

**SAMUNNATI FINANCIAL INTERMEDIATION &  
SERVICES PRIVATE LIMITED**

**CIN: U65990TN2014PTC096252**

**Annual Report  
FY 2023-24**

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

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To,  
The Members,  
Statutory Auditors  
Board of Directors of  
SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

**NOTICE** is hereby given that the Tenth Annual General Meeting (“**AGM**”) of Samunnati Financial Intermediation & Services Private Limited (the “**Company**”) will be held on Monday, September 30, 2024, at 2 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, General Circular No. 09/2023 dated September 25, 2023 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, 8<sup>th</sup> Floor, No 129B, East Coast Road, Thiruvanniyur, 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 2023-24 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 BUSINESSES:**

**ITEM NO. 1 - TO CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024 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, 2024, as circulated to the Members and laid before the Meeting, be and are hereby approved and adopted.”

**ITEM NO. 2 - TO CONSIDER AND APPROVE APPOINTMENT OF M/S. V. NARAYANAN & CO, CHARTERED ACCOUNTANTS, AS THE STATUTORY AUDITORS 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 Section 139, 141 and Section 142 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014 and the Guidelines for Appointment of Statutory Auditors of NBFCs issued by the Reserve Bank of India (RBI) vide ref. no. RBI/2021-22/25 - DoS. CO. ARG/SEC. 01/08.91.001/2021-22 dated April 27, 2021, including any statutory modification(s) or re-enactment thereof for the time being in force, and as recommended by the Board of Directors, the approval of the Members of the Company be and is hereby accorded for the appointment of M/s V. Narayanan & Co, Chartered Accountants (Registration No. 0023985), as the Statutory Auditors of the Company for a period of 3 (Three) consecutive years to hold office from the conclusion of the 10<sup>th</sup> Annual General Meeting till the conclusion of 13<sup>th</sup> Annual General Meeting (i.e. for FY 2024-25 to FY 2026-27).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to negotiate and fix the remuneration of Statutory Auditors for the Financial Years 2024-25 to 2026-27.”

**SPECIAL BUSINESSES:**

**ITEM NO. 3 - TO CONSIDER AND APPROVE APPOINTMENT OF MS. PADMA CHANDRASEKARAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR A PERIOD OF 5 YEARS**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof, for the time being in force) read with the Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and the Board of Directors, Ms. Padma Chandrasekaran (DIN: 06609477), who was appointed as an Additional Director (Independent Director) of the Company on July 16, 2024 and who holds the office till the conclusion of this Annual General Meeting and who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder, be and is hereby appointed as an Independent Director, not liable to retire by rotation, for a period of five years with effect from July 16, 2024 up to July 15, 2029.

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

**ITEM NO. 4 - APPROVAL FOR ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS**

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

“RESOLVED THAT pursuant to the provisions of Section 42 of the Companies Act, 2013 (“the Act”) and other applicable provisions of the Act, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 as may be amended from time to time, and subject to such

other applicable laws, rules and regulations and guidelines and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall include any committee(s) and/or any of the Director(s) or person(s) authorised by the Board to exercise powers conferred by this resolution to the extent permitted by law) to raise funds by way of making offer(s) or invitation(s) to subscribe to subordinated or unsubordinated, listed or unlisted, senior, secured or senior unsecured or unsecured, rated or unrated, Non-Convertible Debentures (“**NCDs**”) or Market-Linked Debentures (“**MLDs**”) (“**Debentures**”) or any other permissible debt securities as may be determined by the Board, issued by the Company on a private placement basis, in one or more series/tranches, on such terms and conditions including the price, coupon, premium/ discount etc. as may be determined by the Board and the Debentures may be issued up to a tenure as may be determined by the Board, up to an overall limit of INR 10,000 MN (Indian Rupees Ten Thousand Million only) for the financial year 2024-25.

**RESOLVED FURTHER THAT** consent of the Members of the Company be and is hereby accorded, to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and/or creating a floating charge in all or any movable or immovable properties of the Company to or in favour of banks, financial institutions, investors and any other lenders to secure the amount raised by issuance of Secured Debentures by the Company from time to time for the payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company in respect of such Debentures provided that the aggregate indebtedness secured by the assets of the Company does not exceed a sum of INR 10,000 MN (Indian Rupees Ten Thousand Million only) for the financial year 2024-25.

