SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

CIN: **U65990TN2014PTC096252**

Annual Report
FY 2022-23

Index

Samunnati

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

NOTICE is hereby given that the Ninth Annual General Meeting ("**AGM**") of Samunnati Financial Intermediation & Services Private Limited (the "**Company**") will be held on Monday, September 18, 2023, at 12:00 P.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, General Circular No. 02/2022 dated May 05, 2022, General Circular No. 10/2022 dated December 28, 2022 and other applicable circulars issued by the Ministry of Corporate Affairs ("**MCA**") (hereinafter collectively referred to as "**Circulars**"), 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 2022-23 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, 2023 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, 2023, 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 THE ALTERATION OF THE ARTICLES OF ASSOCIATION 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 Sections 5 and 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with the rules made thereunder, the approval of the members of the Company be and is hereby accorded to the following alterations to the Articles of Association of the Company:

1. The following Articles 2.35A and 2.35B be inserted after the existing Article 2.35 under the head "II. DEFINITIONS AND INTERPRETATIONS":

   *2.35A "**Debenture**" means the non-convertible debentures or other kinds of debentures issued by the Company which are listed on any of the recognized stock exchange(s) in India.*

   *2.35B "**Debenture Trustee**" means the trustee appointed under a debenture trustee agreement in trust for, on behalf of and for the benefit of the holders of Debentures issued by the Company.*

2. The following Article 2.101A be inserted after the existing Article 2.101 under the head "II. DEFINITIONS AND INTERPRETATIONS":

   *2.101A "**Nominee Director**" means the director nominated by the Debenture Trustee and appointed by the Board in accordance with Article 100.3A*

3. The existing Article 100.1 shall stand modified as follows:

   100.1 On or after the Third Pre-Series E Closing Date, the Promoter and the Company shall ensure that with respect to Articles 100.2 and 100.3, the Board shall consist of not more than 9 (nine) members. Subject to the provisions of Article 100.3, the Board shall consist of 1 (one) TIAA Nominee Director, 1 (one) rA Nominee Director, 1 (one) Elevar Nominee Director, 1 (one) Accel Nominee Director, 1 (one) Promoter Director, 1 (one) Promoter Nominee Director and 3 (three) Independent Directors.

4. The existing Article 100.2 shall stand modified as follows:

   *100.2 Only such individual (a) who, in the opinion of the Board and the Majority Lead Investors, is a person of integrity and possesses relevant expertise and experience in relation to the Business; and (b) qualifies all criteria to be considered as an independent director under Applicable Law, shall be eligible for the appointment as an "**Independent Director**." The terms of appointment of an Independent Director shall be decided by the Board, in accordance with Applicable Law. Further, any vacancy on the Board with respect to an Independent Director shall be filled in the manner provided above.*

5. The following Article 100.3A (Nominee Director) be inserted after the existing Article 100.3:

   100.3A ***Nominee Director***

100.3A.1 *Notwithstanding anything contained in this Articles, the Board shall, on receipt of the nomination by the Debenture Trustee, appoint a Nominee Director on the Board of the Company, within one month from date of receipt of such nomination, in the following circumstances:*

i. *2 (two) consecutive defaults in payment of interest to the debenture holders in respect of the relevant Debentures; or*
ii. *default in creation of security for the relevant Debentures; or*
iii. *default in redemption of the relevant Debentures.*

100.3A.2 *Such Nominee Director shall not be liable to retire by rotation nor be required to hold any qualification shares.*

100.3A.3 *The Nominee Director so appointed shall hold the said office only so long as the Company owes any money in relation to the Debentures on which any of the above said defaults (referred to in Article 100.3A.1) had occurred.*

100.3A.4 *The Debenture Trustee may have the right to remove such Nominee Director so appointed and also in the case of death or resignation or vacancy for any reasons whatsoever of the Nominee Director so appointed, at any time appoint any other person as the Nominee Director."*

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred as the **"Board"** which term shall include any committee constituted / may be constituted by the Board or any other person(s), for the time being exercising the powers conferred on the Board by this resolution and as may be authorised by the Board in this regard) be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation issuing clarifications and resolving all questions of doubt, to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any further clarification, consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, to settle all questions, difficulties or doubts that may arise in regard to the alteration of the Articles of Association and to take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive."

ITEM NO. 3 - TO CONSIDER AND APPROVE APPOINTMENT OF MR. KRISHNAN K AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary 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. Krishnan K (DIN: 01109189), be and is hereby appointed as an Independent Director, not liable to retire by rotation, for a period of five years with effect from September 18, 2023 up to September 17, 2028.

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.

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

Sd/-
Gurunath Neelamani
Wholetime Director
DIN: 02799586

Place: Chennai
Date: August 11, 2023

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.

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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 – TO CONSIDER AND APPROVE THE ALTERATION OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to the SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 read with SEBI (Debenture Trustees) Regulations, 1993, companies whose debentures are listed on recognised stock exchange(s) are required to amend their Articles of Association on or before September 30, 2023 to include an enabling clause providing for appointment of a Nominee Director by the Debenture Trustee on the Board of the Company, in the event of 2 (two) consecutive defaults in payment of interest or default in security creation for the debentures, or default in redemption of debentures. As the Non-convertible Debentures of the Company are listed on BSE Limited, the Company proposes to amend its Articles of Association to include an enabling clause providing for appointment of a Nominee Director by the Debenture Trustee on the Board of the Company, in the event of 2 (two) consecutive defaults in payment of interest or default in security creation for the debentures, or default in redemption of debentures.

Further, it is also proposed to remove reference to the names of the Directors from Article 100.2 of the Articles of Association of the Company for operational convenience.

The provisions of Sections 5 and 14 of the Companies Act, 2013 require the Company to seek the approval of the Members by way of a special resolution for the proposed alteration of the Articles of Association of the Company, and accordingly, the Board of Directors recommends that the Members approve the resolution mentioned in Item no. 2 as a special resolution.

A copy of the draft Articles of Association of the Company duly amended is available for inspection at the registered office of the Company on all working days between 11.00 AM to 4.00 PM and shall also be available for inspection electronically during the Meeting.

None of the Directors of the Company or Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their shareholding.

The Board recommends the special resolution set out in Item No. 2 of this notice for approval by the Members.

ITEM NO. 3 - TO CONSIDER AND APPROVE APPOINTMENT OF MR. KRISHNAN K AS AN INDEPENDENT DIRECTOR OF THE COMPANY

Dr. Venkatesh Tagat (DIN: 02728441) was appointed as an Independent Director of the Company at the Meeting of Board of Directors held on September 18, 2018, for a period of five years which was approved by Members at the Extraordinary General Meeting of the Company held on July 31, 2019. Accordingly, Dr. Venkatesh Tagat’s tenure as an Independent Director of the Company comes to an end on September 17, 2023. Dr. Venkatesh Tagat, due to other commitments, has requested that his current term as an Independent Director be not extended.

Further to this and based on the feedback from the Directors on the need to have an Independent Director with finance background on the Board, the Company had identified Mr. Krishnan K (DIN 01109189), Chartered Accountant and Cost Accountant based in Chennai for appointment as an Independent Director of the Company.

Considering Mr. Krishnan's qualification and experience and review of all the declarations given by him including the fit and proper declaration, the Nomination and Remuneration Committee had at its Meeting held on August 09, 2023, recommended to the Board, the appointment of Mr. Krishnan K as an Independent Director for a period of five consecutive years.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has recommended the appointment of Mr. Krishnan K as an Independent Director, not liable to retire by rotation, for a period of five years with effect from September 18, 2023, up to September 17, 2028, after taking note of the consents and disclosures/declarations provided by him.

In the opinion of the Board, Mr. Krishnan K fulfils the conditions specified in the Companies Act, 2013 and the Rules framed thereunder and he is a fit and proper person for appointment as a Director as per the RBI regulations and is independent of the Management. The brief profile of Mr. Krishnan K and other information as required under the Secretarial Standards are disclosed under Para – B of this statement.

The Board recommends the appointment of Mr. Krishnan K for a period of five years with effect from September 18, 2023, up to September 17, 2028. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Krishnan K is being placed before the Members for their approval by means of an Ordinary Resolution.

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, except to the extent of their shareholding.

DISCLOSURE UNDER SECRETARIAL STANDARDS 2 ON GENERAL MEETINGS

Name of the Director	**Mr. Krishnan K**
DIN	01109189
Date of Birth	15/02/1955
Age	68
Qualification(s)	Chartered Accountant, Cost Accountant and Commerce Graduate
Date of Appointment (Initial Appointment)	Not Applicable

Nature of his expertise in specific functional areas	A Chartered Accountant, Cost Accountant and Commerce Graduate having about 44 years of multi-industry experience in both strategy and operations, in organizations like Airtel, RPG group, Murugappa Group & AF Ferguson, with firsthand knowledge of business challenges, investor expectation & change management and offering feasible & forward-looking advisory services to companies in different stages of the business lifecycle.
Number of Board Meeting attended during FY 2022-23	Not applicable
Inter-se relationship with any other directors and KMPs of the Company	None
Directorships in other Companies	Thinksynq Solutions Private Limited EM3 Agriservices Private Limited Chennai Business School Limited
Number of shares held in the Company	NIL
Details of remuneration sought to be paid	Not Applicable
Details of remuneration last drawn	NIL (only sitting fee is paid)

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

DIRECTORS' REPORT
For the Financial Year 2022-23

Dear Members,

Your Directors' are pleased to present the Ninth 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, 2023.

A. FINANCIAL PERFORMANCE

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

(INR MN)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022*
Revenue from Operations (A)	1,972.28	1,733.17
Other Income (B)	78.99	82.73
Total Income (A+B)	**2,051.27**	**1,815.90**
Operating Expenses	1,990.36	1,828.14
Pre Provision Operating Profit / (Loss)	**60.91**	**(12.24)**
Impairment / ECL provision	1,308.96	756.15
Depreciation	49.32	47.61
Profit / (Loss) before Tax	**(1,297.37)**	**(816.00)**
Less: Tax expenses:		
1. Current tax	5.03	-
2. Deferred tax	(318.60)	(149.81)
Profit/ (Loss) after tax	**(983.80)**	**(666.19)**
Other Comprehensive Income	0.66	2.07
Total Comprehensive Income	**(983.14)**	**(664.12)**

**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 2023	Year ended 31st March 2022*
Revenue from Operations (A)	18,631.25	22,796.07
Other Income (B)	366.47	191.07
Total Income (A+B)	**18,997.72**	**22,987.14**
Operating Expenses	19,516.01	23,242.73
Pre Provision Operating Profit / (Loss)	**(518.29)**	**(255.59)**
Impairment / ECL provision	**1,308.96**	**1,006.72**
Depreciation	**60.74**	**64.79**
Profit/(Loss) before Tax	**(1,887.99)**	**(1,327.10)**
Less: Tax expenses:		
1. Current tax	5.10	-
2. Deferred tax	(427.72)	(260.71)
Profit/ (Loss) after tax	**(1,465.37)**	**(1,066.39)**
Other Comprehensive Income	(0.73)	(1.94)
Total Comprehensive Income	**(1,464.64)**	**(1,064.45)**

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

Despite the challenging environment, Samunnati as a group registered an aggregate GTV of INR 27,758 MN in Agri finance business & INR 16,942 MN in Agri commerce business during FY 2023. The AUM of the finance business as on March 31, 2023, stood at INR 11,512 MN with Average AUM of ~ INR 10,800 MN during FY 2023. Supported by better underwriting quality & assessment, the Company's portfolio quality has improved significantly YOY post FY 2020 wherein the OTRR has improved from 72% to 90%.

During the year under review (as of April 2023), the Company raised Pre-Series E capital aggregating to INR 2,540 MN through issuance of Compulsorily Convertible Cumulative Preference Shares and Optionally Convertible Redeemable Preference Shares. The existing investors as well as some new individual investors participated in these rounds of capital raise which highlights the investor's confidence in the Company's business model.

The equity raise during the year has improved the Net Worth significantly. With a cleaner and stronger balance sheet, the Company is fairly optimistic of turning profitable from FY 2024 aided by improved portfolio quality.

FY 2023 also saw significant developments in driving internal efficiencies through Technology. A new insights dashboard was launched which serves as a one-stop reference point for all key highlights across Business, Credit and Portfolio performance. Samunnati Group implemented ERP to strengthen the Agri Commerce Transactions. The same went live during October 2022 and is now fully operational for the major solutions offered by Agri Commerce business. ERP implementation for Agri Finance business is underway and would be implemented during FY 2024. During the year under review, the Company consolidated all the various workflows under Samunnati One and all the inter-department transactions will be 100% digital in the current financial year on this platform. This platform will also be the single point of entry for all Samunnati systems and solutions across stakeholders.

Samunnati also undertook several measures to drive process efficiencies which resulted in enhanced first time right documentation from the customers directly contributing to reduction of TAT and customer satisfaction. Samunnati retained its ISO 9001 certification in the recently concluded Surveillance audit during March 2023.

SamAgr – Inhouse Research Desk of Samunnati, plays a key role in Market Linkage transactions and publishes commodity research reports on a daily basis. With a revenue crossing INR 12 MN during FY 2023, this division has also started offering paid services to the ecosystem players and has published a Cotton report for a UK customer, has client on subscription model for Maize & Soybean. This team also undertook a large survey mandate for Viterra during Kharif. The team has plans to diversify and expand their offerings outside these commodities in the current financial year.

During the year under review, Samunnati built up the rigour around employee engagement conducting several programs on mental and social well-being apart from refurbishing the employee connect program. Samunnati was recertified by Great Place to Work for the third year and had over 450 team members who participated in the survey. The Company also won the Well-being Award (Waw) conducted by HR Anexi and an award from Ambition Box for the Best Places to Work in India 2021.

Growth driven by Digital Transformation

The advent of digital technologies and the evolution of multiple Agtechs have put the farmer right at the heart of the entire ecosystem where historically, the market was centred around mandis and farmer was just one of the stakeholders. Digitalisation offers an opportunity to combine digital and social aspects, thereby providing a hybrid strategy for resolving and mitigating challenges in agricultural value chains. There are various solutions which are now being made more farmer-centric in each part of the agri value chain that is digitizing, be it finance, inputs, outputs, market linkage or advisory.

Samunnati's vision to act as a window to the Small Holder Farmers / Farmer Collectives and for the entire ecosystem enabling access to these Farmers and Farmer Collectives by offer more touchpoints and broader portfolio of products and services across the value chain, encompassing both trade and finance solutions from market linkage and financing to advisory. In line therewith, Samunnati is focused on creating a digital marketplace which would be a one-stop solution for credit, inputs, outputs, market linkage and advisory and would satisfy the requirements of all stakeholders in the agri value chain. The said digital platform would be implemented during the current financial year and would drive the next stage of business growth of the Company going forward.

B. SUMMARY OF OPERATIONS

Standalone

The Company's Asset under Management (AUM) grew marginally by INR 98 MN to INR 11,512 MN as of March 31, 2023, compared to INR 11,414 MN as of March 31, 2022. Revenue from operations grew by INR 239.11 MN (growth of 13.8%) to INR 1,972.28 MN during FY 2023 from INR 1,733.17 MN during FY 2022. Other Income reduced by INR 3.74 MN to INR 78.99 MN from INR 82.73 MN. The Pre-Provision Operating Profit / (Loss) improved significantly from a loss of INR 12.24 MN during FY 2022 to a profit of INR 60.91 MN during FY 2023. Total comprehensive loss after tax has increased from INR 664.12 MN to a loss of INR 983.14 MN primarily on account of accelerated provisioning. The Cash generated from operations before working capital changes also improved significantly from INR 1,052.40 MN during FY 2022 to INR 1,368.26 MN during FY 2023.

During the year, the Company raised capital of INR 2,540 MN (including capital raised during April 2023) and debt funding of INR 4,557 MN (excluding Debentures and Commercial Papers) from Banks, NBFCs and foreign institutions, despite adverse financial market conditions.

Summary of Operations of Subsidiaries

- Samunnati Agro Solutions Private Limited is a wholly owned subsidiary of the Company which trades in Agro commodities. Although, the Gross Transaction Value / Sales of the subsidiary during FY 2023 decreased to INR 16,885.56 MN from INR 21,102.33 MN during FY 2022, the Gross Margin earned during FY 2023 significantly improved to INR 452 MN from INR 409 MN during FY 2022. In percentage terms, the gross margin increased from 1.9% of sales to 2.8% during FY 2023.The improvement in gross margin by more than 47% was the outcome of discipline in pricing coupled with process improvement which helped to reduce the income leakages.

- Samunnati Finance Private Limited is a wholly owned subsidiary of the Company incorporated on September 22, 2021. The wholly owned subsidiary is yet to commence its business operations and is awaiting the issuance of Non-Banking Finance Company license from the Reserve Bank of India.

- Samunnati Agri Innovations Lab Private Limited ("SAIL") (formerly known as Kamatan Farm Tech Private Limited), which deals in trading of Agro commodities, was acquired as a wholly owned subsidiary on April 16, 2021. During the year under review, the name was changed in order to align the name with the strategic and innovation verticals handled by SAIL. Apart from trading in Agro Commodities, SAIL also strives to make markets work for small holder farmers through strategy, innovation, establishing non-linear business growth channels of crowd and community sourced rural franchisee network of Agri Entrepreneurs, Village Level Entrepreneurs, Farmer Financing, Agri value chain financing through anchor institutions like Agri startups, Business Correspondents and online debt marketplace channels. As a result of the internal restructuring and re-alignment of operating plans, the sales during FY 2023 was lower at INR 22.95 MN compared to INR 53.46 MN during FY 2022. Net Income increased to INR 22.24 MN during FY 2023 compared to INR 2.8 MN during FY 2022.

- 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 the 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.

- Samunnati Investment Management Services Private Limited was incorporated as a wholly owned subsidiary of Samunnati Agro Solutions Private Limited on March 08, 2022, 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 in the process of obtaining requisite license and approvals and is yet to commence its business operations.

C. COMPANY OVERVIEW

Your Company is a Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India and is a specialised Agri Value Chain enabler that provides innovative and customised financial and non-financial solutions.

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.

Your Company acquired Samunnati Agri Innovations Lab Private Limited ("SAIL") (formerly known as Kamatan Farm Tech Private Limited) as a wholly owned subsidiary with effect from April 16, 2021. Apart from trading in Agro Commodities, SAIL also strives to make markets work for small holder farmers through strategy, innovation, establishing non-linear business growth channels of crowd and community sourced rural franchisee network of Agri

Entrepreneurs, Village Level Entrepreneurs, Farmer Financing, Agri value chain financing through anchor institutions like Agri startups, Business Correspondents and online debt marketplace channels.

Your 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 making an application for 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. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. Industry Structure and Key Trends

Agriculture and allied sectors significantly contribute to India's overall growth and development as it engages more than 50% of the workforce and contributes about 21% to the country's Gross Value Added (GVA). The rapid population expansion in India is the main factor driving the industry. The rising income levels in rural and urban areas, have also contributed to an increase in the demand for agricultural products across the country. The total allocation to Ministry of Agriculture and Farmers Welfare in Budget 2023 stands at around INR 1.15 crore against last year's Budget of approximately INR 1.10 lakh crore, which represents a hike of around 4.6 per cent. This highlights the government's commitment to promoting the growth and development of the agriculture sector.

Also, facilitating the availability of hassle-free credit to the Agricultural sector has been the top priority for the Government of India as the same plays a vital role in farm sector development and facilitates adoption of new technologies.

The Russia-Ukraine war which broke in February 2022 led to sharp rise in prices of food, fuel and fertilisers. As inflation accelerated, central banks across the world resorted to monetary policy tightening. Many developing countries, particularly in the South Asian region, faced severe economic stress as the combination of weaker currencies, higher import prices, the rising cost of living and a stronger dollar, which made debt servicing more expensive, proved too much to handle.

The Reserve Bank of India (RBI) raised interest rates swiftly to prevent the second-round effects of the inflation shock from commodities from affecting economic activity. The same resulted in increase in the repo rate by about 250 basis points since May 2022 thereby resulting in high interest rates and economic slowdown, the impact of which could continue until the first half of current financial year. In view of this, Samunnati also experienced increased cost of borrowing/ impact on the fund raise plans and liquidity constraints for business expansion.

II. Opportunities and Threats

As performance of the agriculture sector remains critical to growth and employment in the country, the Government has been supporting the sector through various interventions like providing income support, strengthening of institutional finance and insurance and the push given to access for credit. The Government has also been focusing on providing thrust towards allied sector so as to diversify the farmers' income to make them more resilient to weather shocks.

As part of the Budget 2023, the government has announced plans to raise the agriculture credit target to 20 lakh crore rupees, with a focus on the development of the animal husbandry, dairy, and fisheries sectors. This increase in credit will serve as a means of providing greater financial support to these industries, thereby promoting their growth and sustainability. The government also intends to implement a cluster-based approach and encourage cooperation between farmers, the state, and industry in order to facilitate the supply of inputs, provide extension services, and establish market connections. This collaborative approach is seen as a means of promoting sustainable growth and development in the agriculture sector. By working together, farmers, the state, and industry can collectively address challenges and create opportunities for improvement in the sector. The government has created the Agriculture Accelerator Fund to support young professionals in launching agriculture startups that provide affordable solutions to farmers' challenges and increase productivity and profitability with modern technology.

The key to transforming India into an agricultural powerhouse is the development of agricultural technology as India lags behind developed nations in agricultural technology. More than half of the farming community lack basic farming equipment, three of every four farms are at risk of crop damage from pests and weather and 50 percent of India's farmers lack access to traditional financing sources.

The advent of digital technologies and the evolution of multiple Agtechs have put the farmer right at the heart of the entire ecosystem where historically, the market was centred around mandis and farmer was just one of the stakeholders. There are various solutions which are now being made more farmer-centric in each part of the agri value chain that is digitizing, be it finance, inputs, outputs, market linkage or advisory.

All these initiatives like increasing the availability of credit, facilitation of better quality inputs through a clean plant program, investments in digital infrastructure and skill development will all help in increasing farm-level productivity. The increased focus on driving millet cultivation, consumption and exports, higher investment in fisheries and promotion of natural farming are all helpful from a crop diversification, sustainability and nutrition standpoint.

Samunnati's approach to success in this competitive environment is to offer more touchpoints and broader portfolio of products and services across the value chain, encompassing both trade and finance solutions from market linkage and financing to advisory. In line therewith, Samunnati is also focused on creating a digital marketplace which would be a one-stop solution for credit, inputs, outputs, market linkage and advisory and would satisfy the requirements of all stakeholders in the agri value chain.

III. Samunnati & the Agri Eco System

Samunnati has a knowledge partnership with National Association of FPOs (NAFPO) and contributed to the "State of the Sector report on FPO 2023" on nurturing FPOs and making them successful. The Report was released on June 23, 2023, at the Light House FPO Conclave that was conducted by Samunnati. Samunnati has also submitted recommendations on key Agri related Government Schemes like Agri Infrastructure Fund, Guarantees (e.g., Agri Infra Fund) to the Department(s). Samunnati is also actively working with Indian Institute of Millet Research to shape holistic policies related to millet sector. In addition, Samunnati's recognition in the Agri Ecosystem for its thought leadership in the space is recognised across several forums:

- **Ministry of Agri & Farmers Welfare (MoAFW)** - Working Group Committee to review 10K FPO scheme: In February 2023, the MoAFW constituted 3 working groups to review the 10K FPO scheme. Samunnati plays a lead role as Chair in two of the Working Groups (Financial Linkages & Capacity Building/ Ecosystem & CBBOs) and is a member in the third one on Access to Markets.

- **Chair, FICCI Task force on FPOs:** The primary objective of the FICCI Task Force on Farmer Producer Organisations (FPOs) is to analyse ground level issues faced by FPOs, particularly in respect to access to capital, technology and market. The Task Force aims to facilitate a comprehensive forum for dialogue with the widest spectrum of stakeholders to build consensus around solutions.

- **Chair, FICCI Task Force on Agri Finance:** The key objectives of the task force is to bring together various stakeholders in the agricultural sector for facilitating the exchange of knowledge and innovative ideas by fostering regular dialogue/ interactions; enhancing outreach to create visibility on key issues and challenges; and shaping evidence-based policy and regulatory framework through proactive advocacy for enhanced financial inclusion particularly, for the smallholder farmers.

- **Member, FICCI Task force on Millets:** To provide thought leadership in consensus building among various stakeholders of the Millet value chain and develop short and medium-term interventions that FICCI needs to initiate, which can bring about a significant effect in pulling up India's Millet's sector.

- **Member, FICCI Task Force on Agri Startups:** This taskforce will participate in facilitating the Agri-Food Start-up Policies & Framework and influence in framing start-up centric Schemes and investments. Samunnati's long term plans are to:
    - Create and manage an Investment Fund for Agri Start-up on Seed Investment.
    - Influence the formation of new food clusters and collaborate with our FPO / AE / Export houses who can use this facility to value add/market their products or services.
    - Creating positive mindshare among start-up founders since we are acting as a Voice of the Founder.

- **Member, CII – B20 Working Group, Task Forces under B20 on Financial Inclusion for Economic Empowerment**: As India holds the Presidency of G20 for the year 2023, it will host the 18th G20 Summit. Established in 2010, B20 is among the most prominent Engagement Groups of G20, representing the priorities of businesses globally.

- **Member, Social Stock Exchange Advisory Committee (SSEAC):** This Committee has been formed to advise SEBI on the issues pertaining to the development and growth of the Social Stock Exchange (SSE) and relevant eco-system; and also advise SEBI on the issues pertaining to Regulatory Framework for SSE including Social Enterprises and Intermediaries.

- **Expert Panel, Agri Stack:** Samunnati has been invited as a member of the Tech Panel and work is expected to begin during FY 2024.

IV. Promoting Climate Smart Agriculture

Samunnati raised its second Green Bond during FY 2023 in form of a debt fund of USD 7.5 Mn from the market access platform Symbiotics. This Green Bond comes to Samunnati at a time when India's agri ecosystem is increasingly discovering the perils of climate change. The Green Bond is of 4-year tenor, senior, local currency loan facility – to be extended to eligible clientele of Samunnati, following Climate Bond Initiative (CBI) categorization, in accordance with the Green Bond Principles of Climate Smart Agriculture. These assets will be classified under three types of activities - food security, climate resilience and greenhouse gas management; and will include practices promoting sustainable agriculture and animal husbandry.

Samunnati has till date disbursed INR 5,000+ Mn in the Climate Smart Agriculture space and made a direct impact on 1100+ Farmer Collectives, with major thrust on oilseeds, pulses, biofuel and millet crop groups. In addition, Samunnati has also provided interventions in thematic areas like organic cotton, post-harvest processing machinery for millets, sustainable animal feed and solar irrigation pumps.

