
Changes in working capital:		
Loans	(2,556.36)	(2,540.43)
Other financial assets	3.99	(31.95)
Trade receivables	(978.30)	(1,198.78)
Other non-financial assets	(169.92)	2.88
Net movement in provisions	45.02	4.28
Other financial and non-financial liabilities	53.37	65.59
Inventories	(846.63)	(13.93)
Trade payables	620.25	56.49
Cash used in operations	**(3,913.80)**	**(3,155.76)**
Income taxes paid (net of refunds)	(117.52)	(38.54)
Net cash used in operating activities (A)	**(4,031.32)**	**(3,194.30)**
B. Investing activities		
Purchase of property, plant and equipment and intangible assets	(173.32)	(27.06)
Proceeds from sale of property, plant and equipment	8.22	1.11
Movement in capital advances	0.57	1.98
Movement in deposits with banks and financial institutions	139.59	(320.92)
Purchase/Sale of investments	263.58	(342.45)
Interest income received on investments measured at amortised cost, FVTPL	30.98	13.84
Net cash (used in) investing activities (B)	**269.62**	**(673.50)**
C. Financing activities		
Proceeds from issue of shares including share premium (net of share issue expenses)	0.69	-
Buyback of shares		-
Proceeds/Repayment from debt securities	1,087.41	2,568.37
Lease Rent Paid	(16.02)	-
Proceeds/Repayment from other than debt securities	2,699.72	1,462.84
Interest expenses	(194.82)	(95.88)
Net cash generated from financing activities (C)	**3,576.99**	**3,935.33**
Net increase in cash and cash equivalents (A+B+C)	**(184.72)**	**67.53**
Cash and cash equivalents at the beginning of the year	1,352.37	1,284.84
Cash and cash equivalents at the end of the year	**1,167.65**	**1,352.37**
Components of cash and cash equivalents		
Cash and cash equivalents at the end of the year (also, refer note 3)		
- Cash on hand	-	1.66
- In deposit accounts (with original maturity of 3 months or less)	408.23	56.94
- Balances with banks in current accounts	759.42	1,293.77
Total	**1,167.65**	**1,352.37**

The accompanying notes form an integral part of the financial statements
As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No.: 003990S/S200018

V Kothandaraman
Partner
Membership No.: 025973

Place: Chennai
Date: May 26, 2022

PKF SRIDHAR & SANTHANAM LLP
Firm Regn. No.: 003990S/S200018
CHENNAI

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

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

S G Anil Kumar
Director and CEO
DIN : 01189011

Lalit Malik
Group Chief Financial Officer

Place: Chennai
Date: May 26, 2022

Gurunath Neelamani
Whole-time Director
DIN : 02799586

Arunkumar Sridharan
Company Secretary
Membership No.: F7112
Place: Chennai
Date: May 26, 2022

Samunnati Financial Intermediation & Services Private Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2022
(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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	5.74	5.74	16.16	16.16	21.90	21.90
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated Balance at the beginning of the year	5.74	5.74	16.16	16.16	21.90	21.90
Issued during the year	-	-	0.68	-	0.68	-
Buyback of shares	-	-	-	-	-	-
Sub-total	**5.74**	**5.74**	**16.85**	**16.16**	**22.59**	**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**	**16.85**	**16.16**	**20.45**	**19.76**

B. Other equity

Particulars	Statutory Reserve	Securities Premium	Stock Options Outstanding	Capital Redemption Reserve	Equity component of compound financial instruments	Other comprehensive income	Retained Earnings	Total
Balance as at 01 April 2020	39.84	4,953.68	164.31	0.07	-	(1.02)	(119.70)	5,037.18
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at 01 April 2020	39.84	4,953.68	164.31	0.07	-	(1.02)	(119.70)	5,037.18
Comprehensive income for the year	-	-	-	-	-	4.75	(66.29)	(61.54)
Issue expenses for debt securities		(22.58)	-	-	-	-		(22.58)
Employee stock options expense	-	-	40.98	-	-	-	-	40.98
Transfer to statutory reserve	0.75				-		(0.75)	-
Balance as at 31 March 2021	**40.59**	**4,931.10**	**205.29**	**0.07**	**-**	**3.73**	**(186.74)**	**4,994.04**
Changes in accounting policy or prior period errors (Refer Note 21)	-	-	-	-	-	-	(1.13)	(1.13)
Restated Balance as at 31st March 2021 after above adjustments	40.59	4,931.10	205.29	0.07	-	3.73	(187.87)	4,992.91
Comprehensive income for the year	-	-	-	-	-	1.94	(1,066.39)	(1,064.45)
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Premium on issue of shares	-	812.96	-	-	-	-	-	812.96
Equity Component of Debt Securities issued during the year	-	-	-	-	(23.55)	-	-	(23.55)
Issue expenses for debt securities	-	11.39	-	-	-	-	-	11.39
Employee stock options expense	-	-	57.03	-	-	-	-	57.03
Balance as at 31 March 2022	**40.59**	**5,755.45**	**262.32**	**0.07**	**(23.55)**	**5.67**	**(1,254.26)**	**4,786.29**

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No.: 003990S/S200018

V Kothandaraman
Partner
Membership No.: 025973

Place: Chennai
Date: May 26, 2022

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No.: 003990S/S200018 * CHENNAI *

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD. *

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 : 02799586

Lalit Malik
Group Chief Financial Officer

Place: Chennai
Date: May 26, 2022

Arunkumar Sridharan
Company Secretary
Membership No.: F7112
Place: Chennai
Date: May 26, 2022

1 Corporate Information

Samunnati Financial Intermediation & Services Private Limited ('The Holding Company') is a Non-Banking Financial Institution (NBFI) incorporated on June 23, 2014. The Holding 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 Holding Company provides secured and unsecured loans to farmers, farmer producer organizations, community based organizations and Agri-enterprises. The Holding Company commenced active NBFI operations from the month of July 2016. The Holding Company is an NBFC - Systemically Important Non-Deposit taking Company ('NBFC-ND-SI') per regulations of Reserve Bank of India ('RBI').

The Holding Company has four wholly owned subsidiaries as at the year end 31 March 2022.
The following are the details of the subsidiaries:

1. Samunnati Agro Solutions Private Limited ('Agro') which was incorporated on 14 October 2016, and undertakes wholesale trading activities related to agricultural inputs and commodities.

2. Kamatan Farm Tech Private Limited - The Company has acquired 100% stake in Kamatan Farm Tech Private Limited ("KFTPL') through a share swap on 16 April 2021. Pursuant to the agreement the Company has issued 67,624 Compulsory Convertible Preference Shares ('CCPS') to the equity shareholders of KFTPL.

3. Samunnati Finance Private Limited ('SFPL') was incorporated on 22 September 2021 and is registered under the Companies Act 2013 as a company limited by shares.

4. Samunnati Foundation ('the Foundation') was incorporated on 09 March 2020 and is registered under section 8 of the Companies Act 2013 as a company with limited liability. The main objects of the Company are to undertake social oriented programs, activities as deemed appropriate, referred to in schedule VII to the Companies Act 2013, read with section 135 of the Act .

The Holding Company along with its Subsidiaries, shall hereinafter, be collectively referred to as 'the Group'.*

*Samunnati Foundation was consolidated to the group financial statements in the previous year. However the same has not been consolidated in the current year as the intent of the investment is not considered to be commercial in nature so as to get any return on the investments.

2 Basis of preparation of financial statements

2.1 a) Statement of compliance and basis for preparation and presentation of the consolidated financial statements

These consolidated financial statements of the Group 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.

These consolidated financial statements were approved by the Holding Company Board of Directors and authorised for issue on 26 May 2022.

b) Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions within Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Samunnati Foundation ('the Foundation') is not for profit company hence the same has not been consolidated.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees ('INR' or 'Rs.' or "₹") which is also the Group functional currency. Amounts less that 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 consolidated 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 Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has established policies and procedures with respect to the measurement of fair values. Fair values are categorised 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).

PKF Sridhar & Santhanam LLP
Firm Regn. No.: 003990S/S200018
Chennai

Samunnati Financial Intermediation & Services Pvt. Ltd.

2.5 Critical accounting estimates and judgements

In preparing these consolidated financial statements, management of the Group has made judgements, estimates and assumptions that affect the application of the Group'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 Group 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 Group. 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.

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.

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 Holding 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 for Loans

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.

The Group 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 Group 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 Group 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.

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

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 and receivables from trading activities. The Group recognizes lifetime ECL for impaired financial assets.

The loan assets in the books of the Holding Company 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/FPO and Others' and Agri enterprises.

The Group 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.

Loans staging

Name of the pool of loan assets	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

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 Group uses historical information to determine PD. Considering the different categories of customers, the Holding 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. For receivables from trading activities, Agro's management had calculated the PD 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 Holding 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. Further the management of the subsidiary Agro had considered the insured portion of receivable consists nil exposure at default.

Forward looking information - While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group 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 Group based on its internal data. While the internal estimates of PD, LGD rates by the Group 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 financial instruments for trade receivables from trading and allied activities

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, the Group follows 'simplified approach' and measures the loss allowance at an amount equal to lifetime expected credit losses. This impairment allowance is computed based on historical credit loss experience and management assessment.

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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 Group'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 Group and that are believed to be reasonable under the circumstances.

2.6 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.

a) Recognition of interest income on loans
The Holding 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 Holding 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 Holding 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) Sale of goods
To determine whether to recognise revenue from contracts with customers, Agro follows a 5-step process:
1. Identifying the contract with customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from sale of products or services is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. Agro has assessed its revenue arrangements based on the substance of the transaction and business model against specific criteria to determine if it is acting as principal or agent.

c) 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 Group 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 Group 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.

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2.7 Property, Plant and Equipment (PPE)

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

Asset Classification	Useful Life (in Years)
Furniture and fittings	10
Office equipment	5
Computers & accessories	3
Vehicles	4 - 8
Leasehold improvements	5

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.

Intangible assets

Other intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses, if any

The intangible assets, that are not yet ready for their intended use are carried at cost and are reflected under intangible assets under development. Direct costs associated in developing the intangible asset are capitalized when the following criteria are met:
- It is technically feasible to complete the intangible asset so that it will be available for use,
- Management intends to complete the intangible asset and put it to use,
- There is ability to use the intangible asset
- There is an identifiable asset that will generate expected future economic benefits and
- There is an ability to measure reliably the expenditure attributable to the intangible asset during its development.

Otherwise, it is recognized in profit and loss as incurred

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.

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is de-recognized.

2.8 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.

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2.9 Financial Instruments

a) Recognition and initial measurements

Financial assets and financial liabilities are recognized when the Group 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 Group'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 Group measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

FVTOCI - debt instruments

The Group 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 Group subsequently measures all equity investments at fair value through profit or loss, unless the Group'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 Group 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.

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 Group 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 rec

c) Financial liabilities and equity instruments

Classification of debt and equity

Debt and equity instruments issued by the Group 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 Group are recognized at the proceeds received. Transaction costs of an equity transaction are recognized as a deduction from equity.

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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 Group 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 Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group 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

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower/customer 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.

2.10 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 Group 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

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

c) Gratuity

The Group'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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d) Leave encashment/ compensated absences

The Group 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.

2.11 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.

2.12 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 Group'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 Group 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.

2.13 Impairment of assets other than financial assets

The Group 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.

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2.14 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group 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 Group 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 Group; 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 Group can be virtually certain to collect from a third party with respect to the obligation (such as from insurance)

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

2.15 Leases

The Group's lease asset classes primarily consist of leases for office premises. The Group 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 Group assesses whether:
(i) the contract involves the use of an identified asset
(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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 Group changes its assessment if whether it will exercise an extension or a termination option.

2.16 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.

2.17 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 Group'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.

2.18 Inventories

Inventories are measured at the lower of cost and the net realizable value. Costs includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition, net of discounts and rebates and is determined on weighted average basis. Cost is determined on FIFO basis. Net realizable value represents the estimated selling price of inventories in the ordinary course of business, less the estimated costs necessary to make the sale.

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2.19 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Chief Executive Officer ('CEO') of the Group has been identified as the CODM as defined by Ind-AS 108 Operating Segments, who assesses the financial performance and position of the Group and makes strategic decisions.

Operating segments identified by the Group comprises as under:
1. Financing - Providing loans to borrowers and securitisation of such loans
2. Trading and allied activities - Trading of agricultural products and allied activities

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprises as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated', if any. Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated', if any.

2.20 Recent accounting pronouncements

a. Changes in Accounting Standards that were applicable and adopted from the current financial year:

The following Accounting Standards have been modified on miscellaneous issues with effect from June 18, 2021. Such changes include clarification/guidance on:

i) Ind AS 107 Financial Instruments: Disclosures – Additional disclosures relating to interest rate benchmark reform (IBOR reform including nature and extent of risks to which the entity is exposed due to financial instruments subject to interest rate benchmark reform and how the Group manages those risks; the Group's progress in completing the transition to alternative benchmark rates and how the Group is managing the transition.

ii) Ind AS 109 Financial Instruments – Guidance provided on accounting for modifications of contracts resulting from changes in the basis for determining the contractual cash flows as a result of the IBOR reform; various exceptions and relaxations have been provided in relation to the hedge accounting.

iii) Ind AS 116 Leases – Extension of optional practical expedient in case of rent concessions as a direct consequence of COVID-19 pandemic till June 30, 2022 and guidance on accounting for modification of lease contracts resulting from the IBOR reform.

iv) Ind AS 102 Share based payments – Alignment of liabilities definition with the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India.

v) Ind AS 103 Business Combination – Alignment of assets and liabilities definition with the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards

vi) Amendment of definition of term 'recoverable amount' in Ind AS 105, Ind AS 16 and Ind AS 36 from 'fair value less cost to sell' to 'fair value less cost of disposal'.

None of these amendments has any material impact on the financial statements for the current year.

b) Changes in Schedule III Division III of Companies Act, 2013 notified and adopted by the Group:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 to be effective from April 01, 2021. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

In Balance Sheet:

i) Certain additional disclosures in the statement of changes in equity.
ii) Specified format for disclosure of shareholding of promoters.
iii) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
iv) If the Group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
v) Specific disclosure under regulatory such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of group, loans and Advances to Promoters, Directors, Key Managerial Personnel (KMP) and related parties, details of benami property held, relationship with struck-off companies, financial ratios, etc.

In Statement of Profit and Loss:

i) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head "additional information" in the notes forming part of financial statements.

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The amendments are extensive, and the Group has given effect to them as required by law in the current year financial statements to the extent applicable.

c) New accounting standards/amendments notified but not yet effective

The following Accounting Standards have been modified on miscellaneous issues with effect from April 01, 2022. Such changes include clarification/guidance on:

i) Ind AS 103 Business Combination – Identified assets acquired and liabilities assumed (including contingent assets and contingent liabilities) must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the Institute of Chartered Accountants of India (ICAI).

ii) Ind AS 109 Financial Instruments – Guidance provided on identifying substantial modification of the terms of an existing financial liability basis difference in discounted present value of the cash flows between old and new terms (the '10 percent' test).

iii) Ind AS 16 Property, Plant and Equipment (PPE) – Clarification provided on accounting for excess of net sale proceeds of items produced over the cost of testing as deduction from the directly attributable costs considered as part of cost of an item of PPE.

iv) Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets – Illustrative guidance provided on the cost of fulfilling a contract - incremental costs of fulfilling the contract and allocation of other costs that relate directly to fulfilling contracts, and clarification provided on recognising impairment loss that has occurred on assets used in fulfilling the contract before a separate provision for onerous contract established.

None of these amendments is expected to have any material impact on the financial statements of the Group.

2.21 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.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
3	**Cash and cash equivalents**		
	Cash-on-hand	-	0.29
	Balances with banks		
	(i) In current account	759.42	1,295.14
	(ii) in deposit account (with original maturity up to 3 months)	408.23	56.94
		1,167.65	**1,352.37**
4	**Bank balances other than cash and cash equivalents**		
	Deposit account with banks -		
	- Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments (Refer note below)	221.45	523.55
	- with original maturity of more than 3 months but less than 12 months	290.70	128.19
		512.15	**651.74**

Details of balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments

	Maturity period of less than 12 months		
(i)	Held as collateral against borrowings and securitisation transactions	160.21	467.68
		160.21	**467.68**
	Maturity period of more than 12 months		
(ii)	Held as collateral against borrowings and securitisation transactions	61.24	55.87
		61.24	**55.87**
	Total	**221.45**	**523.55**

5	**Trade receivables**		
	Unsecured		
	Considered good	3,288.03	2,567.44
	Less: Allowance for expected credit loss	(31.42)	(15.79)
		3,256.61	**2,551.65**
	Having significant increase in credit risk	252.97	76.95
	Less: Allowance for expected credit loss	(42.91)	(44.00)
		210.06	**32.95**
	Credit impaired	328.52	233.89
	Less: Allowance for expected credit loss	(317.79)	(98.83)
		10.73	**135.06**
		3,477.40	**2,719.66**

(Refer Note 47 for ageing schedule of trade receivables)

6	**Loans**		
(A)	**Term Loans at amortised cost**		
	To clients	11,414.21	9,374.20
	Total- Gross	**11,414.21**	**9,374.20**
	Less : Impairment loss allowance	(352.53)	(153.44)
	Total- Net	**11,061.68**	**9,220.76**
(B)	**Secured/ Unsecured break up**		
(i)	**Secured against tangible assets:**		
	Gross	1,081.22	374.53
	Less: Impairment loss allowances	-	-
	Net	**1,081.22**	**374.53**
(ii)	**Secured against receivables:**		
	Gross	-	5,975.28
	Less: Impairment loss allowances	-	(121.68)
	Net	-	**5,853.60**

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	As at 31 March 2022	As at 31 March 2021
(iii) **Unsecured**		
Gross	10,332.99	3,024.39
Less: Impairment loss allowances	(352.53)	(31.76)
Net	**9,980.46**	**2,992.63**
Total (B) = (i) + (ii) + (iii)	**11,061.68**	**9,220.76**
(C) **Loans in/ outside India**		
(i) Loans in India		
(a) Public sector	-	-
(b) Others	11,414.21	9,374.20
	11,414.21	9,374.20
Less : Impairment loss allowance	(352.53)	(153.44)
Total (i)	**11,061.68**	**9,220.76**
(ii) Loans outside India	-	-
Total (C) = (i) + (ii)	**11,061.68**	**9,220.76**

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)
As at 31 March 2022		
Stage 1 - Considered good	10,312.28	29.48
Stage 2 - Significant increase in credit risk	767.04	43.03
Stage 3 - Credit impaired	334.89	280.02
	11,414.21	**352.53**
As at 31 March 2021		
Stage 1 - Considered good	8,101.17	27.46
Stage 2 - Significant increase in credit risk	1,109.75	26.54
Stage 3 - Credit impaired	163.28	99.44
	9,374.20	**153.44**

7 Investments

	As at 31 March 2022	As at 31 March 2021
(A) **At amortised cost**		
(i) In Pass Through Certificates ("PTC")	183.87	222.25
(ii) In non convertible debentures ("NCD")	-	53.69
(iii) Samunnati Foundation 850,000 (previous year: 10,000) equity shares of ₹10 each	8.50	
(iv) Kamatan Farm Tech Private Limited (unquoted) (31 March 2021: 300,000) Compulsorily convertible debentures ("CCDs") of Rs. 100 each	-	30.00
(B) **At fair value through profit or loss**		
(i) In Mutual Funds		
Tata Liquid Fund Regular Plan - Growth	-	50.01
SBI Mutual Fund - Savings Fund	-	100.00
	192.37	**455.95**

Note: No impairment loss has been provided on the above investments.