**RESOLVED FURTHER THAT** Mr. Anil Kumar S G, Director (DIN: 01189011) or Mr. Gurunath N, Wholetime Director (DIN: 02799586) or the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute all such agreements, documents, undertakings, instruments, applications, etc., as may be necessary for giving effect to the above resolution, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid resolution including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard.”

**By Order of the Board of Directors**

S/d-  
**S. Arun Kumar**  
Company Secretary

**Place: Chennai**

**Date: September 06, 2024**

**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](mailto:secretarial@samunnati.com) or 044-66762400.
- 5) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 read with rules issued thereunder shall be available electronically for inspection.

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

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

**ITEM NO. 2 - TO CONSIDER AND APPROVE APPOINTMENT OF M/S. V. NARAYANAN & CO, CHARTERED ACCOUNTANTS AS THE STATUTORY AUDITORS OF THE COMPANY**

The Members may note that M/s PKF Sridhar & Santhanam LLP, Chartered Accountants (Registration No. 003990S / S200018) were appointed as the Statutory Auditors of the Company for a period of 3 (Three) consecutive years from the conclusion of the 7<sup>th</sup> Annual General Meeting (“AGM”) till the conclusion of the 10<sup>th</sup> AGM of the Company (i.e. for FY 2021-22 to FY 2023-24).

In accordance with the Guidelines for Appointment of Statutory Auditors of NBFCs issued by Reserve Bank of India (RBI) vide ref. no. RBI/2021-22/25 - DoS. CO. ARG/SEC. 01/08.91.001/2021-22 dated April 27, 2021, M/s PKF Sridhar & Santhanam LLP have completed a term of 3 (Three) years as Statutory Auditors of the Company and are not eligible for re-appointment as statutory auditors of the Company.

In this regard, the Board had, at its Meeting held on September 06, 2024, recommended to the Members for their approval, the appointment of M/s V. Narayanan & Co, Chartered Accountants (Registration No. 002398S), as the Statutory Auditors of the Company for a period of 3 (Three) consecutive years, to hold office from the conclusion of this 10<sup>th</sup> Annual General Meeting till the conclusion of 13<sup>th</sup> Annual General Meeting (i.e. for FY 2024-25 to FY 2026-27).

The Board has considered some key parameters including the firm’s experience, reputation, profile of partners, audit experience, clientele served, technical knowledge etc., prior to recommending the appointment. The Company has received consent and eligibility letter from M/s V. Narayanan & Co, Chartered Accountants (Registration No. 002398S) to act as Statutory Auditors of the Company along with confirmation that, if appointed, their appointment, would be within the prescribed limits under the Companies Act, 2013.

The Board recommends passing of the resolution at item no. 2 of the notice as 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. 2, except to the extent of their shareholding.

**ITEM NO. 3 - TO CONSIDER AND APPROVE APPOINTMENT OF MS. PADMA CHANDRASEKARAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

Mr. Sunil Satyapal Gulati’s (DIN:00016990) second term as Independent Director was until September 24, 2027. Mr. Sunil Satyapal Gulati, owing to other business and personal commitments, had stepped down as Independent Director of the Company with effect from July 15, 2024.

Further to this, the Company has identified Ms. Padma Chandrasekaran (DIN 06609477), for appointment as an Independent Director of the Company. Considering her qualification, experience and expertise and based on review of all the declarations given by her including the fit and proper declaration and the background verification carried by the Company, the Nomination and Remuneration Committee had

through a resolution by circulation passed on July 13, 2024, recommended to the Board, the appointment of Ms. Padma Chandrasekaran as an Independent Director of the Company.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has appointed Ms. Padma Chandrasekaran as an Additional Director (Independent Director) of the Company w.e.f. July 16, 2024, who holds office as an Additional Director until this Annual General Meeting. Further, the Board has recommended the appointment of Ms. Padma Chandrasekaran (DIN: 06609477), as an Independent Director, not liable to retire by rotation, for a period of five years with effect from July 16, 2024 up to July 15, 2029.

In the opinion of Board, Ms. Padma Chandrasekaran fulfils the conditions specified in the Companies Act, 2013 and the Rules framed thereunder, and she 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 Ms. Padma Chandrasekaran and other information as required under the Secretarial Standards are disclosed under Para - B of this statement.