Samunnati is also a recipient of multiple guarantee programs from Sustainability & Gender aspects. The organizations include Rabo Foundation & USDFC with multiple other conversations in the pipeline for the current financial year. These covers are crucial for Samunnati to experiment & scale sustainable finance solutions across geographies, ranging from farmers to FPO and even startups deploying state-of-the-art solutions.

V. Business Highlights

Samunnati's vision to act as a window to the Small Holder Farmers / Farmer Collectives and for the entire ecosystem got strengthened during FY 2023 through various initiatives and business results. These initiatives are detailed in this section. The performance of the portfolio quality of the Company has improved significantly YOY post FY 2020 wherein the OTRR has improved from 72% to 90% and the delinquency percentage has dropped from 8% to 3%. Further, the equity raised during the year has improved the Net Worth significantly. The equity raised during the year also reiterates the confidence reposed by the investors on the Company's business. This section also provides brief highlights on the performance of the Farmer Collective and Agri Enterprises verticals apart from the financial performance of the Company both on standalone and consolidated basis wherein the Pre Provision Operating Profit of the Company improved during the year under review. The brief details of the various initiatives and projects being implemented by Samunnati Foundation to enable inclusive growth and create opportunities for the unserved/ underserved communities in the agricultural ecosystem, are also provided in this section. Further, the contribution of the Company's research desk and the significant developments in Technology for driving internal efficiencies are also detailed.

i. Powering Access

Samunnati's vision to act as a window to the Small Holder Farmers / Farmer Collectives and for the entire ecosystem enabling access to these Farmers and Farmer Collectives got strengthened during FY 2023 through various initiatives and business results. Samunnati was able to qualify its initiatives under one theme – **Access.** Samunnati's success indicators are –

- Access to Finance, Market Linkage (commerce solutions) – for the players and the ecosystem
- Access to Capacity Building for Farmer Collectives and Farmer Members
- Access to new suppliers and new buyers (for the value chain)
- Access to new technologies and practices and for the start-ups to various ecosystem players
- Access to new systems

Samunnati has repositioned its subsidiary **Samunnati Agri Innovations Lab Private Limited (SAIL)** (*formerly known as Kamatan Farm Tech Private Limited*) to focus on Research, Innovations and Pilot structures and to roll out new programs for various value chain players. SAIL has enabled access to start-ups and Samunnati has launched a Masterclass series for the start-ups to understand their current status and finalise plans for their future. In addition, through SAIL, Samunnati has also begun engagement with several new age players who have innovative offerings which will bring in efficiencies to the Agri value chain.

ii. <u>GLOBAL G.A.P, IND G.A.P & creating Access to Global Markets</u>

As part of promoting best practices, Samunnati joined the GLOBALG.A.P network as an Associate Community Member and is keen to support development of standards for major staples such as cereals, pulses and oilseeds, which are cultivated in large scale by hundreds of millions of farmers. These crops are of strategic importance to India for ensuring food and nutritional security and further augmenting its growing stature in the international Agro commodity trade as a reliable producer of safe and quality food complying with global standards. On INDG.A.P, Samunnati, together with eFresh, piloted the first certification for Foxtail Millet. Sri Rapthadu Mandala Raithu Utpatti Darula MACS Limited, a Farmer Producer Company in Anantapur district of Andhra Pradesh is certified and this feat assumes great importance particularly, in this International Year of Millets (IYoM 2023), under the ambitious "Make in India" initiative by the Government to ensure Indian millets have access to global markets. IndG.A.P certification is recognized as a credible and reliable certification program in India, and it is currently being benchmarked against global standards like GlobalG.A.P to further enhance its recognition and credibility in the international market covering 120 countries.

iii. <u>Portfolio Performance</u>

Despite the challenging environment, Samunnati as a group registered an aggregate GTV of INR 27,758 MN in Agri finance business & INR 16,942 MN in Agri commerce business during FY 2023. The AUM of the finance business as on March 31, 2023, stood at INR 11,512 MN with Average AUM of ~ INR 10,800 MN during FY 2023. Supported by better underwriting quality & assessment, the Company's portfolio quality has improved significantly YOY post FY 2020 wherein the OTRR has improved from 72% to 90% and the delinquency percentage has dropped from 8% to 3%.

iv. <u>Funding / Equity Raise</u>

During the year under review (as of April 2023), the Company raised Pre-Series E capital aggregating to INR 2,540 MN through issuance of Compulsorily Convertible Cumulative Preference Shares and Optionally Convertible Redeemable Preference Shares. The existing investors as well as some new individual investors participated in these rounds of capital raise. The Company also made an additional investment of ~ INR 1,000 MN in Samunnati

Agro Solutions Private Limited and INR 50 MN in Samunnati Agri Innovations Lab Private Limited (SAIL) during the year to fund the business growth of the Subsidiaries.

v. <u>Transitioning to a stronger Balance Sheet</u>

The livelihoods of a section of the Company's borrowers were severely impacted on account of the first and second wave of COVID pandemic which mirrored the impact on the overall economy. While the Company had provided support, including providing moratorium and in some cases restructuring of loans in line with the RBI directions, to stabilise and revive the businesses of these borrowers, some of the borrowers had not been able to recover from the Covid impact. In addition to COVID, some of the borrowers were also plagued with other issues such as difficulties in equity raise, internal management issues, etc., that had eroded their businesses completely. Many borrowers had exhausted their other financial means which they had used to service loans even when the business was under severe duress. Although the Company has been tracking these accounts that were in multiple overdue buckets closely, it was evident that, while there was an intent to repay, the clients had exhausted the means to do so; and future payments seemed unlikely, based on the Company's assessment. Each loan has been assessed at the Management Credit Committee level individually and recommended that it would be prudent to fully provide for the loan since there was no further capacity to pay and there was no security in these loans either. Based on the same, the Company has accelerated the provisioning for these delinquent accounts. Notwithstanding the accelerated provisioning, the Company is continuing its efforts to recover money from such delinquent accounts.

The equity raise during the year has improved the Net Worth significantly. With a cleaner and stronger balance sheet, the Company is fairly optimistic of turning profitable from FY 2024 aided by improved portfolio quality.

vi. <u>Farmer Collectives</u>

Disbursement Milestone: With over INR 5,000 MN of disbursement in FY 2023, Samunnati achieved a new milestone of INR 1,000 MN disbursements in Maharashtra. Similarly, rest of West and Central India (Rajasthan, Gujarat, MP) have also crossed disbursements of INR 1,000 MN.

MAGnet Project: Samunnati got a foot in the door into funding of FPOs in MAGnet - Maharashtra Agri Business Network project. This Asian Development Bank assisted project targets to support FPOs by improving a network of post-harvest marketing and value chains focusing on the horticulture crops. With clear guidelines around cost of funds, Samunnati has access to cheaper funds for specific commodities and has increased the portfolio yield by 1-1.5%. During FY 2023, Samunnati received a funding of INR 250 MN.

FPO on TREDS: Samunnati enabled first FPO on RBI's TREDS platform and discounted INR 35 MN of FPO's invoices for supplies.

Instant Pre-Approved Loans (IPL): Launched during FY 2022, IPL played a significant role during this financial year in increasing the outreach of Samunnati's Access to Finance. 784 new FPOs were added under IPL during FY 2023 as against 567 in previous financial year. Maharashtra leads the IPL access with 273 FPOs followed by AP, UP, TN, TS and OR.

Performance on past written-off portfolio: The Stressed Accounts Management team together with the field teams have recovered INR 50 MN from written off accounts of FPOs and FPO Network Partners segment.

vii. Agri Enterprises

Increase in Gross Margins: The Company recorded a gross margin of INR 452 MN from its Agri Commerce business during FY 2023 which was significantly higher than the gross margin of INR 409 MN during FY 2022 despite a lower GTV. In percentage terms, the Company's gross margin increased from 1.9% of sales to 2.8% during FY 2023. The improvement in gross margin by more than 47% was the outcome of discipline in pricing coupled with process improvement which helped to reduce the income leakages.

Due to liquidity constraints, the Company's GTV had fallen during the first half of the financial year. However, aided by the equity raise, the Company managed to revive the same and ended the financial year with a GTV of INR 16,942 MN. As explained above, despite a lower GTV, the gross margin improved significantly to INR 452 MN during FY 2023 compared to INR 409 MN during FY 2022.

Launch of Small Ticket Solutions: Understanding the power of MSMEs in the Agri Enterprises landscape and their role in enabling the value chain, Samunnati rolled out three different Small Ticket Solutions during FY 2023 which will ramp up during FY 2024. These offerings will be done on platforms and through Network Partners thereby ensuring ease of access for the customers and also administration (including monitoring portfolio performance) for Samunnati.

Scale of Market Linkages: The Market linkage (ML) program was piloted during FY 2022 reaching new heights during FY 2023. During FY 2023, Samunnati extended the ML program to 102 FPOs from 10 states and procured total of 9 commodities of over 36,000 MT aggregating to INR 1,400 MN. There were 15 FPOs who clocked more than INR 20 MN of volume and 5 FPOs with more than INR 50 MN of volume during the year. The commodities covered under the program were Wheat, Chana, Turmeric, Cumin seed, Maize, Mustard seed, Soyabean, and Ground nut.

viii. Samunnati Foundation

Samunnati Foundation 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. During the year, the major Initiatives undertaken by / highlights of operation of Samunnati Foundation, were as given below:

- Significant progress made in the SFAC promotion of 125 Women FPO in UP, MP & Jharkhand. Registration of FPOs has commenced and 85+ registrations have been completed.
- CSR Grant of INR 11 MN received from CORTEVA to support 10 women FPOs on institution and capacity building.
- MoU signed with DCM Shriram to strengthen FPOs promoted by them. The approved budget for the project is INR 5 Mn for the next 2 years.
- 1st batch of Women Entrepreneur Development Program successfully completed in collaboration with University of Hyderabad.
- MOU signed with Meghalaya State Investment Promotion Board

- Won the Assam Agribusiness and Rural Transformation Project ("APART"), a World Bank project on Agri Enterprises and received the first tranche of funding under this project.

ix. Research Desk

SamAgr – Inhouse Research Desk of Samunnati, plays a key role in Market Linkage transactions and publishes commodity research reports on a daily basis. With a revenue crossing INR 12 MN during FY 2023, this division has also started offering paid services to the ecosystem players and has published a Cotton report for a UK customer, has client on subscription model for Maize & Soybean. This team also undertook a large survey mandate for Viterra during Kharif. The team has plans to diversify and expand their offerings outside these commodities in the current financial year.

x. Process & Technology

FY 2023 also saw significant developments in driving internal efficiencies through Technology. Some key highlights are as given below:

- **New insights dashboard:** Launched on the intranet portal, this dashboard has several elements and serves as a one-stop reference point for all key highlights across Business, Credit and Portfolio performance.
- **ERP:** ERP to strengthen Agri Commerce Transactions went live during October 2022 and is now fully operational for the major solutions offered by Agri Commerce business.
- **One.Samunnati.com:** During FY 2023, the Company consolidated all the various workflows under this one platform referred to as Samunnati One and all the inter-department transactions will be 100% digital in the current financial year on this platform. This platform will also be the single point of entry for all Samunnati systems and solutions across stakeholders.
- **Skillsedge:** Launch of customised Learning Management System in Mar '23. This will serve as a one-stop knowledge platform as well as Training Delivery platform for Samunnati.

Samunnati also undertook several measures to drive process efficiencies which resulted in enhanced first time right documentation from the customers directly contributing to reduction of TAT and customer satisfaction. Samunnati retained its ISO 9001 certification in the recently concluded Surveillance audit during March 2023.

xi. Awards & Recognitions

During the year under review, the Company has received the following awards and recognitions:

- Symbiotics and Samunnati won the Sustainable Bond of the Year at the Global AME Finance Awards 2022 (September 2022) for the Green Bond.
- Samunnati was awarded the Banking Frontiers Finnoviti Award under the category Digital Agri Suit (May 2022).
- Ranked #2 in the Best Places to Work 2022 - Employee Choice Awards by the Ambition Box (September 2022).

- Samunnati featured in the Top 10 winners at the WAW 2022: Wellbeing Awards for Workplaces, at the HR Anexi Summit 2022: The Great Rethink (September 2022).
- Featured in the list of Future Ready Organisations 2022 – 2023, published by the Economic Times (July 2022).
- Samunnati was certified as a Great Place to Work for the third time in a row during the year under review and also featured in the Top 25 Mid Size places to work in the Country.

VI. Financial Performance

Standalone Financial Performance

On a Standalone basis, the Company recorded a total Income of INR 2,051.27 MN during FY 2023 which was significantly better than the total income of INR 1,815.90 MN during FY 2022. The Company was able to maintain the Net Income at almost the same level as last year at INR 835.53 MN during FY 2023 compared to INR 838.73 MN during FY 2022 inspite of increase in cost of funds due to the external environment. The Pre-Provision Operating Profit / (Loss) improved significantly from a loss of INR 12.24 MN during FY 2022 to a profit of INR 60.91 MN during FY 2023. Impairment/ provision was INR 1,308.96 MN during FY 2023 compared to INR 756.15 MN during FY 2022. The Loss before tax on a standalone basis stood at INR 1,297.37 MN during FY 2023 compared to Loss before tax INR 816 MN during FY 2022 and the Total Comprehensive Loss stood at INR 983.14 MN during FY 2023 compared to INR 664.12 MN during FY 2022.

The Company's Net Worth on a standalone basis stood at INR 5,601.46 MN, compared to INR 5,343.54 MN as at March 31, 2022. The Company's Net Worth as of April 2023 has improved further, on account of the equity raise of INR 1,340 MN during April 2023. The Cash generated from operations before working capital changes also improved significantly from INR 1,052.40 MN during FY 2022 to INR 1,368.26 MN during FY 2023.Total Assets had reduced from INR 16,169.56 MN as of March 31, 2022, to INR 15,323.57 MN as of March 31, 2023. The Company's net portfolio had reduced from INR 12,481.26 MN as at March 31, 2022 to INR 10,448.04 MN as at March 31, 2023.

Consolidated Financial Performance

On a consolidated basis, the total income of the Company was INR 18,997.72 MN for FY 2023 compared to INR 22,987.14 MN during FY 2022. The Impairment/ provision was INR 1,308.96 MN (PY: INR 1,006.72 MN). The Loss before tax on a consolidated basis stood at INR 1,887.99 MN (PY: INR 1,327.10 MN) and the total Comprehensive Loss stood at INR 1,464.64 MN (PY: INR 1,064.45 MN). The Company's consolidated Net Worth stood at INR 4,580.09 MN as at March 31, 2023 compared to INR 4,806.74 MN as at March 31, 2022.

E. COMPOSITE SCHEME OF ARRANGEMENT

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

(a) the slump sale (i.e., transfer and vesting) of the NBFC business of the Company as a going concern to Samunnati Finance Private Limited; and
(b) post giving effect to (a) above, the amalgamation of Samunnati Agro Solutions Private Limited into the Company.

The Company had obtained the approval of all stakeholders for the Scheme and had, along with Samunnati Finance Private Limited and Samunnati Agro Solutions Private Limited, filed a joint petition before the National Company Law Tribunal, Chennai ("NCLT") for approval for the Scheme.

The NCLT heard the matter and took on record the NOCs submitted by the regulators and in view of the absence of any material objections from any statutory authorities and as all the requisite statutory compliances had been fulfilled, the NCLT sanctioned the Scheme and pronounced the order sanctioning the Scheme on December 23, 2022.

The Effective Date of the Scheme is the date of receipt of the NBFC license by Samunnati Finance Private Limited or filing the copy of the NCLT order with the Registrar of Companies, whichever is later.

The application filed by Samunnati Finance Private Limited seeking NBFC license has been returned by the RBI. Samunnati Finance Private Limited is in the process of liaising with RBI.

F. 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

During April 2023, the Company raised further capital through issuance of 134,000 Pre-Series E Compulsorily Convertible Cumulative Preference Shares the details of which are given below:

<table>
<tr><th>S. No.</th><th>Date of Allotment</th><th>Name of the Shareholder</th><th>No of Shares</th></tr>
<tr><td>1.</td><td rowspan="6">April 06, 2023</td><td>responsAbility Sustainable Food – Asia II, SLP through its general partner responsAbility Sustainable Food – Asia II (GP), S.À R.L.</td><td>1,22,000</td></tr>
<tr><td>2.</td><td>Mr. Ramaraj Rajasekhar</td><td>4,000</td></tr>
<tr><td>3.</td><td>Mr. Vaidyanathan Shankar</td><td>4,000</td></tr>
<tr><td>4.</td><td>Mr. Venkataramani Srivathsan</td><td>2,000</td></tr>
<tr><td>5.</td><td>Mr. Colladi Venkatesan Janakiraman</td><td>1,000</td></tr>
<tr><td>6.</td><td>Mr. Muthukumar Neelamani</td><td>1,000</td></tr>
</table>

Consequent to the same, the paid-up share capital as on the date of this report stands at, INR 2,51,16,800/- (Rupees Two Crore Fifty One Lakhs Sixteen Thousand Eight Hundred Only) divided into 5,73,861 (Five Lakhs Seventy-Three Thousand Eight Hundred and Sixty-One only) Equity Shares of INR 10/- each and 19,37,819 (Nineteen Lakhs Thirty Seven Thousand Eight Hundred and Nineteen only) Preference shares of INR 10/- each.

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

G. ALTERATION OF ARTICLES OF ASSOCIATION

As part of the capital raise, the Articles of Association of the Company has been altered during the year under review by substituting the Articles of Association with new set of Articles of Association in order to capture the terms of the Pre-Series E Compulsorily Convertible

Cumulative Preference Shares and Pre-Series E Optionally Convertible Redeemable Preference Shares.

H. DIVIDEND

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

I. TRANSFER TO RESERVES

As the Company has not made profits during the financial year 2022-23, your Company has not transferred any amount to statutory reserve under Section 45-IC of the Reserve Bank of India Act, 1934.

J. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year 2022-23.

K. 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, 2023.

L. 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.

M. CHANGES TO SHARE CAPITAL

During the year under review, the Company has increased the Authorised share capital, the details of which are given below:

<table>
<tr><th>Date of change</th><th>Particulars</th><th>Revised Authorised Share Capital</th><th>Amount (INR)</th></tr>
<tr><td rowspan="2">October 06, 2022</td><td rowspan="2">Increase in Authorised share capital by creation of additional 1,50,000 Preference shares</td><td>7,50,000 equity shares of INR 10 each</td><td>75,00,000</td></tr>
<tr><td>19,00,000 Preference Shares of INR 10 each</td><td>1,90,00,000</td></tr>
<tr><td colspan="3">TOTAL</td><td>2,65,00,000</td></tr>
</table>

Date of change	Particulars	Revised Authorised Share Capital	Amount (INR)
March 15, 2023	Increase in Authorised share capital by creation of additional 4,00,000 Preference shares	7,50,000 equity shares of INR 10 each	75,00,000
		23,00,000 Preference Shares of INR 10 each	2,30,00,000
TOTAL			**3,05,00,000**

During the year under review, the Company has issued 80,000 Pre-Series E Compulsorily Convertible Cumulative Preference Shares and 40,000 Pre-Series E Optionally Convertible Redeemable Preference Shares. The details of the same are given below:

S. No	Date of Allotment	Name of the Shareholder	Type of Shares	No of Shares
1.	October 11, 2022	Teachers Insurance and Annuity Association of America	Pre-Series E Compulsorily Convertible Cumulative Preference Shares	40,000
2.	October 11, 2022	Vistra ITCL (India) Ltd., acting as the trustee for Elevar I-IV AIF	Pre-Series E Compulsorily Convertible Cumulative Preference Shares	30,000
3.	October 13, 2022	Accel India V (Mauritius) Ltd	Pre-Series E Compulsorily Convertible Cumulative Preference Shares	10,000
4.	December 01, 2022	EE-FI AIF	Pre-Series E Optionally Convertible Redeemable Preference Shares	40,000
TOTAL				**1,20,000**

Consequent to the same, the paid-up share capital as on March 31, 2023, was INR 2,37,76,800/- (Rupees Two Crore Thirty-Seven 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 INR 10/- each and 18,03,819 (Eighteen Lakhs Three Thousand Eight Hundred and Nineteen only) Preference shares of INR 10/- each.

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

Particulars	Opening (April 01, 2022)	Closing (March 31, 2023)
Authorized Capital (INR)	INR 2,50,00,000/-	INR 3,05,00,000/-
Paid Up Capital (INR)	INR 2,25,76,800/-	INR 2,37,76,800/-

N. DISCLOSURE UNDER SECTION 67(3)(C) OF THE 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 the Companies Act, 2013 read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable to the Company.

O. DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any Equity Shares with differential rights during the financial year 2022-23.

P. 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 the intention of motivating 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 Plan (MSOP) constituted during 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), the Companies (Share Capital and Debentures) Rules, 2014), a startup is permitted to issue employee stock options to its Promoter.

Q. DISCLOSURES UNDER RULE 12(9) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014

Particulars	Value
Outstanding Options at the beginning of the year – April 01, 2022	130,713
Options Granted during FY 2023	-
Options Vested during FY 2023	-
Options Exercised during FY 2023	-
Options Lapsed	11,259
Total No. of Shares arising as a result of exercise of option during FY 2023	No options exercised during FY 2023
Exercise Price (Weighted)	No options exercised during FY 2023
Variation of terms of options	No variation in the terms of the options during FY 2023
Money realised by exercise of options	No options exercised during FY 2023
Total No. of Options in force as on March 31, 2023	119,454
Employee wise details of options granted to:	
(1) key managerial personnel;	Nil

Particulars	Value
(2) any other employee who has been granted options in any one year amounting to five percent or more of options granted during that year	Nil
(3) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

R. CAPITAL ADEQUACY RATIO

The Company's Capital Adequacy ratio stood at 20.18% as on March 31, 2023, which is well within the regulatory limits applicable for NBFC-ND-SI as stipulated by the Reserve Bank of India.

S. 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/

T. 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 Satyapal Gulati	00016990	Independent Director	Re-appointed as Independent Director w.e.f. September 25, 2022
3.	Dr. Venkatesh Tagat	02728441	Independent Director	Nil
4.	Mr. Mahendran Balachandran	00121640	Nominee Director	Nil
5.	Ms. Jyotsna Krishnan	06572288	Nominee Director	Nil
6.	Mr. Akshay Dua	03144843	Nominee Director	Nil
7.	Ms. Rekha Unnithan	08354141	Nominee Director	Nil
8.	Mr. Anil Kumar S G	01189011	Director & CEO	Nil
9.	Mr. Gurunath Neelamani	02799586	Whole-time Director	Re-appointed as Whole-time Director w.e.f. June 21, 2022
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 Cessation w.e.f. May 29, 2023*

S No.	Name of the Director	DIN/PAN	Category	Changes during the year, if any
12.	Mr. S Arun Kumar	AIPPA8757R	Company Secretary	Nil

** Change post end of the financial year*

The Members at the Annual General Meeting held on September 05, 2022, approved the 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 and the appointment of Mr. Sunil Satyapal Gulati (DIN:00016990), as an Independent Director, not liable to retire by rotation, for a second term of five years with effect from September 25, 2022.

Dr. Venkatesh Tagat (DIN: 02728441) was appointed as an Independent Director for the first term of five years effective September 18, 2018. His office of directorship is due for retirement on September 17, 2023. Dr. Venkatesh Tagat, due to other commitments, has requested that his current term as an Independent Director be not extended.

Further to this and based on the feedback from the Directors on the need to have an Independent Director with finance background on the Board, the Company has identified Mr. Krishnan K (DIN 01109189), Chartered Accountant and Cost Accountant, for appointment as an Independent Director of the Company.

Considering Mr. Krishnan's qualification and experience and review of all the declarations given by him including the fit and proper declaration, the Nomination and Remuneration Committee had at its Meeting held on August 09, 2023, recommended to the Board, the appointment of Mr. Krishnan K as an Independent Director for a period of five consecutive years.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, have recommended to the Members the appointment of Mr. Krishnan K as an Independent Director, not liable to retire by rotation, for a period of five years with effect from September 18, 2023, up to September 17, 2028.

In the opinion of the Board, Mr. Krishnan K fulfils the conditions specified in the Companies Act, 2013 and the Rules framed thereunder and he is a fit and proper person for appointment as a Independent Director as per the RBI regulations and is independent of the Management.

The Board recommends the appointment of Mr. Krishnan K ((DIN 01109189) as an Independent Director to the shareholders. The notice convening the Annual General Meeting, sets out the details.

U. 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/

V. DETAILS OF MEETINGS OF THE BOARD

The Directors of the Company met 8 (Eight) times during the Financial Year 2022-23. 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 22, 2022	8/9
2.	May 26, 2022	9/9
3.	August 05, 2022	8/9
4.	October 06, 2022	6/9
5.	November 14, 2022	8/9
6.	November 29, 2022	6/9
7.	February 06, 2023	9/9
8.	March 29, 2023	6/9

W. LIST OF COMMITTEES

The Constitution of the Board Committees as of March 31, 2023, 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. Raj Vallabhaneni - 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

8. **Investment Committee**

The composition of the Investment Committee is as follows:

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

X. 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.	May 26, 2022	3/3
2.	August 05, 2022	3/3
3.	November 14, 2022	2/3
4.	February 06, 2023	3/3

NOMINATION & REMUNERATION COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	May 24, 2022	6/6
2.	August 03, 2022	6/6
3.	November 16, 2022	6/6

RISK MANAGEMENT COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	May 24, 2022	6/6
2.	August 03, 2022	5/6
3.	November 11, 2022	4/6
4.	January 25, 2023	6/6

STAKEHOLDERS RELATIONSHIP COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	February 01, 2023	3/3

IT STRATEGY COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	May 24, 2022	5/5
2.	August 03, 2022	5/5
3.	November 14, 2022	5/5
4.	February 03, 2023	5/5

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	May 24, 2022	3/4

FINANCE COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	April 20, 2022	2/2
2.	May 09, 2022	2/2
3.	May 30, 2022	2/2
4.	June 15, 2022	2/2
5.	June 25, 2022	2/2
6.	June 29, 2022	2/2
7.	July 27, 2022	2/2
8.	August 24, 2022	2/2
9.	September 08, 2022	2/2
10.	September 26, 2022	2/2
11.	October 14, 2022	2/2
12.	October 19, 2022	2/2

FINANCE COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
13.	November 25, 2022	2/2
14.	December 19, 2022	2/2
15.	December 21, 2022	2/2
16.	December 27, 2022	2/2
17.	December 29, 2022	2/2
18.	January 04, 2023	2/2
19.	January 20, 2023	2/2
20.	January 31, 2023	2/2
21.	February 27, 2023	2/2
22.	March 02, 2023	2/2
23.	March 14, 2023	2/2
24.	March 21, 2023	2/2
25.	March 31, 2023	2/2

INVESTMENT COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	June 29, 2022	2/2
2.	July 12, 2022	2/2
3.	August 24, 2022	2/2
4.	September 15, 2022	2/2
5.	October 17, 2022	2/2
6.	November 23, 2022	2/2
7.	December 20, 2022	2/2
8.	January 30, 2023	2/2
9.	February 16, 2023	2/2
10.	March 16, 2023	2/2

INDEPENDENT DIRECTORS MEETING		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	March 25, 2023	3/3

Y. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, investments and guarantees for FY 2022-23 have been provided in the notes to the Financial Statements of the Company.