Out of above		
In India	192.37	455.95
Outside India	-	-
	192.37	**455.95**

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		As at 31 March 2022	As at 31 March 2021
8	**Other financial assets**		
	Unsecured, considered good		
	Security deposits	18.06	14.93
	Employee advances	5.22	4.64
	Deposits with financial institutions	111.50	128.00
	Interest accrued but not due on deposits with financial institutions	13.17	1.94
	Interest strip asset	-	-
	Payments receivables on securitisation	-	13.40
	Other receivables	4.14	4.40
		152.09	167.31
9	**Inventories**		
	At lower of cost or net realisable value		
	Stock in trade	869.31	24.20
	Less: Provision for inventory	(20.15)	(1.52)
		849.16	22.68
10	**Current tax assets (net)**		
	Advance income tax (net of provisions for tax)	189.33	62.51
		189.33	62.51

11 **Deferred tax assets (net)**

Tax effect of items constituting deferred tax assets / (liabilities) :	Balance as at April 01, 2021	(Charge) / credit to statement of profit and loss	(Charge) / credit to OCI	Others Adjustments	Balance as at March 31, 2022
Fixed assets	2.17	(8.82)	-	-	(6.65)
Provisions for employee benefits	8.02	5.28	(0.34)	-	12.96
Impairment loss allowance	74.68	102.17	-	(0.14)	176.71
Carried forward losses	18.06	24.97	-	(9.30)	33.73
Employee stock option expenses	36.77	139.09	-	-	175.86
Others	5.91	(1.98)	-	-	3.93
Total	**145.61**	**260.71**	**(0.34)**	**(9.44)**	**396.54**

Tax effect of items constituting deferred tax assets / (liabilities) :	Balance as at April 01, 2020	(Charge) / credit to statement of profit and loss	(Charge) / credit to OCI	Others Adjustments	Balance as at March 31, 2021
Fixed assets	4.07	(1.90)	-	-	2.17
Provisions for employee benefits	7.46	2.20	(1.64)	-	8.02
Impairment loss allowance	67.67	7.01	-	-	74.68
Carried forward losses	-	18.06	-	-	18.06
Employee stock option expenses	36.77	-	-	-	36.77
Others	11.18	(5.27)	-	-	5.91
Total	**127.15**	**20.10**	**(1.64)**	-	**145.61**

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

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

	Property, plant and equipment										Other intangible assets			
Particulars	Freehold land	Furniture and fittings	Office equipment	Computers & accessories	Vehicles	Biological assets	Leasehold improvements	Plant & Machinery	Total	Right of use assets	Goodwill on Consolidation	Computer Software	Total	Intangible assets under development
Gross block														
Balance as at 01 April 2020	2.31	10.24	11.18	17.92	20.71	0.48	24.18	-	87.02	33.29	-	2.26	2.26	26.74
Additions	-	0.13	0.36	7.24	2.30	-	0.09	-	10.12	0.10	-	28.17	28.17	14.11
Disposals/ deductions	-	(1.22)	(0.37)	-	-	-	(0.90)	-	(2.49)	-	-	(0.11)	(0.11)	(25.47)
Balance as at 31 March 2021	**2.31**	**9.15**	**11.17**	**25.16**	**23.01**	**0.48**	**23.37**	**-**	**94.65**	**33.39**	**-**	**30.32**	**30.32**	**15.38**
Additions	27.76	2.58	3.29	21.03	18.69	0.17	-	5.16	78.68	31.53	775.67	20.26	795.93	65.18
Disposals/ deductions	-	(0.63)	(0.45)	(0.14)	(4.49)	-	(0.02)	-	(5.73)	(0.48)	-	-	-	(9.06)
Balance as at 31 March 2022	**30.07**	**11.10**	**14.00**	**46.05**	**37.21**	**0.65**	**23.35**	**5.16**	**167.60**	**64.44**	**775.67**	**50.58**	**826.25**	**71.50**
Accumulated depreciation and amortization														
Balance as at 01 April 2020	-	0.93	1.46	5.62	2.57	-	3.31	-	13.89	6.37	-	0.59	0.59	-
Charge for the year	-	0.87	1.65	7.96	5.32	-	4.89	-	20.69	8.61	-	4.38	4.38	-
Disposals	-	(0.35)	(0.13)	-	-	-	(0.16)	-	(0.64)	-	-	(0.04)	(0.04)	-
Balance as at 31 March 2021	**-**	**1.45**	**2.98**	**13.58**	**7.89**	**-**	**8.04**	**-**	**33.94**	**14.98**	**-**	**4.93**	**4.93**	**-**
Charge for the year	-	1.45	2.40	10.91	7.65	0.01	5.04	0.26	27.72	18.98	-	20.84	20.84	-
Disposals	-	(0.15)	(0.27)	(0.12)	(2.28)	-	(0.02)	-	(2.84)	-	-	-	-	-
Balance as at 31 March 2022	**-**	**2.76**	**5.11**	**24.37**	**13.26**	**0.01**	**13.06**	**0.26**	**58.82**	**33.96**	**-**	**25.77**	**25.77**	**-**
Net block														
As at 31 March 2021	2.31	7.7	8.19	11.58	15.12	0.48	15.33	-	60.71	18.41	-	25.39	25.39	15.38
As at 31 March 2022	**30.07**	**8.35**	**8.90**	**21.68**	**23.95**	**0.64**	**10.29**	4.901	**108.77**	**30.48**	**775.67**	**24.81**	**800.48**	**71.50**

Intangible Assets under Development ageing Schedule as on March 31, 2022

	Amount in Intangible Assets for a period of				
Intangible Assets under Development	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
Projects in Progress	56.58	12.53	2.39	-	71.50
Projects temporarily suspended	-	-	-	-	-
Total	56.58	12.53	2.39	-	71.50

There is no project which cost exceeded the budget or time over run. There were no projects which is temporarily suspended as at March 31, 2022.

Intangible Assets under Development ageing Schedule as on March 31, 2021

	Amount in Intangible Assets for a period of				
Intangible Assets under Development	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
Projects in Progress	12.99	2.39	-	-	15.38
Projects temporarily suspended	-	-	-	-	-
Total	12.99	2.39	-	-	15.38

There is no project which cost exceeded the budget or time over run. There were no projects which is temporarily suspended as at March 31, 2021.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
13 Other non-financial assets		
Capital advance	-	0.57
Prepaid expenses	61.83	26.72
Advance paid to vendors	128.25	20.92
Balances with government authorities	53.86	24.99
Advances to employees	-	1.00
Prepaid rent	-	0.39
	243.94	**74.59**
14 Trade payables		
i) Total outstanding dues of micro and small enterprises	0.67	-
ii) Total outstanding dues of creditors other than micro and small enterprises	697.42	77.84
	698.09	**77.84**
	698.09	**77.84**

(Also refer note 48 for ageing of the trade payables)

Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

(a) The principal amount remaining unpaid at the end of the year*	0.67	-
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-
	0.67	**-**

*There are no micro, small and medium enterprises to whom the Group owes dues which are outstanding for more than 45 days at the Balance Sheet date, computed on unit wise basis.
The above information has been determined to the extent such parties have been identified on the basis of information available with the Group.

15 Debt securities		
At amortised cost		
Non-convertible redeemable debentures	5,294.84	4,213.92
	5,294.84	**4,213.92**

Note: There are no debt securities measured at FVTPL or designated as FVTPL

Debt securities in India	777.85	448.07
Debt securities outside India	4,516.99	3,765.85
Total	**5,294.84**	**4,213.92**

(also, refer note 44)

16 Borrowings (other than debt securities)		
At amortised cost		
Term loans:		
from banks	2,201.06	1,729.69
from other parties	4,472.64	3,005.09
Commercial paper	250.00	147.97
Working capital loan	1,092.88	394.93
Interest accrued but not due on borrowings	26.54	-
Liabilities against securitisation (also, refer note (i) below)	-	65.72
	8,043.12	**5,343.40**

Note: There are no Borrowings measured at FVTPL or designated as FVTPL

Borrowings in India	7,678.10	5,343.40
Borrowings outside India	365.02	-
	8,043.12	**5,343.40**

i) Liabilities against securitisation represents amounts received in respect of securitisation transactions (net of repayments & investments 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. There were no liabilities against securitisation for the group during the year ended March 31, 2022.

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	As at 31 March 2022	As at 31 March 2021
17 Other financial liabilities		
Creditors for capital goods	-	0.05
Unamortised interest income	23.02	-
Lease liability	36.35	24.65
Employee related payables	72.57	9.60
Provision for expenses	-	19.90
Other payables	18.41	76.97
	150.35	**131.17**
18 Provisions		
Provision for employee benefits		
Gratuity	20.39	16.85
Compensated absences	24.06	14.10
	44.46	**30.95**
19 Other non-financial liabilities		
Advance received from customers	178.54	156.28
Statutory dues payable	37.81	24.82
Others	0.34	0.89
	216.69	**181.99**

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		As at 31 March 2022		As at 31 March 2021	
		No. of shares	Amount	No. of shares	Amount
20	**Equity share capital**				
	Authorised share capital				
	Equity shares of ₹ 10 each	7,50,000	7.50	7,50,000	7.50
	Compulsorily convertible preference shares of ₹ 10 each	17,50,000	17.50	17,50,000	17.50
	Total	**25,00,000**	**25.00**	**25,00,000**	**25.00**
	Issued				
	Equity shares of ₹ 10 each	5,73,861	5.74	5,73,861	5.74
	Compulsorily convertible preference shares of ₹ 10 each	16,83,819	16.84	16,16,195	16.16
	Subscribed and paid-up:				
	Equity shares of ₹ 10 each	5,73,861	5.74	5,73,861	5.74
	Less: Equity shares held under trust for employees under ESOP scheme (also, refer note h) below	(2,13,523)	(2.14)	(2,13,523)	(2.14)
	Compulsorily convertible preference shares of ₹ 10 each	16,83,819	16.84	16,16,195	16.16
	Total	**20,44,157**	**20.45**	**19,76,533**	**19.76**
a)	**Reconciliation of number of equity shares and amount outstanding**				
	Issued, subscribed and paid-up				
	Balance at the beginning of the year	5,73,861	5.74	5,73,861	5.74
	Shares issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
		5,73,861	5.74	5,73,861	5.74
	Less: Equity shares held under trust for employees under ESOP scheme	(2,13,523)	(2.14)	(2,13,523)	(2.14)
	Balance at the end of the year	**3,60,338**	**3.60**	**3,60,338**	**3.60**
b)	**Reconciliation of number of preference shares and amount outstanding**				
	Issued, subscribed and paid-up:				
	Balance at the beginning of the year	16,16,195	16.16	16,16,195	16.16
	Shares issued during the year	67,624	0.68	-	-
	Balance at the end of the year	**16,83,819**	**16.84**	**16,16,195**	**16.16**

c)	**Shareholders holding more than 5 percent**	No. of shares	% of holding	No. of shares	% of holding
	Equity shares of ₹ 10 each				
	S G Anil Kumar	2,38,257	42%	2,38,257	42%
	Samunnati ESOP Welfare Trust	2,13,523	37%	2,13,523	37%
	Accel India V (Mauritius) Ltd	75,733	13%	75,733	13%
	Compulsorily convertible preference shares of ₹ 10 each				
	Elevar M-III	4,21,522	25%	3,78,074	23%
	Accel India V (Mauritius) Ltd	3,74,949	22%	3,74,949	23%
	ResponsAbility Agriculture I, SLP	3,66,594	22%	3,66,594	23%
	Teachers Insurance and Annuity Association of America	2,26,730	13%	2,26,730	14%
	Accel Growth Fund V L.P	1,10,075	7%	1,10,075	7%
	Elevar I-IV AIF represented by its Trustee Vistra ITCL	1,18,957	7%	99,340	6%

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d) Equity shares held by promoters at the end of the year

	March 31, 2022		
Promoter Name	**Number of shares**	**Percentage of total shares**	**Percentage change during the year**
Mr. Anil Kumar S G	2,38,257	42.00%	-

	March 31, 2021		
Promoter Name	**Number of shares**	**Percentage of total shares**	**Percentage change during the year**
Mr. Anil Kumar S G	2,38,257	42.00%	-

e) 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 Holding Company.

f) Terms and rights attached to equity shares

The Holding 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 Holding 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 Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

g) Terms and rights attached to preference shares

The holding Company has issued Series A1, A2, A3, B, C, D and D1 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 holding 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
Series D1	15 Apr 2040	0.68
		16.84

h) The Holding Company has given an interest and collateral free loan to ESOP Trust to provide financial assistance for purchase of equity shares of the Holding Company under Employee Stock Option Scheme. The Holding Company has established the ESOP Trust to which the stock options issuable have been transferred. The Holding 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 33.

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21 Other equity

	As at 31 March 2022	As at 31 March 2021
Statutory Reserve	40.59	40.59
Securities Premium	5,755.45	4,931.10
Employee stock options outstanding	262.32	205.29
Capital Redemption Reserve	0.07	0.07
Equity component of compound financial instruments	(23.55)	-
Other comprehensive income	5.67	3.73
Retained earnings* (Refer Note below)	(1,254.26)	(186.74)
	4,786.29	**4,994.04**

* **Note:** Samunnati Foundation was consolidated in the previous year. However the same has not been consolidated in the current year as the intent of the investment is not commercial in nature so as to get any return on the investments. Consequently the retained earnings impact of the PY 20-21 amounting Rs. 1.13 million has been eliminated in the current year consolidation.

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 the Holding Company's 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

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 Holding 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 Holding Company.

Equity component of compound financial instruments
Equity component of compound financial instruments represents the Equity portion of Debt Securities.

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 profits/ (losses) retained since Group'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.

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		Year ended 31 March 2022	Year ended 31 March 2021
22	**Revenue from operations**		
	a) Interest income on financial instruments measured at amortised cost		
	Loans	1,552.04	1,488.38
	Investment in Pass Through Certificates	24.42	6.06
	Security deposits held with lenders	18.56	37.90
	Fixed deposits	4.55	38.86
	Investment in CCDs	-	3.00
		1,599.57	**1,574.20**
	b) Sale of traded goods		
	Agricultural products	21,155.79	7,567.48
		21,155.79	**7,567.48**
	c) Other operating revenue	107.57	80.27
		107.57	**80.27**
	Total (a+b+c)	**22,862.93**	**9,221.95**
23	**Other income**		
	Interest income on delayed payment of dues by customers	14.46	21.87
	Income from mutual fund investments	14.40	4.06
	Recovery of defaults in loan serviced	0.92	4.72
	Transaction tax recovered	-	-
	Gain on fair valuation	-	0.51
	Income from debt fund	16.58	9.65
	Other income	9.13	3.07
		58.08	**43.88**
24	**Finance costs**		
	On financial liabilities measured at amortised cost		
	Interest expense on:		
	Borrowings (other than debt securities)	596.19	404.94
	Debt securities	532.06	345.57
	Lease liability	4.37	2.55
	Other borrowing costs	82.90	40.33
		1,215.52	**793.39**
25	**Impairment on financial instruments**		
	At amortised cost		
	Impairment of loans	200.24	(45.48)
	Impairment of trade receivables	220.56	73.94
	Bad debts written off	515.20	367.99
		936.00	**396.45**
26	**Purchases of stock-in-trade**		
	Purchase of stock-in-trade	21,590.20	7,370.26
		21,590.20	**7,370.26**
27	**Changes in inventories of stock in trade**		
	Opening stock	24.20	8.75
	Closing stock	869.31	24.20
		(845.11)	**(15.45)**
28	**Employee benefit expenses**		
	Salaries and wages (also, refer note 45)	735.93	439.21
	Gratuity and leave encashment expenses (Also refer note 34)	26.95	9.29
	Contribution to provident and other funds	30.82	15.00
	Employee stock option expenses (also, refer note 33)	57.03	40.98
	Staff welfare expenses	27.60	14.79
	Employee insurance	-	6.69
		878.33	**525.96**

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		Year ended 31 March 2022	Year ended 31 March 2021
29	**Depreciation & amortization**		
	(Also, refer note 12)		
	Depreciation on property, plant and equipment	25.88	20.69
	Amortisation of intangible assets	19.92	4.38
	Amortisation charge on right of use assets	18.98	8.61
		64.79	**33.68**
30	**Other expenses**		
	Legal and professional charges	144.45	99.64
	Consultancy charges	4.95	4.95
	Service fee expenses	(2.71)	9.36
	Technology and communication expenses	31.48	22.36
	Membership and subscription charges	17.58	10.88
	Travelling and conveyance	42.33	15.10
	Insurance	45.39	17.96
	Payments to auditors (also, refer note below)	9.83	4.00
	Repairs and maintenance - others	11.73	7.11
	Rates and taxes	2.15	0.38
	Rent	16.02	15.33
	Printing and stationery	4.14	3.36
	Power and fuel	3.32	3.35
	Sitting fees	3.37	2.59
	Loss on sale of property, plant and equipment	0.08	0.74
	Marketing expenses	10.49	5.41
	Provision for Inventory	20.15	-
	Bank charges	-	-
	Bad debts written off	-	0.86
	Miscellaneous expenses (also, refer note 38)	43.64	24.55
		408.39	**247.93**
	i) Payments to auditors:		
	Statutory audit (Balance for FY 2020-21 for previous auditors)*	2.82	-
	Statutory audit	4.63	2.70
	Limited review*	2.12	0.85
	Tax audit*	0.10	0.25
	Certification*	0.11	0.10
	Others*	0.04	
	Out of pocket expenses*	0.01	0.10
		9.83	**4.00**
	*Includes GST of 9% for the current year		
31	**Tax expenses**		
	a) Income tax recognized in statement of profit and loss		
	Current tax:		
	In respect of current year	-	-
		-	-
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	(260.71)	(20.10)
	Total income tax recognized in statement of profit and loss	**(260.71)**	**(20.10)**
	b) Income tax recognized in other comprehensive income		
	Deferred tax related to items recognized in Other Comprehensive Income during the year:		
	Remeasurement of defined employee benefits	0.34	(1.64)
	Total income tax recognized in other comprehensive income	**0.34**	**(1.64)**
32	**Earnings Per Share (EPS)**		
	Net (loss) attributable to equity shareholders ₹ in millions (Basic and Diluted)	(1,066.39)	(66.29)
	Weighted average number of equity shares used in computing basic EPS (in numbers)	3,60,338	3,60,338
	Effect of potential dilutive equity shares (in numbers)	19,10,320	19,10,320
	Weighted average number of equity shares used in computing diluted earnings per share (in numbers)	22,70,658	22,70,658
	Basic EPS (₹) - face value of share ₹10 each	(2,955.14)	(183.97)
	Diluted EPS (₹) - face value of share ₹10 each *	(2,955.14)	(183.97)

*Due to the loss incurred for the year ended 31 March 2022 and 31 March 2021, the potential equity shares are considered as anti-dilutive.

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33 Employee share based payments

ESOP 2015 Scheme

a) On September 08, 2015 , the Board of Directors approved and the Holding Company adopted the "Employees Stock Option Plan 2015" (the "Plan") under which not more than 62,500 shares of the holding Company's equity shares was reserved for issuance to employees. In the Board meeting dated January 28, 2017, December 20, 2017 and April 29, 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 June 21, 2018, the Board of Directors approved and the Holding 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 May 24, 2019, the Board of Directors approved and the holding 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 43,380 options to employees and the same was fully granted in the current year.