In compliance with the provisions of Section 149 read with Schedule IV of the Act. The appointment of Ms. Padma Chandrasekaran is being placed before the Members for their approval by means of a Ordinary Resolution. The Board recommends the passing of the Ordinary Resolution set out in Item No 3.

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.

#### **ITEM NO. 4 - APPROVAL FOR ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS**

The Company in the ordinary course of business proposes to raise funds by way of issuance of debt securities including subordinated, listed or unlisted, senior secured, senior unsecured, secured or unsecured Non-Convertible Debentures (“NCDs”) or Market Linked Debentures (“Debentures”) or any other permissible debt securities as may be determined by the Board.

The Board had at its Meeting held on January 23, 2024, approved issuance of non-convertible debt securities subject to approval of the Members up to an aggregate limit of INR 8,000 MN (Indian Rupees Eight Thousand Million only) for FY 2024-25 and the same was approved by Members of the Company at the Extra Ordinary General Meeting held on March 20, 2024.

Considering the business plan and the proposed sanctions and facilities in the pipeline for FY 2024-25, the Board had at its Meeting held on May 28, 2024, approved the revised sub limits and the overall borrowing limits of the Company. In order to align with the aforesaid borrowing limits, the Board had also approved the revised limits for issuance of Non-Convertible Debentures on a Private Placement basis for FY 2024-25 upto an aggregate limit of INR 10,000 MN (Indian Rupees Ten Thousand Million only).

Accordingly, the approval of the Members is being sought, by way of a special resolution, to offer and issue non-convertible debentures on a Private Placement basis for FY 2024-25 upto an aggregate limit of INR 10,000 MN (Indian Rupees Ten Thousand Million only).

Pursuant to Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (“Prospectus and Allotment Rules”), the following disclosures are made:



Sr No.	Particulars	Disclosure
1.	Particulars of the offer including date of passing of Board resolution	<p>Proviso to Rule 14(1) of the Prospectus and Allotment Rules prescribes that where the amount to be raised through offer or invitation of Non-Convertible Debentures, it shall be sufficient if the company passes a special resolution only once in a year for all the offers or invitations for such NCDs during the year.</p> <p>Pursuant to this resolution under Section 42 of the Companies Act, 2013, the specific terms of each offer/issue of NCDs shall be decided at the time of issuance of the relevant NCDs. The date of the relevant resolution of the board and / or committee authorising the issuance shall be mentioned/disclosed in the private placement offer cum application letter for each offer/issue of NCDs.</p> <p>The Board had at its Meeting held on May 28, 2024, approved issuance of non-convertible debt securities subject to approval of the Members up to an aggregate limit of INR 10,000 MN (Indian Rupees Ten Thousand Million only) for FY 2024-25.</p>
2.	Kinds of securities offered and the price at which security is being offered	<p>Sub-ordinated or unsubordinated, listed or unlisted, senior secured or senior unsecured or unsecured, rated or unrated, Non-Convertible Debentures (“NCDs”) or Market-Linked Debentures or any other permissible debt securities as may be determined by the Board (“<b>Debentures</b>”)</p> <p>The NCDs will be offered/issued either at par or at premium or at a discount to face value, which will be decided by the Board of Directors, or any Committee authorised by the Board of Directors, for each specific offer/issue, on the basis of the interest rate/effective yield determined, based on market conditions prevailing at the time of the respective offer/issue of NCDs.</p>
3.	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	<p>Not applicable</p> <p>The securities proposed to be issued are non-convertible debt instruments, which will be offered/issued either at par or at premium or at a discount to face value in accordance with the terms decided in respect thereof.</p>
4.	Name and address of valuer who performed valuation	Not Applicable
5.	Amount which the company intends to raise by way of such securities	The aggregate amount to be raised through the issuance of Debentures pursuant to the authority under this resolution shall not exceed the overall limit of INR 10,000 MN (Indian Rupees Ten Thousand Million only) during the financial year