Z. 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.

AA. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES AS OF MARCH 31, 2023

As of March 31, 2023, 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) **Samunnati Agri Innovations Lab Private Limited** *(formerly known as Kamatan Farm Tech Private Limited), apart from trading in Agri commodities,* strives to make markets work for small holder farmers through strategy, innovation, establishing non-linear business growth channels of crowd and community sourced rural franchisee network of Agri Entrepreneurs (AE), Village Level Entrepreneurs (VLE), Farmer Financing, Agri value chain financing through anchor institutions like Agri startups, Business Correspondents (BC), online debt marketplace channels.

(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 in the Agricultural Sector. It is in the process of making an application for 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**, 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.**

BB. RELATED PARTY TRANSACTIONS

As required under the Companies Act, 2013, the prescribed Form AOC-2 for the financial year 2022-23 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 Note 42 of the notes to the Financial Statements of the Company.

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

In relation to the Composite Scheme of Arrangement ("**Scheme**") for (a) the slump sale of the NBFC business of the Company as a going concern to Samunnati Finance Private Limited; and (b) post giving effect to (a) above, the amalgamation of Samunnati Agro Solutions Private Limited into the Company, approval of all stakeholders for the Scheme has been obtained. Further to this, the Company had, along with Samunnati Finance Private Limited and Samunnati Agro Solutions Private Limited, filed a joint petition before the National Company Law Tribunal, Chennai ("NCLT") for approval for the Scheme.

The NCLT heard the matter and took on record the NOCs submitted by the regulators and in view of the absence of any material objections from any statutory authorities and as all the requisite statutory compliances had been fulfilled, the NCLT sanctioned the Scheme and pronounced the order sanctioning the Scheme on December 23, 2022.

The Effective Date of the Scheme is the date of receipt of the NBFC license by Samunnati Finance Private Limited or filing the copy of the NCLT order with the Registrar of Companies, whichever is later.

The application filed by Samunnati Finance Private Limited seeking NBFC license has been returned by the RBI. Samunnati Finance Private Limited is in the process of liaising with RBI.

DD. DETAILS OF CREDIT RATINGS OF THE COMPANY DURING FY 2022-23

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

Rating agency	Ratings as on April 01, 2022	Changes/revisions of rating during the year, if any	Ratings as on March 31, 2023
CRISIL - Long term	CRISIL BBB+ / Stable	Yes	CRISIL BBB / Stable
CRISIL - Short term	CRISIL A2+	Yes	CRISIL A2
CARE	CARE BBB / Stable	-	CARE BBB / Stable

EE. 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: nidhi.vasa@ctltrustee.com Contact No: 022-4922 0555

FF. 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.

GG. 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.

HH. 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 2022-23, your Company has not received any complaints pertaining to sexual harassment.

II. 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 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).

JJ. 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.

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

The Company had inadvertently missed giving prior intimation to BSE regarding the interest payment date in respect of one ISIN for the quarter ended June 30, 2022 as per Regulation 57(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. BSE had levied a fine of Rs. 1,180 (Indian Rupees One Thousand One Hundred Eighty Only) on account of the non-intimation, which has been paid.

Details of the fine levied and the steps taken to prevent recurrence of such non-intimation were tabled to the Board of Directors at the Meeting held on November 14, 2022.

LL. 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.

MM. 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 2022-23. 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 June 05, 2023.

NN. 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).

OO. INTERNAL AUDIT

The Company has an Internal Audit department, and the Head of the department has a dotted line reporting to the Audit Committee of the Company.

In line with the requirement of Section 138 of Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules 2014, the Board of Directors, based on the recommendation of the Audit Committee, had appointed M/s. RGN Price & Co LLP (Firm Registration Number – 002785S) as the Internal Auditors of the Company for FY 2022-23.

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.

PP. 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 appointed M/s RSM Astute Consulting Group as Information Systems Auditors of the Company for FY 2022-23. 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.

QQ. 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, 2023.

RR. 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-privatelimited/

Due to losses, the Company was not under an obligation under Section 135 of the Companies Act, 2013 to spend for CSR activities during FY 2022-23. The annual report on CSR activities is provided in **Annexure-IV** to this report.

SS. SAMUNNATI'S ENVIRONMENTAL AND SOCIAL POLICY

Your Company maintains a systematic and comprehensive Enterprise Risk management (ERM) approach to proactively identify and address potential risks, leading to enhanced decision making and improving the overall resilience across businesses. The Company has risk management and internal controls to monitor, and manage the various 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) with an aim to ensure that Samunnati's business activities consider and address environmental and social risks and also impacts associated with the projects or business that Samunnati finances.

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.

Accordingly, Samunnati shall:

- not extend loans to any activity that features in Samunnati's *'Exclusion List'* or is prohibited by local, national or international laws, as applicable;
- Assess and identify potential environmental and social risk and impacts associated with borrower's activities;
- 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 236 employees on payroll as on March 31, 2023 (on standalone basis). The management team of the Company comprises of passionate professionals committed to achieve the organizational goals.

During the year, Samunnati built up the rigour around employee engagement conducting several programs on mental and social well-being apart from refurbishing the employee connect program – DILSE through structured employee connects. As part of connects, employee experience around the adoption to new initiatives and other Digital applications such as the Insights dashboard were surveyed. Regional coordinators were also deployed to act as conduits of communication between their respective locations and management and were also responsible for the engagement initiatives within their location.

Samunnati partnered with the See change team and organised a training for Agri Enterprise RMs called Project Amrut, which was attended by a total of 60 participants. The first batch of training, was conducted for two-days focusing on role plays and case studies to motivate RMs and encourage the team to plan their day, prepare better for customer meetings and focus on the value add from Samunnati while offering solutions. In the second batch the training focused on the various products of Samunnati on day one and the remaining two days focused on the sales training.

Samunnati was recertified by Great Place to Work for the third year and had over 450 team members who participated in the survey. The Company also won the Well-being Award (Waw) conducted by HR Anexi and an award from Ambition Box for the Best Places to Work in India 2021.

Samunnati Nakshatra is the Company's inhouse talent pool created for select employees who have demonstrated past performance and future potential to be able to take on greater responsibilities within Samunnati. The nomination is through the respective line manager or Zonal Head and less than 10% of the employees across the organization are chosen to be part of this pool.

The Talent Pool offers a host of programs such as Offline & Online learning and development programs, Interactive sessions with senior leadership, Mentoring opportunities and an opportunity to work on projects in other teams that help the select team members to upskill. Samunnati conducted regular companywide meetings / PAN India townhalls and had smaller focused group discussions with regional teams.

Samunnati rolled out a Learning Management System (Skillsedge) to administer training programs online for its employee. Skillsedge was accessible on the go through mobile applications and apart from the inhouse training content, also provided access to external library of valuable materials.

As on March 31, 2023, Samunnati Group (the Company and its subsidiaries) had a total of 570 employees on its rolls.

UU. TECHNOLOGY RELATED UPDATES

1. Technology initiatives

Samunnati's Tech initiatives for FY 2023 were focused on digitizing the Company's processes and integrations, aligned to the Technology roadmap created in the previous year. All the new, upgraded features and integrations are aimed to reduce the Turn Around Time and improve the end user efficiency. Most of the internal stakeholder tasks and processes were taken for digitization and automation.

2. Core systems updates

SAM Custopedia (Loan Origination system):

Loan origination system was enhanced with the modules like Credit Committee, CAD and Credit Ops which further reduced multiple manual reviews and approval, thereby reducing errors, and improving the efficiency of the entire process. The other key features include bank integrations for payments and payment through virtual accounts. Approach for API based integrations within LMS is concluded and implementation is in progress.

All the digital modules built for Samunnati's internal teams like field force, credit managers etc. were integrated and a single portal One.Samunnati was launched. This portal serves as the single user interface enabled with SSO.

One.Samunnati houses modules like generic ticketing system, internal audit, Samunnati Associate onboarding, Tele Calling, Lead Management, etc. This portal also hosts the Insights Dashboard.

Loan Management System:

Encore, the LMS system which is offered in a SaaS model to Samunnati has undergone few enhancements based on Samunnati's Key requirements and is fully functional as the LMS for all the Company's products.

Analytics and insights

A first version of a consolidated and scalable data platform has been implemented and data from various digital systems are channelized to this platform. The platform integrates, cleans, processes, and transforms both near-real time and batch data, serving as a single source of truth on business and customer metrics. This has helped in standardization of Products, Customer and Commodity Classification with a business buy-in. This standardization has ensured data integrity across various Samunnati's digital solutions like LOS, LMS, One.Samunnati, etc.

The Insights dashboard portal currently has 80+ customized dashboards for the Company, serving the needs of business leaders, support teams and field force. Role-based access has been enabled for these dashboards and reports, with user training for self-service. This will be an on-going activity to drive data driven decisions and products.

Unnati

Unnati was implemented to cater to the B2B2C segment for one loan product. In this, the credit line is sanctioned to farmers/members of FPOs or partners. The portal captures the customer data and evaluates eligibility using the product rules. Different external APIs like Highmark, Karza and Leegality are integrated.

Sun-Infor

Sun-Infor is planned to be sunset. All the supported processes are enabled in NetSuite ERP. Data migration to ERP is planned.

3. **Information Security**

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

a. Comprehensive Endpoint Security
    - Device Management and Protection
    - Anti-Virus/Spyware/Malware/Ransomware Protection
    - File/Web/Network Threat Protection
    - Programme/Windows Application Control
    - Web Access Control and Content Filtering

b. Data Loss Prevention for company owned devices
    - Device Protection
    - Drive Encryption

c. Additional Security Measures
    - Cloud Apps Protection
    - Added Azure Cloud Servers to Security Operation Centre (WatchGuard SOC) Dashboard for real-time monitoring.
    - Location-based access restrictions. Work emails/apps are accessible only from Indian locations and exceptions are provided on need basis for short-term
    - Work Profile Creation in Personal Mobile Devices
    - Work Email/Apps are accessible only from company owned devices or work profile in personal mobile devices.

d. e-Waste processing through empanelled vendor for secure disposal

e. Annual Vulnerability and Penetration Test (VAPT) for Infra/Network at Chennai HO

VV. RISK MANAGEMENT

Samunnati has implemented comprehensive risk management practices to effectively identify, assess, and mitigate risks in order to safeguard financial stability, ensuring prudent lending practices and protecting interest of all stakeholders.

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 Framework** – Samunnati follows a structured approach to identify, assess and manage risk. The key components of the framework are as under:

   a. **Risk Governance:** A clear governance structure that defines roles, responsibilities for risk management.

   b. **Risk Identification:** Identifying and categorizing various types of risk that Samunnati faces including credit risk, market risk, liquidity risk, operational risk, legal and regulatory risk, and strategic risk.

   c. **Risk Assessment:** Assess the magnitude and likelihood of identified risks using various risk metrices using both quantitative and qualitative methods.

   d. **Risk appetite and Tolerance:** Samunnati has defined risk appetite, which represents the level of risk that Samunnati is willing to take to achieve its objectives. Risk tolerance limits to determine the acceptable level of risk exposure under each risk category, which effectively guides risk management decisions and action.

   e. **Risk Mitigation strategies:** Samunnati has developed various risk mitigation strategies and controls to manage identified risks viz, by devising robust credit policies, underwriting standards and risk acceptance criteria.

   f. **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 Act"), 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, 2023, 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, 2023 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

Sr. 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 has also implemented various measures for reduction in consumption of energy like: a. Recycling and reduced usage of paper b. Energy efficient lighting in its offices c. Introduction of mobile based training application for employees d. Virtual meetings, reviews, planning and mobile based learning sessions
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 2022-23)	NIL	INR 14.01 MN
Previous Year (FY 2021-22)	NIL	INR 5.07 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 **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 11, 2023

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

(INR MN)

S. No.	Particulars	Details				
1.	**Name of the subsidiary**	**Samunnati Agro Solutions Private Limited**	**Samunnati Finance Private Limited**	**Samunnati Agri Innovation Lab Private Limited *(Formerly known as Kamatan Farm Tech Private Limited)***	**Samunnati Investment Management Service**	**Samunnati Foundation**
2.	Date since when subsidiary was incorporated/acquired	October 14, 2016	September 22, 2021	April 16, 2021	March 08, 2022	March 9, 2020
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	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	NA
5.	Share capital	6.81	25.00	53.45	0.10	8.50
6.	Reserves & surplus	960.92	0.23	(148.92)	(0.86)	(25.08)
7.	Total assets	5,336.97	25.43	34.26	0.54	2.84
8.	Total Liabilities	5,336.97	25.43	34.26	0.54	2.84
9.	Investments	30.10	-	-	-	-
10.	Turnover	16,940.51	-	22.95	-	5.55
11.	Profit / (Loss) before taxation	(451.58)	0.27	(138.52)	(0.86)	(24.12)
12.	Provision for taxation	(109.08)	0.07	-	-	-
13.	Profit / (Loss) after taxation	(342.50)	0.20	(138.52)	(0.86)	(24.12)
14.	Proposed Dividend	NIL	NIL	NIL	NIL	N.A. *
15.	Extent of Shareholding	100%	100%	100%	100%	100%

** Samunnati Foundation is a Section 8 Company and cannot declare dividend*

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**

<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 **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 11, 2023

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 and entity in which Director is interested	Deputation of Employees of the Company to the Wholly owned subsidiary	12 months	Deputation of Employees of the Company to the Wholly owned subsidiary INR 2.87 MN (excluding taxes), has been charged from wholly owned subsidiary as Deputation Charges	February 10, 2022	
Samunnati Agro Solutions Private Limited, Wholly owned subsidiary and entity in which Director is interested	Fees charged for the Corporate Guarantee granted by the Company in respect of the borrowings of its wholly owned subsidiary	In accordance with the tenure of the relevant borrowing by the Subsidiary	Fees charged for the Corporate Guarantee granted by the Company in respect of the borrowings of its wholly owned subsidiary INR 18.67 MN (excluding taxes)	February 10, 2022	
Samunnati Agro Solutions Private Limited, Wholly owned subsidiary and entity in which Director is interested	Shared Services	12 months	Fee charged by the Company from the Wholly owned subsidiary towards the Shared Services INR 2.82 MN (excluding taxes)	February 10, 2022	

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 and entity in which Director is interested	Inter Company loans given to the wholly owned subsidiary	12 months	Loan granted during the year INR 4,265 MN Loan repaid during the year INR 5,465 MN Loan outstanding at the end of the year (including accrued interest) INR 200.01 MN Interest Income during the year INR 133.04 MN	February 10, 2022	
Samunnati Foundation, Wholly owned subsidiary	Inter Company loans given to the wholly owned subsidiary	12 months	Loan granted during the year INR 1.10 MN Loan outstanding at the end of the year (including accrued interest) INR 1.10 MN	February 06, 2023	
Samunnati Agri Innovations Lab Private Limited, Wholly owned subsidiary	Inter Company loans given to the wholly owned subsidiary	12 months	Loan granted during the year INR 155 MN Loan repaid during the year INR 69.75 MN Loan outstanding at the end of the year (including accrued interest) INR 92.41 MN Interest income during the year INR 5.57 MN	February 10, 2022	
Samunnati Investment Management Services Private Limited, Wholly owned subsidiary and entity in which Director is interested	Inter Company loans given to the wholly owned subsidiary	12 months	Loan granted during the year INR 1 MN Loan outstanding at the end of the year (including accrued interest) INR 1.01 MN Interest income during the year INR 0.01 MN	February 06, 2023	
Arthan Finance Private Limited, entity in which Director is interested	Loan granted by the Company in the ordinary course of business of the Company as a NBFC	24 Months	Loan granted during the year NIL Loan repaid during the year INR 15.20 MN Loan outstanding at the end of the year (including accrued interest) INR 6.55 MN Interest income during the year INR 2.16 MN	June 24, 2021	

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
Ecozen Solutions Private Limited, entity in which Director is interested	Loan granted by the Company in the ordinary course of business of the Company as a NBFC	60 Months	Loan granted during the year NIL Loan repaid during the year INR 60 MN Loan outstanding at the end of the year (including accrued interest) INR 101.19 MN Interest income during the year INR 17.67 MN	Not Applicable since Director interest is subsequent to grant of loan	
Wheels EMI Private Limited, entity in which Director is interested	Loan granted by the Company in the ordinary course of business of the Company as a NBFC	24 Months	Loan granted during the year INR 100 MN Loan repaid during the year INR 300 MN Loan outstanding at the end of the year (including accrued interest) - NIL Interest income during the year INR 6.20 MN	February 12, 2021	

For **Samunnati Financial Intermediation & Services Private Limited**

Sd/-
Gurunath Neelamani
Wholetime Director
DIN: 02799586

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

Place: Chennai
Date: August 11, 2023

JAYASHREE S IYER
COMPANY SECRETARY & INSOLVENCY PROFESSIONAL
C.P.No.21403/ IBBI/IPA-002/IP-N00741/2018-19/12211/ AFA-202452

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023

[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 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, 2023 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;

Jayashree S Iyer ★ FCS 10394 CP 21403 ★ Practicing Company Secretary

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

(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 Non-Convertible Securities) Regulations, 2021;
(b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company;

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;
(g) Liquidity Risk Management Framework for NBFCs;
(h) Scale based Regulation (SBR): a revised regulatory framework for NBFCs.

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. A penalty of Rs 1,180/- was paid to BSE Limited for non-submission of details of interest/dividend/principal obligations for the quarter March 2022 in respect of ISIN INE551U07167.

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

The following Regulations and Guidelines prescribed under the SEBI Act are not applicable to the Company as the Equity Shares of the Company are not listed:

(i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(ii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
(iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(vi) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(vii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
(viii) 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;

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.

I further report that during the audit period:

Jayashree S Iyer
FCS 10394
CP 21403
Company Secretary

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

i) The Company has issued and allotted 80,000 Pre-Series E compulsorily convertible cumulative preference shares ("CCPS") and 40,000 Pre-Series E optionally convertible redeemable preference shares (OCRPS), to certain existing and incoming investors through preferential allotment on private placement basis;

ii) The Company has increased the Authorised Share Capital from INR 2,50,00,000/- to INR 2,65,00,000/- which was approved by the Shareholders at the Extraordinary General Meeting held on October 6, 2022 and has subsequently increased the Authorised Share Capital from INR 2,65,00,000 to INR 3,05,00,000/- which was approved by the Shareholders at the Extraordinary General Meeting held on March 15, 2023 and consequential changes have been made to the Capital Clause of Memorandum of Association of the Company.

iii) The Company has amended the Articles of Association for capturing the terms of the Amendment to the Shareholders Agreement in relation to issuance of CCPS and OCRPS, by substituting the entire Articles of Association with new set of Articles of Association.

iv) National Company Law Tribunal, Chennai vide its Order received by the Company on January 4, 2023 had sanctioned the Composite Scheme of Arrangement for (a) the slump sale of the NBFC business of the Company as a going concern to Samunnati Finance Private Limited; and (b) post giving effect to (a) above, the amalgamation of Samunnati Agro Solutions Private Limited with the Holding Company.

As per approved Scheme, the Effective Date shall mean the later of the dates on which (i) Samunnati Finance Private Limited is in receipt of the Final NBFC Licence; or (ii) filing the copy of the order of NCLT approving the Scheme with the jurisdictional Registrar of Companies. Further, the Scheme would be operative and effective only from the later of (i) or (ii) above.

As on date, the Company has only obtained the order of NCLT for the Scheme and the Final NBFC license for Samunnati Finance Private Limited is under process.

v) The Company has increased the Authorised Share Capital from INR 2,50,00,000/- to INR 3,05,00,000/- which was approved by the Shareholders at the Extra Ordinary General Meeting held on 6.10.2022 and 15.03.2023 and has made consequential amendments to the Capital Clause of Memorandum of Association of the Company.

vi) The Company has issued 1,20,000 preference shares aggregating to INR 120,00,00,000/- (including premium) during the period under review.

vii) The Company has made equity investment of INR 99,92,39,296/- in Samunnati Agro Solutions Private Limited, a wholly owned subsidiary of the Company.

Jayashree S Iyer
FCS 10
CP 214
Practicing Company Secretary

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

viii) The Company has made equity investment of INR 5,00,00,000/- in Samunnati Agri Innovations Lab Private Limited, a wholly owned subsidiary of the Company.

ix) The Company has issued secured redeemable non-convertible debentures for INR 58,50,00,000/-

x) The Company has redeemed secured redeemable non-convertible debentures for INR 137,66,83,333/-

xi) The Company has issued Commercial Paper for INR 5,00,00,000/- during the period under review.

Place: Chennai
Date : 05.06.2023

Jayashree S Iyer
Company Secretary
FCS 10394
CP 21403
PR 1382/2021
UDIN: F010394E000459029

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.

'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
PR 1382/2021
UDIN: F010394E000459029

Place: Chennai
Date: 05.06.2023

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	1	1
2	Ms. Jyotsna Krishnan	Member		-
3	Mr. Anil Kumar S G	Member		1
4	Mr. Gurunath N	Member		1

a) Composition of CSR committee and CSR Policy 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): **NIL**

e) (a) Two percent of average net profit of the Company as per section 135(5): **NIL**

(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: **NIL**

f) (a) CSR amount spent or unspent for the financial year: **NIL**

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
NIL					

(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
NIL												

(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 - Nil

(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 11, 2023

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 2023, 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 2023, 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

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 consolidated 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.

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REGISTRATION NO. WITH ICAI - 003990S/S200018

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. 11,166.77 million as at 31 March 2023. The Holding Company has made a provision for impairment loss aggregating Rs. 1,013.26 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 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 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 Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's 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.

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 Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and 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 consolidated 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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management and Board of Directors either intends to liquidate the company 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.

- 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 Holding Company and 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 and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of the consolidated financial statements 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 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.

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, 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 have been kept by the Group in electronic mode on servers physically located in India relating to preparation of the aforesaid consolidated financial statements so far as it appears from our examination of those books except that we were unable to verify the back up of books of accounts maintained in electronic mode for the period from August 5, 2022 to March 31, 2023 in respect of all the subsidiaries, as necessary logs in respect of such period are not available with the Group.

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) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to adequacy of the internal financial controls over financial statements of the Holding Company and 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.

g) 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 – Refer Note 17 to the consolidated financial statements in respect of such items as it relates to the Group.

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 incorporated in India.

iv. (a) The respective 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

(b) The respective management of the Holding Company, its subsidiary companies incorporated in India have represented that, to the best of it's knowledge and belief, no funds have been received by the company 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, performed by us whose financial statements/ financial information have been audited under the Act, 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 have not paid/declared any dividend during the financial year. Accordingly, reporting on compliance with the provisions of Section 123 of the Act is not applicable.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

3. With respect to the matter to be included in the Auditor's 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: 23025973BGZBXN3639

Place of Signature: Chennai
Date: 30 May 2023

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 2023.