Particulars	No. of options as at March 31, 2022	Weighted Average Rate	No. of options as at March 31, 2021	Weighted Average Rate
Options outstanding at the beginning of the year	57,565	2,156	48,635	2,170
Granted during the year	43,380	5,022	11,413	7,500
Exercised during the year	-	-	-	-
Expired/ lapsed during the year	(15,232)	-	(2,483)	3,403
Options outstanding at the end of the year	85,713	3,473	57,565	3,173
Options exercisable as at the end of the period	10,930	739	15,880	690

The weighted average remaining contractual life for the stock options outstanding at the end of the year was 393 days (previous year 318 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	FY 2021-22
Fair market value of option on the date of grant	582.86	806.84	1,030.40	1,726.61	2,970.44	3,318.07	5,022.43
Exercise price range (weighted average)	10.00	319.00	618.00	1,484.45	3,203.50	7,500.00	13,059.77
Expected volatility (%)	60.29%	60.29%	60.29%	60.29%	60.29%	60.29%	56.98%
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	3.00
Expected dividends yield	-	-	-	-	-	-	-
Risk free interest rate (%)	7.55%	6.85%	6.66%	7.62%	6.81%	5.86%	6.80%

Management Stock Option Scheme 2017

On December 20, 2017, the Board of Directors approved and the holding 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 April 29, 2019, the Holding Company's Board of Directors approved and the Holding Company adopted the "Management Stock Option Scheme 2019". Under the revised Scheme, 45,000 options were granted to the promoter, vesting over 1 year 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 0 days(previous year: 212 days)

Particulars	No. of options as at March 31, 2022	Weighted Average Rate	No. of options as at March 31, 2021	Weighted Average Rate
Options outstanding at the beginning of the year	45,000	2,902	45,000	2,902
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/ lapsed during the year	-	-	-	-
Options outstanding at the end of the year	45,000	2,902	45,000	2,902
Options exercisable as at the end of the period	45,000	2,902	15,000	2,902

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

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	0.00%
Expected option life (weighted average in years)	1
Expected dividends yield	0.00%
Risk free interest rate (%)	7.41%

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

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34 **Employee benefits**

General description of defined benefit plans

a) Gratuity

In accordance with applicable Indian laws, the Group provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The gratuity plan 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 Group does not maintain any plan assets to fund its obligation towards gratuity liability.

Through its defined benefit plans the Group 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 March 31, 2022	Year ended March 31, 2021
. **Amount recognized in the statement of Profit and Loss**		
Current service cost	6.12	6.86
Net Interest cost	1.25	1.32
Total expenses included in employee benefit expenses	**7.37**	**8.18**
. **Amount recognized in Other Comprehensive income**		
Remeasurement (gains)/ losses:		
Actuarial (gain)/ losses arising from changes in		
- Experience adjustments	(2.28)	(6.39)
Total amount recognized in other comprehensive income	**(2.28)**	**(6.39)**

	As at March 31, 2022	As at March 31, 2021
. **Changes in the defined benefit obligation**		
Opening defined benefit obligation	16.86	15.06
Opening addition from acquisition of Kamatan Farm Tech Private Limited	1.35	-
Current service cost	6.12	6.86
Interest expense	1.25	1.32
Remeasurement (gains)/losses arising from changes in -		
- Experience adjustments	(2.28)	(6.39)
Benefits paid	(2.91)	-
Closing defined benefit obligation	**20.39**	**16.85**

	As at March 31, 2022	As at March 31, 2021
. **Net defined benefit obligation**		
Defined benefit obligation	20.39	16.85
Current portion of the above	2.46	2.08
Non current portion of the above	17.93	14.77

V. **Maturity profile of defined benefit obligation (undiscounted)**	As at March 31, 2022	As at March 31, 2021
Within 1 year	2.46	2.08
1 to 5 years	9.79	10.42
More than 5 years	20.71	39.48

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Particulars	As at March 31, 2022	As at March 31, 2021
I. Actuarial assumptions and sensitivity		
Discount rate (p.a.)	6.7% - 6.9%	6.50%
Attrition rate	15.00%	15.00%
Rate of salary increase	7.00%	7.00%
In- service Morality rate	IAL2012-14Ult	IAL2012-14Ult

II. Quantitative sensitivity analysis for input of significant assumptions on defined benefit obligations are as follows	Year ended March 31, 2022	Year ended March 31, 2021
One percentage point increase in discount rate	(1.08)	(2.03)
One percentage point decrease in discount rate	1.20	2.26
One percentage point increase in salary growth rate	1.21	2.27
One percentage point decrease in salary growth rate	(1.11)	(2.07)

b) Compensated absences

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

Actuarial assumptions for compensated absences

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
I. Actuarial assumptions and sensitivity		
Discount rate (p.a.)	6.7% - 6.9%	6.50%
Rate of salary increase	7.00%	7.00%
Attrition rate over different age brackets	15.00%	15.00%

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.

II. Expenses recognized in Statement of profit and loss	Year ended March 31, 2022	Year ended March 31, 2021
Included under gratuity and leave encashment expenses	19.58	1.11

III. Net defined benefit obligation	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation	24.08	14.1
Current portion of the above	8.20	3.8
Non current portion of the above	15.88	10.3

35 Capital management

The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholder. 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 Group 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 2022	As at 31 March 2021
Debt	13,337.96	9,557.32
Less: Cash and bank balances	(1,679.80)	(2,004.11)
Net debt	11,658.16	7,553.21
Total equity	4,806.74	5,013.80
Net debt to equity ratio (%)	242.54%	150.65%

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36 Leases

As a lessee

a) Additions to right of use asset

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
Property plant and equipment	31.53	0.10

b) Carrying value of right of use asset

Particulars	As at 31-Mar-22	As at 31-Mar-21
Right of use asset as on the opening date	18.41	26.92
Additions during the year	31.53	0.10
Disposals/ deductions	(0.48)	-
Depreciation charge for the year	(18.98)	(8.61)
Balance as at the year end	30.48	18.41

c) Maturity analysis of lease liability

Contractual Undiscounted Cash Flows		
Less than 1 year	20.09	9.08
One to five years	20.02	17.25
Total undiscounted lease liability	40.11	26.33
Lease liabilities included in the statement of financial position	36.35	24.65

d) Amounts recognized in Statement of profit or loss	Year ended 31-Mar-22	Year ended 31-Mar-21
Interest on lease liabilities	4.37	2.55
Depreciation charge for the year	18.98	8.61
Expenses relating to short-term leases	16.02	15.33

37 Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities

Claims against the Group not acknowledged as debts :

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

As at 31 March 2022	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 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	-

Others

Amounts provided as MRR against securitization transactions	As at 31 March 2022	As at 31 March 2021
Principal sub-ordination	-	52.59
Cash collateral	-	32.66

38 Corporate Social Responsibility

The Holding Company has incurred an expenditure of ₹ 0.87 millions (P.Y.₹ 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 Holding Company during the year is ₹ 0.87 millions (previous year: ₹ 1.40 Millions)

b)

Particulars	For the year ended March 31, 2022			31 March 2021		
	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	0.7	0.17	0.87	1.88	-	1.88

39 Reconciliation of movement in borrowings to cash flows from financing activities

Particulars	31 March 2021	Interest expenses#	Cash flows (net)	Interest payments*	Amortisation of loan origination	31 March 2022
Debt securities	4,213.92	532.06	1087.41	(544.00)	5.45	5,294.84
Borrowings (other than debt securities)	5,343.40	596.19	2699.72	(649.02)	52.83	8,043.12
Total	9,557.32	1,128.25	3,787.13	(1,193.02)	58.28	13,337.96

Particulars	31 March 2020	Interest expenses#	Cash flows (net)	Interest payments*	Amortisation of loan origination	31 March 2021
Debt securities	1,622.97	404.94	2,568.37	(404.94)	22.58	4,213.92
Borrowings (other than debt securities)	3,842.65	345.57	1,366.96	(245.40)	33.62	5,343.40
Total	5,465.62	750.51	3,935.33	(650.34)	56.20	9,557.32

relates to financing and operating activities
* interest payments in the nature of operating activities

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40 Financial Risk Management Framework

The Holding Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include , credit risk, liquidity risk and market risk (including interest rate risk and other price 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 Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Group 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 Group 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 Group 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 Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Group 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 Group 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, Trade receivables - considered good and other financial assets.	Low credit risk	Life time expected credit loss
Loans- Considered good	Low credit risk	12 month expected credit loss
Loans & Trade receivables - having significant increase in credit risk	Moderate credit	Life time expected credit loss
Loans & Trade receivables - credit impaired	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 31 March 2022	As at 31 March 2021
Cash and cash equivalents (excluding cash on hand)	Low credit risk	1,167.65	1,352.37
Bank balance other than above*	Low credit risk	512.15	651.74
Trade receivables- considered good*	Low credit risk	3,288.03	2,567.44
Trade receivables- having significant increase in credit risk *	Moderate credit risk	252.97	76.95
Trade receivables- credit impaired*	High credit risk	328.52	233.89
Loans - considered good*	Low credit risk	10,312.28	8,101.17
Loans - having significant increase in credit risk*	Moderate credit risk	767.04	1,109.75
Loans - credit impaired*	High credit risk	334.89	163.28
Investments	Low credit risk	192.37	455.95
Other financial assets	Low credit risk	152.09	167.31

(*) These represent gross carrying values of trade receivables & 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.

Trade receivables

Trade receivables is typically unsecured and are derived from revenue earned from customers. To manage the credit risk, the Group periodically assesses the financial reliability of its customers, taking into account the financial condition, economic trends and historical payment pattern. The Group establishes an allowance for doubtful debts that represents its estimate of incurred losses in respect of the Group's trade receivables. Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses.

Movement in the allowance for impairment in respect of trade receivables

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	158.62	84.68
Balance taken over from Kamatan Farm Tech Private Limited	12.94	-
Add: Allowance for the year	220.56	74.79
Less: Written off during the year	-	(0.85)
Balance at the end of the year	**392.12**	**158.62**

The concentration of credit risk is limited due to the customer base being large and unrelated. In addition to the historical pattern of credit loss, the Group has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. The Group closely monitors its customers and assesses conditions such as change in payment terms, inability of the customer to pay etc. depending on severity of each case. Basis this assessment, the allowance for impairment of trade receivables as at March 31, 2022 is considered adequate.

Loans

The Group 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 Group 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.

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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.

Credit risk exposure

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

The Group have not made expected credit losses for financial assets other than loans and trade receivables

Particulars	Cash and cash equivalents	Other bank balance	Investments	Other financial assets
As at 31 March 2022				
Gross carrying amount	1,167.65	512.15	192.37	152.09
Less: Expected credit losses	-	-	-	-
Net carrying amount	**1,167.65**	**512.15**	**192.37**	**152.09**
As at 31 March 2021				
Gross carrying amount	1,352.37	651.74	455.95	167.31
Less: Expected credit losses	-	-	-	-
Net carrying amount	**1,352.37**	**651.74**	**455.95**	**167.31**

ii. Movement of carrying amount and expected credit loss for loans

Definition of default:

The Holding 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 2022	As at 31 March 2021
Stage 1	10,312.28	8,101.17
Stage 2	767.04	1,109.75
Stage 3	334.89	163.28
Total	**11,414.21**	**9,374.20**

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

As at 31 March 2022

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying value of opening balances	8,101.17	1,109.75	163.28
New assets originated during the year, netted off repayments and derecognised portfolio	2,555.21	-	-
Transfer to stage 1	264.01	(263.91)	(0.10)
Transfer to stage 2	(348.51)	348.51	-
Transfer to stage 3	(99.54)	(427.30)	526.84
Amounts written off	(160.06)	(0.01)	(355.13)
Gross carrying value of closing balances	**10,312.28**	**767.04**	**334.89**

As at 31 March 2021

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying value of opening balances	6,627.74	483.01	85.20
New assets originated during the year, netted off repayments and derecognised portfolio	2,222.55	139.75	103.18
Transfer to stage 1	139.50	(135.29)	(4.21)
Transfer to stage 2	(873.71)	955.56	(1.10)
Transfer to stage 3	(14.91)	(126.82)	141.74
Amounts written off	-	(206.46)	(161.53)
Gross carrying value of closing balances	**8,101.17**	**1,109.75**	**163.28**

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Movement in expected credit loss of loans:

As at 31 March 2022

Particulars	Stage 1	Stage 2	Stage 3
ECL allowance - opening balances	27.46	26.54	99.44
New assets originated during the year, netted off repayments and derecognised portfolio	11.29	-	-
Transfer to stage 1	0.85	(0.85)	-
Transfer to stage 2	(8.33)	8.33	-
Transfer to stage 3	(60.62)	(260.23)	320.85
Impact of ECL on exposures transferred	218.89	269.25	214.86
Amounts written off	(160.06)	(0.01)	(355.13)
ECL allowance - closing balances	**29.48**	**43.03**	**280.02**

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 during the year, netted off repayments and derecognised portfolio	(43.31)	(9.81)	0.17
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	(21.49)	23.08	45.09
Amounts written off	-	(6.82)	(32.39)
ECL allowance - closing balances	**27.46**	**26.54**	**99.44**

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 ₹ 60.72 millions and ₹ (16.21) millions respectively. (As at March 31, 2021: ₹ 90.45 millions)

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

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.

(b) Liquidity Risk Management :

Liquidity risk refers to the risk that the Group cannot meet its financial obligations as they become due. The Group 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 Group reputation. The Group 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 Group periodically. The Group 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 44 which details the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Group 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 Group 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 Group is subject to interest rate risk, principally because the Group lend to customers at fixed interest rates and for periods that may differ from the Group's funding sources, while the borrowings are at both fixed and variable interest rates for different periods. The Group 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 Group 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 2022	Year ended 31 March 2021
Interest sensitivity*		
Interest rates – increase by 0.50%	15.08	32.16
Interest rates – decrease by 0.50%	(15.08)	(32.16)

* Holding all other variables constant

Price Risk

The Group 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 Group 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.

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Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenues and purchases are denominated, and the functional currency of the Group. The functional currency of the Group is the Indian Rupee (₹). The currency in which these transactions are primarily denominated are in Indian Rupee (₹). Certain export sale transactions of the Group are denominated in US dollars (USD).

Particulars	As at 31 March 2022	As at 31 March 2021
	Amount in USD	Amount in USD
Financial assets		
Trade receivables	-	0.56

41 Fair value measurements

a) Financial instruments measured at amortized cost

	As at 31 March 2022	As at 31 March 2021
Financial assets	Carrying value	Carrying value
Cash and cash equivalents	1,167.65	1,352.37
Other Bank Balances	512.15	651.74
Trade receivables	3,477.40	2,719.66
Loans	11,061.68	9,220.76
Investments	192.37	305.94
Other financial assets	152.09	167.31
	16,563.34	**14,417.78**
Financial liabilities		
Trade payables	698.09	77.84
Debt securities	5,294.84	4,213.92
Borrowings (other than debt securities)	8,043.12	5,343.40
Other financial liabilities	150.35	131.17
	14,186.40	**9,766.33**

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.

Financial instruments measured at fair value through profit or loss

Particulars	Carrying value	Fair value	Fair value		
			Level 1	Level 2	Level 3
Financial assets					
Investments					
As at 31 March 2022	-	-	-	-	-
As at 31 March 2021	150.01	150.01	150.01	-	-

42 Operating segments

a) Chief Operating Decision Maker

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Chief Executive Officer ('CEO') of the Group has been identified as the CODM as defined by Ind AS 108 Operating Segments, who assesses the financial performance and position of the Group and makes strategic decisions.

b) Operating Segment

Primary Segment (Business Segment)

The Group is organised primarily into two operating segments i.e a) Financing - Providing loans to Agri enterprises, community based organisations and farmer producer organisations and securitisation of such loans b) Trading and allied activities - Trading of agricultural products and allied activities.

Secondary Segment (Geographical Segment)

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

c) Segment Revenue and Expenses

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment.

d) Segment Assets and Liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments.

e) Accounting Policies

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments.

	For the Year ended 31 March 2022			
	Financing	Trading and allied activities	Others	Total
Total Income	1,599.57	21,263.36	-	22,862.93
Purchase of Stock in Trade	-	21,590.20	-	21,590.20
Finance Costs	977.17	238.35	-	1,215.52
Depreciation and Amortization	47.61	17.18	-	64.79
Employee Benefit Expenses	627.70	250.63	-	878.33
Profit/(Loss) Before Tax	(968.92)	(358.18)	-	(1,327.10)
Tax Expense	(149.81)	(110.90)	-	(260.71)
Profit/(Loss) after Tax	(819.11)	(247.28)	-	(1,066.39)

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Particulars	For the Year ended 31 March 2021			
	Financing	Trading and allied activities	Others	Total
Revenue from operations	1,574.20	7,647.75	-	9,221.95
Purchase of Stock in Trade	-	7,370.26	-	7,370.26
Finance Costs	684.10	109.29	-	793.39
Depreciation and Amortization	28.09	5.59	-	33.68
Employee Benefit Expenses	446.65	79.31	-	525.96
Profit/(Loss) Before Tax	2.77	(90.29)	1.13	(86.39)
Tax Expense	(0.96)	(19.14)	-	(20.10)
Profit/(Loss) after Tax	3.73	(71.15)	1.13	(66.29)

Particulars	For the Year ended 31 March 2022			
	Financing	Trading and allied activities	Others	Total
Segment Assets	13,122.46	6,131.84	-	19,254.30
Segment Liabilities	10,814.04	3,633.52	-	14,447.56

Particulars	For the Year ended 31 March 2021			
	Financing	Trading and allied activities	Others	Total
Segment Assets	11,665.45	3,324.71	2.91	14,993.07
Segment Liabilities	7,782.27	2,195.32	1.68	9,979.27

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43 Maturity analysis of asset and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

Particulars	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	1,167.65	-	1,167.65	1,352.37	-	1,352.37
Other bank balances	450.91	61.24	512.15	595.87	55.87	651.74
Trade receivables	3,477.40	-	3,477.40	2,719.66	-	2,719.66
Loans	8,026.50	3,035.18	11,061.68	7,488.62	1,732.14	9,220.76
Investments	178.90	13.47	192.37	421.66	34.29	455.95
Other financial assets	134.52	17.57	152.09	138.98	28.33	167.31
	13,435.88	**3,127.46**	**16,563.34**	**12,717.16**	**1,850.63**	**14,567.79**
Non- financial assets						
Inventories	849.16	-	849.16	22.68	-	22.68
Current tax assets (net)	-	189.33	189.33	-	62.51	62.51
Deferred tax assets (net)	-	396.54	396.54	-	145.61	145.61
Property, plant and equipment	-	108.77	108.77	-	60.71	60.71
Right of use assets	-	31.23	31.23	-	18.41	18.41
Other intangible assets	-	800.48	800.48	-	25.39	25.39
Intangible assets under development	-	71.50	71.50	-	15.38	15.38
Other non-financial assets	243.94	-	243.94	74.02	0.57	74.59
	1,093.10	**1,597.85**	**2,690.95**	**96.70**	**328.58**	**425.28**

LIABILITIES

Financial Liabilities						
Trade payables	698.09	-	698.09	77.84	-	77.84
Debt securities	914.70	4,380.14	5,294.84	1,440.82	2,773.10	4,213.92
Borrowings (other than debt securities)	6,445.22	1,597.90	8,043.12	4,438.41	904.99	5,343.40
Other financial liabilities	134.09	16.26	150.35	115.55	15.62	131.17
	8,192.10	**5,994.30**	**14,186.40**	**6,072.62**	**3,693.71**	**9,766.33**
Non- financial liabilities						
Provisions	10.66	33.80	44.46	5.88	25.07	30.95
Other non-financial liabilities	216.35	0.34	216.69	24.82	157.17	181.99
	227.01	**34.14**	**261.15**	**30.70**	**182.24**	**212.94**

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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 2022
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44 Borrowing details as at March 31, 2022

I. Debt securities

Original Maturity of Loan	Face Value	Date of Allotment	Maturity Date	Rate of Interest	Balance outstanding			Security Details
					Due within one year	Due beyond one year	Total	
Non Convertible Redeemable Debentures								
72 Months	10,00,000	24-Sep-18	24-Sep-24	12.71%	0.40	150.00	150.40	Book Debts
72 Months	10,00,000	24-Sep-18	24-Sep-24	12.94%	0.79	300.00	300.79	
48 Months	50,000	12-Dec-18	12-Dec-22	12.30%	366.19	-	366.19	
36 Months	5,00,000	17-Jun-20	17-Jun-23	12.75%	50.39	25.00	75.39	
36 Months	10,00,000	19-Jun-20	19-Jun-23	13.00%	0.20	50.00	50.20	
33 months	8,75,000	25-Sep-20	25-Jun-23	12.40%	41.90	247.50	289.40	
36 Months	10,00,000	17-Jul-20	17-Jul-23	12.00%	21.21	250.00	271.21	
36 Months	10,00,000	15-Dec-20	15-Dec-23	12.06%	127.84	336.00	463.84	
36 Months	10,00,000	15-Dec-20	15-Dec-23	12.06%	126.84	336.00	462.84	
36 Months	10,00,000	31-Mar-21	01-Apr-24	12.30%	0.23	354.00	354.23	
60 months	5,000	20-Aug-20	20-Aug-25	12.39%	7.64	506.25	513.89	
36 months	10,00,000	05-Apr-21	05-Apr-24	11.64%	21.46	400.00	421.46	
60 months	1,00,000	26-Jul-21	15-Jul-26	10.70%	7.27	345.00	352.27	
36 months	10,00,000	06-Sep-21	06-Sep-24	10.85%	1.78	244.00	245.78	
36 months	1,00,000	28-Dec-21	27-Dec-24	11.60%	134.39	246.67	381.05	
48 Months	10,00,000	15-Feb-22	15-Feb-26	12.16%	8.41	594.00	602.41	
					916.91	**4,384.42**	**5,301.33**	

II. Borrowings (other than debt securities)

A.Long Term

Original Maturity of Loan	Rate of Interest		Balance outstanding					Security Details
			Due within one year		Due beyond one year		Total	
			No. of	Amount	No. of	Amount		
Monthly repayment of principal								
36 months	0.125		12.00	70.71	6.00	38.72	109.43	Book Debts
36 months	11.80%		12.00	52.26	7.00	33.40	85.67	Book Debts
24 months	0.1175		8.00	94.71	-	-	94.71	Book Debts, Post dated cheques and Cash Collateral
39 months	9.45%		12.00	134.40	16.00	170.40	304.80	
18 months	11.50%		12.00	478.77	1.00	43.82	522.60	Book Debts
18 months	12.25%		12.00	102.68	1.00	9.07	111.75	Book Debts
24 months	0.1125		12.00	143.63	9.00	107.20	250.83	Book Debts, Post dated cheques and Cash Collateral
24 months	10.60%		12.00	150.00	12.00	150.00	300.00	
37 Months	9.50%		12.00	44.59	25.00	92.91	137.50	
19 Months	12.25%		12.00	11.34	7.00	6.62	17.96	
36 Months	14.50%		12.00	25.04	24.00	50.08	75.12	
Quarterly repayment of principal								Promissory Note and Book Debts
36 months	12.00%		4.00	250.00	-	-	250.00	Promissory Note and Book Debts
35 months	11.75%		4.00	50.00	2.00	25.00	75.00	
36 months	11.50%		4.00	51.21	7.00	87.50	138.71	
30 months	11.60%		4.00	300.00	6.00	450.00	750.00	Book Debts and Post dated cheques
Annual repayment of principal								
48 months	10.69%		-	4.65	3.00	365.02	369.67	Book Debts
				1,964.00		**1,629.74**	**3,593.74**	

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SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

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

B.Short Term

Original maturity of loan	Rate of interest	No of instalments	Amount	Security details
Bullet Repayment of principal				
6 months	8.75%	1	199.00	Book debts and Cash Collateral
12 months	10.90%	1	95.00	
12 months	10.75%	1	155.00	
Monthly Repayment of Principal				
9 months	11.50%	9	167.28	Book debts and Cash Collateral
9 months	11.35%	9	268.31	
6 months	11.35%	6	250.70	
12 months	10.75%	12	25.67	Book Debts
12 months	11.25%	12	503.33	
12 months	12.00%	9	245.44	
12 months	12.50%	12	100.07	Book debts and Cash
3 Months	7.75%	2	64.47	
2 Months	7.95%	1	94.74	
2 Months	8.15%	1	300.00	
2 Months	8.50%	1	50.00	
7 Months	8.50%	3	5.64	
3 Months	8.75%	2	100.59	
1 Months	11.15%	1	300.00	
12 Months	11.25%	10	135.00	
6 Months	11.00%	6	188.66	
6 Months	11.70%	6	100.00	
9 Months	11.80%	9	362.37	
12 Months	12.00%	9	180.00	
Quarterly Repayment of Principal				
3 months	7.75%	1	90.19	
4 months	11.75%	1	250.00	
3 months	7.50%	1	14.55	
3 months	7.80%	1	6.43	
3 months	8.40%	1	17.99	
3 months	8.50%	1	17.76	
3 months	9.10%	1	81.56	
Half Yearly Repayment of Principal				
7 months	8.50%	1	87.69	Book debts and Cash Collateral
III.OD backed by FD		Not Applicable	23.77	
			4,481.22	

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SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

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

Borrowing Details as at 31 March 2021

I. Debt securities

Original Maturity of Loan	Face Value	Date of Allotment	Maturity Date	Rate of Interest	Balance outstanding: Due within one year	Due beyond one year	Total	Security Details
30 Months	1,00,000	Oct 09, 2018	Apr 09, 2021	12.60%	214.19	-	214.19	Book Debts
37 Months	1,00,000	May 13, 2018	Jun 07, 2021	12.10%	351.95	-	351.95	
33 months	10,00,000	Nov 30, 2018	Aug 31, 2021	12.60%	249.35	-	249.35	
72 Months	10,00,000	Sep 24, 2018	Sep 21, 2021	12.60%	455.85	-	455.85	
48 Months	1,00,000	Dec 12, 2018	Dec 12, 2022	12.30%	13.10	353.10	366.20	
36 Months	8,33,333	Jun 17, 2020	Jun 17, 2023	12.80%	52.16	75.00	127.16	
36 Months	10,00,000	Jun 19, 2020	Jun 19, 2023	13.00%	0.24	50.00	50.24	
33 months	10,00,000	Sep 25, 2020	Jun 25, 2023	11.70%	41.85	288.75	330.60	
36 Months	10,00,000	Jul 17, 2020	Jul 17, 2023	12.00%	21.43	250.00	271.43	
36 Months	10,00,000	Dec 15, 2020	Dec 15, 2023	12.10%	16.01	448.00	464.01	
36 Months	10,00,000	Dec 15, 2020	Dec 15, 2023	12.10%	16.01	448.00	464.01	
36 Months	10,00,000	Mar 31, 2021	Apr 01, 2024	12.30%	0.12	354.00	354.12	
60 months	5,000	Aug 20, 2020	Aug 20, 2025	12.40%	8.56	506.25	514.81	
					1,440.82	**2,773.10**	**4,213.92**	

II. Borrowings (Other than Debt Securities)

A.Long Term

Original Maturity of Loan	Rate of Interest		Due within one year: No. of Instalments	Due within one year: Amount	Due beyond one year: No. of Instalments	Due beyond one year: Amount	Total	Security Details
Monthly repayment of principal								
36 months	12.75%		12	62.56	18.00	109.30	171.86	Book debts and Post Dated Cheques
36 months	13.50%		8	22.27	-	-	22.27	
24 months	12.50%		8	16.71	-	-	16.71	
24 months	12.50%		8	16.71	-	-	16.71	
36 months	9.45%		9	50.45	27.00	149.60	200.05	
24 Months	10.00%		12	82.57	-	-	82.57	
24 Months	11.75%		12	125.00	12.00	93.75	218.75	Book debts and Cash Collateral
36 months	11.80%		12	46.47	19.00	85.44	131.91	
18 Months	14.00%		5	51.12	-	-	51.12	
36 months	14.00%		12	66.61	12.00	75.12	141.73	Book debts
18 months	12.98%		12	61.92	3.00	23.20	85.12	
Quarterly repayment of principal								
36 months	12.00%		4.00	250.00	4.00	250.00	500.00	Book debts and Cash Collateral
35 Months	11.75%		4.00	50.00	6.00	75.00	125.00	Book debts
				902.39		**861.41**	**1,763.80**	

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SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

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

B. Short-term

Original maturity of loan	Rate of interest	No of instalments	Amount	Security details
Quarterly repayment of principal				
12 months	11.00%	3	143.00	Book debts and Cash Collateral
12 months	8.00%	3	8.00	
Monthly Repayment of Principal				
12 Months	9.00%	12	200.00	Book debts and Cash Collateral and letter of comfort from holding company
12 months	11% to12%	12	629.17	
6 months	11.00%	1	150.00	
6 months	9.00%	1	201.00	
6 months	9.80%	6	601.01	
6 months	8.00%	1	7.00	
9 months	13.00%	3	167.00	Book debts and Post Dated Cheques
9 months	12.00%	6	336.00	
9 months	12.00%	9	500.00	
12 months	12.00%	5	22.00	Book debts and letter of comfort from Holding Company
8 months	7.00%	1	29.00	
2 Months	9.75%	1	90.37	
C.OD backed by FD		Not Applicable	127.00	Cash Collateral
C.Bill Discounting Facility	8.85% to 12%	1	177.50	Book Debts
C.Commercial Paper	12.30%	1	147.97	Unsecured
			3,536.02	

Note: The balance outstanding as on 31 March 2022 & 31 March 2021 does not include amortised borrowing cost.

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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 2022
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

45 Related party disclosure

a) Names of related parties and relationship

Relationship	Name of the related party
Key management personnel (KMP)	Anil Kumar S G - Director and CEO Gurunath N - Director Pravesh Sharma - Director of Subsidiary Company (w.e.f April 27, 2021)) Hemendra Mathur, Director of Subsidiary Company Anuj Vijay Kumar Narang, Director of Subsidiary Company (w.e.f November 16, 2021) Nitin Chaudhary - Head, Strategy (Director till October 30, 2021) Ashok Dhamankar - Group Chief Financial Officer Niranjan Chandrasekaran - Company Secretary (upto 29 May 2020) Ashwini Venkataraman - Company Secretary (from 06 November 2020) Mr. Arunkumar Sridharan Company Secretary (w.e.f. March 11, 2022) **Independent directors:** Sunil Satyapal Gulati Narasimhan Srinivasan Venkatesh Tagat **Nominee directors:** Mahendran Balachandran Jyotsna Krishnan Akshay Dua Rekha Natrajan Unnithan
Entity in which directors has significant influence	Riviera Investors Private Limited

b) Related party transactions

Nature of transactions	Year ended 31 March 2022	Year ended 31 March 2021
Anil Kumar S G		
Remuneration *	21.75	18.12
Gurunath N		
Remuneration *	11.86	8.28
Nitin Chaudhary		
Remuneration *	9.12	8.86
Loans given	-	1.00
Loans repaid	0.15	0.85
Pravesh Sharma		
Remuneration paid	1.43	-
Salary deduction of Director (Loan recovery)	1.10	-
Ashok Dhamankar		
Remuneration *	16.94	12.74
Niranjan Chandrasekaran		
Remuneration *	-	0.17
Ashwini Venkataraman		
Remuneration *	0.28	0.28
Arunkumar Sridharan		
Remuneration *	0.10	-
Sitting fees paid		
Sunil Satyapal Gulati	1.26	0.83
Narasimhan Srinivasan	1.11	0.70
Venkatesh Tagat	0.98	0.88
Hemendra Mathur	0.02	-

* The provision for gratuity and compensated absences is made on the basis of actuarial valuation for all the employees of the Group, 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 2022	As at 31 March 2021
Pravesh Sharma		
Loan receivable	2.32	0

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

46 Additional Information on the entities included in the consolidated financial statements

Name of the entity in the Group	As at 31 March 2022 Net Assets i.e total assets minus total liabilities	As at 31 March 2022 As a percentage of consolidated net assets	As at 31 March 2021 Net Assets i.e total assets minus total liabilities	As at 31 March 2021 As a percentage of consolidated net assets
Parent / The Holding Company	3,083.85	64.16%	3,883.18	77.45%
Subsidiaries(Indian):				
Samunnati Agro Solutions Private Limited	1,703.47	35.44%	1,129.39	22.53%
Kamatan Farm Tech Private Limited	19.39	0.40%	-	0.00%
Samunnati Finance Private Limited	0.03	0.00%	-	0.00%
Samunnati Foundation	-	0.00%	1.23	0.02%
	4,806.74		**5,013.80**	

Year ended 31 March 2022

Name of the entity in the Group	Share in profit or loss	As a percentage of consolidated profit or (loss)	Share in other comprehensive income	As a percentage of consolidated other comprehensive income	Share in total comprehensive income	As a percentage of total comprehensive income
Parent/ The Holding Company	(815.56)	76.48%	2.07	106.70%	(813.49)	76.42%
Subsidiaries(Indian):					-	
Samunnati Agro Solutions Private Limited	(209.55)	19.65%	0.13	6.70%	(209.42)	19.67%
Kamatan Farm Tech Private Limited	(41.31)	3.87%	(0.26)	-13.40%	(41.57)	3.91%
Samunnati Finance Private Limited	0.03	0.00%	-	0.00%	0.03	0.00%
Samunnati Foundation	-	0.00%	-	0.00%	-	0.00%
	(1,066.39)		**1.94**		**(1,064.45)**	

Year ended 31 March 2021

Name of the entity in the Group	Share in profit or loss	As a percentage of consolidated profit or (loss)	Share in other comprehensive income	As a percentage of consolidated other comprehensive income	Share in total comprehensive income	As a percentage of total comprehensive income
Parent/ The Holding Company	(109.82)	165.67%	4.11	86.53%	(105.71)	171.77%
Subsidiaries(Indian):						
Samunnati Agro Solutions Private Limited	42.40	-63.96%	0.64	13.47%	43.04	-69.94%
Samunnati Foundation	1.13	-1.70%	-	0.00%	1.13	-1.84%
	(66.29)		**4.75**		**(61.54)**	

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SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

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

47 **Trade receivables ageing schedule**

	Current but not due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at March 31, 2022							
Undisputed Trade Receivables – considered good	2,817.03	471.00	-	-	-	-	3,288.03
Undisputed Trade Receivables – which have significant increase in credit risk	-	133.00	119.97	-	-	-	252.97
Undisputed Trade receivable – credit impaired	-	-	4.60	96.80	125.16	101.96	328.52
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**2,817.03**	**604.00**	**124.57**	**96.80**	**125.16**	**101.96**	**3,869.52**
Less: Allowance for expected credit loss							**(392.12)**
Net Total							**3,477.40**

As at March 31, 2021

	Current but not due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables – considered good	2,433.09	134.34	-	-	-	-	2,567.44
Undisputed Trade Receivables – which have significant increase in credit risk	-	15.30	61.65	-	-	-	76.95
Undisputed Trade receivable – credit impaired	-	-	-	150.21	62.81	20.87	233.89
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**2,433.09**	**149.64**	**61.65**	**150.21**	**62.81**	**20.87**	**2,878.28**
Less: Allowance for expected credit loss							**(158.62)**
Net Total							**2,719.66**

48 **Trade payables ageing schedule**

	As at March 31, 2022					
Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.67	-	-	-	-	0.67
(ii) Others	32.52	643.19	17.51	1.38	2.82	697.42
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**33.19**	**643.19**	**17.51**	**1.38**	**2.82**	**698.09**

	As at March 31, 2021					
Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	76.33	1.42	0.09	-	77.84
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	**76.33**	**1.42**	**0.09**	-	**77.84**

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SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

49 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 corresponding slowdown in the economic activities. The Group has developed estimates and applied management overlays for the purpose of determination of the provision for impairment of financial assets and provisions held by the Group are in excess of the RBI prescribed norms (wherever applicable). As the pandemic situation is dynamic and still evolving, the extent to which it will continue to impact the Group's results is dependent on ongoing as well as future developments, which are highly uncertain. The Group will continue to monitor future economic conditions and update its assessment.

Considering the unique and wide spread impact of COVID-19, the Group has estimated credit loss ('ECL') allowance towards its loan assets and managed portfolio of Rs. 352.53 million and Rs. 392.12 million towards trade receivables, based on the information available at this point in time including economic forecasts. The Group 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 Group in determination of ECL allowance are subject to uncertainties which are often outside the control of the Group 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 Group will continue to closely monitor the impact and any material changes in both the internal and external environments. The Group has been duly servicing its debt obligations. The Group's Management believes that Capital Adequacy and Liquidity position remains strong and shall continue to be an area of focus.

50 Additional regulatory disclosures

a. The Group owns freehold land and the title deeds of the freehold land is held in the name of the Group.

b. The Group does not hold any investment property and hence the disclosure on fair valuation of investment property is not applicable to the Group.

c. The Group has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets and hence the disclosure on revaluation of property, plant and equipment (including right-of-use assets) and intangible assets is not applicable to the Group.

d. Prior to acquisition, Kamatan Farm Tech Private Limited had granted loan of Rs 4.30 million in FY 2017-18 to a promoter/ director. As per the sanction terms the loan is to be repaid within 2 years from the date of sanction that is 08-11-2020. However the amount has been partially repaid and the balance o/s as on March 31, 2022 is Rs 2.32 million.

e. The Group has borrowings from banks or financial institutions on the basis of security of book debts and cash collaterals. The book debts are separately assigned to each borrower / financial institution and end use certificates are being filed with the borrower / financial institutions.

f. No benami property are held by the Group and or no proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

g. The Group has not been declared as a wilful defaulter by any bank or financial Institution or any other lender.

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SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

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

h. The Group has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, the following are the transactions with struck off Companies:

Name of the struck off company#	Nature of transactions with struck off company	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021
Aamrapalli Agro Producer Company Limited*	Receivables	-	1.12
Greentech Paper Boards Private Limited	Advance to Suppliers	-	-
Itarsi Oils & Flours Private Limited		0.38	0.17

* The balances was completely written off in the current year.

#The Group does not hold any relationship with the struck off Companies.

i. There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

j. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

k. The Group has not entered into any scheme(s) of arrangements and hence the disclosure on compliance with approved scheme(s) of arrangements is not applicable to the Group.

l. Other than the transactions that are carried out as part of Group's normal lending business:

A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall -
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

m. There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

n. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

51 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

52 Previous year figures have been regrouped / rearranged, wherever considered necessary, to conform to the classification / disclosure adopted in the current year.

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No.: 003990S/S200018

Kothandaraman V
Partner
Membership No.: 025973

Place: Chennai
Date: May 26, 2022

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No.: 003990S/S200018 ★ CHENNAI ★

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD. ★

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
Whole-time Director
DIN : 02799586

Lalit Malik
Group Chief Financial Officer

Place: Chennai
Date: May 26, 2022

Arunkumar Sridharan
Company Secretary
Membership No.: F7112
Place: Chennai
Date: May 26, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Samunnati Financial Intermediation & Services Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Samunnati Financial Intermediation & Services Private Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of Profit and Loss including other comprehensive income, standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

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 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 44 to the financial statements, about the uncertainties prevailing on the balance sheet date on the recoverability of the company's loans and advances on account of the COVID-19 impact. The estimates and assumptions made by management in determining the impairment provision required for these loans are subject to matters that are outside the control of the Company and hence actual results may vary from these estimates.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

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 period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed
Provision for expected credit loss (ECL) on loans (Refer Note 5 and Note 23 to the Standalone Ind AS Financial Statements) Financial instruments, which include loans to customers, represent a significant portion of the total assets of the Company. The Company has loans	Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109, the governance framework approved by the Board of Directors and moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis.