(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 incorporated in India included in the consolidated financial statements except:

Sr. No.	Name	CIN	Holding Company / Subsidiary incorporated in India	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(xi)(a)
2	Samunnati Agro Solutions Private Limited	U74999TN2016PTC112925	Subsidiary	Clause 3(ii)(b), 3(vii)(a)
3	Samunnati Agri Innovations Lab Private Limited	U74999TN2017PTC149059	Subsidiary	Clause 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: 23025973BGZBXN3639

Place of Signature: Chennai
Date: 30 May 2023

Annexure B

Referred to in paragraph 2(f) 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 2023, we have audited the internal financial controls over financial reporting of the Holding Company and all its 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 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 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, 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 2023, 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: 23025973BGZBXN3639

Place of Signature: Chennai
Date: 30 May 2023

Samunnati Financial Intermediation & Services Private Limited
Consolidated Balance Sheet as at 31 March 2023
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Financial assets			
a) Cash and cash equivalents	3	1,247.45	1,167.65
b) Bank balances other than (a) above	4	421.01	512.15
c) Trade receivables	5	2,846.82	3,477.40
d) Loans	6	10,153.51	11,061.68
e) Investments	7	11.92	192.37
f) Other financial assets	8	59.90	152.09
		14,740.61	**16,563.34**
Non-financial assets			
a) Inventories	9	1,056.56	849.16
b) Non-current tax assets (net)	10	354.45	189.33
c) Deferred tax assets (net)	11	824.05	396.54
d) Property, plant and equipment	12	139.68	108.13
e) Biological Assets	12	0.59	0.64
f) Right of use assets	12	32.64	31.23
g) Other intangible assets	12	869.85	800.48
h) Intangible assets under development	12	22.92	71.50
i) Other non-financial assets	13	441.42	243.94
		3,742.16	**2,690.95**
Total assets		**18,482.77**	**19,254.29**
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		306.21	697.42
b) Borrowings			
(i) Debt securities	15	5,075.53	5,294.84
(ii) Borrowings (other than debt securities)	16	7,963.48	8,017.28
c) Other financial liabilities	17	211.82	176.19
		13,557.04	**14,186.40**
Non-financial liabilities			
a) Provisions	18	51.28	44.46
b) Other non-financial liabilities	19	294.37	216.69
		345.65	**261.15**
Equity			
a) Equity share capital	20	21.25	20.45
b) Other equity	21	4,558.83	4,786.29
		4,580.08	**4,806.74**
Total Liabilities and Equity		**18,482.77**	**19,254.29**
Summary of significant accounting policies	2		

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 30, 2023

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

Place: Chennai
Date: May 30, 2023

Gurunath Neelamani
Whole-time Director
DIN : 02799586

Place: Chennai
Date: May 30, 2023

Arunkumar Sridharan
Company Secretary
Membership No.: F7112

Place: Chennai
Date: May 30, 2023

Samunnati Financial Intermediation & Services Private Limited
Consolidated Statement of profit and loss for the year ended 31 March 2023
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

	Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
I	**Revenue from operations**			
	(i) Interest income	22	1,745.41	1,640.28
	(ii) Sale of traded goods	22	16,885.84	21,155.79
	(iii) Other operating revenue	22	143.22	132.99
			18,774.47	**22,929.06**
II	Other income	23	223.25	58.08
III	**Total income (I+II)**		**18,997.72**	**22,987.14**
	Expenses			
	(i) Finance costs	24	1,491.71	1,215.52
	(ii) Impairment on financial instruments	25	1,308.96	1,006.72
	(iii) Purchase of stock-in-trade	26	16,727.45	21,590.20
	(iv) Changes in inventories of stock-in-trade	27	(291.01)	(845.11)
	(v) Employee benefit expenses	28	880.87	878.33
	(vi) Depreciation and amortization	29	60.74	64.79
	(vii Other expenses	30	706.99	403.79
IV	**Total expenses**		**20,885.71**	**24,314.24**
V	**Loss before tax (III-IV)**		**(1,887.99)**	**(1,327.10)**
VI	**Tax expense**	31		
	(i) Current tax		5.10	-
	(ii) Deferred tax		(427.72)	(260.71)
VII	**Loss for the year (V-VI)**		**(1,465.37)**	**(1,066.39)**
VIII	**Other comprehensive income (OCI)**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement gain / (loss) on defined benefit plans		(0.94)	(2.28)
	(ii) Income tax impact thereon	31	0.21	0.34
	Other comprehensive income (i)+(ii)		**(0.73)**	**(1.94)**
IX	**Total comprehensive income/(loss) for the year (VII+VIII)**		**(1,464.64)**	**(1,064.45)**
X	**Earnings per equity share (face value ₹ 10/- per equity share)**	32		
	Basic (₹)		(703.95)	(521.68)
	Diluted (₹)		(703.95)	(521.68)

Summary of significant accounting policies

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 30, 2023

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

Place: Chennai
Date: May 30, 2023

Gurunath Neelamani
Whole-time Director
DIN : 02799586

Place: Chennai
Date: May 30, 2023

Arunkumar Sridharan
Company Secretary
Membership No.: F7112

Place: Chennai
Date: May 30, 2023

Samunnati Financial Intermediation & Services Private Limited
Consolidated statement of cash flows for the year ended 31 March 2023
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A. Operating activities		
Profit / (loss) before tax	**(1,887.99)**	**(1,327.10)**
Adjustments for:		
Depreciation and amortization	60.74	64.79
Employee stock option expenses	58.29	57.03
Gratuity and leave encashment expenses	26.79	26.95
Loss on sale of property, plant and equipment	0.38	0.08
Income from mutual funds	(42.18)	(14.40)
Income from debt funds	(1.31)	(16.58)
Interest expenses towards financing activities	250.79	194.82
Interest expense on lease liability	4.05	4.37
Unwinding interest of debt component of OCRPS	1.03	-
MTM gain booked on ECB loans	(17.84)	-
Impairment on financial instruments	660.73	200.24
Impairment on trade receivables	72.51	220.56
Bad debts written off	651.56	515.20
Provision on Inventory	83.61	20.15
Amortisation of origination costs of borrowings	97.42	87.27
Cash generated from operations before working capital changes	**18.58**	**33.38**
Changes in working capital:		
Loans	(404.12)	(2,556.36)
Other financial assets	92.19	3.99
Trade receivables	558.06	(978.30)
Other non-financial assets	(197.48)	(169.92)
Net movement in provisions	(20.91)	18.06
Other financial and non-financial liabilities	90.89	74.84
Inventories	(291.01)	(846.63)
Trade payables	(391.88)	620.25
Cash used in operations	**(545.68)**	**(3,800.69)**
Income taxes paid (net of refunds)	(170.22)	(117.52)
Net cash used in operating activities (A)	**(715.90)**	**(3,918.21)**
B. Investing activities		
Purchase of property, plant and equipment and intangible assets	(116.83)	(178.96)
Proceeds from sale of property, plant and equipment	1.96	8.22
Movement in capital advances	-	0.57
Movement in deposits with banks and financial institutions	91.14	139.59
Purchase of investments	(16,360.24)	(26,370.45)
Proceeds from sale of investments	16,540.69	26,634.03
Interest income received on investments measured at amortised cost, FVTPL	43.49	30.98
Net cash (used in) investing activities (B)	**200.21**	**263.98**
C. Financing activities		
Issue of Compulsorily Convertible Preference Shares	800.00	0.69
Issue of Optionally convertible redeemable preference shares	400.00	-
Proceeds from debt securities	1,235.00	2,078.23
Repayment of debt securities	(1,454.31)	(990.82)
Repayment of principal portion of lease liability	(23.74)	(6.01)
Repayment of interest portion of lease liability	(4.05)	(4.37)
Proceeds from other than debt securities	12,627.17	9,756.38
Repayment of other than debt securities	(12,635.34)	(7,082.50)
Interest expenses	(349.24)	(282.09)
Net cash generated from financing activities (C)	**595.49**	**3,469.51**
Net increase in cash and cash equivalents (A+B+C)	**79.80**	**(184.72)**
Cash and cash equivalents at the beginning of the year	1,167.65	1,352.37
Cash and cash equivalents at the end of the year	**1,247.45**	**1,167.65**

PKF SRIDHAR & SANTHANAM LLP
FIRM REGN No. 003990S / S200018
CHENNAI

Samunnati Financial Intermediation & Services Private Limited
Consolidated statement of cash flows for the year ended 31 March 2023
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Components of cash and cash equivalents		
Cash and cash equivalents at the end of the year (also, refer note 3)		
- Cash on hand	0.23	-
- In deposit accounts (with original maturity of 3 months or less)	179.46	408.23
- Balances with banks in current accounts	1,067.76	759.42
Total	**1,247.45**	**1,167.65**

Summary of significant accounting policies

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 30, 2023

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

Place: Chennai
Date: May 30, 2023

Gurunath Neelamani
Whole-time Director
DIN : 02799586

Place: Chennai
Date: May 30, 2023

Arunkumar Sridharan
Company Secretary
Membership No.: F7112

Place: Chennai
Date: May 30, 2023

Samunnati Financial Intermediation & Services Private Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2023
(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 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	5.74	5.74	16.84	16.16	22.58	21.90
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated Balance at the beginning of the year	5.74	5.74	16.84	16.16	22.58	21.90
Issued during the year	-	-	0.80	0.68	0.80	0.68
Buyback of shares	-	-	-	-	-	-
Sub-total	**5.74**	**5.74**	**17.64**	**16.84**	**23.39**	**22.58**
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**	**17.64**	**16.84**	**21.25**	**20.45**

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 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 01 April 2021	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)
Issue expenses for debt securities	-	11.39	-	-	-	-	-	11.39
Premium on issue of shares	-	812.96	-	-	-	-	-	812.96
Equity Component of Debt Securities issued during the year	-	-	-	-	(23.55)	-	-	(23.55)
Employee stock options expense	-	-	57.03	-	-	-	-	57.03
Transfer to statutory reserve	-				-		-	-
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**
Changes in accounting policy or prior period errors (Refer Note 21)	-	-	-	-	23.55	1.69	(28.18)	(2.94)
Restated Balance as at 31 March 2022 after above adjustments	40.59	5,755.45	262.32	0.07	-	7.36	(1,282.44)	4,783.35
Comprehensive income for the year	-	-	-	-	-	0.73	(1,465.37)	(1,464.64)
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Premium on issue of shares	-	799.06	-	-	-	-	-	799.06
Equity Component of Debt Securities issued during the year	-	-	-	-	382.77	-	-	382.77
Issue expenses for debt securities	-	-	-	-	-	-	-	-
Employee stock options expense	-	-	58.29	-	-	-	-	58.29
Balance as at 31 March 2023	**40.59**	**6,554.51**	**320.61**	**0.07**	**382.77**	**8.09**	**(2,747.81)**	**4,558.83**

Summary of significant accounting policies

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 30, 2023

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

Place: Chennai
Date: May 30, 2023

Gurunath Neelamani
Whole-time Director
DIN : 02799586

Place: Chennai
Date: May 30, 2023

Arunkumar Sridharan
Company Secretary
Membership No.: F7112

Place: Chennai
Date: May 30, 2023

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

The Holding Company has five wholly owned subsidiaries as at the year end 31 March 2023.

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. Samunnati Agri Innovations Lab Private Limited (Formerly called as Kamatan Farm Tech Private Limited) - The Company has acquired 100% stake in Samunnati Agri Innovations Lab Private Limited (Formerly called as 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.

5. Samunnati Investment Management Services Private Limited ('SIMS') was incorporated on 08 March 2022 and is registered under the Companies Act 2013 as a company limited by shares.

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 up to FY 2020-21. However the same has not been consolidated from the previous 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 Statement of compliance with Ind AS and basis for preparation and presentation of 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.

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The Group 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 consolidated financial statements were approved by the Holding Company Board of Directors and authorised for issue on May 30, 2023.

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 Group 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 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 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).

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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.

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

The Group 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 Group expects to recover the carrying amount of these assets. The Group 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 Group 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 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 Group 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 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.

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.

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

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.

As part of the regular review, in line with changes in loan portfolio and their repayment pattern, the Holding Company has revised the definition of stages, as under.

The loan portfolio are segmented into two broad categories i.e., Farmer Collectives and Agri enterprises.

Name of the Pool of loan assets	Stage	Loans Days Past Due (DPD)	
		Adopted upto FY'22	w.e.f FY'23
Farmer Collectives			
	Stage 1	Upto 60 Days	Upto 60 Days
	Stage 2	61 Days to 240 Days	61 Days to 180 Days
	Stage 3	More than 240 Days	More than 180 Days
Agri enterprises			
	Stage 1	Upto 60 Days	Upto 60 Days
	Stage 2	61 Days to 360 Days	61 Days to 180 Days
	Stage 3	More than 360 Days	More than 180 Days

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.

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 Holding Company uses historical information to determine PD. Considering the different categories of customers, the Holding Company has bifurcated its loan portfolio into five pools. 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.

The impact on account of change in default definition and staging has resulted in an additional ECL of Rs. 327.83 million for FY'23.

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.

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.

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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 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.

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.

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.

Intangible assets

intangible assets are stated at cost less accumulated amortisation 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

PKF SRIDHAR & SANTHANAM LLP FIRM REGN No. CHENNAI 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 within three years.

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.

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. 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 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 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 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.

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.

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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 provident fund 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.

d) Leave encashment/ compensated absences /sick leave

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.

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.

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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) 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.

2.15 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

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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.

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

New and amended standards adopted by the Group:

The Group has applied the following amendments (wherever applicable) for the first time for their annual reporting period commencing April 1, 2022:

Ind AS 16 – Property Plant and equipment-

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that related directly to a contract can either be incremental costs of fulfilling that contract (Examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The above amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New Standards/Amendments notified but not yet effective:

Ministry of Corporate Affairs (MCA), on March 31, 2023, through the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2023 amended certain existing Ind ASs on miscellaneous issues with effect from 1st April 2023. Following are few key amendments relevant to the Group:

(i) Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.

(ii) Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

(iii) Ind AS 8 – Accounting policies, changes in accounting estimate and errors-Clarification on what constitutes an accounting estimate provided.

(iv) Ind AS 12 – Income Taxes – In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

The Holding Company does not expect the effect of this on the financial statements to be material, based on preliminary evaluation. However, it may be noted that we expect there would be a change in Accounting policies section of the financial statements as the standard would require presentation of 'material accounting policies' as against 'significant accounting policies' disclosed so far.

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.

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

		As at 31 March 2023	As at 31 March 2022
3	**Cash and cash equivalents**		
	Cash-on-hand	0.23	-
	Balances with banks		
	(i) In current account	1,067.76	759.42
	(ii) in deposit account (with original maturity up to 3 months)	179.46	408.23
		1,247.45	**1,167.65**
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)	218.08	221.45
	- with original maturity of more than 3 months but less than 12 months	202.93	290.70
		421.01	**512.15**

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	196.05	160.21
		196.05	**160.21**
	Maturity period of more than 12 months		
(ii)	Held as collateral against borrowings and securitisation transactions	22.03	61.24
		22.03	**61.24**
	Total	**218.08**	**221.45**
5	**Trade receivables**		
	Unsecured		
	Considered good	2,561.37	3,288.03
	Less: Allowance for expected credit loss	(14.87)	(31.42)
		2,546.50	**3,256.61**
	Having significant increase in credit risk	323.49	252.97
	Less: Allowance for expected credit loss	(42.00)	(42.91)
		281.49	**210.06**
	Credit impaired	221.56	328.52
	Less: Allowance for expected credit loss	(202.73)	(317.79)
		18.83	**10.73**
		2,846.82	**3,477.40**
	(Refer Note 47 for ageing schedule of trade receivables)		
6	**Loans**		
(A)	**Term Loans at amortised cost**		
	To clients	11,166.77	11,414.21
	Total- Gross	**11,166.77**	**11,414.21**
	Less : Impairment loss allowance	(1,013.26)	(352.53)
	Total- Net	**10,153.51**	**11,061.68**
(B)	**Secured/ Unsecured break up**		
(i)	**Secured against tangible assets:**		
	Gross	1,075.49	1,081.22
	Less: Impairment loss allowances	(83.69)	-
	Net	**991.80**	**1,081.22**
(ii)	**Secured against receivables:**		
	Gross	-	-
	Less: Impairment loss allowances	-	-
	Net	-	-
(iii)	**Unsecured**		
	Gross	10,091.28	10,332.99
	Less: Impairment loss allowances	(929.57)	(352.53)
	Net	**9,161.71**	**9,980.46**
	Total (B) = (i) + (ii) + (iii)	**10,153.51**	**11,061.68**

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

		As at 31 March 2023	As at 31 March 2022
(C)	**Loans in/ outside India**		
	(i) Loans in India		
	(a) Public sector	-	-
	(b) Others	11,166.77	11,414.21
		11,166.77	**11,414.21**
	Less : Impairment loss allowance	(1,013.26)	(352.53)
	Total (i)	**10,153.51**	**11,061.68**
	(ii) Loans outside India	-	-
	Total (C) = (i) + (ii)	**10,153.51**	**11,061.68**

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

Summary of loans by stage distribution

	Gross Carrying Amount (A)	Impairment Loss Allowance (B)	Net Carrying Amount (A-B)
As at 31 March 2023			
Stage 1 - Considered good	10,353.18	347.21	10,005.97
Stage 2 - Significant increase in credit risk	154.61	31.28	123.33
Stage 3 - Credit impaired	658.98	634.77	24.21
	11,166.77	**1,013.26**	**10,153.51**
As at 31 March 2022			
Stage 1 - Considered good	10,312.28	29.48	10,282.80
Stage 2 - Significant increase in credit risk	767.04	43.03	724.01
Stage 3 - Credit impaired	334.89	280.02	54.87
	11,414.21	**352.53**	**11,061.68**

		As at 31 March 2023	As at 31 March 2022
7	**Investments**		
(A)	**At amortised cost**		
(i)	In Pass Through Certificates ("PTC")	3.42	183.87
(ii)	Samunnati Foundation 850,000 (previous year: 850,000) equity shares of ₹10 each	8.50	8.50
		11.92	**192.37**

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

	As at 31 March 2023	As at 31 March 2022
Out of above		
In India	11.92	192.37
Outside India	-	-
	11.92	**192.37**

		As at 31 March 2023	As at 31 March 2022
8	**Other financial assets**		
	Unsecured, considered good		
	Security deposits	27.63	18.06
	Employee advances	3.90	5.22
	Deposits with financial institutions	-	111.50
	Interest accrued but not due on deposits with financial institutions	9.13	13.17
	Other receivables	19.24	4.14
		59.90	**152.09**

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

	As at 31 March 2023	As at 31 March 2022
9 Inventories		
At lower of cost or net realisable value		
Stock in trade	1,160.32	869.31
Less: Provision for inventory	(103.76)	(20.15)
	1,056.56	849.16
10 Non-current tax assets (net)		
Advance income tax (net of provisions for tax)	354.45	189.33
	354.45	189.33

11 Deferred tax assets (net)

Tax effect of items constituting deferred tax assets / (liabilities) :	Balance as at April 01, 2022	(Charge) / credit to statement of profit and loss	(Charge) / credit to OCI	Others Adjustments	Balance as at March 31, 2023
Fixed assets	(6.65)	(8.49)	-	-	(15.14)
Provisions for employee benefits	12.96	(0.46)	(0.21)	-	12.29
Provision for Inventory	-	17.78	-	-	17.78
Impairment loss allowance	176.71	140.79	-	-	317.50
Carried forward losses	33.73	273.40	-	-	307.13
Employee stock option expenses	175.86	-	-	-	175.86
Others	3.93	4.70	-	-	8.63
Total	**396.54**	**427.72**	**(0.21)**	**-**	**824.05**

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**

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

	As at 31 March 2023	As at 31 March 2022
13 Other non-financial assets		
Prepaid expenses	51.68	61.83
Advance paid to vendors	302.62	128.25
Balances with government authorities	85.39	53.86
Advances to employees	1.73	-
	441.42	**243.94**
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	306.21	697.42
	306.21	**698.09**

(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	5,075.53	5,294.84
	5,075.53	**5,294.84**

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

Debt securities in India	598.21	777.85
Debt securities outside India	4,477.32	4,516.99
Total	**5,075.53**	**5,294.84**

(also, refer note 44 A)

16 Borrowings (other than debt securities)		
At amortised cost		
Term loans:		
from banks	1,048.67	2,201.06
from other parties	5,141.00	4,446.80
Commercial paper	-	250.00
Working capital loan	1,747.89	1,092.88
Interest accrued but not due on borrowings	25.92	26.54
	7,963.48	**8,017.28**

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

Borrowings in India	7,231.42	7,652.26
Borrowings outside India	732.06	365.02
	7,963.48	**8,017.28**

(also, refer note 44 B)

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	As at 31 March 2023	As at 31 March 2022
17 Other financial liabilities		
Unamortised interest income	1.61	23.02
Lease liability	34.91	36.35
Employee related payables	74.84	72.57
Provision for expenses	1.25	-
Financial liability of compound financial instrument	18.26	-
MTM Cost on ECB Borrowing	8.00	25.84
Other payables	53.22	18.41
Interest accrued but not due on borrowings	19.73	-
	211.82	**176.19**
18 Provisions		
Provision for employee benefits		
Gratuity	25.07	20.39
Compensated absences	26.21	24.07
	51.28	**44.46**
19 Other non-financial liabilities		
Advance received from customers	236.75	178.54
Statutory dues payable	57.28	37.81
Others	0.34	0.34
	294.37	**216.69**

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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

Particulars	Property, plant and equipment									Biological assets	Right of use assets	Other intangible assets			Intangible assets under development
	Freehold land	Furniture and fittings	Office equipment	Computers & accessories	Vehicles	Leasehold improvements	Plant & Machinery	Building	Total			Goodwill on Consolidation	Computer Software	Total	
Gross block															
Balance as at 01 April 2021	2.31	9.15	11.17	25.16	23.01	23.37	-	-	94.17	0.48	33.39	-	30.32	30.32	15.38
Additions	27.76	2.58	3.29	19.95	18.69	-	5.16	-	77.43	0.17	33.10	775.67	19.57	795.24	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**	**14.01**	**44.97**	**37.21**	**23.35**	**5.16**	**-**	**165.87**	**0.65**	**66.01**	**775.67**	**49.89**	**825.56**	**71.50**
Additions	42.03	0.25	3.04	3.71	3.25	-	1.01	11.00	64.29	-	27.84	-	109.53	109.53	76.97
Disposals/ deductions	-	(0.33)	-	(4.83)	(4.66)	-	(1.22)	-	(11.04)	-	(1.67)	-	(49.71)	(49.71)	(125.55)
Balance as at 31 March 2023	**72.10**	**11.02**	**17.05**	**43.85**	**35.80**	**23.35**	**4.95**	**11.00**	**219.12**	**0.65**	**92.18**	**775.67**	**109.71**	**885.38**	**22.92**
Accumulated depreciation and amortization															
Balance as at 01 April 2021	-	1.54	3.13	14.03	7.89	7.64	-	-	34.23	-	15.80	-	5.11	5.11	-
Charge for the year	-	1.18	2.02	9.51	7.65	5.22	0.25	-	25.83	0.01	18.98	-	19.97	19.97	-
Disposals	-	(0.06)	(0.06)	(0.12)	(2.28)	0.20	-	-	(2.32)	-	-	-	-	-	-
Balance as at 31 March 2022	**-**	**2.66**	**5.09**	**23.42**	**13.26**	**13.06**	**0.25**	**-**	**57.74**	**0.01**	**34.78**	**-**	**25.08**	**25.08**	**-**
Charge for the year	-	1.33	1.98	11.37	8.79	4.98	0.32	0.12	28.89	0.05	24.76	-	7.04	7.04	-
Disposals	-	(0.13)	-	(4.59)	(2.43)	-	(0.04)	-	(7.19)	-	-	-	(16.59)	(16.59)	-
Balance as at 31 March 2023	**-**	**3.86**	**7.07**	**30.20**	**19.62**	**18.04**	**0.53**	**0.12**	**79.44**	**0.06**	**59.54**	**-**	**15.53**	**15.53**	**-**
Net block															
As at 31 March 2022	**30.07**	**8.44**	**8.92**	**21.55**	**23.95**	**10.29**	**4.91**	**-**	**108.13**	**0.64**	**31.23**	**775.67**	**24.81**	**800.48**	**71.50**
As at 31 March 2023	**72.10**	**7.16**	**9.98**	**13.65**	**16.18**	**5.31**	**4.42**	**10.88**	**139.68**	**0.59**	**32.64**	**775.67**	**94.18**	**869.85**	**22.92**

Intangible Assets under Development ageing Schedule as on March 31, 2023

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	5.66	17.26	-	-	22.92
Projects temporarily suspended	-	-	-	-	-
Total	**5.66**	**17.26**	**-**	**-**	**22.92**

There is no project for which cost exceeded the budget or time over run. There were no projects which is temporarily suspended as at March 31, 2023.

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	56.58	12.53	2.39	-	71.50
Projects temporarily suspended	-	-	-	-	-
Total	**56.58**	**12.53**	**2.39**	**-**	**71.50**

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

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

		As at 31 March 2023		As at 31 March 2022	
		No. of shares	Amount	No. of shares	Amount
20	**Equity share capital**				
	Authorised share capital				
	Equity shares of ₹ 10 each	750,000	7.50	750,000	7.50
	Compulsorily convertible preference shares of ₹ 10 each	2,300,000	23.00	1,750,000	17.50
	Total	**3,050,000**	**30.50**	**2,500,000**	**25.00**
	Issued				
	Equity shares of ₹ 10 each	573,861	5.74	573,861	5.74
	Compulsorily convertible preference shares of ₹ 10 each	1,763,819	17.64	1,683,819	16.16
	Subscribed and paid-up:				
	Equity shares of ₹ 10 each	573,861	5.74	573,861	5.74
	Less: Equity shares held under trust for employees under ESOP scheme (also, refer note h) below	(213,523)	(2.14)	(213,523)	(2.14)
	Compulsorily convertible preference shares of ₹ 10 each	1,763,819	17.64	1,683,819	16.84
	Total	**2,124,157**	**21.25**	**2,044,157**	**20.45**
a)	**Reconciliation of number of equity shares and amount outstanding**				
	Issued, subscribed and paid-up				
	Balance at the beginning of the year	573,861	5.74	573,861	5.74
	Shares issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
		573,861	5.74	573,861	5.74
	Less: Equity shares held under trust for employees under ESOP scheme	(213,523)	(2.14)	(213,523)	(2.14)
	Balance at the end of the year	**360,338**	**3.60**	**360,338**	**3.60**
b)	**Reconciliation of number of preference shares and amount outstanding**				
	Issued, subscribed and paid-up:				
	Balance at the beginning of the year	1,683,819	16.84	1,616,195	16.16
	Shares issued during the year	80,000	0.80	67,624	0.68
	Balance at the end of the year	**1,763,819**	**17.64**	**1,683,819**	**16.84**

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	238,257	42%	238,257	42%
Samunnati ESOP Welfare Trust	213,523	37%	213,523	37%
Accel India V (Mauritius) Ltd	75,733	13%	75,733	13%
Compulsorily convertible preference shares of ₹ 10 each				
Elevar M-III	421,522	24%	421,522	25%
Accel India V (Mauritius) Ltd	384,949	22%	374,949	22%
ResponsAbility Agriculture I, SLP	366,594	21%	366,594	22%
Teachers Insurance and Annuity Association of America	266,730	15%	226,730	13%
Accel Growth Fund V L.P	110,075	6%	110,075	7%
Elevar I-IV AIF represented by its Trustee Vistra ITCL	148,957	8%	118,957	7%

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

	March 31, 2023		
Promoter Name	**Number of shares**	**Percentage of total shares**	**Percentage change during the year**
Mr. Anil Kumar S G	238,257	41.52%	-

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Promoter Name	March 31, 2022		
	Number of shares	Percentage of total shares	Percentage change during the year
Mr. Anil Kumar S G	238,257	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 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, D1 and Pre-Series E series compulsorily convertible preference shares having a face value of Rs. 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

The holding Company has issued Pre-Series E Optionally Convertible Redeemable Preference Shares ("Pre-Series E OCRPS") having a face value of Rs. 10 per share. At the option of the holders of Pre-Series E OCRPS, these shares, may be converted into Pre-Series E Compulsorily Convertible Cumulative Preference Shares ("Pre-Series E CCPS"). The Pre-Series E OCRPS Conversion Ratio shall initially be 1:1 and shall be subject to adjustments as per the terms of issue ("Pre-Series E OCRPS Conversion Ratio"). The holders of Pre-Series E OCRPS shall, at any time prior to 19 (nineteen) years from the date of issuance of the same, be entitled to call upon the holding Company to convert all (and not less than all) of the Pre-Series E OCRPS in accordance with the Pre-Series E OCRPS Conversion Ratio by issuing a Notice to the Company. The Pre-Series E OCRPS, if not converted earlier, shall automatically convert into Pre-Series E CCPS at the then applicable conversion rate, (i) on the latest permissible date prior to the issue of Shares to the public in connection with the occurrence of a Public Offer under Applicable Law, or (ii) on the day following the completion of 19 years from the date of issuance of the same. The holders of Pre-Series E OCRPS shall not be entitled to attend meetings of Shareholders of the Company and will not be entitled to any voting rights prior to conversion of the Pre-Series E OCRPS into Pre-Series E CCPS. Only so long as the Pre-Series E OCRPS have not been converted to Pre-Series E CCPS, the holder of the Pre-Series E OCRPS shall be entitled to seek redemption of all or any of the Pre-Series E OCRPS at such IRR and within such timelines, as per the terms of issue.

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
Pre-Series E	10 Oct 2041	0.70
Pre-Series E	12 Oct 2041	0.10
Pre-Series E OCRPS	30 Nov 2041	0.40
		18.04

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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.