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REGISTRATION NO. WITH ICAI - 003990S/S200018

aggregating Rs. 12,833.79 million as at March 31, 2022. The Company has made a provision for impairment loss aggregating Rs. 352.53 million against the loans outstanding to Customers as at the balance sheet date. Due to the significance of the judgments used in both classification of loans into various stages as well as the computation of expected credit losses on such financial assets as per Ind AS 109, this has been considered as a key audit matter. Management estimates impairment provision using Expected Credit Loss model for the loan exposure using criteria in accordance with Ind AS 109 which also include considering the impact of recent RBI's regulatory circulars. Measurement of loan impairment involves application of significant judgement by the management. These include: (a) Segmentation of the loan portfolio into homogenous pool of borrowers; (b) Identification of exposures where there is a significant increase in credit risk ('SICR') and those that are credit impaired; (c) Determination of the probability of default for each of the segments identified; and (d) Loss given default for various exposures based on past trends / experience, management estimates etc., Additionally, the economic and business consequences of the COVID 19 pandemic as described in Note 44 to the standalone Ind AS financial statements, slowdown of economic activity, moratoriums granted to borrowers, the related regulatory directives and also the applicable accounting directions, further affect provisioning under the ECL approach. Note 2.5 to the standalone Ind AS financial statements explains the various matters that the management has considered for developing this expected credit loss model.	Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing loans (stage 1) to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3 or vice versa along with additional considerations applied by the Management for staging of loans as SICR or default categories in view of Company's policy on moratorium. Tested the input data used for grouping and staging of loan portfolio into various categories and default buckets for determining the Probability of Default (PD) and Loss Given Default (LGD) rates. Also, tallied the input data with the underlying books of accounts and records. Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic). Assessed and tested the inputs used in the impairment computation (including the data integrity of information extracted from the Company's IT systems). Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. Assessed disclosures included in the standalone Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regard to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors report but does not include the standalone financial statements and our auditors' report thereon. These reports are 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 do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's management and Board of Directors are 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 state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are 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.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial 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 the standalone 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 auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Other Matters

The audited Standalone financial statements of the Company for the corresponding year ended 31 March 2021 prepared in accordance with Ind AS included in these standalone financial statements, have been audited by the predecessor auditors whose audit report dated 29 July 2021 expressed an unmodified opinion on those audited Standalone financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
(c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
(e) The matter described in the Emphasis of matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
(f) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
(g) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;

ii. The Company has long-term contracts including derivative contracts for which material foreseeable losses as at 31 March 2022 has been provided.

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 2022; and

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The Company has not paid or declared dividend during the year and until the date of this report.

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

Since the Company is a private limited company, the provisions of Section 197 of the Companies Act, 2013 are not applicable to it. Accordingly, reporting on the compliance with the provisions of Section 197 of the Act is not applicable.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Kothandaraman V
Partner
Membership No. 025973
UDIN: 22025973AJRHGQ6239

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Place of Signature:
Date: May 26, 2022

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Samunnati Financial Intermediation & Services Private Limited ("the Company") on the standalone financial statements as of and for the year ended 31 March 2022.

(i) (a)

(A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company as at Balance Sheet date.

In respect of immovable properties of land and building that have been taken on lease and disclosed as leasehold lands / buildings under property, plant & equipment / right of use assets in the standalone financial statements, the lease agreements are in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year and hence this clause is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.

(ii)

a) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company.

b) Based on our audit procedures & according to the information and explanation given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees from banks or financial institution on the basis of security of current assets and hence the question of filing quarterly returns or statements by the company with such banks or financial institutions does not arise. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties in respect of which:

(a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

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(b) The investments made and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans provided, during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated. Note 2.5 to the Standalone Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loan assets. In accordance with that policy, loan assets with balances as at March 31, 2022, aggregating Rs. 334.89 million were categorised as credit impaired ("Stage 3") and Rs. 767.04 million were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 5 to the Standalone Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating Rs. 11,731.86 million, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), delay in the repayment of interest and/or principal in respect of loans aggregating to Rs. 1,167.27 million were also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is Rs. 477.21 million. Reasonable steps are being taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.

(e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.

(f) Based on our audit procedures and according to the information and explanation given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment and hence the question of *aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause 76 of section 2 of the Companies Act, 2013 does not arise*. Accordingly, paragraph 3(iii)(f) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security to any director of the Company and hence the provisions of Section 185 of the Act is not applicable to the Company. The Company has complied with the provisions of Section 186 as applicable

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, except for a few delays, the Company has generally been regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable with the appropriate authorities.

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According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no statutory dues referred to in sub-clause (a) as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of the dues	Amount demanded not deposited (Rs.in millions)	Amount paid (Rs.in millions)	Period to which amounts relates	Forum where disputes is pending
Income Tax Act, 1961	Income tax and Interest	10.18	2.10	AY 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax and Interest	3.57	0.80	AY 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax and Interest	0.29	Nil	AY 2018-19	Assessing Officer

(viii) Based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.

(ix)

(a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and the records of the Company examined by us, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and the records of the Company examined by us, no funds raised on short term basis have been utilized for long term purposes.

(e) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Accordingly, paragraph 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any loans during the year on pledge of securities held in its subsidiaries. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company.

(x)

(a) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year and hence the question of whether money raised were applied for the purposes for which those are raised does not arise. Accordingly, paragraph 3(x) of the Order is not applicable to the Company.

&

(b) The Company had acquired 100% stake in Kamatan Farm Tech Private Limited ('KFTPL') through a share swap on April 16, 2021. Pursuant to the agreement the Company has issued 67,624 Compulsory Convertible Preference Shares ('CCPS') to the equity shareholders of KFTPL through a private placement. According to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Companies Act, 2013 to the extend applicable. Since no monies have been received, the question of whether the funds raised have been used for the purposes for which the funds were raised does not arise.

(xi)

(a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government

(c) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no whistle blower complaints were received during the year by the Company.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the Indian accounting standard Related Party Disclosures (Ind AS 24)

(xiv)

(a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the reports of the Internal Auditors for the period under audit.

(xv) On the basis of the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)

(a) Based on our audit procedures and according to the information and explanations given to us, the Company is required to be registered under Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934).

(b) Based on our audit procedures and according to the information and explanations given to us, the Company has conducted Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on our audit procedures and according to the information and explanations given to us, none of the group companies are Core Investment Company (CIC) and hence the question of number of CICs which are part of the Group does not arise. Accordingly

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paragraph 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The company has incurred cash losses of Rs.768.39 million in the financial year and Rs. Nil in the immediately preceding financial year.

(xviii) There has been a resignation by statutory auditor pursuant to the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by Reserve Bank of India on April 27, 2021 (the "RBI Guidelines") as they have completed the maximum eligible tenure of 3 years. We have requested for a no objection certificate from the outgoing auditors to which they have replied to us there is no objection in our taking up the statutory audit.

(xix) On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report of the Company's capability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx)

(a) In respect of other than ongoing projects, the Company has not transferred unspent amount to a Fund specified in Schedule VII to the Companies Act,2013 within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act, except in respect of the following cases:

Financial year	Amount unspent on CSR activities other than On going Projects (Rs. in millions)	Amount Transferred to Fund specified in Sch VII within 6 months from the end of the Financial Year (Rs. in millions)	Amount Transferred after the due date (specify the date of deposit) (Rs. in millions)	Date of deposit
2021-22	0.17	-	-	-

However, the time period for such transfer as permitted under the second proviso to sub section (5) of section 135 of the Act, has not elapsed till the date of our audit report.

(b) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to transfer unspent amount under sub-section (5) of section 135 of the Companies Act, pursuant to ongoing project to special account in compliance with provision of sub-section (6) of section 135. Accordingly, paragraph 3(xx)(b) of the Order is not applicable to the Company.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Kothandaraman V

Kothandaraman V
Partner
Membership No. 025973
UDIN: 22025973AJRHGQ6239

Place of Signature: Chennai
Date: May 26, 2022

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Annexure B

Referred to in paragraph 2(g) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 its business, including adherence to 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

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 Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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.

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 included obtaining an understanding of 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 standalone financial statements, whether due to fraud or error.

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 standalone financial statements

A Company's internal financial control 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 control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 standalone financial statements

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

PKF SRIDHAR & SANTHANAM Firm Regn. No.: 003990S/S200018 CHENNAI internal financial control 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

We have audited the internal financial controls with reference to standalone financial statements of Samunnati Financial Intermediation & Services Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal control 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 (the "Guidance Note").

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Kothandaraman V
Partner
Membership No. 025973
UDIN: 22025973AJRHGQ6239

Place of Signature: Chennai
Date: May 26, 2022

Samunnati Financial Intermediation & Services Private Limited
Standalone Balance Sheet as at March 31, 2022
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Assets			
Financial assets			
Cash and cash equivalents	3	990.48	1,157.74
Other bank balances	4	221.45	523.55
Loans	5	12,481.26	9,676.19
Investments	6	1,811.11	1,156.14
Other financial assets	7	81.74	111.33
		15,586.04	**12,624.95**
Non-financial assets			
Current tax assets (net)	8	175.89	58.42
Deferred tax assets (net)	9	245.22	105.09
Property, plant and equipment	10	59.97	54.38
Right of use assets	10	12.37	11.22
Intangible assets under development	10	27.68	0.46
Other intangible assets	10	24.76	25.23
Other non-financial assets	11	37.63	28.02
		583.52	**282.82**
Total assets		**16,169.56**	**12,907.77**
Liabilities and Equity			
Liabilities			
Financial liabilities			
Payables	12		
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.67	0.13
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		45.45	15.96
Debt securities	13	5,301.33	4,213.92
Borrowings (other than debt securities)	14	5,326.48	3,479.32
Other financial liabilities	15	90.93	28.80
		10,764.86	**7,738.13**
Non-financial liabilities			
Provisions	16	34.43	27.30
Other non-financial liabilities	17	26.73	16.75
		61.16	**44.05**
Equity			
Share capital	18	20.45	19.76
Other equity	19	5,323.09	5,105.83
		5,343.54	**5,125.59**
Total Liabilities and Equity		**16,169.56**	**12,907.77**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No.: 003990S/S200018

Kothandaraman V
Partner
Membership No.: 025973

Place: Chennai
Date: May 26, 2022

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
Whole-time Director
DIN : 02799586

Lalit Malik
Group Chief Financial Officer

Arunkumar Sridharan
Company Secretary
Membership No.: F7112

Place: Chennai
Date: May 26, 2022

Place: Chennai
Date: May 26, 2022

Samunnati Financial Intermediation & Services Private Limited
Standalone Statement of profit and loss for the year ended March 31, 2022
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Particulars	Note	FY ended March 31, 2022	FY ended March 31, 2021
I Revenue from operations			
i Interest income	20	1,692.46	1,603.86
		1,692.46	**1,603.86**
II Other income	21	82.46	72.97
III Total income (I+II)		**1,774.92**	**1,676.83**
Expenses			
i Finance costs	22	977.17	684.10
ii Impairment on financial instruments	23	715.44	322.51
iii Employee benefit expenses	24	627.70	465.76
iv Depreciation and amortization	25	47.61	28.09
v Other expenses	26	223.00	173.60
IV Total expenses		**2,590.92**	**1,674.06**
V Profit / (loss) before tax (III-IV)		**(816.00)**	**2.77**
VI Tax expense	**26**		
i Current tax		-	-
ii Deferred tax		(149.81)	(0.96
		(149.81)	**(0.96**
VII Profit / (loss) for the year (V-VI)		**(666.19)**	**3.73**
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		(2.45)	(5.49
ii Income tax impact thereon	**26**	0.38	1.38
Other comprehensive income (i)+(ii)		**(2.07)**	**(4.11**
IX Total comprehensive income for the year (VII+VIII)		**(664.12)**	**7.84**
X Earnings per equity share (face value Rs. 10/- per equity share)	**29**		
Basic (₹)		**(1,846.11)**	**10.35**
Diluted (₹)		**(1,846.11)**	**1.64**

The accompanying notes form an integral part of the financial statements
As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No.: 003990S/S200018

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Place: Chennai
Date: May 26, 2022

Arunkumar Sridharan
Company Secretary
Membership No.: F7112
Place: Chennai
Date: May 26, 2022

Samunnati Financial Intermediation & Services Private Limited
Standalone Cash Flow Statement for the year ended March 31, 2022
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Operating activities		
Profit / (loss) before tax	**(816.00)**	**2.77**
Adjustments for:		
Depreciation and amortization	47.61	28.09
Employee stock option expenses	57.03	40.98
(Profit) / loss on sale of property, plant and equipment	(0.27)	0.74
Income from mutual funds	(13.84)	(4.00)
Income from debt funds	(16.58)	(9.65)
Impairment on financial instruments	200.24	23.59
Bad debts written off	515.20	298.92
Amortisation of origination costs of borrowings	43.74	22.59
	833.13	**401.26**
Cash generated from operations before working capital changes	**17.13**	**404.03**
Changes in working capital:		
Loans	(3,520.51)	(2,570.43)
Other financial assets	29.02	(4.91)
Other non-financial assets	(9.61)	2.88
Net movement in provisions	9.58	3.51
Trade Payables	30.03	(0.68)
Other financial and non-financial liabilities	72.11	(39.89)
Cash used in operations	**(3,372.25)**	**(2,205.49)**
Income taxes paid (net of refunds)	(108.17)	(43.53)
Net cash (used in) operating activities (A)	**(3,480.42)**	**(2,249.02)**
B. Investing activities		
Purchase of property, plant and equipment and intangible assets	(74.07)	(12.21)
Proceeds from sale of property, plant and equipment	2.59	1.02
Movement in capital advances	0.57	1.98
Movement in deposits with banks and financial institutions	302.10	(259.51)
Purchase of investments	(217.27)	(376.04)
Proceeds from sale of investments	375.94	-
Interest income received on investments measured at amortised	30.42	13.65
Net cash generated from / (used in) investing activities (B)	**420.28**	**(631.11)**
C. Financing activities		
Utilisation of securities premium	10.72	-
Issue of Compulsorily Convertible Preference Shares	0.68	-
Proceeds from debt securities	2,078.23	3,143.37
Repayment of debt securities	(990.82)	(575.00)
Lease rental paid	(9.35)	-
Proceeds from other than debt securities	6,478.44	3,756.50
Repayment of other than debt securities	(4,675.02)	(3,471.02)
Net cash generated from financing activities (C)	**2,892.88**	**2,853.85**
Net decrease in cash and cash equivalents (A+B+C)	**(167.26)**	**(26.28)**
Cash and cash equivalents at the beginning of the year	1,157.74	1,184.02
Cash and cash equivalents at the end of the year	**990.48**	**1,157.74**

Samunnati Financial Intermediation & Services Private Limited
Standalone Cash Flow Statement for the year ended March 31, 2022
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Components of cash and cash equivalents		
Cash and cash equivalents at the end of the year		
- Cash on hand	-	0.08
- Balances with banks in current accounts	582.44	1,157.66
- Balance in deposit account (with original maturity up to 3 months)	408.04	-
Total	**990.48**	**1,157.74**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No.: 003990S/S200018

Kothandaraman V
Partner
Membership No.: 025973

Place: Chennai
Date: May 26, 2022

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

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Whole-time Director
DIN : 02799586

Lalit Malik
Group Chief Financial Officer

Place: Chennai
Date: May 26, 2022

Arunkumar Sridharan
Company Secretary
Membership No.: F7112
Place: Chennai
Date: May 26, 2022

Samunnati Financial Intermediation & Services Private Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2022
(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 March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	5.74	5.74	16.16	16.16	21.90	21.90
Changes in Equity Share Capital due to prior period errors	-	-	-	-	-	-
Issued during the year	-	-	0.68	-	0.68	-
Sub-total	**5.74**	**5.74**	**16.84**	**16.16**	**22.58**	**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**	**16.84**	**16.16**	**20.45**	**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 April 01, 2020	39.84	4,953.68	164.31	0.07	(1.11)	(77.20)	5,079.59
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
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 exercised	-	-	40.98	-	-	-	40.98
Balance as at March 31, 2021	**40.59**	**4,931.10**	**205.29**	**0.07**	**3.00**	**(74.22)**	**5,105.83**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	2.07	(666.19)	(664.12)
Transfer to statutory reserve	-	-	-	-	-	-	-
Premium on issue of shares	-	812.96	-	-	-	-	812.96
Issue expenses for debt securities	-	11.39	-	-	-	-	11.39
Employee stock options expense	-	-	57.03	-	-	-	57.03
Balance as at March 31, 2022	**40.59**	**5,755.45**	**262.32**	**0.07**	**5.07**	**(740.41)**	**5,323.09**

The accompanying notes form an integral part of the financial statements
As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No.: 003990S/S200018

Kothandaraman V
Partner
Membership No.: 025973

Place: Chennai
Date: May 26, 2022

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
Whole-time Director
DIN : 02799586

Lalit Malik
Group Chief Financial Officer

Arunkumar Sridharan
Company Secretary
Membership No.: F7112
Place: Chennai

Place: Chennai

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 has adopted Ind AS from April 01, 2020, Accounting policies have been consistently applied except where a newly-issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto adopted.

These standalone financial statements were approved by the Company's Board of Directors and authorized for issue on May 26, 2022.

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 that 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 at the end of each reporting period as explained in the Accounting Policies set out below.

The financial statements are prepared on a 'going concern' basis using accrual concept except for the cash flow information.

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.

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 (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/FPO and Others' and Agri enterprises.

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

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/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

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. 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 method' 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.

2.7. 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.

Asset Classification	Life in Years
Furniture and fittings	10
Office equipment	5
Computers and accessories	3
Vehicles	4 – 8
Leasehold improvements	5

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

2.8. 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.

The Intangible assets are amortised with in three years.

2.9. Investment in subsidiaries

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

2.10. 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.

2.11. 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.

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.

2.12. 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 provident fund 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.

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.

2.13. 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.

2.14. 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

2.15. 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.

2.16. 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.

2.17. 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 if whether it will exercise an extension or a termination option.

2.18. 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.

2.19. 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.

2.20. 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.

2.21. Recent accounting pronouncements

a) Changes in Accounting Standards that were applicable and adopted from the current financial year:

The following Accounting Standards have been modified on miscellaneous issues with effect from June 18, 2021. Such changes include clarification/guidance on:

i) Ind AS 107 Financial Instruments: Disclosures – Additional disclosures relating to interest rate benchmark reform (IBOR reform) including nature and extent of risks to which the entity is exposed due to financial instruments subject to interest rate benchmark reform and how the Company manages those risks; the Company's progress in completing the transition to alternative benchmark rates and how the Company is managing the transition.

ii) Ind AS 109 Financial Instruments – Guidance provided on accounting for modifications of contracts resulting from changes in the basis for determining the contractual cash flows as a result of the IBOR reform; various exceptions and relaxations have been provided in relation to the hedge accounting.

iii) Ind AS 116 Leases – Extension of optional practical expedient in case of rent concessions as a direct consequence of COVID-19 pandemic till June 30, 2022 and guidance on accounting for modification of lease contracts resulting from the IBOR reform.

iv) Ind AS 102 Share based payments – Alignment of liabilities definition with the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India.

v) Ind AS 103 Business Combination – Alignment of assets and liabilities definition with the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards

vi) Amendment of definition of term 'recoverable amount' in Ind AS 105, Ind AS 16 and Ind AS 36 from 'fair value less cost to sell' to 'fair value less cost of disposal'.

None of these amendments has any material impact on the financial statements for the current year.

b) Changes in Schedule III Division III of Companies Act, 2013 notified and adopted by the Company:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 to be effective from April 01, 2021. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

In Balance Sheet:

i) Certain additional disclosures in the statement of changes in equity.

ii) Specified format for disclosure of shareholding of promoters.

iii) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

iv) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

v) Specific disclosure under regulatory such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and Advances to Promoters, Directors, Key Managerial Personnel (KMP) and related parties, details of benami property held, relationship with struck-off companies, financial ratios, etc.

In Statement of Profit and Loss:

i) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head "additional information" in the notes forming part of financial statements.

The amendments are extensive, and the Company has given effect to them as required by law in the current year financial statements to the extent applicable.

c) New accounting standards/amendments notified but not yet effective

The following Accounting Standards have been modified on miscellaneous issues with effect from April 01, 2022. Such changes include clarification/guidance on:

i) Ind AS 103 Business Combination – Identified assets acquired and liabilities assumed (including contingent assets and contingent liabilities) must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the Institute of Chartered Accountants of India (ICAI).

ii) Ind AS 109 Financial Instruments – Guidance provided on identifying substantial modification of the terms of an existing financial liability basis difference in discounted present value of the cash flows between old and new terms (the '10 percent' test).

iii) Ind AS 16 Property, Plant and Equipment (PPE) – Clarification provided on accounting for excess of net sale proceeds of items produced over the cost of testing as deduction from the directly attributable costs considered as part of cost of an item of PPE.

iv) Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets – Illustrative guidance provided on the cost of fulfilling a contract – incremental costs of fulfilling the contract and allocation of other costs that relate directly to fulfilling contracts, and clarification provided on recognising impairment loss that has occurred on assets used in fulfilling the contract before a separate provision for onerous contract established.

None of these amendments is expected to have any material impact on the financial statements of the Company.

2.22. 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.

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

Note	Particulars	As at March 31, 2022	As at March 31, 2021
3	**Cash and cash equivalents**		
	Cash-on-hand	-	0.08
	Balances with banks		
	(i) In current account	582.44	1,157.66
	(ii) in deposit account (with original maturity up to 3 months)	408.04	-
	Total	**990.48**	**1,157.74**
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)	221.45	523.55
	Total	**221.45**	**523.55**
	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	160.21	467.68
		160.21	**467.68**
	Maturity period of more than 12 months		
	(ii) Held as collateral against borrowings and securitization transactions	61.24	55.87
		61.24	**55.87**
	Total	**221.45**	**523.55**
5	**Loans**		
	(A) **Term Loans at amortised cost**		
	To clients	11,414.21	9,374.20
	To subsidiary (also, refer note 42)	1,419.58	455.43
	Total Gross	**12,833.79**	**9,829.63**
	Less : Impairment loss allowance	(352.53)	(153.44)
	Total	**12,481.26**	**9,676.19**
	(B) **Secured / Unsecured Break-up**		
	(i) **Secured against tangible assets**		
	Gross	1,081.22	374.53
	Less: Impairment allowance	-	-
		1,081.22	**374.53**
	(ii) **Secured against receivables**		
	Gross	-	5,975.28
	Less: Impairment allowance	-	(121.68)
		-	**5,853.60**
	(iii) **Unsecured**		
	Gross	11,752.57	3,479.82
	Less: Impairment allowance	(352.53)	(31.76)
		11,400.04	**3,448.06**
	Total (B) - (i) + (ii) + (iii)	**12,481.26**	**9,676.19**

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Note	Particulars	As at March 31, 2022	As at March 31, 2021
	(C) **Loans in/ outside India**		
	(i) Loans in India		
	(a) Public sector	-	-
	(b) Others	12,833.79	9,829.63
		12,833.79	9,829.63
	Less : Impairment loss allowance	(352.53)	(153.44)
	Total (i)	**12,481.26**	**9,676.19**
	(ii) Loans outside India	-	-
	Less : Impairment loss allowance	-	-
	Total (ii)	-	-
	Total (C) = (i) + (ii)	**12,481.26**	**9,676.19**

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 March 31, 2022			
Stage 1 - Considered good	11,731.86	29.48	11,702.38
Stage 2 - Significant increase in credit risk	767.04	43.03	724.01
Stage 3 - Credit impaired	334.89	280.02	54.87
	12,833.79	**352.53**	**12,481.26**
As at March 31, 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**

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Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Note	Particulars	As at March 31, 2022	As at March 31, 2021
6	**Investments**		
	(A) Investments in subsidiaries carried at cost		
	(i) In equity shares of subsidiaries (Unquoted):		
	Samunnati Agro Solutions Private Limited 632,484 (previous year: 632,484;) equity shares of ₹10 each	780.10	780.10
	Samunnati Foundation 850,000 (previous year: 10,000) equity shares of ₹10 each	8.50	0.10
	Investments in Kamatan Farm Tech Private Limited 344,848 (previous year: Nil) equity shares of ₹10 each	813.64	-
	Investments in Samunnati Finance Private Limited 2,500,000 (previous year: Nil) equity shares of ₹10 each	25.00	-
	(B) Investments carried at amortised cost		
	(i) In Pass Through Certificates ("PTC")	183.87	222.25
	(ii) In non convertible debentures ("NCD")	-	53.69
	(C) Investments at fair value through profit or loss		
	In mutual funds		
	(i) SBI Mutual Fund - Savings Fund	-	100.00
	Total	**1,811.11**	**1,156.14**
	Note: No impairment loss has been provided on the above investments.		
	Out of above		
	In India	1,811.11	1,156.14
	Outside India	-	-
	Total	**1,811.11**	**1,156.14**

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

Note	Particulars	As at March 31, 2022	As at March 31, 2021
7	**Other financial assets**		
	Unsecured, considered good		
	Security deposits	8.03	8.25
	Employee advances	5.22	4.64
	Deposits with financial institutions	57.50	80.00
	Interest accrued but not due on deposits with financial institutions	1.26	1.67
	Payment receivable on securitization	-	13.40
	Other receivables	9.73	3.37
	Total	**81.74**	**111.33**
8	**Current tax assets (Net)**		
	Advance tax (net of provisions)	175.89	58.42
	Total	**175.89**	**58.42**
9	**Deferred tax assets (net)**		
	Deferred tax	245.22	105.09
		245.22	**105.09**

Tax effect of items constituting deferred tax assets / (liabilities) :	Balance as at April 01, 2021	(Charge) / credit to statement of profit and loss	(Charge) / credit to OCI	Others Adjustments	Balance as at March 31, 2022
Fixed assets	2.01	(1.36)	-	-	0.65
Provisions for employee benefits	7.90	2.91	(0.38)	-	10.43
Impairment loss allowance	34.76	47.92	-	-	82.68
Employee stock option expenses	36.77	(36.77)	-	-	-
Carried forward losses	17.74	139.09	-	(9.30)	147.53
Others	5.91	(1.98)	-	-	3.93
Total	**105.09**	**149.81**	**(0.38)**	**(9.30)**	**245.22**

Tax effect of items constituting deferred tax assets / (liabilities) :	Balance as at April 01, 2020	(Charge) / credit to statement of profit and loss	(Charge) / credit to OCI	Others Adjustments	Balance as at March 31, 2021
Fixed assets	3.82	(1.81)	-	-	2.01
Provisions for employee benefits	7.46	1.82	(1.38)	-	7.90
Impairment loss allowance	46.28	(11.52)	-	-	34.76
Employee stock option expenses	36.77	-	-	-	36.77
Carried forward losses	-	17.74	-	-	17.74
Others	11.18	(5.27)	-	-	5.91
Total	**105.51**	**0.96**	**(1.38)**	**-**	**105.09**

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(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	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 April 01, 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 March 31, 2021	**2.31**	**7.61**	**10.57**	**20.07**	**21.51**	**22.39**	**84.46**	**20.87**	**30.00**	**0.46**
Additions	-	0.83	1.64	15.06	11.64	-	29.17	7.77	19.28	36.28
Disposals/ deductions	-	(0.13)	(0.06)	(0.14)	(4.49)	(0.02)	(4.84)	-	-	(9.06)
Balance as at March 31, 2022	**2.31**	**8.31**	**12.15**	**34.99**	**28.66**	**22.37**	**108.79**	**28.64**	**49.28**	**27.68**
Accumulated depreciation and amortisation										
Balance as at April 01, 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 March 31, 2021	-	**1.19**	**2.87**	**11.04**	**7.34**	**7.64**	**30.08**	**9.65**	**4.77**	-
Charge for the year	-	0.99	1.71	7.43	6.29	4.82	21.24	6.62	19.75	-
Disposals	-	(0.04)	(0.04)	(0.12)	(2.28)	(0.02)	(2.50)	-	-	-
Balance as at March 31, 2022	-	**2.14**	**4.54**	**18.35**	**11.35**	**12.44**	**48.82**	**16.27**	**24.52**	-
Net block										
Balance as at March 31, 2021	2.31	6.42	7.70	9.03	14.17	14.75	54.38	11.22	25.23	0.46
Balance as at March 31, 2022	**2.31**	**6.17**	**7.61**	**16.64**	**17.31**	**9.93**	**59.97**	**12.37**	**24.76**	**27.68**

Intangible Assets under Development ageing Schedule as on March 31, 2022

Intangible Assets under Development	Amount in Intangible Assets for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in Progress	27.68	-	-	-	27.68
Projects temporarily suspended	-	-	-	-	-
Total	**27.68**	-	-	-	**27.68**

There is no project which cost exceeded the budget or time over run. There were no projects which is temporarily suspended as at March 31, 2022.

Intangible Assets under Development ageing Schedule as on March 31, 2021

Intangible Assets under Development	Amount in Intangible Assets for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in Progress	0.46	-	-	-	0.46
Projects temporarily suspended	-	-	-	-	-
Total	**0.46**	-	-	-	**0.46**

There is no project which cost exceeded the budget or time over run. There were no projects which is temporarily suspended as at March 31, 2021.

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

Note	Particulars	As at March 31, 2022	As at March 31, 2021
11	**Other non-financial assets**		
	Unsecured, considered good		
	Capital advances	-	0.57
	Prepaid expenses	26.86	21.38
	Advance paid to vendors	8.51	4.78
	Balances with government authorities	2.26	1.29
	Total	**37.63**	**28.02**
12	**Payables**		
	Trade Payables		
	a) Total outstanding dues of micro enterprise and small enterprise	0.67	0.13
	b) Total outstanding dues of creditors other than micro enterprise and small enterprise	45.45	15.96
		46.12	**16.09**

(i) The classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made on the basis of information made available to the Company.

(ii) Disclosure requirement as required under section 22 of Micro, Small, & Medium Enterprises Development Act, 2006 is as follows:

i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	0.67	0.13
ii) Interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) Interest accrued and remaining unpaid at the end of each accounting year:	-	-
v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

Trade Payables Ageing

Particulars	As at March 31, 2022					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.67	-	-	-	-	0.67
(ii) Others	33.40	11.81	0.24	-	-	45.45
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**34.07**	**11.81**	**0.24**	-	-	**46.12**

Trade Payables Ageing

Particulars	As at March 31, 2021					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.13	-	-	-	-	0.13
(ii) Others	13.16	2.46	0.34	-	-	15.96
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**13.29**	**2.46**	**0.34**	-	-	**16.09**

Note	Particulars	As at March 31, 2022	As at March 31, 2021
13	**Debt securities**		
	At amortised cost		
	Non-convertible redeemable debentures (secured)	5,301.33	4,213.92
	Total	**5,301.33**	**4,213.92**
	Debt securities in India	777.85	448.07
	Debt securities outside India	4,523.48	3,765.85
	Total	**5,301.33**	**4,213.92**

(also, refer note 32(a))

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

Note	Particulars	As at March 31, 2022	As at March 31, 2021
14	**Borrowings (other than debt securities)**		
	At amortised cost		
	Secured:		
	Term loans: (also, refer note 32(b))		
	from banks	2,201.06	1,729.69
	from other parties	3,106.01	1,556.87
	Interest accrued but not due on borrowings	19.41	5.96
	Working capital facilities from banks (also, refer note 32(b))	-	127.04
	Liabilities against securitisation (also, refer note (i) below)	-	59.76
	Total	5,326.48	3,479.32
	Borrowings in India	4,961.46	3,479.32
	Borrowings outside India	365.02	-
		5,326.48	3,479.32

i) Liabilities against securitisation represents amounts received in respect of securitisation transactions (net of repayments & investments 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.

ii) There is no default as on March 31, 2022 and March 31, 2021 in repayment of borrowings and interest in all the above categories of the borrowings

Note	Particulars	As at March 31, 2022	As at March 31, 2021
15	**Other financial liabilities**		
	At amortised cost		
	Lease liabilities (also refer note 36)	15.62	14.36
	Employee related payables	49.96	1.55
	Income received in advance	16.53	3.81
	Payable to subsidiaries (also, refer note 42)	-	3.43
	Other payables (also, refer note 42)*	8.82	5.65
	Total	90.93	28.80

*Includes the amount received of Rs. 6.73 million (March 31, 2021 : Rs. 6.73 million) by invoking the bank guarantee of the borrower in default.

Note	Particulars	As at March 31, 2022	As at March 31, 2021
16	**Provisions**		
	Provision for employee benefits: (also, refer note 31)		
	Gratuity	17.21	15.22
	Compensated absences	17.22	12.18
	Total	34.43	27.30
17	**Other non-financial liabilities**		
	Statutory dues payable	26.39	15.86
	Others	0.34	0.89
	Total	26.73	16.75

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SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

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

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
18 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	7,50,000	7.50	7,50,000	7.50
Compulsorily convertible preference shares of ₹ 10 each	17,50,000	17.50	17,50,000	17.50
Total	**25,00,000**	**25.00**	**25,00,000**	**25.00**
Issued, subscribed and paid-up:				
Equity shares of ₹ 10 each	5,73,861	5.74	5,73,861	5.74
Less: Equity shares held under trust for employees under ESOP scheme (also, refer note 18(i))	(2,13,523)	(2.14)	(2,13,523)	(2.14)
Compulsorily convertible preference shares of ₹ 10 each	16,83,819	16.84	16,16,195	16.16
Total	**20,44,157**	**20.45**	**19,76,533**	**19.76**
a) Reconciliation of number of equity shares and amount outstanding				
Issued, subscribed and paid-up				
Balance at the beginning of the year	5,73,861	5.74	5,73,861	5.74
	5,73,861	5.74	5,73,861	5.74
Less: Equity shares held under trust for employees under ESOP scheme	(2,13,523)	(2.14)	(2,13,523)	(2.14)
Balance at the end of the year	**3,60,338**	**3.60**	**3,60,338**	**3.60**
b) Reconciliation of number of preference shares and amount outstanding				
Issued, subscribed and paid-up:				
Balance at the beginning of the year	16,16,195	16.16	16,16,195	16.16
Shares issued during the year	67,624	0.68	-	-
Balance at the end of the year	**16,83,819**	**16.84**	**16,16,195**	**16.16**

c) Shareholders holding more than 5 percent

	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 10 each				
S G Anil Kumar	2,38,257	42%	2,38,257	42%
Samunnati ESOP Welfare Trust	2,13,523	37%	2,13,523	37%
Accel India V (Mauritius) Ltd	75,733	13%	75,733	13%
Compulsorily convertible preference shares of ₹ 10 each				
Elevar M-III	4,21,522	25%	3,78,074	23%
Accel India V (Mauritius) Ltd	3,74,949	22%	3,74,949	23%
ResponsAbility Agriculture I, SLP	3,66,594	22%	3,66,594	23%
Teachers Insurance and Annuity Association of America	2,26,730	13%	2,26,730	14%
Accel Growth Fund V L.P	1,10,075	7%	1,10,075	7%
Elevar I-IV AIF represented by its Trustee Vistra ITCL India Ltd	1,18,957	7%	99,340	6%

d) Equity shares held by promoters at the end of the year

Promoter Name	March 31, 2022		
	Number of shares	Percentage of total shares	Percentage change during the year
Mr. Anil Kumar S G	2,38,257	41.52%	-

Promoter Name	March 31, 2021		
	Number of shares	Percentage of total shares	Percentage change during the year
Mr. Anil Kumar S G	2,38,257	41.52%	-

e) 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.

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

f) The Company has acquired 100% stake in Kamatan Farm Tech Private Limited ('KFTPL') through a share swap on April 16, 2021. Pursuant to the agreement the Company has issued 67,624 Compulsory Convertible Preference Shares ('CCPS') to the equity shareholders of KFTPL.

g) **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.

h) **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
Series D1	15 Apr 2040	0.68
		16.84

i) 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 30)

19 Other equity

	As at March 31, 2022	As at March 31, 2021
Statutory Reserve		
Opening balance	40.59	39.84
Add : Transfer from retained earnings	-	0.75
Balance as at the end of the year	**40.59**	**40.59**
Securities Premium		
Balance as at the beginning of the year	4,931.10	4,953.68
Premium on shares issued during the year	812.96	-
Debenture issue expenses	11.39	(22.58)
Balance as at the end of the year	**5,755.45**	**4,931.10**
Employee stock options outstanding		
Balance as at the beginning of the year	205.29	164.31
Add: Employee stock option expenses	57.03	40.98
Less: Utilised during the year on exercise of options	-	-
Balance as at the end of the year	**262.32**	**205.29**
Capital redemption reserve		
Balance as at the beginning of the year	0.07	0.07
Add : Additions during the year	-	-
Less : Adjustments during the year	-	-
Balance as at the end of the year	**0.07**	**0.07**

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

	As at March 31, 2022	As at March 31, 2021
Other comprehensive income		
Balance as at the beginning of the year	3.00	(1.11)
Add : Other comprehensive income for the year	2.07	4.11
Less : Transferred to retained earnings	-	-
Balance as at the end of the year	**5.07**	**3.00**
Retained earnings		
Balance as at the beginning of the year	(74.22)	(77.20)
Add : Profit / (loss) for the year	(666.19)	3.73
Less : Transfers to statutory reserve	-	(0.75)
Balance as at the end of the year	**(740.41)**	**(74.22)**
Total other equity	**5,323.09**	**5,105.83**

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 profits/ (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.