21 Other equity

	As at 31 March 2023	As at 31 March 2022
Statutory Reserve	40.59	40.59
Securities Premium	6,554.51	5,755.45
Employee stock options outstanding	320.61	262.32
Capital Redemption Reserve	0.07	0.07
Equity component of compound financial instruments	382.77	(23.55)
Other comprehensive income	8.09	5.67
Retained earnings* (Refer Note below)	(2,747.81)	(1,254.26)
	4,558.83	**4,786.29**

* Note: Samunnati Foundation was consolidated in the FY 20-21. However the same has not been consolidated from the FY 21-22 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 FY 20-21 amounting Rs. 1.13 million has been eliminated in the previous year consolidation. Regrouping with corrections have been carried out in the current year pertaining to the previous year in the equity component of compound financial instruments, other comprehensive income and retained earnings.

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

		Year ended 31 March 2023	Year ended 31 March 2022
22	**Revenue from operations**		
	a) Interest income on financial instruments measured at amortised cost		
	Loans	1,702.92	1,592.75
	Investment in Pass Through Certificates	10.97	24.42
	Security deposits held with lenders	15.12	18.56
	Fixed deposits	16.40	4.55
		1,745.41	**1,640.28**
	b) Sale of traded goods		
	Agricultural products	16,885.84	21,155.79
		16,885.84	**21,155.79**
	c) Other operating revenue	143.22	132.99
		143.22	**132.99**
	Total (a+b+c)	**18,774.47**	**22,929.06**
23	**Other income**		
	Other non-operating income		
	Interest income on delayed payment of dues by customers	49.96	14.46
	Income from mutual fund investments	42.18	14.40
	Interest income on Fixed deposits	16.80	-
	Recovery of defaults in loan serviced	-	0.92
	Income from debt fund	1.31	16.58
	Other income	113.00	11.72
		223.25	**58.08**
24	**Finance costs**		
	On financial liabilities measured at amortised cost		
	Interest expense on:		
	Borrowings (other than debt securities)	773.49	596.19
	Debt securities	616.75	532.06
	Lease liability	4.05	4.37
	Other borrowing costs	97.42	82.90
		1,491.71	**1,215.52**
25	**Impairment on financial instruments**		
	At amortised cost		
	Impairment of loans	660.73	200.24
	Impairment of trade receivables	-	220.56
	Bad debts written off	648.23	585.92
		1,308.96	**1,006.72**
26	**Purchases of stock-in-trade**		
	Purchase of stock-in-trade	16,727.45	21,590.20
		16,727.45	**21,590.20**
27	**Changes in inventories of stock in trade**		
	Opening stock	869.31	24.20
	Closing stock	1,160.32	869.31
		(291.01)	**(845.11)**
28	**Employee benefit expenses**		
	Salaries and wages (also, refer note 45)	741.20	735.93
	Gratuity and leave encashment expenses (Also refer note 34)	26.79	26.95
	Contribution to provident and other funds	31.29	30.82
	Employee stock option expenses (also, refer note 33)	58.29	57.03
	Staff welfare expenses	23.30	27.60
		880.87	**878.33**
29	**Depreciation & amortization**		
	(Also, refer note 12)		
	Depreciation on property, plant and equipment	28.94	25.84
	Amortisation of intangible assets	7.04	19.97
	Depreciation on right of use assets	24.76	18.98
		60.74	**64.79**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

		Year ended 31 March 2023	Year ended 31 March 2022
30	**Other expenses**		
	Legal and professional charges	179.64	144.45
	Service fee expenses	18.45	2.24
	Technology and communication expenses	39.08	31.48
	Membership and subscription charges	15.42	17.58
	Travelling and conveyance	70.40	42.33
	Insurance	29.35	45.39
	Payments to auditors (also, refer note below)	10.68	9.83
	Repairs and maintenance - others	10.61	11.73
	Rates and taxes	3.04	2.15
	Rent	16.29	16.02
	Impairment of trade receivables	72.51	-
	Printing and stationery	3.79	4.14
	Power and fuel	6.04	3.32
	Sitting fees	2.65	3.37
	Loss on sale of property, plant and equipment	0.38	0.08
	Marketing expenses	12.45	10.49
	Provision for Inventory	83.61	20.15
	Bad debts written off	3.33	-
	Miscellaneous expenses (also, refer note 38)	129.27	39.04
		706.99	**403.79**
31	**Tax expenses**		
	a) Income tax recognized in statement of profit and loss		
	Current tax:		
	In respect of current year	0.07	-
	In respect of prior years	5.03	-
		5.10	**-**
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	(427.72)	(260.71)
	Total income tax recognized in statement of profit and loss	**(427.72)**	**(260.71)**
	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	0.21	0.34
	Total income tax recognized in other comprehensive income	**0.21**	**0.34**
32	**Earnings Per Share (EPS) after considering compulsorily convertible preference shares**		
	Net (loss) attributable to equity shareholders ₹ in millions (Basic and Diluted)	(1,465.37)	(1,066.39)
	Weighted average number of equity shares used in computing basic EPS (in numbers)	360,338	360,338
	Weighted average number of CCPS used in computing basic EPS (in numbers)	1,721,298	1,683,819
	Total weighted average number of shares used in computing Basic EPS (in numbers)	2,081,636	2,044,157
	Basic EPS (₹) - face value of share ₹10 each	(703.95)	(521.68)
	Diluted EPS (₹) - face value of share ₹10 each	(703.95)	(521.68)

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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. On February 10, 2022 the Board approved the Employees Stock Option Plan 2022 to broaden the terms and conditions, including those on vesting, exercise, lapse, surrender, etc. and the same was approved by the Holding Company on March 07, 2022.

During the current year board of directors did not approve any ESOP to employees.

Particulars	No. of options as at March 31, 2023	Weighted Average Rate	No. of options as at March 31, 2022	Weighted Average Rate
Options outstanding at the beginning of the year	85,713	3,173	57,565	2,156
Granted during the year	-	-	43,380	5,022
Exercised during the year	-	-	-	-
Expired/ lapsed during the year	(11,259)	-	(15,232)	-
Options outstanding at the end of the year	74,454	3,441	85,713	3,173
Options exercisable as at the end of the period	10,930	739	10,930	739

The weighted average remaining contractual life for the stock options outstanding at the end of the year was 191 days (previous year 393 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	FY 2022-23
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%	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	3.00
Expected dividends yield	-	-	-	-	-	-	-	-
Risk free interest rate (%)	7.55%	6.85%	6.66%	7.62%	6.81%	5.86%	6.80%	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: 0 days)

Particulars	No. of options as at March 31, 2023	Weighted Average Rate	No. of options as at March 31, 2022	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	45,000	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.

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

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 Mar 31,2023	Year ended Mar 31,2022
. Amount recognized in the statement of Profit and Loss		
Current service cost	8.45	6.12
Net Interest cost	1.70	1.25
Total expenses included in employee benefit expenses	**10.15**	**7.37**
. Amount recognized in Other Comprehensive Income		
Remeasurement (gains)/ losses:		
Actuarial (gain)/ losses arising from changes in		
- Experience adjustments	(0.94)	(2.28)
Total amount recognized in other comprehensive income	**(0.94)**	**(2.28)**

	Year ended March 31, 2023	As at March 31, 2022
. Changes in the defined benefit obligation		
Opening defined benefit obligation	20.39	16.86
Opening addition from acquisition of Kamatan Farm Tech Private Limited	-	1.35
Current service cost	8.45	6.12
Interest expense	1.70	1.25
Remeasurement (gains)/losses arising from changes in -		
- Experience adjustments	(0.94)	(2.28)
Benefits paid	(0.91)	(2.91)
(Disposals)/Acquisitions (Net)	(3.62)	-
Closing defined benefit obligation	**25.07**	**20.39**

	Year ended March 31, 2023	As at March 31, 2022
. Net defined benefit obligation		
Defined benefit obligation	25.07	20.39
Current portion of the above	3.50	2.46
Non current portion of the above	21.57	17.93

V. Maturity profile of defined benefit obligation (undiscounted)	As at March 31, 2023	As at March 31, 2022
Within 1 year	3.87	2.46
1 to 5 years	10.79	9.79
More than 5 years	29.63	20.71

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	As at March 31, 2023	As at March 31, 2022
I. Actuarial assumptions and sensitivity		
Discount rate (p.a.)	7.20%	6.7% - 6.9%
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, 2023	Year ended March 31, 2022
One percentage point increase in discount rate	(1.31)	(1.08)
One percentage point decrease in discount rate	1.47	1.20
One percentage point increase in salary growth rate	1.49	1.21
One percentage point decrease in salary growth rate	(1.37)	(1.11)

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, 2023	Year ended March 31, 2022
I. Actuarial assumptions and sensitivity		
Discount rate (p.a.)	7.20%	6.7% - 6.9%
Rate of salary increase	7.00%	15.00%
Attrition rate over different age brackets	7.00%	7.00%

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, 2023	Year ended March 31, 2022
II. Expenses recognized in Statement of profit and loss		
Included under gratuity and leave encashment expenses	16.64	19.58

	Year ended March 31, 2023	Year ended March 31, 2022
III. Net defined benefit obligation		
Defined benefit obligation	26.21	24.07
Current portion of the above	7.62	8.20
Non current portion of the above	18.59	15.87

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 2023	As at 31 March 2022
Debt	13,039.01	13,312.12
Less: Cash and cash equivalents and other bank balances	(1,668.46)	(1,679.80)
Net debt	**11,370.55**	**11,632.32**
Total equity	4,580.08	4,806.74
Net debt to equity ratio (%)	248.26%	242.00%

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

36 **Leases**

As a lessee

a) Additions to right of use asset

Particulars	**Year ended 31-Mar-23**	**Year ended 31-Mar-22**
Leased premises	27.84	33.10

b) Carrying value of right of use asset

Particulars	**As at 31-Mar-23**	**As at 31-Mar-22**
Right of use asset as on the opening date	31.23	17.59
Additions during the year	27.84	33.10
Disposals/ deductions	(1.67)	(0.48)
Depreciation charge for the year	(24.76)	(18.98)
Balance as at the year end	32.64	31.23

c) Maturity analysis of lease liability

Contractual Undiscounted Cash Flows		
Less than 1 year	24.67	20.09
One to five years	13.88	20.02
Total undiscounted lease liability	38.54	40.11
Lease liabilities included in the statement of financial position	34.91	36.35

d) Amounts recognized in Statement of profit or loss	**Year ended 31-Mar-23**	**Year ended 31-Mar-22**
Interest on lease liabilities	4.05	4.37
Depreciation charge for the year	24.76	18.98
Expenses relating to short-term leases	16.29	16.02

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, AY 2018-19 and AY 2020-21 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 2023	**AY 2016-17**	**AY 2018-19**	**AY 2020-21**
Amount of demand	10.24	0.26	106.03
Amount paid against stay	2.10	-	21.21

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	-

38 **Corporate Social Responsibility**

The Group has not incurred any expenditure during the current year (P.Y.₹ 0.87 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 Group during the year is Nil (previous year: Rs. 0.87 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

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

Particulars	**31 March 2022**	**Interest expenses#**	**Cash flows (net)**	**Interest payments***	**Amortisation of loan origination cost**	**31 March 2023**
(i) Debt securities	5,294.84	616.75	(219.31)	(616.75)	-	5,075.53
(ii) Borrowings (other than debt securities)	8,017.28	773.49	(8.17)	(916.54)	97.42	7,963.48
Total	13,312.12	1,390.24	(227.48)	(1,533.29)	97.42	13,039.01

Particulars	**31 March 2021**	**Interest expenses#**	**Cash flows (net)**	**Interest payments***	**Amortisation of loan origination cost**	**31 March 2022**
(i) Debt securities	4,213.92	532.06	1087.41	(544.00)	5.45	5,294.84
(ii) Borrowings (other than debt securities)	5,343.40	596.19	2699.72	(674.86)	52.83	8,017.28
Total	9,557.32	1,128.25	3,787.13	(1,218.86)	58.28	13,312.12

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 risk	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 group to credit risk

Particulars	Nature	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents (excluding cash on hand)	Low credit risk	1,247.45	1,167.65
Bank balance other than above*	Low credit risk	421.01	512.15
Trade receivables- considered good*	Low credit risk	2,561.37	3,288.03
Trade receivables- having significant increase in credit risk *	Moderate credit risk	323.49	252.97
Trade receivables- credit impaired*	High credit risk	221.56	328.52
Loans - considered good*	Low credit risk	10,353.18	10,312.28
Loans - having significant increase in credit risk*	Moderate credit risk	154.61	767.04
Loans - credit impaired*	High credit risk	658.98	334.89
Investments	Low credit risk	11.92	192.37
Other financial assets	Low credit risk	59.90	152.09

(*) 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, 2023	Year ended March 31, 2022
Balance at the beginning of the year	392.12	156.62
Balance taken over from Kamatan Farm Tech Private Limited	-	12.94
Add: Allowance for the year	72.49	220.56
Less: Written off during the year	(205.01)	-
Balance at the end of the year	**259.60**	**392.12**

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, 2023 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 2023				
Gross carrying amount	1,247.45	421.01	11.92	59.90
Less: Expected credit losses	-	-	-	-
Net carrying amount	**1,247.45**	**421.01**	**11.92**	**59.90**
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**

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.

Stage	Loans Days past due (DPD)
Stage 1	Upto 60 days
Stage 2	61 days to 180 days
Stage 3	More than 180 days

Credit Quality of Loan Assets

Particulars	As at 31 March 2023	As at 31 March 2022
Stage 1	10,353.18	10,312.28
Stage 2	154.61	767.04
Stage 3	658.98	334.89
Total	11,166.77	11,414.21

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

As at 31 March 2023

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying value of opening balances	10,312.28	767.04	334.89
Adjustments to opening balances due to change in definition of default	-	(75.36)	75.36
Revised gross carrying value of opening balances	**10,312.28**	**691.68**	**410.25**
New assets originated during the year, netted off repayments and derecognised portfolio*	907.77	(441.69)	(65.29)
Transfer to stage 1	255.39	(254.83)	(0.56)
Transfer to stage 2	(224.89)	224.90	(0.01)
Transfer to stage 3	(891.74)	(65.41)	957.15
Amounts written off	(5.63)	(0.04)	(642.56)
Gross carrying value of closing balances	**10,353.18**	**154.61**	**658.98**

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**

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Movement in expected credit loss of loans:

As at 31 March 2023

Particulars	Stage 1	Stage 2	Stage 3
ECL allowance - opening balances	29.48	43.03	280.02
New assets originated during the year, netted off repayments and derecognised portfolio	(0.55)	(27.48)	(44.57)
Transfer to stage 1	0.64	(0.64)	(0.00)
Transfer to stage 2	(13.99)	13.99	(0.00)
Transfer to stage 3	(608.66)	(44.64)	653.31
Impact of ECL on exposures transferred	945.91	47.07	388.57
Amounts written off	(5.63)	(0.05)	(642.56)
ECL allowance - closing balances	**347.21**	**31.28**	**634.77**

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**

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 ₹ 67.89 millions and ₹ 83.06 millions respectively. (As at March 31, 2022: ₹ 60.72 millions and (₹ 16.21) millions respectively)

*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 2023	Year ended 31 March 2022
Interest sensitivity*		
Interest rates – increase by 0.50%	20.34	15.08
Interest rates – decrease by 0.50%	(20.34)	(15.08)

* 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 2023	As at 31 March 2022
	Amount in Euro's	Amount in Euro's
Financial assets		
Trade receivables	0.12	0.00

41 **Fair value measurements**

a) **Financial instruments measured at amortized cost**

	As at 31 March 2023	As at 31 March 2022
Financial assets	Carrying value	Carrying value
Cash and cash equivalents	1,247.45	1,167.65
Other Bank Balances	421.01	512.15
Trade receivables	2,846.82	3,477.40
Loans	10,153.51	11,061.68
Investments	11.92	192.37
Other financial assets	59.90	152.09
	14,740.61	16,563.34
Financial liabilities		
Trade payables	306.21	698.09
(i) Debt securities	5,075.53	5,294.84
(ii) Borrowings (other than debt securities)	7,963.48	8,017.28
Other financial liabilities	211.82	176.19
	13,557.04	14,186.40

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	Fair value Level 2	Fair value Level 3
Financial assets					
Investments					
As at 31 March 2023	-	-	-	-	-
As at 31 March 2022	-	-	-	-	-

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 2023			
	Financing	Trading and allied activities	Others	Total
Total income	1,887.71	17,110.01	-	18,997.72
Cost of goods sold	-	16,436.44	-	16,436.44
Finance costs	1,215.75	275.96	-	1,491.71
Depreciation and amortization	49.32	11.42	-	60.74
Employee benefit expenses	484.34	396.53	-	880.87
Profit/(loss) before tax	(1,444.50)	(443.49)	-	(1,887.99)
Tax expense	(313.51)	(109.11)	-	(422.62)
Profit/(loss) after tax	(1,130.99)	(334.38)	-	(1,465.37)

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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 2023
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Particulars	For the Year ended 31 March 2022			
	Financing	Trading and allied activities	Others	Total
Total income	1,723.78	21,263.36	-	22,987.14
Cost of goods sold	-	20,745.09	-	20,745.09
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)

Particulars	For the Year ended 31 March 2023			
	Financing	Trading and allied activities	Others	Total
Segment Assets	13,162.61	5,320.16	-	18,482.77
Segment Liabilities	9,711.85	4,190.84	-	13,902.69

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

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

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 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	1,247.45	-	1,247.45	1,167.65	-	1,167.65
Other bank balances	304.28	116.73	421.01	450.91	61.24	512.15
Trade receivables	2,846.82	-	2,846.82	3,477.40	-	3,477.40
Loans	5,404.23	4,749.28	10,153.51	8,026.50	3,035.18	11,061.68
Investments	3.42	8.50	11.92	178.90	13.47	192.37
Other financial assets	37.53	22.37	59.90	134.52	17.57	152.09
	9,843.73	**4,896.88**	**14,740.61**	**13,435.88**	**3,127.46**	**16,563.34**
Non- financial assets						
Inventories	1,056.56	-	1,056.56	849.16	-	849.16
Non-current tax assets (net)	-	354.45	354.45	-	189.33	189.33
Deferred tax assets (net)	-	824.05	824.05	-	396.54	396.54
Property, plant and equipment	-	139.68	139.68	-	108.13	108.13
Biological Assets	-	0.59	0.59	-	0.64	0.64
Right of use assets	-	32.64	32.64	-	31.23	31.23
Other intangible assets	-	869.85	869.85	-	800.48	800.48
Intangible assets under development	-	22.92	22.92	-	71.50	71.50
Other non-financial assets	435.85	5.57	441.42	243.94	-	243.94
	1,492.41	**2,249.75**	**3,742.16**	**1,093.10**	**1,597.85**	**2,690.95**
LIABILITIES						
Financial Liabilities						
Trade payables	306.21	-	306.21	698.09	-	698.09
Debt securities	2,080.15	2,995.38	5,075.53	914.70	4,380.14	5,294.84
Borrowings (other than debt securities)	6,413.33	1,550.15	7,963.48	6,110.96	1,906.32	8,017.28
Other financial liabilities	182.06	29.76	211.82	134.09	42.10	176.19
	8,981.75	**4,575.29**	**13,557.04**	**7,857.84**	**6,328.56**	**14,186.40**
Non- financial liabilities						
Provisions	11.12	40.16	51.28	10.66	33.80	44.46
Other non-financial liabilities	294.03	0.34	294.37	216.35	0.34	216.69
	305.15	**40.50**	**345.65**	**227.01**	**34.14**	**261.15**

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

44 Borrowing details as at March 31, 2023

A. Debt securities

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	1,000,000	24-Sep-18	24-Sep-24	12.06%	0.33	150.00	150.33	Book debts
72 Months	1,000,000	24-Sep-18	24-Sep-24	12.27%	0.66	300.00	300.66	
72 Months	1,000,000	10-Aug-22	02-Aug-28	10.75%	9.28	585.00	594.28	
60 months	5,000	20-Aug-20	20-Aug-25	12.39%	513.67	0.05	513.72	
60 months	100,000	26-Jul-21	15-Jul-26	10.70%	7.17	345.00	352.17	
48 Months	1,000,000	15-Feb-22	15-Feb-26	12.16%	8.22	594.00	602.22	
36 Months	500,000	17-Jun-20	17-Jun-23	12.75%	25.13	-	25.13	
36 Months	1,000,000	19-Jun-20	19-Jun-23	13.00%	50.20	-	50.20	
36 Months	1,000,000	17-Jul-20	17-Jul-23	12.00%	271.12	-	271.12	
36 Months	1,000,000	15-Dec-20	15-Dec-23	12.06%	694.80	-	694.80	
36 Months	1,000,000	31-Mar-21	01-Apr-24	12.30%	0.11	354.00	354.11	
36 months	1,000,000	05-Apr-21	05-Apr-24	11.64%	121.34	300.00	421.34	
36 months	1,000,000	06-Sep-21	06-Sep-24	10.85%	1.71	244.00	245.71	
36 months	100,000	28-Dec-21	27-Dec-24	11.60%	128.43	123.33	251.76	
33 months	875,000	25-Sep-20	25-Jun-23	12.40%	247.98	-	247.98	
					2,080.15	**2,995.38**	**5,075.53**	

B. Borrowings (other than debt securities)

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%	6	38.77	0	-	38.77	Book debts
36 months	11.80%	7	33.40	0	-	33.40	Book debts
36 months	9.50%	12	50.00	9	37.50	87.50	Cash Collateral
36 months	14.50%	1	5.30	0	-	5.30	Cash Collateral
39 months	11.65%	12	67.20	3	15.20	82.40	Book debts and Cash Collateral
40 months	11.65%	12	67.20	4	20.80	88.00	Book debts and Cash Collateral
18 months	12.75%	1	45.15	0	-	45.15	Book debts
18 months	12.25%	1	9.13	0	-	9.13	Book debts
24 months	11.25%	9	107.56	0	-	107.56	Book debts
24 months	10.60%	12	150.00	0	-	150.00	Book debts and Cash Collateral
25 months	12.00%	12	36.18	11	36.60	72.79	Book debts
24 months	13.25%	12	151.67	12	150.00	301.67	Book debts
13 months	13.05%	1	11.19	0	-	11.19	Book debts

Samunnati Financial Intermediation & Services Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Quarterly repayment of principal							Book debts
35 months	11.75%	2	25.22	0	-	25.22	Book debts
36 months	11.50%	4	50.77	3	37.50	88.27	Book debts
36 months	9.75%	4	18.33	6	27.50	45.83	Book debts
30 months	11.60%	4	300.00	2	150.00	450.00	Book debts
24 months	14.50%	4	125.00	3	62.50	187.50	Book debts and corporate guarantee of holding company
12 months	13.35%	2	75.44	9	-	75.44	Book debts
12 months	13.75%	2	176.01	0	-	176.01	Book debts
Annual repayment of principal							
48 months	10.69%	1	122.28	2	240.70	362.98	Book debts
Bullet Repayment of principal							
37 months	11.18%	0	10.56	1	358.43	368.99	Book debts
38 months	14.50%	0	-	1	250.00	250.00	Book debts and corporate guarantee of holding company
Half Yearly repayment of principal							
24 months	5.25%	2	25.00	2	25.00	50.00	Book debts and Cash Collateral
24 months	5.50%	1	50.00	3	150.00	200.03	Book debts and Cash Collateral
Pledge Loan							
13 to 20 months	7.75% to 8.75%		464.41		-	464.41	Book debts and corporate guarantee of holding company
			2,215.78		**1,561.73**	**3,777.54**	

II. Short-term

Original maturity of loan	Rate of interest	No of instalments	Amount	Security details
Bullet Repayment of principal				
12 months	9.30%	1	95.00	Book debts and Cash Collateral
12 months	10.25%	1	50.00	Book debts and Cash Collateral
12 months	11.00%	1	155.00	Book debts and Cash Collateral
3 months	9.95%	1	500.00	Book debts and corporate guarantee of holding company
3 months	11.25%	1	50.00	

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

Monthly Repayment of Principal				
12 months	14.50%	1	9.16	Book debts and Cash Collateral
12 months	12.75%	5	417.71	Book debts and Cash Collateral
12 months	12.70%	6	113.33	First charge over all the current assets and movable fixed assets and corporate guarantee issued by Holding company
6 months	12.60%	3	201.38	Book debts and Cash Collateral
6 months	13.40%	4	201.12	Book debts and Cash Collateral
6 months	12.00%	6	601.51	Book debts and Cash Collateral
6 months	12.90%	3	50.00	Book Debts and corporate guarantee issued by Holding company
6 months	11.60%	1	86.38	
6 months	11.50%	6	500.00	
4 months	12.00%	3	150.00	
3 months	12.25%	1	86.68	
Pledge Loan				
2 to 12 months	7.75 to 8.75%		270.92	Book debts and corporate guarantee of holding company
Bill Discounting Facility				
1 to 3 months	8.15 to 12.75%		365.57	Book debts
Factoring	7.85% to 10.05%	Not Applicable	262.84	Book debts
III.OD backed by FD	11.25%	Not Applicable	50.12	
			4,216.73	

Borrowing details as at March 31, 2022

A 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	1,000,000	24-Sep-18	24-Sep-24	12.71%	0.40	150.00	150.40	Book Debts
72 Months	1,000,000	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	500,000	17-Jun-20	17-Jun-23	12.75%	50.39	25.00	75.39	
36 Months	1,000,000	19-Jun-20	19-Jun-23	13.00%	0.20	50.00	50.20	
33 months	875,000	25-Sep-20	25-Jun-23	12.40%	41.90	247.50	289.40	
36 Months	1,000,000	17-Jul-20	17-Jul-23	12.00%	21.21	250.00	271.21	
36 Months	1,000,000	15-Dec-20	15-Dec-23	12.06%	127.84	336.00	463.84	

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

36 Months	1,000,000	15-Dec-20	15-Dec-23	12.06%	126.84	336.00	462.84	
36 Months	1,000,000	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	1,000,000	05-Apr-21	05-Apr-24	11.64%	21.46	400.00	421.46	
60 months	100,000	26-Jul-21	15-Jul-26	10.70%	7.27	345.00	352.27	
36 months	1,000,000	06-Sep-21	06-Sep-24	10.85%	1.78	244.00	245.78	
36 months	100,000	28-Dec-21	27-Dec-24	11.60%	134.39	246.67	381.06	
48 Months	1,000,000	15-Feb-22	15-Feb-26	12.16%	8.41	594.00	602.41	
					916.91	**4,384.42**	**5,301.33**	

B Borrowings (other than debt securities)

I.Long Term

Original Maturity of Loan	Rate of Interest	Balance outstanding					Security Details
		Due within one year		Due beyond one year		Total	
		No. of Instalments	Amount	No. of Instalments	Amount		
Monthly repayment of principal							
36 months	12.50%	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	11.75%	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	11.25%	12.00	143.63	9.00	107.20	250.83	Book Debts, Post dated cheques
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							
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	Promissory Note and Book Debts
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
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**	

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

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
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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(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 Mr. Lalit Malik – CFO (w.e.f April 22, 2022 to May 29, 2023) Mr. Ashwini Venkataraman - Company Secretary (up to September 15, 2021) 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

b) Related party transactions

Nature of transactions	Year ended 31 March 2023	Year ended 31 March 2022
Anil Kumar S G		
Remuneration *	23.02	21.75
Gurunath N		
Remuneration *	8.20	11.86
Nitin Chaudhary		
Remuneration *	-	9.12
Loans repaid	-	0.15
Anuj Vijay Kumar Narang		
Remuneration *	9.74	-
Pravesh Sharma		
Remuneration paid	5.99	1.43
Salary deduction of Director (Loan recovery)	23.20	1.10
Ashok Dhamankar		
Remuneration *	-	16.94
Mr. Lalit Malik		
Remuneration *	13.71	-
Ashwini Venkataraman		
Remuneration *	-	0.28
Arunkumar Sridharan		
Remuneration *	3.20	0.10
Sitting fees paid		
Sunil Satyapal Gulati	0.85	1.26
Narasimhan Srinivasan	0.65	1.11
Venkatesh Tagat	0.95	0.98
Hemendra Mathur	0.02	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 2023	As at 31 March 2022
Pravesh Sharma		
Loan receivable	-	2.32

(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 2023		As at 31 March 2022	
	Net Assets i.e total assets minus total liabilities	As a percentage of consolidated net assets	Net Assets i.e total assets minus total liabilities	As a percentage of consolidated net assets
Parent / The Holding Company	3,425.20	74.78%	3,083.85	64.16%
Subsidiaries(Indian):				
Samunnati Agro Solutions Private Limited	1,147.25	25.05%	1,703.47	35.44%
Samunnati Agri Innovations Lab Private Limited (Formerly "Kamatan Farm Tech Private Limited")	(17.94)	-0.39%	19.39	0.40%
Samunnati Finance Private Limited	25.33	0.55%	0.03	0.00%
Samunnati Investment Management Services Private Limited	0.24	0.01%	-	0.00%
	4,580.08		**4,806.74**	

Year ended 31 March 2023

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	(1,130.31)	77.13%	0.65	89.04%	(1,129.66)	77.13%
Subsidiaries:						
Samunnati Agro Solutions Private Limited	(181.80)	12.41%	(0.06)	-8.22%	(181.86)	12.42%
Samunnati Agri Innovations Lab Private Limited (Formerly "Kamatan Farm Tech Private Limited")	(152.60)	10.41%	0.14	19.18%	(152.46)	10.41%
Samunnati Finance Private Limited	0.20	-0.01%	-	0.00%	0.20	-0.01%
Samunnati Investment Management Services Private Limited	(0.86)	0.05%	-	0.00%	(0.86)	0.06%
	(1,465.37)		**0.73**		**(1,464.64)**	

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:						
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%
	(1,066.39)		**1.94**		**(1,064.45)**	

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(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: Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
As at March 31, 2023							
Undisputed Trade Receivables – considered good	2,315.30	246.06	-	-	-	-	2,561.36
Undisputed Trade Receivables – which have significant increase in credit risk	-	237.00	86.50	-	-	-	323.50
Undisputed Trade receivable – credit impaired	-	-	-	86.27	6.38	128.91	221.56
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**2,315.30**	**483.06**	**86.50**	**86.27**	**6.38**	**128.91**	**3,106.42**
Less: Allowance for expected credit loss							**(259.60)**
Net Total							**2,846.82**

	Current but not due	Outstanding for following period from due date of payment: Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
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**

48 Trade payables ageing schedule

Particulars	As at March 31, 2023: Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	3.47	281.92	8.05	8.54	4.23	306.21
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**3.47**	**281.92**	**8.05**	**8.54**	**4.23**	**306.21**

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	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**

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

49 Covid-19 impact

The Group continues to monitor and assess the impact of COVID 19 pandemic on its operation and financials, including the possibility of higher defaults by the customers. The Group has considered the information available upto the date of these financial statements and have made adequate provisions in this regard to the extent it is required.

Estimates and associated judgments / assumptions applied in preparation of these financial statements including determining the impairment loss allowance and expected future cash inflows / outflows are based on a combination of historical experience and emerging / forward looking indicators resulting from the ongoing pandemic. In addition to these early indicators available, the Group has also used potential stress on the expected credit losses on loans and accordingly recognized an expected credit loss (including write-offs) amounting to Rs. 1,384.80 million during the year. The impact assessment of COVID-19 is a continuing process given its uncertainty in nature and duration, this may have corresponding impact in the financial position. The Group will continue to monitor any material changes to the future economic conditions.

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. 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.

e. 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.

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

g. 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, 2023	Balance outstanding as at March 31, 2022
Itarsi Oils & Flours Private Limited	Advance to Suppliers	-	0.38

* The balances was completely written off in the year.

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

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

i. 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.

j. 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.

k. 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

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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

l. 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.

m. 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.

52 The Holding Company has since issued Compulsorily Convertible Preference Shares (CCPS) amounting to Rs. 1,340 million on April 05, 2023. This Pre-Series E funding will be utilized by the Company towards expansion of its business.

53 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

V Kothandaraman
Partner
Membership No.: 025973

Place: Chennai
Date: May 30, 2023

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

S G Anil Kumar	**Gurunath Neelamani**	**Arunkumar Sridharan**
Director and CEO	Whole-time Director	Company Secretary
DIN : 01189011	DIN : 02799586	Membership No.: F7112
Place: Chennai	Place: Chennai	Place: Chennai
Date: May 30, 2023	Date: May 30, 2023	Date: May 30, 2023

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 accompanying standalone financial statements of Samunnati Financial Intermediation & Services Private Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2023, 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 2023, 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements

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 matter 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 aggregating Rs. 11,461.30 million as at 31 March 2023. The Company has made a provision for impairment loss aggregating Rs. 1,013.26 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.	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. 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

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 46 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.	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 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.

Responsibilities of the Management and Board of Directors 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) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 and Board of Directors 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

- 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.

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 Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, 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) specified under Section 133 of the Act.
(e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
(f) 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".
(g) 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 2023 on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 15 to the standalone financial statements;

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 2023; and

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 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 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, as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), 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 the 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/declared any dividend during the financial year. Accordingly, reporting on compliance with the provisions of Section 123 of the Act is not applicable.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 01 April 2023, reporting under this clause is not applicable.

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

Since the Company is a private limited company, the provisions of Section 197 of the Act 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

V Kothandaraman
Partner
Membership No. 025973
UDIN: 23025973BGZBXK3431

Place of Signature: Chennai
Date: 30 May 2023

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 2023.

(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 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 tangible inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

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 the 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.

(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 31 March 2023, aggregating Rs. 658.98 million were categorised as credit impaired ("Stage 3") and Rs. 154.61 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. 10,647.71 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. 964.02 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. 681.06 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 Act 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, the Company has 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 material statutory dues as applicable with the appropriate authorities.

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 statutory dues were in arrears, as at 31 March 2023 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 2023, 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 (Rs. in millions)	Amount paid (Rs in millions)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest	10.24	2.10	AY 2016-17	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income tax and interest	0.26	-	AY 2018-19	Assessing Officer
Income Tax Act, 1961	Income tax and interest	106.03	21.21	AY 2020-21	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) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has made preferential allotment or private placement of preference shares (fully, partially or optionally convertible) during the year and requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

(xi)

(a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, except for 1 instance aggregating to Rs.175.69 million for which the Management has initiated necessary legal proceedings for recovery of the amount, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of such case by the Management (Refer Note 45 to the standalone financial statements).

(b) No report under sub-section (12) of section 143 of the 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, paragraph 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The company has incurred cash losses of Rs. 1,248.05 in the financial year and Rs. 768.39 million in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

(xix) According to the information and explanations given to us and on the basis of the 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 and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable 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) Based on our audit procedures and according to the information and explanations given to us, the company is not required to spend the amount for corporate social responsibilities and Accordingly, paragraph 3(xx)(a) and 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

V Kothandaraman
Partner
Membership No. 025973
UDIN: 23025973BGZBXK3431

Place of Signature: Chennai
Date: 30 May 2023

Annexure B

Referred to in paragraph 2(f) 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

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 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's and Board of Directors' 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to 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 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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, 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.

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

V Kothandaraman
Partner
Membership No. 025973
UDIN: 23025973BGZBXK3431

Place of Signature: Chennai
Date: 30 May 2023

Samunnati Financial Intermediation & Services Private Limited
Balance Sheet as at March 31, 2023
(All amounts are in millions of Indian Rupees (Rs.), unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Financial assets			
Cash and cash equivalents	3	935.83	990.48
Bank balances other than (a) above	4	218.08	221.45
Loans	5	10,448.04	12,481.26
Investments	6	2,679.90	1,811.11
Other financial assets	7	32.38	81.74
		14,314.23	**15,586.04**
Non-financial assets			
Current tax assets (net)	8	296.23	175.89
Deferred tax assets (net)	9	563.60	245.22
Property, plant and equipment	10	42.77	59.97
Right of use assets	10	13.61	12.37
Intangible assets under development	10	22.92	27.68
Other intangible assets	10	38.96	24.76
Other non-financial assets	11	31.25	37.63
		1,009.34	**583.52**
Total assets		**15,323.57**	**16,169.56**
Liabilities and Equity			
Liabilities			
Financial liabilities			
Payables			
Trade Payables	12		
(i) total outstanding dues of micro enterprises and small enterprises		-	0.67
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		22.84	45.45
Debt securities	13	5,075.53	5,301.33
Borrowings (other than debt securities)	14	4,437.07	5,300.64
Other financial liabilities	15	127.90	116.77
		9,663.34	**10,764.86**
Non-financial liabilities			
Provisions	16	31.88	34.43
Other non-financial liabilities	17	26.89	26.73
		58.77	**61.16**
Equity			
Share capital	18	21.25	20.45
Other equity	19	5,580.21	5,323.09
		5,601.46	**5,343.54**
Total liabilities and equity		**15,323.57**	**16,169.56**
Summary of significant accounting policies	2		

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 30, 2023

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

S G Anil Kumar	**Gurunath Neelamani**	**Arunkumar Sridharan**
Director and CEO	Whole-time Director	Company Secretary
DIN : 01189011	DIN : 02799586	Membership No.: F7112
Place: Chennai	Place: Chennai	Place: Chennai
Date: May 30, 2023	Date: May 30, 2023	Date: May 30, 2023

Samunnati Financial Intermediation & Services Private Limited

Standalone Statement of profit and loss for the year ended March 31, 2023

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

	Particulars	Note	FY ended March 31, 2023	FY ended March 31, 2022
I	**Revenue from operations**			
	i Interest income	20	1,884.03	1,703.16
	ii Bad debts recovered		88.25	30.01
			1,972.28	**1,733.17**
II	Other income	21	78.99	82.73
III	**Total income (I+II)**		**2,051.27**	**1,815.90**
	Expenses			
	i Finance costs	22	1,215.74	977.17
	ii Impairment on financial instruments	23	1,308.96	756.15
	iii Employee benefit expenses	24	484.34	627.70
	iv Depreciation and amortization	25	49.32	47.61
	v Other expenses	26	290.28	223.27
IV	**Total expenses**		**3,348.64**	**2,631.90**
V	**Profit / (Loss) before tax (III-IV)**		**(1,297.37)**	**(816.00)**
VI	**Tax expense**	27		
	i Current tax		5.03	-
	ii Deferred tax		(318.60)	(149.81)
			(313.57)	**(149.81)**
VII	**Profit/ (loss) for the year (V-VI)**		**(983.80)**	**(666.19)**
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		0.88	2.45
	ii Income tax impact thereon	27	(0.22)	(0.38)
	Other comprehensive income (i)+(ii)		**0.66**	**2.07**
IX	**Total comprehensive income for the year (VII+VIII)**		**(983.14)**	**(664.12)**
X	**Earnings per equity share:** after considering Compulsorily convertible preference shares (face value Rs. 10/- per equity share)	**29**		
	Basic (Rs.)		(472.61)	(325.90)
	Diluted (Rs.)		(472.61)	(325.90)
	Summary of significant accounting policies	2		

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 30, 2023

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
Place: Chennai
Date: May 30, 2023

Gurunath Neelamani
Whole-time Director
DIN : 02799586
Place: Chennai
Date: May 30, 2023

Arunkumar Sridharan
Company Secretary
Membership No.: F7112
Place: Chennai
Date: May 30, 2023

Samunnati Financial Intermediation & Services Private Limited
Statement of Audited Standalone Cash Flows for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees (Rs.), unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Operating activities		
Profit / (loss) before tax	(1,297.37)	(816.00)
Adjustments for:		
Depreciation and amortization	49.32	47.61
Employee stock option expenses	58.29	57.03
Gratuity and leave encashment expenses	12.42	17.39
Loss/(Profit) on sale of property, plant and equipment	(0.92)	(0.27)
Income from mutual funds	(35.66)	(13.84)
Income from debt funds	(1.31)	(16.58)
Interest expenses towards financing activities	1,214.02	975.19
Interest expense on lease liability	1.72	1.98
Unwinding interest of debt component of OCRPS	1.03	-
MTM gain booked on ECB loans	(17.84)	-
Impairment on financial instruments	660.73	200.24
Bad debts written off	648.23	555.91
Amortisation of origination costs of borrowings	75.60	43.74
	2,665.63	**1,868.40**
Cash generated from operations before working capital changes	**1,368.26**	**1,052.40**
Changes in working capital:		
Loans	724.26	(3,561.22)
Other financial assets	49.36	29.02
Other non-financial assets	6.38	(9.61)
Net movement in provisions	(14.09)	(7.81)
Trade payables	(23.28)	30.03
Other financial and non-financial liabilities	10.27	70.13
Cash used in operations	2,121.16	(2,397.06)
Income taxes paid (net of refunds)	(125.37)	(108.17)
Net cash generated from / (used in) operating activities (A)	**1,995.79**	**(2,505.23)**
B. Investing activities		
Purchase of property, plant and equipment and intangible assets	(30.50)	(74.07)
Proceeds from sale of property, plant and equipment	1.96	2.59
Movement in capital advances	-	0.57
Movement in deposits with banks and financial institutions	3.37	302.10
Purchase of investments	(17,155.17)	(23,686.62)
Proceeds from sale of investments	16,286.38	23,845.29
Interest income received on investments measured at amortised cost, FVTPL and at cost	36.97	30.42
Net cash generated from / (used in) investing activities (B)	**(856.99)**	**420.28**
C. Financing activities		
Utilisation of securities premium	-	10.72
Issue of Compulsorily Convertible Preference Shares	800.00	0.68
Issue of Optionally convertible redeemable preference shares	400.00	-
Proceeds from debt securities	585.00	2,078.23
Repayment of debt securities	(810.80)	(990.82)
Repayment of principal portion of lease liability	(12.74)	(9.35)
Repayment of interest portion of lease liability	(1.72)	(1.98)
Proceeds from other than debt securities	4,541.71	6,466.97
Repayment of other than debt securities	(5,487.39)	(4,675.02)
Interest paid	(1,207.51)	(961.74)
Net cash generated from / (used in) financing activities (C)	**(1,193.45)**	**1,917.69**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(54.65)	(167.26)
Cash and cash equivalents at the beginning of the year	990.48	1,157.74
Cash and cash equivalents at the end of the year	**935.83**	**990.48**

Samunnati Financial Intermediation & Services Private Limited
Statement of Audited Standalone Cash Flows for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees (Rs.), unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Components of cash and cash equivalents		
Cash and cash equivalents at the end of the year		
- Cash on hand	-	-
- Balances with banks in current accounts	935.83	582.44
-in deposit account (with original maturity up to 3 months)	-	408.04
Total	**935.83**	**990.48**

Summary of significant accounting policies
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 30, 2023

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
Place: Chennai
Date: May 30, 2023

Gurunath Neelamani
Whole-time Director
DIN : 02799586
Place: Chennai
Date: May 30, 2023

Arunkumar Sridharan
Company Secretary
Membership No.: F7112
Place: Chennai
Date: May 30, 2023

Samunnati Financial Intermediation & Services Private Limited

Standalone Statement of Changes in Equity for the year ended March 31, 2023

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

A. Share capital

Particulars	Equity share capital		Compulsorily convertible preference shares ("CCPS")		Total	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	5.74	5.74	16.84	16.16	22.58	21.90
Changes in Share Capital due to prior period errors	-	-	-	-	-	-
Issued during the year	-	-	0.80	0.68	0.80	0.68
Sub-total	**5.74**	**5.74**	**17.64**	**16.84**	**23.38**	**22.58**
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**	**17.64**	**16.84**	**21.25**	**20.45**

B. Other equity

Particulars	Statutory Reserve	Securities Premium	Stock Options Outstanding	Capital Redemption Reserve	Equity Component of Optionally Convertible Redeemable Preference shares (OCRPS)	Other comprehensive income	Retained Earnings	Total
Balance as at April 01, 2021	40.59	4,931.10	205.29	0.07	-	3.00	(74.22)	5,105.83
Changes in accounting policies or prior period errors	-	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	-	2.07	(666.19)	(664.12)
Premium on issue of shares	-	812.96	-	-	-	-	-	812.96
Employee stock options expense	-	-	57.03	-	-	-	-	57.03
Issue expenses for debt securities		11.39	-	-	-	-		11.39
Balance as at March 31, 2022	40.59	5,755.45	262.32	0.07	-	5.07	(740.41)	5,323.09
Changes in accounting policies or prior period errors	-	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	-	0.66	(983.80)	(983.14)
Premium on issue of shares	-	799.20	-	-	-	-	-	799.20
Employee stock options expense	-	-	58.29	-	-	-	-	58.29
Issued during the year	-	-	-	-	382.77	-	-	382.77
Balance as at March 31, 2023	40.59	6,554.65	320.61	0.07	382.77	5.73	(1,724.21)	5,580.21

Summary of significant accounting policies

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 30, 2023

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

Place: Chennai
Date: May 30, 2023

Gurunath Neelamani
Whole-time Director
DIN : 02799586

Place: Chennai
Date: May 30, 2023

S. Arunkumar

Arunkumar Sridharan
Company Secretary
Membership No.: F7112

Place: Chennai
Date: May 30, 2023

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 a 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 30, 2023.

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.

As part of the regular review, in line with changes in loan portfolio and their repayment pattern, the Company has revised the definition of stages, as under.

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

The loan portfolio are segmented into two broad categories i.e., Farmer Collectives and Agri enterprises.

Name of the Pool of loan assets	Stage	Loans Days Past Due (DPD)	
		Adopted upto FY'22	w.e.f FY'23
Farmer Collectives			
	Stage 1	Upto 60 Days	Upto 60 Days
	Stage 2	61 Days to 240 Days	61 Days to 180 Days
	Stage 3	More than 240 Days	More than 180 Days
Agri enterprises			
	Stage 1	Upto 60 Days	Upto 60 Days
	Stage 2	61 Days to 360 Days	61 Days to 180 Days
	Stage 3	More than 360 Days	More than 180 Days

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 based on historical and market trends and directions from RBI including guidance for identification of NPA in agricultural advances.

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, loan type etc the Company has bifurcated its loan portfolio into five pools. 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.

The impact on account of change in default definition and staging has resulted in an additional ECL of Rs. 327.83 million for FY'23.

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 within 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 include 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

New and amended standards adopted by the Company:

The Company has applied the following amendments (wherever applicable) for the first time for their annual reporting period commencing April 1, 2022:

Ind AS 16 – Property Plant and equipment-

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that related directly to a contract can either be incremental costs of fulfilling that contract (Examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The above amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New Standards/Amendments notified but not yet effective:

Ministry of Corporate Affairs (MCA), on March 31, 2023, through the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2023 amended certain existing Ind ASs on miscellaneous issues with effect from 1st April 2023. Following are few key amendments relevant to the Company:

(i) Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.

(ii) Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

(iii) Ind AS 8 – Accounting policies, changes in accounting estimate and errors-Clarification on what constitutes an accounting estimate provided.

(iv) Ind AS 12 – Income Taxes – In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

The Company does not expect the effect of this on the financial statements to be material, based on preliminary evaluation. However, it may be noted that we expect there would be a change in Accounting policies section of the financial statements as the standard would require presentation of 'material accounting policies' as against 'significant accounting policies' disclosed so far.

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 (Rs.), unless otherwise stated)

Note	Particulars	As at March 31, 2023	As at March 31, 2022
3	**Cash and cash equivalents**		
	Balances with banks		
	(i) In current account	935.83	582.44
	(ii) in deposit account (with original maturity up to 3 months)	-	408.04
	Total	**935.83**	**990.48**
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)	218.08	221.45
	Total	**218.08**	**221.45**
	Details of balances with banks to the extent held as margin money or security against the borrowings		
	Maturity period of less than 12 months		
(i)	Held as collateral against borrowings and securitization transactions	196.05	160.21
		196.05	**160.21**
	Maturity period of more than 12 months		
(ii)	Held as collateral against borrowings and securitization transactions	22.03	61.24
		22.03	**61.24**
	Total	**218.08**	**221.45**
5	**Loans**		
(A)	**Term Loans at amortised cost**		
	To clients	11,166.77	11,414.21
	To subsidiary (also, refer note 42)	294.53	1,419.58
	Total Gross	**11,461.30**	**12,833.79**
	Less : Impairment loss allowance	(1,013.26)	(352.53)
	Total	**10,448.04**	**12,481.26**
(B)	**Secured / Unsecured Break-up**		
(i)	**Secured against tangible assets**		
	Gross	1,075.49	1,081.22
	Less: Impairment allowance	(83.69)	-
		991.80	**1,081.22**
(ii)	**Secured against receivables**		
	Gross	-	-
	Less: Impairment allowance	-	-
		-	-
(iii)	**Unsecured**		
	Gross	10,385.81	11,752.57
	Less: Impairment allowance	(929.57)	(352.53)
		9,456.24	**11,400.04**
	Total (B) - (i) + (ii) + (iii)	**10,448.04**	**12,481.26**
(C)	**Loans in/ outside India**		
	(i) Loans in India		
	(a) Public sector	-	-
	(b) Others	11,461.30	12,833.79
		11,461.30	12,833.79
	Less : Impairment loss allowance	(1,013.26)	(352.53)
	Total (i)	**10,448.04**	**12,481.26**
	(ii) Loans outside India	-	-
	Less : Impairment loss allowance	-	-
	Total (ii)	-	-
	Total (C) = (i) + (ii)	**10,448.04**	**12,481.26**

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

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

Note	Particulars	As at March 31, 2023	As at March 31, 2022

Summary of loans by stage distribution

	Gross Carrying Amount (A)	Impairment Loss Allowance (B)	Net Carrying Amount (A - B)
As at March 31, 2023			
Stage 1 - Considered good	10,647.71	347.21	10,300.50
Stage 2 - Significant increase in credit risk	154.61	31.28	123.33
Stage 3 - Credit impaired	658.98	634.77	24.21
	11,461.30	**1,013.26**	**10,448.04**
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**

Note	Particulars	As at March 31, 2023	As at March 31, 2022
6	**Investments**		
(A)	**Investments in subsidiaries carried at cost**		
(i)	In equity shares of subsidiaries (Unquoted) :		
	Samunnati Agro Solutions Private Limited 680,883 (previous year: 632,483) equity shares of Rs.10 each	1,779.34	780.10
	Samunnati Foundation 8,50,000 (previous year: 8,50,000) equity shares of Rs.10 each	8.50	8.50
	Samunnati Agri Innovations Lab Private Limited (formerly known as 'Kamatan Farm Tech Private Limited') 5,344,848 (previous year: 344,848) equity shares of Rs.10 each	863.64	813.64
	Samunnati Finance Private Limited 25,00,000 (previous year: 25,00,000) equity shares of Rs.10 each	25.00	25.00
(B)	**Investments carried at amortised cost**		
(i)	In Pass Through Certificates ('PTC')	3.42	183.87
	Total	**2,679.90**	**1,811.11**
	Note: No impairment loss has been provided on the above investments.		
	Out of above		
	In India	2,679.90	1,811.11
	Outside India	-	-
	Total	**2,679.90**	**1,811.11**

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

Note	Particulars	As at March 31, 2023	As at March 31, 2022
7	**Other financial assets**		
	Unsecured, considered good		
	Security deposits	10.32	8.03
	Employee advances	3.90	5.22
	Deposits with financial institutions	-	57.50
	Interest accrued but not due on deposits with financial institutions	0.06	1.26
	Other receivables (also, refer note 42)	18.10	9.73
	Total	**32.38**	**81.74**
8	**Current tax assets (Net)**		
	Advance tax (net of provisions)	296.23	175.89
	Total	**296.23**	**175.89**
9	**Deferred tax assets (net)**		
	Deferred tax	563.60	245.22
	Total	**563.60**	**245.22**

Tax effect of items constituting deferred tax assets / (liabilities) :	Balance as at April 01, 2022	(Charge) / credit to Statement of profit and loss	(Charge) / credit to OCI	Others Adjustments	Balance as at March 31, 2023
Fixed assets	0.65	(1.75)	-	-	(1.10)
Provisions for employee benefits	10.43	(2.19)	(0.22)	-	8.02
Impairment loss allowance	82.68	174.10	-	-	256.78
Employee stock option expenses	-	-	-	-	-
Carried forward losses	147.53	148.73	-	-	296.26
Lease Liability	3.93	(0.29)	-	-	3.64
Total	**245.22**	**318.60**	**(0.22)**	-	**563.60**

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**

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(All amounts are in millions of Indian Rupees (Rs.), 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, 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**
Additions	-	0.25	2.74	3.61	0.03	-	6.62	15.00	28.64	22.92
Disposals/ deductions	-	(0.19)	-	(4.83)	(2.67)	-	(7.69)	(1.66)	(16.59)	(27.68)
Balance as at March 31, 2023	**2.31**	**8.37**	**14.89**	**33.77**	**26.02**	**22.37**	**107.72**	**41.98**	**61.33**	**22.92**
Accumulated depreciation and amortisation										
Balance as at April 01, 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**	**-**
Charge for the year	-	1.05	1.64	8.85	6.48	4.76	22.78	12.10	14.44	
Disposals	-	(0.12)	-	(4.59)	(1.93)	-	(6.65)	-	(16.59)	-
Balance as at March 31, 2023	**-**	**3.07**	**6.18**	**22.61**	**15.90**	**17.20**	**64.95**	**28.37**	**22.37**	**-**
Net block										
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**
Balance as at March 31, 2023	**2.31**	**5.30**	**8.71**	**11.16**	**10.12**	**5.17**	**42.77**	**13.61**	**38.96**	**22.92**

Intangible Assets under Development ageing Schedule as on March 31, 2023

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	5.66	17.26	-	-	22.92
Projects temporarily suspended	-	-	-	-	-
Total	**5.66**	**17.26**	**-**	**-**	**22.92**

There is no project for which cost exceeded the budget or time over run. There were no projects which is temporarily suspended as at March 31, 2023.