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Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Note	Particulars	March 31, 2022	March 31, 2021
20	**Interest income**		
	On financial instruments measured at amortised cost		
	Loans	1,552.04	1,488.38
	Investments in Pass Through Certificates	24.42	6.06
	Security deposits held with lenders	15.53	27.19
	Fixed deposits	4.55	35.53
	Loans to subsidiary (also, refer note 42(b))	95.92	46.70
	Total	**1,692.46**	**1,603.86**
21	**Other income**		
	Income from subsidiary for shared services (also, refer note 42(b))	44.59	47.73
	Income from debt fund investments	16.58	9.65
	Income from mutual fund investments	13.84	4.00
	Recovery of defaults in loan serviced	0.92	4.72
	Miscellaneous income	6.53	6.87
	Total	**82.46**	**72.97**
22	**Finance costs**		
	On financial liabilities measured at amortised cost		
	Interest expense on:		
	Borrowings (other than debt securities)	401.37	309.04
	Debt securities	530.08	345.57
	Lease liability	1.98	1.53
	Other borrowing costs	43.74	27.96
	Total	**977.17**	**684.10**
23	**Impairment on financial instruments**		
	At amortised cost		
	Impairment of loans	200.24	(45.48)
	Bad debts written off	515.20	367.99
	Total	**715.44**	**322.51**
24	**Employee benefit expenses**		
	Salaries and wages (also, refer note 42)	507.25	385.25
	Gratuity and leave encashment expenses (also, refer note 31)	17.39	7.62
	Contribution to provident and other funds	23.12	12.74
	Employee stock option expenses (also refer note 30)	57.03	40.98
	Staff welfare expenses	22.91	19.17
	Total	**627.70**	**465.76**
25	**Depreciation and amortization**		
	(Also, refer note 10)		
	Depreciation on property, plant and equipment	21.24	18.16
	Amortisation charge on right of use assets	6.62	5.62
	Amortization of intangible assets	19.75	4.31
	Total	**47.61**	**28.09**

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Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Note	Particulars	March 31, 2022	March 31, 2021
26	**Other expenses**		
	Legal and professional charges	93.46	81.02
	Service fee expenses	2.24	9.36
	Technology and communication expenses	31.35	22.36
	Membership and subscription charges	17.58	10.88
	Travelling and conveyance	25.80	11.61
	Insurance	3.23	1.51
	Payments to auditors (also, refer note 28)	7.14	2.60
	Repairs and maintenance - others	6.73	5.59
	Rates and taxes	0.72	0.03
	Rent (also, refer note 36)	9.35	9.80
	Printing and stationery	3.98	3.36
	Power and fuel	2.27	2.56
	Sitting fees	3.13	2.32
	Loss on sale of property, plant and equipment	-	0.74
	Marketing expenses	10.34	5.41
	CSR contribution (also, refer note 39)	0.87	1.88
	Miscellaneous expenses	4.81	2.57
	Total	**223.00**	**173.60**
27	**Tax expense**		
	a) Income tax recognized in statement of profit and loss		
	Current tax:		
	In respect of current year	-	-
		-	-
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	(149.81)	(0.96)
	Total income tax recognized in statement of profit and loss	**(149.81)**	**(0.96)**
	Total	**(149.81)**	**(0.96)**
	b) Income tax recognized in other comprehensive income		
	Deferred tax related to items recognized in Other Comprehensive Income during the year:		
	Remeasurement of defined employee benefits	0.38	(1.38)
	Total income tax recognized in other comprehensive income	**0.38**	**(1.38)**
28	**Payments to auditors**		
	Statutory audit (Balance for FY 2020-21 for previous auditors)*	2.00	-
	Statutory audit	3.13	1.70
	Limited review*	1.85	0.55
	Tax audit*	-	0.15
	Certification*	0.11	0.10
	Others*	0.04	-
	Out of pocket expenses*	0.01	0.10
		7.14	**2.60**
	*Includes GST of 9% for the current year		
29	**Earnings Per Share (EPS)**		
	Net profit/ (loss) attributable to equity shareholders ₹ in millions (Basic and Diluted)	(666.19)	3.73
	Weighted average number of equity shares used in computing basic EPS (in numbers)	3,60,338	3,60,338
	Effect of potential dilutive equity shares (in numbers)	19,10,320	19,10,320
	Weighted average number of equity shares used in computing diluted earnings per share (in numbers)	22,70,658	22,70,658
	Basic EPS (₹) - face value of share ₹10 each	(1,846.11)	10.35
	Diluted EPS (₹) - face value of share ₹10 each *	(1,846.11)	1.64

*Due to the loss incurred for the year ended March 31, 2022, the potential equity shares are considered as anti-dilutive.

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

30 Employee share based payments

ESOP 2015 Scheme

a) On September 08, 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 January 28, 2017, December 20, 2017 and April 29, 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 June 21, 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 May 24, 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 43,380 options to employees and the same was fully granted in the current year.

Particulars	No. of options as at March 31, 2022	Weighted Average Rate	No. of options as at March 31, 2021	Weighted Average Rate
Options outstanding at the beginning of the year	57,565	2,156	48,635	2,170
Granted during the year	43,380	5,022	11,413	7,500
Exercised during the year	-	-	-	-
Expired/ lapsed during the year	(15,232)	-	(2,483)	3,403
Options outstanding at the end of the year	85,713	3,473	57,565	3,173
Options exercisable as at the end of the period	10,930	739	15,880	690

The weighted average remaining contractual life for the stock options outstanding at the end of the year was 393 days (previous year 318 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	FY 2021-22
Fair market value of option on the date of grant	582.86	806.84	1,030.40	1,726.61	2,970.44	3,318.07	5,022.43
Exercise price range (weighted average)	10.00	319.00	618.00	1,484.45	3,203.50	7,500.00	13,059.77
Expected volatility (%)	60.29%	60.29%	60.29%	60.29%	60.29%	60.29%	56.98%
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	3.00
Expected dividends yield	-	-	-	-	-	-	-
Risk free interest rate (%)	7.55%	6.85%	6.66%	7.62%	6.81%	5.86%	6.80%

Management Stock Option Scheme 2017

On December 20, 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 April 29, 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 over 1 year 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 0 days(previous year: 212 days)

Particulars	No. of options as at March 31, 2022	Weighted Average Rate	No. of options as at March 31, 2021	Weighted Average Rate
Options outstanding at the beginning of the year	45,000	2,902	45,000	2,902
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/ lapsed during the year	-	-	-	-
Options outstanding at the end of the year	45,000	2,902	45,000	2,902
Options exercisable as at the end of the period	45,000	2,902	15,000	2,902

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

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	0.00%
Expected option life (weighted average in years)	1
Expected dividends yield	0.00%
Risk free interest rate (%)	7.41%

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

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SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

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

31 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 March 31, 2022	Year ended March 31, 2021
I. Amount recognized in the statement of Profit and Loss		
Current service cost	4.69	5.73
Net Interest cost	1.10	1.18
Total expenses included in employee benefit expenses	**5.79**	**6.91**
II. Amount recognized in Other Comprehensive income		
Remeasurement (gains)/ losses:		
Actuarial (gain)/ losses arising from changes in		
- Experience adjustments	(2.45)	(5.49)
Total amount recognized in other comprehensive income	**(2.45)**	**(5.49)**

	As at March 31, 2022	As at March 31, 2021
III. Changes in the defined benefit obligation		
Opening defined benefit obligation	15.22	13.80
Current service cost	4.69	5.73
Interest expense	1.10	1.18
Remeasurement (gains)/losses arising from changes in -		
- Experience adjustments	(2.45)	(5.49)
Benefits paid	(1.35)	-
Closing defined benefit obligation	**17.21**	**15.22**

	As at March 31, 2022	As at March 31, 2021
IV. Net defined benefit obligation		
Defined benefit obligation	17.21	15.22
Current portion of the above	2.45	2.07
Non current portion of the above	14.76	13.15

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

V. Maturity profile of defined benefit obligation (undiscounted)	**As at March 31, 2022**	**As at March 31, 2021**
Within 1 year	2.45	2.08
Year 2	1.87	1.33
Year 3	1.96	1.76
Year 4	2.09	1.83
Year 5	2.72	1.98
Years 6-10	8.93	8.37
Years 11-15	3.24	3.17
Years 15+	3.01	2.63

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
I. Actuarial assumptions and sensitivity		
Discount rate (p.a.)	6.90%	6.50%
Attrition rate	15.00%	15.00%
Rate of salary increase	7.00%	7.00%
In- service Morality rate	IAL2012-14Ult	IAL2012-14Ult

II. Quantitative sensitivity analysis for input of significant assumptions on defined benefit obligations are as follows	**Year ended March 31, 2022**	**Year ended March 31, 2021**
One percentage point increase in discount rate	(0.85)	(0.81)
One percentage point decrease in discount rate	0.94	0.89
One percentage point increase in salary growth rate	0.94	0.85
One percentage point decrease in salary growth rate	(0.87)	(0.78)
Ten percentage point increase in attrition rate	(0.30)	(0.30)
Ten percentage point decrease in attrition rate	0.31	0.31

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 March 31, 2022**	**Year ended March 31, 2021**
I. Actuarial assumptions and sensitivity		
Discount rate (p.a.)	6.70%	6.50%
Rate of salary increase	7.00%	7.00%
Attrition rate over different age brackets	15.00%	15.00%

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 March 31, 2022	**Year ended March 31, 2021**
II. Expenses recognized in Statement of profit and loss		
Included under gratuity and leave encashment expenses	11.60	0.71

III. Net defined benefit obligation	**As at March 31, 2022**	**As at March 31, 2021**
Defined benefit obligation	17.22	12.18
Current portion of the above	6.21	3.34
Non current portion of the above	11.01	8.84

Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2022
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

32 Details of security, repayment terms and applicable interest rates on debt securities and borrowings

a) Debt securities
For balances outstanding as at March 31, 2022

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								
72 Months	10,00,000	24-Sep-18	24-Sep-24	12.71%	0.40	150.00	150.40	Book debts
72 Months	10,00,000	24-Sep-18	24-Sep-24	12.94%	0.79	300.00	300.79	
48 Months	50,000	12-Dec-18	12-Dec-22	12.30%	366.19	-	366.19	
36 Months	5,00,000	17-Jun-20	17-Jun-23	12.75%	50.39	25.00	75.39	
36 Months	10,00,000	19-Jun-20	19-Jun-23	13.00%	0.20	50.00	50.20	
33 months	8,75,000	25-Sep-20	25-Jun-23	12.40%	41.90	247.50	289.40	
36 Months	10,00,000	17-Jul-20	17-Jul-23	12.00%	21.21	250.00	271.21	
36 Months	10,00,000	15-Dec-20	15-Dec-23	12.06%	127.84	336.00	463.84	
36 Months	10,00,000	15-Dec-20	15-Dec-23	12.06%	126.84	336.00	462.84	
36 Months	10,00,000	31-Mar-21	01-Apr-24	12.30%	0.23	354.00	354.23	
60 months	5,000	20-Aug-20	20-Aug-25	12.39%	7.64	506.25	513.89	
36 months	10,00,000	05-Apr-21	05-Apr-24	11.64%	21.46	400.00	421.46	
60 months	1,00,000	26-Jul-21	15-Jul-26	10.70%	7.27	345.00	352.27	
36 months	10,00,000	06-Sep-21	06-Sep-24	10.85%	1.78	244.00	245.78	
36 months	1,00,000	28-Dec-21	27-Dec-24	11.60%	134.39	246.67	381.05	
48 Months	10,00,000	15-Feb-22	15-Feb-26	12.16%	8.41	594.00	602.41	
					916.91	4,384.42	5,301.33	

For balances outstanding as at March 31, 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	1,00,000	09-Oct-18	09-Apr-21	12.60%	214.19	-	214.19	Book debts
37 Months	1,00,000	13-May-18	07-Jun-21	12.10%	351.95	-	351.95	
33 months	10,00,000	30-Nov-18	31-Aug-21	12.60%	249.35	-	249.35	
72 Months	10,00,000	24-Sep-18	21-Sep-21	12.60%	455.85	-	455.85	
48 Months	1,00,000	12-Dec-18	12-Dec-22	12.30%	13.10	353.10	366.20	
36 Months	8,33,333	17-Jun-20	17-Jun-23	12.80%	52.16	75.00	127.16	
36 Months	10,00,000	19-Jun-20	19-Jun-23	13.00%	0.24	50.00	50.24	
33 months	10,00,000	25-Sep-20	25-Jun-23	11.70%	41.85	288.75	330.60	
36 Months	10,00,000	17-Jul-20	17-Jul-23	12.00%	21.43	250.00	271.43	
36 Months	10,00,000	15-Dec-20	15-Dec-23	12.10%	16.01	448.00	464.01	
36 Months	10,00,000	15-Dec-20	15-Dec-23	12.10%	16.01	448.00	464.01	
36 Months	10,00,000	31-Mar-21	01-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	

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

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b) Borrowings (other than debt securities)

For balances outstanding as at March 31, 2022

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							
36 months	12.50%	12	70.71	6	38.72	109.43	Book debts
36 months	11.80%	12	52.26	7	33.40	85.67	Book debts
24 months	11.75%	8	94.71	0	-	94.71	Book debts and Cash Collateral
39 months	9.45%	12	134.40	16	170.40	304.80	Book debts and Cash Collateral
18 months	11.50%	12	478.77	1	43.82	522.60	Book debts
18 months	12.25%	12	102.68	1	9.07	111.75	Book debts
24 months	11.25%	12	143.63	9	107.20	250.83	Book debts
24 months	10.60%	12	150.00	12	150.00	300.00	Book debts and Cash Collateral
Quarterly repayment of principal							
36 months	12.00%	4	250.00	0	-	250.00	Book debts
35 months	11.75%	4	50.00	2	25.00	75.00	Book debts
36 months	11.50%	4	51.21	7	87.50	138.71	Book debts
30 months	11.60%	4	300.00	6	450.00	750.00	Book debts
Annual repayment of principal							
48 months	10.69%	0	4.65	3	365.02	369.67	Book debts
			1,883.02		**1,480.14**	**3,363.16**	

II. Short-term

Original maturity of loan	Rate of interest	No of instalments	Amount	Security details
Bullet Repayment of principal				
6 months	8.75%	1	199.00	Book debts and Cash Collateral
12 months	10.90%	1	95.00	
12 months	10.75%	1	155.00	
Monthly Repayment of Principal				
9 months	11.50%	9	167.28	Book debts and Cash Collateral
9 months	11.35%	9	268.31	
6 months	11.35%	6	250.70	
12 months	10.75%	12	25.67	Book Debts
12 months	11.25%	12	503.33	
12 months	12.00%	9	245.44	
12 months	12.50%	12	100.07	Book debts and Cash Collateral
III.OD backed by FD		Not Applicable	-	
			2,009.80	

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

For balances outstanding as at March 31, 2021

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							
36 months	12.75%	12	62.56	18	109.30	171.86	Book debts and Post Dated Cheques
36 months	13.50%	8	6.68	-	-	6.68	
36 months	13.50%	8	6.68	-	-	6.68	
36 months	13.50%	8	8.91	-	-	8.91	
24 Months	12.50%	8	16.71	-	-	16.71	
24 Months	12.50%	8	16.71	-	-	16.71	
36 months	9.45%	9	50.45	27	149.60	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**	

II. Short-term

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

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

33 Fair value measurement

33 Financial instruments by category

a) Financial instruments measured at amortized cost

Particulars	As at March 31, 2022 Carrying value	As at March 31, 2021 Carrying value
Financial assets		
Cash and cash equivalents	990.48	1,157.74
Other Bank Balances	221.45	523.55
Loans	12,481.26	9,676.19
Investments	1,811.11	1,056.14
Other financial assets	81.74	111.33
	15,586.04	**12,524.95**
Financial liabilities		
Trade Payables	46.12	16.09
Debt securities	5,301.33	4,213.92
Borrowings (other than debt securities)	5,326.48	3,479.32
Other financial liabilities	90.93	28.80
	10,764.86	**7,738.13**

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	Fair value Level 2	Fair value Level 3
As at March 31, 2022					
Financial assets					
Investments	-	-	-	-	-
As at March 31, 2021					
Financial assets					
Investments	100.00	100.00	100.00	-	-

33 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.

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

34 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 March 31, 2022	As at March 31, 2021
Cash and cash equivalents (excluding cash on hand)	Low credit risk	990.48	1,157.66
Bank balance other than above	Low credit risk	221.45	523.55
Loans *	Low credit risk	11,731.86	8,556.60
Loans *	Moderate credit risk	767.04	1,109.75
Loans *	High credit risk	334.89	163.28
Investments	Low credit risk	1,811.11	1,156.14
Other financial assets	Low credit risk	81.74	111.33

(*) 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.

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

Other financial assets

Other financial assets measured at amortized cost includes security deposits, employee advances, deposits with financial institutions, payment receivable on securitisation 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.

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.

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.

Particulars	Cash and cash equivalents	Other bank balance	Investments	Other financial assets
As at March 31, 2022				
Gross carrying amount	990.48	221.45	1,811.11	81.74
Less: Expected credit losses	-	-	-	-
Net carrying amount	**990.48**	**221.45**	**1,811.11**	**81.74**
As at March 31, 2021				
Gross carrying amount	1,157.74	523.55	1,156.14	111.33
Less: Expected credit losses	-	-	-	-
Net carrying amount	**1,157.74**	**523.55**	**1,156.14**	**111.33**

(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

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

Credit Quality of Loan Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Stage 1	11,731.86	8,556.60
Stage 2	767.04	1,109.75
Stage 3	334.89	163.28
Total	**12,833.79**	**9,829.63**

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

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying value of opening balances	8,556.60	1,109.75	163.28
New assets originated during the year, netted off repayments and derecognised portfolio	3,519.36	-	-
Transfer to stage 1	264.01	(263.91)	(0.10)
Transfer to stage 2	(348.51)	348.51	-
Transfer to stage 3	(99.54)	(427.30)	526.84
Amounts written off	(160.06)	(0.01)	(355.13)
Gross carrying value of closing balances	**11,731.86**	**767.04**	**334.89**

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying value of opening balances	7,058.98	483.01	85.20
New assets originated during the year, netted off repayments and derecognised portfolio	2,246.75	139.75	103.18
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 March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3
ECL allowance - opening balances	27.46	26.54	99.44
New assets originated during the year, netted off repayments and derecognised portfolio	11.29	-	-
Transfer to stage 1	0.85	(0.85)	-
Transfer to stage 2	(8.33)	8.33	-
Transfer to stage 3	(60.62)	(260.23)	320.85
Impact of ECL on exposures transferred between stages during the	218.89	269.25	214.86
Amounts written off	(160.06)	(0.01)	(355.13)
ECL allowance - closing balances	**29.48**	**43.03**	**280.02**

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3
ECL allowance - opening balances	99.19	24.57	75.16
New assets originated during the year, netted off repayments and derecognised portfolio	(43.31)	(9.81)	0.17
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	(21.49)	23.08	45.09
Amounts written off	-	(6.82)	(32.39)
ECL allowance - closing balances	**27.46**	**26.54**	**99.44**

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 ₹ 60.72 millions and ₹ (16.21) millions respectively. (As at March 31, 2021: ₹ 90.45 millions).

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

*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 32 (a) and 32 (b) 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 March 31,2022	Year ended March 31,2021
Interest sensitivity*		
Interest rates – increase by 0.50%	14.61	25.66
Interest rates – decrease by 0.50%	(14.61)	(25.66)

* *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 unhedged foreign currency exposure and hence does not have any foreign currency risk.

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

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

35 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.

	As at March 31, 2022	As at March 31, 2021
Net debt to equity ratio		
Debt	10,627.81	7,693.24
Less: Cash and bank balances & other bank balances	(1,211.93)	(1,681.29)
Net debt	**9,415.88**	**6,011.95**
Total equity	5,343.54	5,125.59
Net debt to equity ratio (%)	176.21%	117.29%

36 Leases

As a lessee

a) Additions to right of use asset **Particulars**	Year ended March 31, 2022	Year ended March 31, 2021
Property plant and equipment	7.77	-

b) Carrying value of right of use asset **Particulars**	As at March 31, 2022	As at March 31, 2021
Right of use asset as on the opening date	11.22	16.84
Additions during the year	7.77	-
Depreciation charge for the year	(6.62)	(5.62)
Balance as at the year end	**12.37**	**11.22**
c) Maturity analysis of lease liability		
Contractual Undiscounted Cash Flows		
Less than 1 year	8.45	5.73
One to five years	8.72	10.40
Total undiscounted lease liability	**17.17**	**16.13**
Lease liabilities included in the statement of financial position	**15.62**	**14.36**

d) Amounts recognized in Statement of profit or loss	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	1.98	1.53
Depreciation charge for the year	6.62	5.62
Expenses relating to short-term leases	9.35	9.80

37 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.

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

38 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 is not payable under the provisions of Income Tax Act, 1961.