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

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

Note	Particulars	As at March 31, 2023	As at March 31, 2022
11	**Other non-financial assets**		
	Unsecured, considered good		
	Prepaid expenses	19.59	26.86
	Advance paid to vendors	7.88	8.51
	Balances with government authorities	3.78	2.26
	Total	**31.25**	**37.63**
12	**Payables**		
	Trade Payables		
	a) Total outstanding dues of micro and small and medium enterprise	-	0.67
	b) Total outstanding dues of creditors other than micro and small and medium enterprise	22.84	45.45
		22.84	**46.12**

(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 the 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
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, 2023					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	3.47	18.87	0.41	0.09	-	22.84
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**3.47**	**18.87**	**0.41**	**0.09**	-	**22.84**

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**

Note	Particulars	As at March 31, 2023	As at March 31, 2022
13	**Debt securities**		
	At amortised cost		
	Non-convertible redeemable debentures (secured)	5,075.53	5,301.33
	Total	**5,075.53**	**5,301.33**
	Debt securities in India	598.21	777.85
	Debt securities outside India	4,477.32	4,523.48
	Total	**5,075.53**	**5,301.33**
	(also, refer note 32(a))		

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

Note	Particulars	As at March 31, 2023	As at March 31, 2022
14	**Borrowings (other than debt securities)**		
	At amortised cost		
	Secured:		
	Term loans: (also, refer note 32(b))		
	from banks	1,048.67	2,201.06
	from other parties	3,362.48	3,080.17
	Interest accrued but not due on borrowings	25.92	19.41
	Total	**4,437.07**	**5,300.64**
	Borrowings in India	3,705.01	4,961.46
	Borrowings outside India	732.06	339.18
		4,437.07	**5,300.64**

There is no default as on March 31, 2023 and March 31, 2022 in repayment of borrowings and interest in all the above categories of the borrowings.

Note	Particulars	As at March 31, 2023	As at March 31, 2022
15	**Other financial liabilities**		
	At amortised cost		
	Lease liabilities (also refer note 36)	14.46	15.62
	Employee related payables	35.97	49.96
	Income received in advance	1.61	16.53
	Payable to subsidiaries (also, refer note 42)	10.77	-
	Other payables*	38.83	8.82
	Mark-to-Market cost on external commercial borrowing	8.00	25.84
	Liability component of OCRPS	18.26	-
	Total	**127.90**	**116.77**

*Includes the amount received of Rs. 3.53 million (March 31, 2022 : Rs. 6.73 million) by invoking the bank guarantee of the borrower in default.

Note	Particulars	As at March 31, 2023	As at March 31, 2022
16	**Provisions**		
	Provision for employee benefits: (also, refer note 31)		
	Gratuity	16.96	17.21
	Compensated absences	14.92	17.22
	Total	**31.88**	**34.43**
17	**Other non-financial liabilities**		
	Statutory dues payable	26.55	26.39
	Others	0.34	0.34
	Total	**26.89**	**26.73**

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

	Particulars	As at March 31, 2023 No. of shares	Amount	As at March 31, 2022 No. of shares	Amount
18	**Share capital**				
	Authorised share capital				
	Equity shares of Rs. 10 each	750,000	7.50	750,000	7.50
	Compulsorily convertible preference shares of Rs. 10 each	2,300,000	23.00	1,750,000	17.50
	Total	**3,050,000**	**30.50**	**2,500,000**	**25.00**
	Issued, subscribed and paid-up:				
	Equity shares of Rs. 10 each	573,861	5.74	573,861	5.74
	Less: Equity shares held under trust for employees under ESOP scheme (also, refer note 18(i))	(213,523)	(2.14)	(213,523)	(2.14)
	Compulsorily convertible preference shares of Rs. 10 each	1,763,819	17.64	1,683,819	16.84
	Total	**2,124,157**	**21.25**	**2,044,157**	**20.45**
a)	**Reconciliation of number of equity shares and amount outstanding**				
	Issued, subscribed and paid-up				
	Balance at the beginning of the year	573,861	5.74	573,861	5.74
	Shares issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
		573,861	**5.74**	**573,861**	**5.74**
	Less: Equity shares held under trust for employees under ESOP scheme	(213,523)	(2.14)	(213,523)	(2.14)
	Balance at the end of the year	**360,338**	**3.60**	**360,338**	**3.60**
b)	**Reconciliation of number of Compulsorily convertible preference shares and amount outstanding**				
	Issued, subscribed and paid-up:				
	Balance at the beginning of the year	1,683,819	16.84	1,616,195	16.16
	Shares issued during the year	80,000	0.80	67,624	0.68
	Balance at the end of the year	**1,763,819**	**17.64**	**1,683,819**	**16.84**
c)	**Shareholders holding more than 5 percent**				
		No. of shares	% of holding	No. of shares	% of holding
	Equity shares of Rs. 10 each				
	S G Anil Kumar	238,257	42%	238,257	42%
	Samunnati ESOP Welfare Trust	213,523	37%	213,523	37%
	Accel India V (Mauritius) Ltd	75,733	13%	75,733	13%
	Compulsorily convertible preference shares of Rs. 10 each				
	Elevar M-III	421,522	24%	421,522	25%
	Accel India V (Mauritius) Ltd	384,949	22%	374,949	22%
	ResponsAbility Agriculture I, SLP	366,594	21%	366,594	22%
	Teachers Insurance and Annuity Association of America	266,730	15%	226,730	13%
	Accel Growth Fund V L.P	110,075	6%	110,075	7%
	Elevar I-IV AIF represented by its Trustee Vistra ITCL India Ltd	148,957	8%	118,957	7%

d) **Shares held by promoters at the end of the year**

Promoter Name	March 31, 2023 Number of shares	Percentage of total shares	Percentage change during the year
Mr. Anil Kumar S G	238,257	41.52%	-

Promoter Name	March 31, 2022 Number of shares	Percentage of total shares	Percentage change during the year
Mr. Anil Kumar S G	238,257	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.

f) The Company has acquired 100% stake in Samunnati Agri Innovations Lab Private Limited ('SAIL')(formerly known as "Kamatan Farm Tech Private Limited") 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 SAIL.

g) **Terms and rights attached to equity shares**
The Company has only one class of equity shares having a face value of Rs. 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.

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

h) **Terms and rights attached to preference shares**

The Company has issued Series A1, A2, A3, B, C, D, D1 and Pre-Series E series compulsorily convertible preference shares having a face value of Rs. 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.

The Company has issued Pre-Series E Optionally Convertible Redeemable Preference Shares ("Pre-Series E OCRPS") having a face value of Rs. 10 per share. At the option of the holders of Pre-Series E OCRPS, these shares, may be converted into Pre-Series E Compulsorily Convertible Cumulative Preference Shares ("Pre-Series E CCPS"). The Pre-Series E OCRPS Conversion Ratio shall initially be 1:1 and shall be subject to adjustments as per the terms of issue ("Pre-Series E OCRPS Conversion Ratio"). The holders of Pre-Series E OCRPS shall, at any time prior to 19 (nineteen) years from the date of issuance of the same, be entitled to call upon the Company to convert all (and not less than all) of the Pre-Series E OCRPS in accordance with the Pre-Series E OCRPS Conversion Ratio by issuing a Notice to the Company. The Pre-Series E OCRPS, if not converted earlier, shall automatically convert into Pre-Series E CCPS at the then applicable conversion rate, (i) on the latest permissible date prior to the issue of Shares to the public in connection with the occurrence of a Public Offer under Applicable Law, or (ii) on the day following the completion of 19 years from the date of issuance of the same. The holders of Pre-Series E OCRPS shall not be entitled to attend meetings of Shareholders of the Company and will not be entitled to any voting rights prior to conversion of the Pre-Series E OCRPS into Pre-Series E CCPS. Only so long as the Pre-Series E OCRPS have not been converted to Pre-Series E CCPS, the holder of the Pre-Series E OCRPS shall be entitled to seek redemption of all or any of the Pre-Series E OCRPS at such IRR and within such timelines, as per the terms of issue.

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
Pre-Series E	10 Oct 2041	0.70
Pre-Series E	12 Oct 2041	0.10
Pre-Series E OCRPS	30 Nov 2041	0.40
		18.04

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, 2023	As at March 31, 2022
Statutory Reserve		
Opening balance	40.59	40.59
Add : Transfer from retained earnings	-	-
Balance as at the end of the year	**40.59**	**40.59**
Securities Premium		
Balance as at the beginning of the year	5,755.45	4,931.10
Premium on shares issued during the year	799.20	812.96
Debenture issue expenses		11.39
Balance as at the end of the year	**6,554.65**	**5,755.45**
Employee stock options outstanding		
Balance as at the beginning of the year	262.32	205.29
Additions during the year	58.29	57.03
Less: Utilised during the year on exercise of options	-	-
Balance as at the end of the year	**320.61**	**262.32**
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**
Equity Component of Optionally Convertible Redeemable Preference shares (OCRPS)		
Balance as at the beginning of the year	-	-
Issued during the year	382.77	-
Less: Redeemed / converted during the year	-	-
Balance as at the end of the year	**382.77**	**-**

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

	As at March 31, 2023	As at March 31, 2022
Other comprehensive income		
Balance as at the beginning of the year	5.07	3.00
Add : Other comprehensive income for the year	0.66	2.07
Less : Transferred to retained earnings	-	-
Balance as at the end of the year	**5.73**	**5.07**
Retained earnings		
Balance as at the beginning of the year	(740.41)	(74.22)
Add : Comprehensive income for the year	(983.80)	(666.19)
Less : Transfer to statutory reserve	-	-
Balance as at the end of the year	**(1,724.21)**	**(740.41)**
Total other equity	**5,580.21**	**5,323.09**

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

Note	Particulars	March 31, 2023	March 31, 2022
20	**Interest income**		
	On financial instruments measured at amortised cost		
	Loans	1,702.92	1,562.74
	Investments in Pass Through Certificates	10.97	24.42
	Security deposits held with lenders	15.12	15.53
	Fixed deposits	16.40	4.55
	Loans to subsidiary (also, refer note 42(b))	138.62	95.92
	Total	**1,884.03**	**1,703.16**
	Recovery of defaults in loan serviced	**88.25**	**30.01**
21	**Other income**		
	Income from subsidiary for shared services (also, refer note 42(b))	24.36	44.59
	Income from debt fund investments	1.31	16.58
	Income from mutual fund investments	35.66	13.84
	Recovery of defaults in loan serviced	-	0.92
	Gain on sale of property, plant and equipment	0.92	0.27
	Miscellaneous income	16.74	6.53
	Total	**78.99**	**82.73**
22	**Finance costs**		
	On financial liabilities measured at amortised cost		
	Interest expense on:		
	Borrowings (other than debt securities)	521.67	401.37
	Debt securities	616.75	530.08
	Lease liability	1.72	1.98
	Other borrowing costs	75.60	43.74
	Total	**1,215.74**	**977.17**
23	**Impairment on financial instruments**		
	At amortised cost		
	Impairment of loans	660.73	200.24
	Bad debts written off	648.23	555.91
	Total	**1,308.96**	**756.15**
24	**Employee benefit expenses**		
	Salaries and wages (also, refer note 42)	382.92	507.25
	Gratuity and leave encashment expenses (also, refer note 31)	12.42	17.39
	Contribution to provident and other funds	15.22	23.12
	Employee stock option expenses (also, refer note 30)	58.29	57.03
	Staff welfare expenses	15.49	22.91
	Total	**484.34**	**627.70**
25	**Depreciation and amortization**		
	(Also, refer note 10)		
	Depreciation on property, plant and equipment	22.78	21.24
	Depreciation on right of use assets	12.10	6.62
	Amortization of intangible assets	14.44	19.75
	Total	**49.32**	**47.61**

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Note	Particulars	March 31, 2023	March 31, 2022
26	**Other expenses**		
	Legal and professional charges	110.23	93.46
	Service fee expenses	15.63	2.24
	Technology and communication expenses	39.04	31.35
	Membership and subscription charges	15.42	17.58
	Travelling and conveyance	38.85	25.80
	Insurance	1.91	3.23
	Payments to auditors (also, refer note 28)	7.46	7.14
	Repairs and maintenance - others	8.14	6.73
	Rates and taxes	0.76	0.72
	Rent (also, refer note 36)	7.82	9.35
	Printing and stationery	3.70	3.98
	Power and fuel	4.37	2.27
	Sitting fees	2.23	3.13
	Marketing expenses	12.18	10.34
	CSR contribution (also, refer note 39)	-	0.87
	Miscellaneous expenses	22.54	5.08
	Total	**290.28**	**223.27**
27	**Tax expense**		
	a) Income tax recognized in statement of profit and loss		
	Current tax:		
	In respect of current year	-	-
	In respect of prior years	5.03	-
		5.03	**-**
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	(318.60)	(149.81)
	Total income tax recognized in statement of profit and loss	**(318.60)**	**(149.81)**
	Total	**(313.57)**	**(149.81)**
	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	(0.22)	(0.38)
	Total income tax recognized in other comprehensive income	**(0.22)**	**(0.38)**
28	**Payments to auditors***		
	Statutory audit (Balance for FY2020-21 for previous auditors)#	-	2.00
	Statutory audit	4.02	3.13
	Limited review#	1.64	1.85
	Tax audit (FY2021-22 & FY 2022-23)	0.46	-
	Certification#	0.22	0.11
	Others#	1.09	0.04
	Out of pocket expenses#	0.03	0.01
		7.46	**7.14**

*Includes ineligible GST of 9% charged off to P&L in the current year
Includes ineligible GST of 9% charged off to P&L in the previous year

Note	Particulars	March 31, 2023	March 31, 2022
29	**Earnings Per Share (EPS) after considering compulsorily convertible preference shares:**		
	Net profit/ (loss) attributable to equity shareholders Rs. in millions (Basic and Diluted)	(983.80)	(666.19)
	Weighted average number of equity shares used in computing basic EPS (in numbers)	360,338	360,338
	Weighted average number of CCPS used in computing basic EPS (in numbers)	1,721,298	1,683,819
	Total weighted average number of shares used in computing Basic EPS (in numbers)	2,081,636	2,044,157
	Basic EPS (Rs.) - face value of share Rs.10 each	(472.61)	(325.90)
	Diluted EPS (Rs.) - face value of share Rs.10 each	(472.61)	(325.90)

(All amounts are in millions of Indian Rupees (Rs.), 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), 70,366 (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. On February 10, 2022 the Board approved the Employees Stock Option Plan 2022 to broaden the terms and conditions, including those on vesting, exercise, lapse, surrender, etc. and the same was approved by the Company on March 07, 2022.

During the current year board of directors did not approve any ESOP to employees.

Particulars	No. of options as at March 31, 2023	Weighted Average Rate	No. of options as at March 31, 2022	Weighted Average Rate
Options outstanding at the beginning of the year	85,713	3,173	57,565	2,156
Granted during the year	-	-	43,380	5,022
Exercised during the year	-		-	-
Expired/ lapsed during the year	(11,259)	-	(15,232)	-
Options outstanding at the end of the year	74,454	3,441	85,713	3,173
Options exercisable as at the end of the period	10,930	739	10,930	739

The weighted average remaining contractual life for the stock options outstanding at the end of the year was 191 days (previous year 393 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	FY 2022-23
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%	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	3.00
Expected dividends yield	-	-	-	-	-	-	-	-
Risk free interest rate (%)	7.55%	6.85%	6.66%	7.62%	6.81%	5.86%	6.80%	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: 0 days)

Particulars	No. of options as at March 31, 2023	Weighted Average Rate	No. of options as at March 31, 2022	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	45,000	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 Company has not fair valued such grants. Hence above disclosure is not presented for the same.

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

31 Employee benefits

General description of defined benefit

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, 2023	Year ended March 31, 2022
I. Amount recognized in the statement of Profit and Loss		
Current service cost	3.94	4.69
Net Interest cost	1.21	1.10
Total expenses included in employee benefit expenses	**5.15**	**5.79**

	Year ended March 31, 2023	Year ended March 31, 2022
II. Amount recognized in Other Comprehensive income		
Remeasurement (gains)/ losses:		
Actuarial (gain)/ losses arising from changes in		
- Experience adjustments	(0.88)	(2.45)
Total amount recognized in other comprehensive income	**(0.88)**	**(2.45)**

	As at March 31, 2023	As at March 31, 2022
III. Changes in the defined benefit obligation		
Opening defined benefit obligation	17.21	15.22
Current service cost	3.94	4.69
Interest expense	1.21	1.10
Remeasurement (gains)/losses arising from changes in -		
- Experience adjustments	(0.88)	(2.45)
- Disposals	(4.00)	-
Benefits paid	(0.52)	(1.35)
Closing defined benefit obligation	**16.96**	**17.21**

	As at March 31, 2023	As at March 31, 2022
IV. Net defined benefit obligation		
Defined benefit obligation	16.96	17.21
Current portion of the above	3.37	2.45
Non current portion of the above	13.59	14.76

	As at March 31, 2023	As at March 31, 2022
V. Maturity profile of defined benefit obligation (undiscounted)		
Within 1 year	3.37	2.45
Year 2	1.86	1.87
Year 3	2.05	1.96
Year 4	2.17	2.09
Year 5	1.94	2.72
Years 6-10	8.06	8.93
Years 11-15	3.40	3.24
Years 15+	3.08	3.01

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

I. Actuarial assumptions and sensitivity	As at March 31, 2023	As at March 31, 2022
Discount rate (p.a.)	7.20%	6.90%
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, 2023	Year ended March 31, 2022
One percentage point increase in discount rate	(0.79)	(0.85)
One percentage point decrease in discount rate	0.87	0.94
One percentage point increase in salary growth rate	0.87	0.94
One percentage point decrease in salary growth rate	(0.81)	(0.87)
Ten percentage point increase in attrition rate	(0.18)	(0.30)
Ten percentage point decrease in attrition rate	0.18	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

I. Actuarial assumptions and sensitivity	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate (p.a.)	7.20%	6.70%
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, 2023	Year ended March 31, 2022
Included under gratuity and leave encashment expenses	7.27	11.60

III. Net defined benefit obligation	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation	14.92	17.22
Current portion of the above	4.41	6.21
Non current portion of the above	10.51	11.01

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(All amounts are in millions of Indian Rupees (Rs.), 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, 2023

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	1,000,000	24-Sep-18	24-Sep-24	12.06%	0.33	150.00	150.33	Book debts
72 Months	1,000,000	24-Sep-18	24-Sep-24	12.27%	0.66	300.00	300.66	
72 Months	1,000,000	10-Aug-22	02-Aug-28	10.75%	9.28	585.00	594.28	
60 months	5,000	20-Aug-20	20-Aug-25	12.39%	513.67	0.05	513.72	
60 months	100,000	26-Jul-21	15-Jul-26	10.70%	7.17	345.00	352.17	
48 Months	1,000,000	15-Feb-22	15-Feb-26	12.16%	8.22	594.00	602.22	
36 Months	500,000	17-Jun-20	17-Jun-23	12.75%	25.13	-	25.13	
36 Months	1,000,000	19-Jun-20	19-Jun-23	13.00%	50.20	-	50.20	
36 Months	1,000,000	17-Jul-20	17-Jul-23	12.00%	271.12	-	271.12	
36 Months	1,000,000	15-Dec-20	15-Dec-23	12.06%	694.80	-	694.80	
36 Months	1,000,000	31-Mar-21	01-Apr-24	12.30%	0.11	354.00	354.11	
36 months	1,000,000	05-Apr-21	05-Apr-24	11.64%	121.34	300.00	421.34	
36 months	1,000,000	06-Sep-21	06-Sep-24	10.85%	1.71	244.00	245.71	
36 months	100,000	28-Dec-21	27-Dec-24	11.60%	128.43	123.33	251.76	
33 months	875,000	25-Sep-20	25-Jun-23	12.40%	247.98	-	247.98	
					2,080.15	**2,995.38**	**5,075.53**	

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	1,000,000	24-Sep-18	24-Sep-24	12.94%	0.79	300.00	300.79	Book debts
72 Months	1,000,000	24-Sep-18	24-Sep-24	12.71%	0.40	150.00	150.40	
60 months	5,000	20-Aug-20	20-Aug-25	12.39%	7.64	506.25	513.89	
60 months	100,000	26-Jul-21	15-Jul-26	10.70%	7.27	345.00	352.27	
48 Months	50,000	12-Dec-18	12-Dec-22	12.30%	366.19	-	366.19	
48 Months	1,000,000	15-Feb-22	15-Feb-26	12.16%	8.41	594.00	602.41	
36 Months	500,000	17-Jun-20	17-Jun-23	12.75%	50.39	25.00	75.39	
36 Months	1,000,000	19-Jun-20	19-Jun-23	13.00%	0.20	50.00	50.20	
36 Months	1,000,000	17-Jul-20	17-Jul-23	12.00%	21.21	250.00	271.21	
36 Months	1,000,000	15-Dec-20	15-Dec-23	12.06%	127.84	336.00	463.84	
36 Months	1,000,000	15-Dec-20	15-Dec-23	12.06%	126.81	336.00	462.81	
36 Months	1,000,000	31-Mar-21	01-Apr-24	12.30%	0.23	354.00	354.23	
36 months	1,000,000	05-Apr-21	05-Apr-24	11.64%	21.46	400.00	421.46	
36 months	1,000,000	06-Sep-21	06-Sep-24	10.85%	1.78	244.00	245.78	
36 months	100,000	28-Dec-21	27-Dec-24	11.60%	134.39	246.67	381.06	
33 months	875,000	25-Sep-20	25-Jun-23	12.40%	41.90	247.50	289.40	
					916.91	**4,384.42**	**5,301.33**	

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

32 Details of security, repayment terms and applicable interest rates on debt securities and borrowings

b) Borrowings (other than debt securities)
For balances outstanding as at March 31, 2023
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%	6	38.77	0	-	38.77	Book debts
36 months	11.80%	7	33.40	0	-	33.40	Book debts
39 months	11.65%	12	67.20	3	15.20	82.40	Book debts and Cash Collateral
40 months	11.65%	12	67.20	4	20.80	88.00	Book debts and Cash Collateral
18 months	12.75%	1	45.15	0	-	45.15	Book debts
18 months	12.25%	1	9.13	0	-	9.13	Book debts
24 months	11.25%	9	107.56	0	-	107.56	Book debts
24 months	10.60%	12	150.00	0	-	150.00	Book debts and Cash Collateral
25 months	12.00%	12	36.18	11	36.60	72.79	Book debts
24 months	13.25%	12	151.67	12	150.00	301.67	Book debts
13 months	13.05%	1	11.19	0	-	11.19	Book debts
Quarterly repayment of principal							
35 months	11.75%	2	25.22	0	-	25.22	Book debts
36 months	11.50%	4	50.77	3	37.50	88.27	Book debts
30 months	11.60%	4	300.00	2	150.00	450.00	Book debts
12 months	13.35%	2	75.44	9	-	75.44	Book debts
12 months	13.75%	2	176.01	0	-	176.01	Book debts
Annual repayment of principal							
48 months	10.69%	1	122.28	2	240.70	362.98	Book debts
Bullet Repayment of principal							
37 months	11.18%	0	10.56	1	358.43	368.99	Book debts
Half Yearly repayment of principal							
24 months	5.25%	2	25.00	2	25.00	50.00	Book debts and Cash Collateral
24 months	5.50%	1	50.00	3	150.00	200.03	Book debts and Cash Collateral
			1,552.73		**1,184.23**	**2,737.00**	

II. Short-term

Original maturity of loan	Rate of interest	No of instalments	Amount	Security details
Bullet Repayment of principal				
12 months	9.30%	1	95.00	Book debts and Cash Collateral
12 months	10.25%	1	50.00	
12 months	11.00%	1	155.00	
Monthly Repayment of Principal				
6 months	12.60%	3	201.38	Book debts and Cash Collateral
6 months	13.40%	4	201.12	
12 months	12.75%	5	417.71	
6 months	12.00%	6	601.51	
12 months	14.50%	1	9.16	
III.OD backed by FD		Not Applicable	-	
			1,730.88	

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

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 (Rs.), unless otherwise stated)

33 Fair value measurement

33.1 Financial instruments by category

a) Financial instruments measured at amortized cost

Particulars	As at March 31, 2023 Carrying value	As at March 31, 2022 Carrying value
Financial assets		
Cash and cash equivalents	935.83	990.48
Other bank balances	218.08	221.45
Loans	10,448.04	12,481.26
Investments	2,679.90	1,811.11
Other financial assets	32.38	81.74
	14,314.23	15,586.04
Financial liabilities		
Trade payables	22.84	46.12
Debt securities	5,075.53	5,301.33
Borrowings (other than debt securities)	4,437.07	5,300.64
Other financial liabilities	127.90	116.77
	9,663.34	10,764.86

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

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

Particulars	Carrying value	Fair value	Fair value Level 1	Level 2	Level 3
As at March 31, 2023					
Financial assets					
Investments	-	-	-	-	-
As at March 31, 2022					
Financial assets					
Investments	-	-	-	-	-

33.2 Fair value measurement hierarchy

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

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

The Company determines fair values of its financial instruments according to the following hierarchy:
Level 1 - Valuation based on quoted market price: Financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.
Level 2- Valuation using observable inputs: Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
Level 3 - Valuation technique with significant unobservable inputs: Financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

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(All amounts are in millions of Indian Rupees (Rs.), 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, 2023	As at March 31, 2022
Cash and cash equivalents (excluding cash on hand)	Low credit risk	935.83	990.48
Bank balance other than above	Low credit risk	218.08	221.45
Loans*	Low credit risk	10,647.71	11,731.86
Loans*	Moderate credit ris	154.61	767.04
Loans*	High credit risk	658.98	334.89
Investments	Low credit risk	2,679.90	1,811.11
Other financial assets	Low credit risk	32.38	81.74

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

Cash and cash equivalents and bank deposits

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

Other financial assets

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

Loans

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

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

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, 2023				
Gross carrying amount	935.83	218.08	2,679.90	32.38
Less: Expected credit losses	-	-	-	-
Net carrying amount	**935.83**	**218.08**	**2,679.90**	**32.38**
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**

(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.

Stage	Loans Days past due (DPD)
Stage 1	Upto 60 days
Stage 2	61 days to 180 days
Stage 3	More than 180 days

Credit Quality of Loan Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Stage 1	10,647.71	11,731.86
Stage 2	154.61	767.04
Stage 3	658.98	334.89
Total	**11,461.30**	**12,833.79**

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

As at March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying value of opening balances	11,731.86	767.04	334.89
Adjustments to opening balances due to change in definition of default	-	(75.36)	75.36
Revised gross carrying value of opening balances	11,731.86	691.68	410.25
New assets originated during the year, netted off repayments and derecognised portfolio*	(217.28)	(441.69)	(65.29)
Transfer to stage 1	255.39	(254.83)	(0.56)
Transfer to stage 2	(224.89)	224.90	(0.01)
Transfer to stage 3	(891.74)	(65.41)	957.15
Amounts written off	(5.63)	(0.04)	(642.56)
Gross carrying value of closing balances	**10,647.71**	**154.61**	**658.98**

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

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, 2023

Particulars	Stage 1	Stage 2	Stage 3
ECL allowance - opening balances	29.48	43.03	280.02
New assets originated during the year, netted off repayments and derecognised portfolio*	(0.55)	(27.48)	(44.57)
Transfer to stage 1	0.64	(0.64)	-
Transfer to stage 2	(13.99)	13.99	-
Transfer to stage 3	(608.66)	(44.64)	653.31
Impact of ECL on exposures transferred between stages during the year	945.92	47.07	388.57
Amounts written off	(5.63)	(0.05)	(642.56)
ECL allowance - closing balances	**347.21**	**31.28**	**634.77**

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 year	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**

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 Rs. 67.89 millions and Rs.(83.06) millions respectively (As at March 31, 2022: Rs. 60.72 millions and Rs. (16.21) millions respectively).

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

(c) 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), 32(b) and 41 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.

(d) 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.

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

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, 2023	Year ended March 31, 2022
Interest sensitivity*		
Interest rates – increase by 0.50%	4.59	14.61
Interest rates – decrease by 0.50%	(4.59)	(14.61)

** 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.

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(All amounts are in millions of Indian Rupees (Rs.), 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.

Net debt to equity ratio	**As at March 31, 2023**	**As at March 31, 2022**
Debt	9,512.60	10,601.97
Less: Cash and bank balances & other bank balances	(1,153.91)	(1,211.93)
Net debt	**8,358.69**	**9,390.04**
Total equity	5,601.46	5,343.54
Net debt to equity ratio (%)	149.22%	175.73%

36 Leases

As a lessee

a) Additions to right of use asset **Particulars**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Leased premises	15.00	7.77

b) Carrying value of right of use asset **Particulars**	**As at March 31, 2023**	**As at March 31, 2022**
Right of use asset as on the opening date	12.37	11.22
Additions during the year	15.00	7.77
Deletions during the year	(1.66)	-
Depreciation charge for the year	(12.10)	(6.62)
Balance as at the year end	**13.61**	**12.37**

c) Maturity analysis of lease liability

Contractual Undiscounted Cash Flows		
Less than 1 year	10.71	8.45
One to five years	5.10	8.72
Total undiscounted lease liability	**15.81**	**17.17**
Lease liabilities included in the statement of financial position	**14.46**	**15.62**

d) Amounts recognized in Statement of profit or loss	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Interest on lease liabilities	1.72	1.98
Depreciation charge for the year	12.10	6.62
Expenses relating to short-term leases	7.82	9.35

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.

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, AY 18-19 and AY 20-21 wherein certain additions were made under section 56, section 68 and section 143(3) of Income Tax Act, 1961. The Company has obtained a stay on collection of the demand provided below. The Company considers the claims to be erroneous and as not payable under the provisions of Income Tax Act, 1961.

As at March 31, 2023

	AY 2016-17	AY 2017-18	AY 2018-19	AY 2020-21
Amount of demand	10.24	-	0.26	106.03
Amount paid against stay	2.10	-	-	21.21

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	-

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

39 Corporate Social Responsibility

The Company has not incurred any expenditure in the current year (Previous year Rs.0.87 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 Nil (previous year: Rs. 0.87 millions)

b)

Particulars	For the year ended					
	March 31, 2023			March 31, 2022		
	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

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

Particulars	March 31, 2022	Cash flows (net)	Exchange difference	Amortisation of loan origination	March 31, 2023
Debt securities	5,301.33	(225.80)	-	-	5,075.53
Borrowings (other than debt securities)	5,300.64	(949.47)	45.10	40.80	4,437.07
Total	**10,601.97**	**(1,175.27)**	**45.10**	**40.80**	**9,512.60**

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)	26.99	5,300.64
Total	**7,693.24**	**2,890.83**	**(14.54)**	**32.44**	**10,601.97**

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(All amounts are in millions of Indian Rupees (Rs.), 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, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	935.83	-	935.83	990.48	-	990.48
Other bank balances	196.05	22.03	218.08	160.21	61.24	221.45
Loans	5,698.76	4,749.28	10,448.04	9,446.08	3,035.18	12,481.26
Investments	3.42	2,676.48	2,679.90	178.90	1,632.21	1,811.11
Other financial assets	27.31	5.07	32.38	73.71	8.03	81.74
	6,861.37	**7,452.86**	**14,314.23**	**10,849.38**	**4,736.66**	**15,586.04**
Non- financial assets						
Current tax assets (net)	-	296.23	296.23	-	175.89	175.89
Deferred tax assets (net)	-	563.60	563.60	-	245.22	245.22
Property, plant and equipment	-	42.77	42.77	-	59.97	59.97
Right of use assets	-	13.61	13.61	-	12.37	12.37
Intangible assets under development	-	22.92	22.92	-	27.68	27.68
Other intangible assets	-	38.96	38.96	-	24.76	24.76
Other non-financial assets	25.70	5.55	31.25	37.63	-	37.63
	25.70	**983.64**	**1,009.34**	**37.63**	**545.89**	**583.52**
LIABILITIES						
Financial liabilities						
Trade payables	22.84	-	22.84	45.88	0.24	46.12
Debt securities	2,080.15	2,995.38	5,075.53	916.91	4,384.42	5,301.33
Borrowings (Other than debt securities)	3,264.43	1,172.64	4,437.07	3,853.32	1,473.16	5,326.48
Other financial liabilities	107.78	20.12	127.90	25.35	65.58	90.93
	5,475.20	**4,188.14**	**9,663.34**	**4,841.46**	**5,923.40**	**10,764.86**
Non- financial liabilities						
Provisions	7.78	24.10	31.88	8.66	25.77	34.43
Other non-financial liabilities	26.55	0.34	26.89	26.39	0.34	26.73
	34.33	**24.44**	**58.77**	**35.05**	**26.11**	**61.16**

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(All amounts are in millions of Indian Rupees (Rs.), 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 Foundation Samunnati Finance Private Limited (w.e.f September 22, 2021) Samunnati Agri Innovations Lab Private Limited (w.e.f. April 16, 2021)
Step-down subsidiary	Samunnati Investment Management Services Private Limited (w.e.f. March 08, 2022)
Key management personnel (KMP)	**Executive Director** Mr. Anil Kumar S G - Director and CEO Mr. Gurunath Neelamani - Whole-time Director **KMP** Mr. Lalit Malik – CFO (w.e.f April 22, 2022 to May 29, 2023) Mr. Arunkumar Sridharan - Company Secretary (w.e.f. March 11, 2022) **Independent directors:** Mr. Narasimhan Srinivasan Mr. Sunil Satyapal Gulati Mr. Venkatesh Tagat **Nominee directors:** Ms. Jyotsna Krishnan Mr. Mahendran Balachandran Mr. Akshay Dua 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, 2023	Year ended March 31, 2022
Samunnati Agro Solutions Private Limited		
Loans given	4,265.00	3,000.00
Loans repaid	5,465.00	2,050.00
Interest income on loans	133.04	95.75
Corporate guarantee provided	2,199.23	249.77
Investment in equity shares (Non-current investments)	999.24	-
Income from subsidiary for shared services	21.49	44.59
Salaries and wages (deputation charges)	2.87	2.10
Samunnati Foundation		
Investment in share capital	-	8.40
Loans given	1.10	-
Samunnati Agri Innovations Lab Private Limited		
Investment in equity shares	50.00	813.64
Loans given	155.00	5.50
Loans repaid	69.75	-
Interest income	5.57	0.17
Samunnati Finance Private Limited		
Investment in equity shares	-	25.00
Reimbursement of expenses	-	0.32
Samunnati Investment Management Services Private Limited		
Loans given	1.00	-
Interest income	0.01	-
Mr. Anil Kumar S G		
Remuneration *	23.02	21.75

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

Nature of transactions	Year ended March 31, 2023	Year ended March 31, 2022
Mr. Gurunath Neelamani		
Remuneration *	8.20	11.86
Mr. Nitin Chaudhary		
Remuneration *	-	9.12
Loans repaid	-	0.15
Mr. Ashok Dhamankar		
Remuneration *	-	16.94
Mr. Ashwini Venkataraman		
Remuneration *	-	0.28
Mr. Arunkumar Sridharan		
Remuneration *	3.20	0.10
Mr. Lalit Malik		
Remuneration *	1.98	-
Sitting fees paid		
Mr. Sunil Satyapal Gulati	0.85	1.26
Mr. Narasimhan Srinivasan	0.65	1.11
Mr. Venkatesh Tagat	0.55	0.76

* 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, 2023	As at March 31, 2022
Samunnati Agro Solutions Private Limited		
Loans and advances (including interest accrued)	200.01	1,413.91
Corporate guarantee provided by Company towards borrowings	2,799.00	599.77
Deputation cost payable	0.59	0.61
Deputation cost receivable	7.63	-
Samunnati Agri Innovations Lab Private Limited		
Loans and advances (including interest accrued)	92.41	5.67
Deputation cost payable	17.80	-
Samunnati Foundation		
Loans and advances (including interest accrued)	1.10	
Other receivables	12.73	0.51
Samunnati Finance Private Limited		
Other receivables	0.08	-
Samunnati Investment Management Services Private Limited		
Loans and advances (including interest accrued)	1.01	-
Samunnati ESOP Welfare Trust		
Advances given	-	-

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CHENNAI

(All amounts are in millions of Indian Rupees (Rs.), 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:

1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	As at March 31, 2023 Amount outstanding	As at March 31, 2023 Amount overdue	As at March 31, 2022 Amount outstanding	As at March 31, 2022 Amount overdue
(a) Debentures				
-Secured	5,075.53	-	5,301.33	-
-Unsecured	-	-	-	-
(b)Deferred credits	-	-	-	-
(c)Term loans	4,437.07	-	5,325.48	-
(d)Inter-corporate loans and borrowing	-	-	-	-
(e)Commercial paper	-	-	-	-
(f) Public deposits	-	-	-	-
(g)Cash credit	-	-	-	-

Assets side:	As at March 31, 2023 Amount outstanding	As at March 31, 2022 Amount outstanding
2) Break up of loans and advances including bills receivable (receivable from financing activity)		
(a) Secured	991.80	1,081.22
(b) Unsecured - includes loans to subsidiary	9,456.24	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	3.42	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	As at March 31, 2023 Amount outstanding	As at March 31, 2022 Amount outstanding
(i) Shares		
(a) Equity	2,676.48	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 :

As at March 31, 2023

Category	Secured	Unsecured	Total
1) Related parties			
(a) Subsidiaries	-	294.53	294.53
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2) Other than related parties	991.80	9,161.71	10,153.51
Total	**991.80**	**9,456.24**	**10,448.04**

As at March 31, 2022

Category	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):

As at March 31, 2023

Category	Book Value (Net of Provisions)	Market value/ Break up or fair value or NAV
1) Related Parties		
(a) Subsidiaries	2,676.48	Not applicable
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2) Other than related parties	3.42	3.42
Total	2,679.90	3.42

As at March 31, 2022

Category	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, 2023	As at March 31, 2022
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	681.06	473.92
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	40.85	172.86
(iii) Assets acquired in satisfaction of debt	-	-

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
CRAR (percent)	20.18%	20.43%
CRAR – Tier I Capital (percent)	14.81%	20.16%
CRAR – Tier II Capital (percent)	5.37%	0.27%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

9) Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Value of Investments		
(i) Gross value of investments		
(a) In India	2,679.90	1,811.11
(b) Outside India	-	-
(ii) Provisions for impairment		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	2,679.90	1,811.11
(b) Outside India	-	-

Particulars	As at March 31, 2023	As at March 31, 2022
Movement of provisions held towards depreciation on investments		
(i) Opening Balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/write-back of excess provisions during the year	-	-
(iv) Closing Balance	-	-

10) Derivatives

i) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS) (also includes currency interest rate swaps)

Particulars	As at March 31, 2023	As at March 31, 2022
The notional principal of swap agreements	685.82	353.18
Losses which would be incurred if counterparties failed to fulfil their obligations under the	-	-
Collateral required by the Company upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	-	-
The fair value of the swap book (Asset / (Liability)	8.00	25.84

The above instrument is for hedging the External Commercial Borrowing in foreign currency.

ii) Exchange Traded Interest Rate (IR) Derivatives

The Company has not entered into any exchange traded derivative. The Company is not carrying out any activity of providing Derivative cover to third parties.

iii) Disclosures on Risk Exposure in Derivatives

The Company has a Treasury Risk Management Policy approved by the Assets Liability Committee and the Board. This policy provides the framework for managing various risks including interest rate risk and currency risk. The policy provides for use of derivative instruments in

Quantitative Disclosures:

Foreign currency non-repatriate loans availed:

Particulars	As at March 31, 2023	As at March 31, 2022
	Currency Derivatives	
(i) Derivatives (Notional principal amount) for Hedging	685.82	353.18
(ii) Market to Market position		
(a) Asset (+) Estimated gain	-	-
(b) Liability (-) Estimated loss	8.00	25.84
(iii) Credit exposure	-	-
(iv) Unhedged exposure	-	-

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11) Disclosure related to securitisation

During the year, the Company has not transferred any loans through securitisation.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
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. Total amount of securitised assets as per books of the SPVs sponsored as on the date of the balance sheet	-	-
3.Total amount of exposures retained by the NBFC to comply with minimum retention requirement ('MRR')		
Off-balance sheet exposures		
First loss	-	-
Others	-	-
On-balance sheet exposures		
First loss (cash collateral)	-	-
Others (credit enhancement)	-	-
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 (Rs.), unless otherwise stated)

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

As at March 31, 2023

Maturity pattern	Assets				Liabilities
	Advances	Investments	Deposits	Total	Borrowings
1 to 7 days	616.73	-	9.95	626.68	194.22
8 to 14 days	388.86	-	2.17	391.03	9.13
14 days to 1 month	716.57	2.41	-	718.98	400.98
1 - 2 months	2,601.89	1.01	2.60	2,605.50	405.14
2 - 3 months	1,342.41	-	86.49	1,428.90	580.33
3 - 6 months	1,515.09	-	1.13	1,516.22	2,521.12
6 - 12 months	1,634.52	-	93.77	1,728.29	1,252.90
1 - 3 years	1,349.61	-	22.03	1,371.64	3,594.53
3 - 5 years	1,113.81	-	-	1,113.81	584.98
> 5 years	181.81	-	-	181.81	0.06
Total	11,461.30	3.42	218.14	11,682.86	9,543.39

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

Note:
i) Amounts overdue against standard assets are considered under 1 to 7 days bucket.
ii) 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, 2023 and March 31, 2022.

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**
As per Regulation 57 of SEBI (LODR) Regulation, 2015, the Company had inadvertently missed giving prior intimation to BSE regarding one ISIN (INE551U07167) for the quarter ended June 30, 2022. BSE has levied a fine of Rs. 1,180 on account of the non-intimation.

23) **Related party transactions**
Refer note 42 for Related party transactions.

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

Instrument	Name of the rating agency	As at March 31, 2023 Amount rated (in millions)	As at March 31, 2023 Rating assigned	As at March 31, 2022 Amount rated (in millions)	As at March 31, 2022 Rating assigned
Non Convertible Debentures	CARE	450.00	BBB (stable)	450.00	BBB (stable)
Term loans (Long Term rating)	CRISIL	3,000.00	BBB (stable)	3,000.00	BBB+ (stable) (Reaffirmed)
Term loans (Short Term rating)	CRISIL	3,000.00	A2	3,000.00	A2+ (Reaffirmed)
Commercial Paper	CRISIL	400.00	A2	400.00	A2+ (Reaffirmed)
Non Convertible Debentures (Short Term)	CRISIL	350.00	A2	350.00	A2+ (Reaffirmed)
Non Convertible Debentures (Long Term)	CRISIL	5,835.00	BBB (stable)	4,285.00	BBB+ (stable (Reaffirmed)
Term loans (Proposed)	Infomerics	NA	NA	2,000.00	BBB+ (stable)

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provision for depreciation on investments	-	-
Provision towards NPA	321.58	194.99
Provision made towards income tax	5.03	-
Provision for standard assets	339.15	5.25
Provision for depreciation and amortisation on property, plant and equipment, right of use assets and other intangible assets	49.32	47.61
Provision for employee benefits (Gratuity and compensated absences)	12.42	17.39

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, 2023	As at March 31, 2022
i.	**Concentration of advances**		
	Total advances to twenty largest borrowers	2,945.93	2,945.66
	Percentage of advances to twenty largest borrowers to total advances of the NBFC	28.20%	26.17%
ii.	**Concentration of exposures (undrawn limits not considered)**		
	Total exposures to twenty largest borrowers/customers*	5,744.93	3,545.43
	Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/ customers*	43.37%	27.10%

*The total exposure includes the corporate guarantee given to the subsidiary company. Refer Note 42.

iii.	**Concentration of exposures**		
	Total exposures to top four NPA accounts	217.58	63.99

iv. **Sector-wise NPAs**

Sector wise exposure and NPA is disclosed. Refer Note 44(3).

v. **Movement of NPAs**

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	Net NPAs to Net Advances (%)	0.39%	1.38%
B	Movement of NPAs (Gross)		
	a) Opening balance	473.92	424.50
	b) Additions during the year	891.86	563.07
	c) Reductions during the year	36.48	42.55
	d) Write-off during the year	648.23	471.10
	e) Closing balance	681.06	473.92
C	Movement of Net NPAs		
	a) Opening balance	172.86	307.60
	b) Additions during the year	40.80	154.23
	c) Reductions during the year	172.82	288.97
	d) Closing balance	40.85	172.86
D	Movement of provisions for NPAs (excluding provision on standard assets)		
	a) Opening balance	301.06	116.90
	b) Provisions made during the year	851.06	408.84
	c) Utilisation during the year	417.07	167.68
	d) Write-back of excess provisions	94.84	57.00
	e) Closing balance	640.21	301.06

vi. **Overseas assets**
The Company does not have any overseas assets as at March 31, 2023 and March 31, 2022.

28) There are no off-balance sheet SPVs sponsored by the Company as at March 31, 2023 and March 31, 2022 that are required to be consolidated.

29) **Customer complaints***

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i) No. of complaints pending at the beginning of the year	-	-
ii) No. of complaints received during the year	22	10
iii) No. of complaints redressed during the year	22	10
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 Management**

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

As at March 31, 2023

S.No.	Number of Significant Counterparties	Amount	% of Total borrowings	% of Total liabilities
1	22	9,330.51	98.09%	95.97%

As at March 31, 2022

S.No.	Number of Significant Counterparties	Amount	% of Total borrowings	% of Total liabilities
1	22	10,162.72	95.86%	93.87%

(ii) **Top 20 large deposits as at March 31, 2023 and March 31, 2022 (amount in millions and % of Total Deposits)** Nil

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

As at March 31, 2023

Amount	% of Total Borrowings
6,748.12	70.94%

As at March 31, 2022

Amount	% of Total Borrowings
7,345.74	69.29%

(iv) **Funding concentration based on significant instrument/product**

As at March 31, 2023

S.No.	Name of the instrument	Amount	% of Total liabilities
1	Cash credit	-	0.00%
2	Commercial paper	-	0.00%
3	Non convertible debentures	5,075.53	53.36%
4	Overdraft facilities	-	0.00%
5	Short-term Loans	1,730.88	18.20%
6	Long-term loans	2,706.19	28.45%
	Total	**9,512.60**	**100.00%**

As at March 31, 2022

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	55.73%
4	Overdraft facilities	-	0.00%
5	Short-term Loans	2,009.80	21.13%
6	Long-term loans	3,290.84	34.59%
	Total	**10,601.97**	**111.45%**

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 liabilities of the Company. Total liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

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

(v) Stock Ratios

As at March 31, 2023

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	57.92%	56.67%	35.95%

As at March 31, 2022

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	46.00%	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, 2023, the Company has liquidity of Rs. 935.83 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 2022-23, the weighted average cost of borrowings moved up by 19 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.

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

43) 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	10,647.71	347.21	10,300.50	52.00	295.21	0 - 60 days
	Stage 2	133.61	25.85	107.76	0.64	25.21	60 - 90 days
Subtotal		**10,781.32**	**373.06**	**10,408.26**	**52.64**	**320.42**	
Non-Performing Assets (NPA)							
Substandard	Stage 2	21.00	5.43	15.57	4.58	0.85	90 - 180 days
Substandard	Stage 3	658.98	634.77	24.21	44.09	590.68	More than 180 days
Doubtful - up to 1 year	Stage 3						
1 to 3 years	Stage 3						
More than 3 years	Stage 3	-	-	-	-	-	
Subtotal for doubtful		-	-	-	-	-	
Loss	Stage 3	-	-	-	-	-	
Subtotal for NPA		**679.98**	**640.20**	**39.78**	**48.67**	**591.53**	
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	10,647.71	347.21	10,300.50	52.00	295.21	
	Stage 2	154.61	31.28	123.33	5.22	26.06	
	Stage 3	658.98	634.77	24.21	44.09	590.68	
	Total	**11,461.30**	**1,013.26**	**10,448.04**	**101.31**	**911.95**	

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

44) Additional disclosure pursuant to circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 on additional disclosures in financial statements w.r.t. 'Scale Based Regulation (SBR): A Revised Regulatory Framework' for NBFCs issued by the RBI

Section I

A) Exposure

1) Exposure to real estate sector

The Company does not have any direct exposures to real estate sector.

2) Exposure to capital market

There is no exposure to capital markets as on March 31, 2023 and March 31, 2022.

3) Sectoral Exposure

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (Rs. Million)	Gross NPAs (Rs. Million)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (Rs. Million)	Gross NPAs (Rs. Million)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	7,915.80	340.14	4.30%	9,141.20	266.76	2.92%
2. Industry	478.57	-	0.00%	160.41	-	0.00%
3. Services	1,826.77	208.68	11.42%	2,340.25	-	0.00%
4. Personal Loans	1,240.15	132.24	10.66%	1,191.93	207.16	17.38%

4) Intra-group exposures

i) Total amount of intra-group exposures

Name of Group company	Loans Given (Outstanding)	Investment in Equity	Corporate Guarantees
Samunnati Agro Solutions Private Limited	200.01	1,779.34	2,799.00
Samunnati Agri Innovations Lab Private Limited (formerly known as "Kamatan Farm Tech Private Limited")	92.41	863.64	-
Samunnati Foundation	1.10	8.50	-
Samunnati Finance Private Limited	-	25.00	-
Samunnati Investment Management Services Private Limited	1.01	-	-
	294.53	**2,676.48**	**2,799.00**

		Amount (Rs)
ii)	Total amount of top 20 intra-group exposures (includes loans to subsidiaries, investment in subsidiaries and corporate guarantees given)	5,770.01
iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers (includes loans to subsidiaries, investment in subsidiaries and corporate guarantees given)	34%

5) Unhedged foreign currency exposure

The Company does not have any unhedged foreign currency exposure and hence does not have any foreign currency risk.

B) Related Party Disclosure

Refer note 42 for Related party disclosures.

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	Current Year	Previous Year
Complaints received by the NBFC from its customers		
1. Number of complaints pending at beginning of the year	-	-
2. Number of complaints received during the year	22	10
3. Number of complaints disposed during the year	22	10
3.1 Of which, number of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	-	-

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

Particulars	Current Year	Previous Year
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	3.00	1.00
5.1. Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
			Current Year		
Loans and advances		22.00	120% (increase)		Nil
Total		**22.00**	**120% (increase)**		**Nil**
			Previous Year		
Loans and advances	-	10	9% (decrease)	-	-
Total	-	**10**	**9% (decrease)**	-	-

Section II

A) Breach of covenant

There have been some breach of financial covenants during the year, however the Company has not classified any of its borrowings as immediately due during the year due to such breach of covenants since the management is confident that there will not be any recall of such loans based on their discussion with lenders.

45) The disclosures as required by the Master Direction - Monitoring of frauds in NBFCs issued by RBI dated September 29, 2016

During the year ended March 31, 2023, 1 fraud aggregating to Rs. 175.69 million by the customer have been reported by the Company. The un-recovered amount aggregating to Rs. 175.69 million have been fully provided for / written-off. The Company has initiated necessary legal proceedings for recovery of the amount.

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

46 Covid-19 impact

The company continues to monitor and assess the impact of COVID 19 pandemic on its operation and financials, including the possibility of higher defaults by the customers. The company has considered the information available upto the date of these results and have made adequate provisions in this regard to the extent it is required.

Estimates and associated judgments / assumptions applied in preparation of these financial results including determining the impairment loss allowance and expected future cash inflows / outflows are based on a combination of historical experience and emerging / forward looking indicators resulting from the ongoing pandemic. In addition to these early indicators available, the Company has also used potential stress on the expected credit losses on loans and accordingly recognized an expected credit loss (including write-offs) amounting to Rs. 1308.96 million during the period. The impact assessment of COVID-19 is a continuing process given its uncertainty in nature and duration, this may have corresponding impact in the financial position. The Company will continue to monitor any material changes to the future economic conditions.

47 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 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 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.

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, no companies have been identified as 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 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, 2023	Year ended March 31, 2022
Capital to risk-weighted assets ratio (CRAR)	20.18%	20.43%
CRAR – Tier I Capital (percent)	14.81%	20.16%
CRAR – Tier II Capital (percent)	5.37%	0.27%

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.

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

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.

48 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.

49 Subsequent Events
The Company has since issued Compulsorily Convertible Preference Shares (CCPS) amounting to Rs. 1,340 million on April 05, 2023. This Pre-Series E funding will be utilized by the Company towards expansion of its business.

50 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

V Kothandaraman
Partner
Membership No.: 025973
Place: Chennai
Date: May 30, 2023

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

S G Anil Kumar	**Gurunath Neelamani**	**Arunkumar Sridharan**
Director and CEO	Whole-time Director	Company Secretary
DIN : 01189011	DIN : 02799586	Membership No.: F7112
Place: Chennai	Place: Chennai	Place: Chennai
Date: May 30, 2023	Date: May 30, 2023	Date: May 30, 2023