As at March 31, 2022

	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 March 31, 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	-

Others **Amounts provided as MRR against securitization transactions**	**As at March 31, 2022**	**As at March 31, 2021**
Principal sub-ordination	-	52.59
Cash collateral	-	32.66

39 Corporate Social Responsibility

The Company has incurred an expenditure of ₹0.87 millions (Previous year ₹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 ₹ 0.87 millions (previous year: ₹ 1.4 millions)

b)

Particulars	For the year ended					
	March 31, 2022			March 31, 2021		
	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	0.70	0.17	0.87	1.88	-	1.88

40 Reconciliation of movement in borrowings to cash flows from financing activities

Particulars	March 31, 2021	Cash flows (net)	Exchange difference	Amortisation of loan origination	March 31, 2022
Debt securities	4,213.92	1,081.96	-	5.45	5,301.33
Borrowings (other than debt securities)	3,479.32	1,808.87	-14.54	52.83	5,326.48
Total	**7,693.24**	**2,890.83**	**-14.54**	**58.28**	**10,627.81**

Particulars	March 31, 2020	Cash flows (net)	Exchange difference	Amortisation of loan origination	March 31, 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**

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

41 Maturity analysis of asset and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	990.48	-	990.48	1,157.74	-	1,157.74
Other bank balances	160.21	61.24	221.45	467.68	55.87	523.55
Loans	9,446.08	3,035.18	12,481.26	7,944.05	1,732.14	9,676.19
Investments	178.90	1,632.21	1,811.11	371.65	784.49	1,156.14
Other Financial Assets	73.71	8.03	81.74	89.68	21.65	111.33
	10,849.38	**4,736.66**	**15,586.04**	**10,030.80**	**2,594.15**	**12,624.95**
Non- Financial assets						
Current tax assets (net)	-	175.89	175.89	-	58.42	58.42
Deferred tax assets (net)	-	245.22	245.22	-	105.09	105.09
Property, plant and equipment	-	59.97	59.97	-	54.38	54.38
Right of use assets	-	12.37	12.37	-	11.22	11.22
Intangible assets under development	-	27.68	27.68	-	0.46	0.46
Other Intangible assets	-	24.76	24.76	-	25.23	25.23
Other non-financial assets	37.63	-	37.63	27.45	0.57	28.02
	37.63	**545.89**	**583.52**	**27.45**	**255.37**	**282.82**
LIABILITIES						
Financial Liabilities						
Trade Payables	45.88	0.24	46.12			
Debt Securities	916.92	4,384.41	5,301.33	1,440.82	2,773.10	4,213.92
Borrowings (Other than Debt Securities)	3,853.32	1,473.16	5,326.48	2,663.86	815.46	3,479.32
Other financial liabilities	25.35	65.58	90.93	36.26	8.63	44.89
	4,841.47	**5,923.39**	**10,764.86**	**4,140.94**	**3,597.19**	**7,738.13**
Non- Financial Liabilities						
Provisions	8.66	25.77	34.43	5.41	21.89	27.30
Other non-financial liabilities	26.39	0.34	26.73	15.86	0.89	16.75
	35.05	**26.11**	**61.16**	**21.27**	**22.78**	**44.05**

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

42 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 Finance Private Limited (w.e.f September 22, 2021) Kamatan Farm Tech Private Limited (w.e.f. April 16, 2021) Samunnati Foundation
Key management personnel (KMP)	**Executive Director** 1. Anil Kumar S G - Director and CEO 2. Gurunath Neelamani - Whole-time Director **KMP** 1. Mr. Ashok Dhamankar - CFO (until April 22, 2022) 2. Mr. Lalit Malik – CFO (w.e.f April 22, 2022) 3. Ashwini Venkataraman - Company Secretary (w.e.f. November 06, 2020 till September 15, 2021) 4. Mr. Arunkumar Sridharan Company Secretary (w.e.f. March 11, 2022) **Independent directors** 1. Mr. Narasimhan Srinivasan 2. Mr. Sunil Satyapal Gulati 3. Dr. Venkatesh Tagat **Nominee directors** 4. Ms. Jyotsna Krishnan 5. Mr. Mahendran Balachandran 6. Mr. Akshay Dua 7. Ms. Rekha Natrajan Unnithan
Entity in which KMP has significant influence	Samunnati ESOP Welfare Trust

b) Related party transactions

Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021
Samunnati Agro Solutions Private Limited		
Loans given	3,000.00	700.00
Loans repaid	2,050.00	670.00
Interest income on loans	95.75	46.70
Corporate guarantee provided	249.77	350.00
Income from subsidiary for shared services	44.59	47.73
Salaries and wages (deputation charges paid)	2.10	19.11
Samunnati Foundation		
Donations made	-	2.18
Investment in share capital	8.40	0.10
Kamatan Farm Tech Private Limited		
Investment in equity shares	813.64	-
Loan given	5.50	-
Interest income	0.17	-
Samunnati Finance Private Limited		
Investment in equity shares	25.00	-
Reimbursement of expenses	0.32	-
Anil Kumar S G		
Remuneration *	21.75	18.12
Gurunath N		
Remuneration *	11.86	8.28
Nitin Chaudhary		
Remuneration *	9.12	8.86
Loans given	-	1.00
Loans repaid	0.15	0.85

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

Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021
Ashok Dhamankar		
Remuneration *	16.94	12.74
Niranjan Chandrasekaran		
Remuneration *	-	0.17
Ashwini Venkataraman		
Remuneration *	0.28	0.28
Arunkumar Sridharan		
Remuneration *	0.10	-
Sitting fees paid		
Sunil Satyapal Gulati	1.26	0.83
Narasimhan Srinivasan	1.11	0.70
Venkatesh Tagat	0.76	0.53

* 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 March 31, 2022	As at March 31, 2021
Samunnati Agro Solutions Private Limited		
Loans and advances (including interest accrued)	1,413.91	455.43
Corporate guarantee provided	599.77	350.00
Deputation cost payable	0.61	3.43
Kamatan Farm Tech Private Limited		
Loans and advances (including interest accrued)	5.67	-
Samunnati Foundation		
Other receivables	0.51	-
Samunnati ESOP Welfare Trust		
Advances given	-	0.11

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

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 March 31, 2022** **Amount outstanding**	₹ **As at March 31, 2022** **Amount overdue**
1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures		
-Secured	5,301.33	-
-Unsecured	-	-
(b))Deferred credits	-	-
(c))Term loans	5,326.48	-
(d))Inter-corporate loans and borrowing	-	-
(e))Commercial paper	-	-
(f) Public deposits	-	-
(g))Cash credit	-	-

Assets side:	**As at March 31, 2022** **Amount outstanding**
2) Break up of loans and advances including bills receivable (receivable from financing activity)	
(a) Secured	1,081.22
(b) Unsecured - includes loans to subsidiary	11,400.04
3) Break up of leased assets and stock on hire and other assets counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors :	-
(a) Financial lease	-
(b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors :	-
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other loans counting towards AFC activities	-
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
4) Break-up of Investments	
Current Investments	
Quoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Pass through certificates	
Unquoted	
(i) Shares	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Pass through certificates	183.87
Long term investments	
Quoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

Unquoted	
(i) Shares	-
(a) Equity	1,627.24
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Investment in securitized assets	-

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

Category	As at March 31, 2022		
	Secured	Unsecured	Total
1) Related parties			
(a) Subsidiaries	-	1,419.58	1,419.58
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2) Other than related parties	1,081.22	9,980.46	11,061.68
Total	**1,081.22**	**11,400.04**	**12,481.26**

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

Category	As at March 31, 2022	
	Book Value (Net of Provisions)	Market value/ Break up or fair value or NAV
1) Related Parties		
(a) Subsidiaries	1,627.24	Not applicable
(b) Companies in the same group	-	-
(c.) Other related parties	-	-
2) Other than related parties	183.87	183.87
Total	**1,811.11**	**183.87**

7) **Other Information**

	As at March 31, 2022
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	473.92
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	172.86
(iii) Assets acquired in satisfaction of debt	-

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

Particulars	As at March 31, 2022	As at March 31, 2021
CRAR (percent)	20.43%	39.32%
CRAR – Tier I Capital (percent)	20.16%	39.08%
CRAR – Tier II Capital (percent)	0.27%	0.24%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

9) **Investments**

Particulars	As at March 31, 2022	As at March 31, 2021
Value of Investments		
(i) Gross value of investments		
(a) In India	1,811.11	1,156.14
(b) Outside India	-	-
(ii) Provisions for impairment		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	1,811.11	1,156.14
(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	-	-

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

10) The Company does not have derivative contracts as at March 31, 2021 and March 31, 2022.

11) **Disclosures relating to Securitization**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
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
2. Total amount of securitised assets as per books of the SPVs sponsored as on the date of the balance sheet	-	155.73
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
Others (credit enhancement)	-	52.59
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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(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

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

As at March 31, 2022

Maturity pattern	Assets				Liabilities
	Advances	Investments	Deposits	Total	Borrowings
1 to 7 days	844.42	1.00	474.45	1,319.87	48.20
8 to 14 days	259.88	-	2.08	261.96	24.68
14 days to 1 month	1,206.46	17.50	-	1,223.96	240.69
1 - 2 months	1,329.35	19.06	2.59	1,351.00	399.41
2 - 3 months	1,519.97	19.00	33.82	1,572.79	729.15
3 - 6 months	2,000.42	53.97	39.07	2,093.46	1,340.02
6 - 12 months	2,638.11	68.37	75.00	2,781.48	2,018.52
1 - 3 years	2,070.22	4.97	61.24	2,136.43	5,298.46
3 - 5 years	699.17	-	-	699.17	575.16
> 5 years	265.79	1,627.24	-	1,893.03	-
Total	**12,833.79**	**1,811.11**	**688.25**	**15,333.15**	**10,674.29**

As at March 31, 2021

Maturity pattern	Assets				Liabilities
	Advances	Investments	Deposits	Total	Borrowings
1 to 7 days	888.39	153.69	-	1,042.08	139.79
8 to 14 days	123.79	-	-	123.79	287.95
14 days to 1 month	452.89	23.15	-	476.04	235.33
1 - 2 months	1,020.76	24.05	59.53	1,104.34	297.39
2 - 3 months	1,748.18	25.66	110.24	1,884.08	811.43
3 - 6 months	1,514.84	77.37	54.18	1,646.39	1,630.74
6 - 12 months	2,195.20	67.73	325.40	2,588.33	754.19
1 - 3 years	1,246.30	4.29	55.87	1,306.46	3,167.17
3 - 5 years	639.28	-	-	639.28	369.25
> 5 years	-	780.20	-	780.20	-
Total	**9,829.63**	**1,156.14**	**605.22**	**11,590.99**	**7,693.24**

Note:
i) The Company do not have any foreign currency assets or liabilities as at March 31, 2022 and March 31, 2021.
ii) Amounts overdue against standard assets are considered under 1 to 7 days bucket.
iii) Amounts overdue against non-performing assets are considered under 3 to 5 years bucket.

16) **Exposure to real estate sector**
The Company does not have any direct exposures to real estate sector.

17) **Exposure to capital market**
The Company does not have any exposure to capital market as at March 31, 2022 and March 31, 2021.

18) **Details of financing of parent company products**
This disclosure is not applicable as the Company does not have any holding / parent company.

19) **Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded**
The Company has not exceeded Single Borrower Limit (SGL) nor has exceeded the Group Borrower Limit (GBL).

20) **Advances against intangible securities**
The Company has not given any advances against the rights, licenses, authorisations, etc.

21) **Registration obtained from other financial regulators**
During the year Company has not obtained any approvals from other financial regulators.

22) **Disclosure of penalties imposed by RBI and other regulators**
There were no penalties imposed on the Company by RBI or any other regulator.

23) **Related party transactions**
Refer note 42 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 March 31, 2022 Amount rated (in millions)	As at March 31, 2022 Rating assigned	As at March 31, 2021 Amount rated (in millions)	As at March 31, 2021 Rating assigned
Non Convertible Debentures and Market Linked Debentures	ICRA	NA	NA	1,477	BBB (stable)
Non Convertible Debentures	CARE	450	BBB (stable)	450	BBB (stable)
Term loans	CARE	NA	NA	400	BBB (stable)
Term loans (Long Term rating)	CRISIL	3000	BBB+ (stable) (Reaffirmed)	2000	BBB+ (stable)
Commercial Paper	CRISIL	400	A2+ (Reaffirmed)	1000	A2+ (Reaffirmed)
Non Convertible Debentures (Short Term)	CRISIL	350	A2+ (Reaffirmed)	350	A2+ (Assigned)
Non Convertible Debentures (Long Term)	CRISIL	4,285	BBB+ (stable) (Reaffirmed)	3,250	BBB+ (stable) (Reaffirmed)
Term loans (Proposed)	Infomerics	2,000	BBB+ (stable)	2,000	A- (stable)

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Provision for depreciation on investments	-	-
Provision towards NPA	194.99	59.19
Provision made towards income tax	-	-
Provision for standard assets	5.25	(104.67)
Provision for depreciation and amortisation on property, plant and equipment, right of use assets and other intangible assets	47.61	28.09
Provision for employee benefits (Gratuity and compensated absences)	17.39	7.62

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 March 31, 2022	As at March 31, 2021
i.	**Concentration of advances**		
	Total advances to twenty largest borrowers	2,945.66	2,935.05
	Percentage of advances to twenty largest borrowers to total advances of the NBFC	26.17%	30.33%
ii.	**Concentration of exposures (undrawn limits not considered)**		
	Total exposures to twenty largest borrowers/customers	2,945.66	2,935.05
	Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/ customers	26.17%	30.33%
iii.	**Concentration of exposures**		
	Total exposures to top four NPA accounts	63.99	162.52

iv. **Sector-wise NPAs**

All of the Company' NPAs are related to agricultural and allied activities.

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

v. Movement of NPAs

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A	Net NPAs to Net Advances (%)	1.38%	3.18%
B	Movement of NPAs (Gross)		
	a) Opening balance	424.50	223.77
	b) Additions during the year	563.07	529.29
	c) Reductions during the year	42.55	29.64
	d) Write-off during the year	471.10	298.92
	e) Closing balance	473.92	424.50
C	Movement of Net NPAs		
	a) Opening balance	307.60	166.06
	b) Additions during the year	154.23	402.60
	c) Reductions during the year	288.97	261.06
	d) Closing balance	172.86	307.60
D	Movement of provisions for NPAs (excluding provision on standard assets)		
	a) Opening balance	116.90	57.71
	b) Provisions made during the year	408.84	126.69
	c) Utilisation during the year	167.68	28.95
	d) Write-back of excess provisions	57.00	38.55
	e) Closing balance	301.06	116.90

vi. Overseas assets

The Company does not have any overseas assets as at March 31, 2022 and March 31, 2021.

28) There are no off-balance sheet SPVs sponsored by the Company as at March 31, 2022 and March 31, 2021 that are required to be consolidated.

29) **Customer complaints***

	Year ended March 31, 2022	Year ended March 31, 2021
i) No. of complaints pending at the beginning of the year	-	-
ii) No. of complaints received during the year	10	11
iii) No. of complaints redressed during the year	10	11
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 March 31, 2022**

(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	22	10,162.72	95.62%	93.87%

(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
7,345.74	69.12%

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

(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	5,301.33	49.88%
4	Overdraft facilities	-	0.00%
5	Short-term Loans	2,002.43	18.84%
6	Long-term loans	3,324.05	31.28%
	Total	**10,627.81**	**100.00%**

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	Not applicable	Not applicable	Not applicable
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	Short Term Liabilities as a % of total public funds, total liabilities and total assets	45.88%	45.04%	30.16%

(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 March 31, 2022, the Company has liquidity of ₹ 990.48 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 2021-22, the weighted average cost of borrowings moved down by 11 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.

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

31) Asset classification as per IRAC norms

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	Remarks
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)	
Performing assets							
Standard	Stage 1	11,731.86	29.48	11,702.38	63.16	(33.68)	0 - 60 days
	Stage 2	628.01	21.99	606.02	12.07	9.92	60 - 90 days
Subtotal		**12,359.87**	**51.47**	**12,308.40**	**75.23**	**(23.76)**	
Non-Performing Assets (NPA)							
Substandard	Stage 2	139.03	21.04	117.99	26.77	(5.73)	90 - 240/360 days
Substandard	Stage 3	213.30	177.00	36.30	67.24	109.76	More than 240/360 days
Doubtful - up to 1 year	Stage 3	74.87	62.25	12.62	25.87	36.38	More than 240/360 days
1 to 3 years	Stage 3	46.72	40.77	5.95	26.64	14.13	More than 240/360 days
More than 3 years	Stage 3	-	-	-	-	-	More than 240/360 days
Subtotal for doubtful		**121.59**	**103.02**	**18.57**	**52.51**	**50.51**	
Loss	Stage 3	-	-	-	-	-	
Subtotal for NPA		**473.92**	**301.06**	**172.86**	**146.52**	**154.54**	
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-	
	Stage 2	-	-	-	-	-	
	Stage 3	-	-	-	-	-	
Subtotal		-	-	-	-	-	
Total	Stage 1	11,731.86	29.48	11,702.38	63.16	(33.68)	
	Stage 2	767.04	43.03	724.01	38.84	4.19	
	Stage 3	334.89	280.02	54.87	119.75	160.27	
	Total	**12,833.79**	**352.53**	**12,481.26**	**221.75**	**130.78**	

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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 corresponding slowdown in the economic activities. The Company has developed estimates and applied management overlays for the purpose of determination of the provision for impairment of financial assets and provisions held by the company are in excess of the RBI prescribed norms. As the pandemic situation is dynamic and still evolving, the extent to which it will continue to impact the Company's results is dependent on ongoing as well as future developments, which are highly uncertain. The Company will continue to monitor future economic conditions and update its assessment.

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 of Rs. 352.53 million, 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 Additional regulatory disclosures

a. The Company owns freehold land and the title deeds of the freehold land is held in the name of the Company.

b. The Company does not hold any investment property and hence the disclosure on fair valuation of investment property is not applicable to the Company.

c. The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets and hence the disclosure on revaluation of property, plant and equipment (including right-of-use assets) and intangible assets is not applicable to the Company.

d. The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are either:
(a) repayable on demand or
(b) without specifying any terms or period of repayment.
during the current year.

e. The Company has borrowings from banks or financial institutions on the basis of security of book debts and cash collaterals. The book debts are seperately assigned to each borrower / financial institution and end use certificates are being filed with the borrower / financial institutions.

f. No benami property are held by the Company and or no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

g. The Company has not been declared as a wilful defaulter by any bank or financial Institution or any other lender.

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

h. The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, the following are the transactions with struck off Companies:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021
Aamrapalli Agro Producer Company Limited*	Receivables	-	1.12

* The balances was completely written off in the current year. The Company does not hold any relationship with the struck off Company.

i. There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

j. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

k. **Ratios**

Particulars	Year ended March 31 2022	Year ended March 31 2021
Capital to risk-weighted assets ratio (CRAR)	20.43%	39.32%
CRAR – Tier I Capital (percent)	20.16%	39.08%
CRAR – Tier II Capital (percent)	0.27%	0.24%

l. The Company has not entered into any scheme(s) of arrangements and hence the disclosure on compliance with approved scheme(s) of arrangements is not applicable to the Company.

m. Other than the transactions that are carried out as part of Company's normal lending business:

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

n. There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

o. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

46 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

47 Previous year figures have been regrouped / rearranged, wherever considered necessary, to conform to the classification / disclosure adopted in the current year.

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No.: 003990S/S200018

Kothandaraman V
Partner
Membership No.: 025973

Place: Chennai
Date: May 26, 2022

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
Whole-time Director
DIN : 02799586

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT. LTD.

Lalit Malik
Group Chief Financial Officer

Place: Chennai
Date: May 26, 2022

Arunkumar Sridharan
Company Secretary
Membership No.: F7112
Place: Chennai
Date: May 26, 2022