		2024-25.
6.	Material terms of raising such securities	The specific terms of each offer/issue of NCDs shall be as approved by the Board or any Committee authorised by the Board of Directors, at the time of issuance of the respective securities. These disclosures will be specifically made in each private placement offer cum application letter for each offer/issue.
7.	Proposed time schedule	The aforesaid resolution shall be valid for issuance of subordinated, listed or unlisted, senior secured, senior unsecured, secured or unsecured Non-Convertible Debentures (“NCDs”) or Market Linked Debentures (“Debentures”) or any other permissible debt securities as may be determined by the Board for the financial year 2024-25.  The allotment of Debentures will be done within 60 (Sixty) days from the date of circulation of private placement offer letter cum application form.
8.	Purposes or objects of offer	The proceeds of Debentures issued shall be utilised for the expansion and growth of business of the Company.
9.	Contribution being made by the Promoters or Directors either as part of the offer or separately in furtherance of objects	None of the Promoters or Directors or Key Managerial Personnel of the Company shall be subscribing to the Debentures issued.
10.	Principle terms of assets charged as securities	The assets charged along with the amount and extent of charge creation for specific offer/issue of Secured NCDs shall be as approved by the Board or any Committee authorised by the Board of Directors, at the time of issuance of the respective securities.  The terms and class of assets to be charged will be provided in the relevant Deed of Hypothecation and the charge will be created within timelines stipulated under the Companies Act. 2013.

None of the Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested, either directly or indirectly, in the proposal contained.

Accordingly, the Board of Directors recommends that the Members approve the resolution mentioned in item no. 4 as a Special Resolution.

**B. DISCLOSURE UNDER SECRETARIAL STANDARDS 2 ON GENERAL MEETINGS**

<b>Name of the Director</b>	<b>Ms. Padma Chandrasekaran</b>
<b>DIN</b>	06609477
<b>Date of Birth</b>	15/03/1961
<b>Age</b>	63
<b>Qualification(s)</b>	<ul style="list-style-type: none"> <li>• Bachelor's degree in mathematics / Statistics from the University of Calcutta;</li> <li>• MBA (PGP 1984) from IIM Ahmedabad and</li> <li>• MBA with specialization in Telecommunications from the University of San Francisco, California</li> </ul>
<b>Date of Appointment (Initial Appointment)</b>	Not Applicable
<b>Nature of his expertise in specific functional areas</b>	30 years of experience as an executive, entrepreneur, board member in the for-profit and philanthropic sectors in India and globally. She has been on the advisory board and investment committees of several venture capital companies.
<b>Number of Board Meeting attended during FY 2023-24</b>	Not applicable
<b>Inter-se relationship with any other directors and KMPs of the Company</b>	None
<b>Directorships in other Companies</b>	<ul style="list-style-type: none"> <li>• Archean Chemical Industries Limited</li> <li>• PNB Metlife India Insurance Company Limited</li> <li>• Health Sensei India Private Limited</li> <li>• Adani Capital Private Limited</li> <li>• SKYFI Education Labs Private Limited</li> </ul>
<b>Number of shares held in the Company</b>	NIL
<b>Details of remuneration sought to be paid</b>	Not Applicable
<b>Details of remuneration last drawn</b>	NIL

**By Order of the Board of Directors**

S/d-  
**S. Arun Kumar**  
Company Secretary

Place: Chennai

Date: September 06, 2024

**DIRECTORS' REPORT**  
**For the Financial Year 2023-24**

Dear Members,

Your Directors are pleased to present the Tenth 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, 2024.

#### A. FINANCIAL PERFORMANCE

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

(INR MN)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023*
Revenue from Operations (A)	2,192.94	1,971.54
Other Income (B)	118.56	138.63
<b>Total Income (A+B)</b>	<b>2,311.50</b>	<b>2,110.17</b>
<u>Expenditure</u>	2,060.01	3,407.54
<b>Total Expenses (Including Interest &amp; Depreciation)</b>	<b>2,060.01</b>	<b>3,407.54</b>
<b>Profit / (Loss) before Tax</b>	<b>251.49</b>	<b>(1,297.37)</b>
Less: Tax expenses:		
1. Current tax	-	5.03
2. Deferred tax	41.00	(318.60)
<b>Profit/ (Loss) after tax</b>	<b>210.49</b>	<b>(983.80)</b>
Other Comprehensive Income	(25.66)	0.66
<b>Total Comprehensive Income</b>	<b>184.83</b>	<b>(983.14)</b>

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

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

(INR MN)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023*
Revenue from Operations (A)	25,039.57	18,774.47
Other Income (B)	439.81	223.25
<b>Total Income (A+B)</b>	<b>25,479.38</b>	<b>18,997.72</b>
<u>Expenditure</u>	25,478.72	20,885.71
<b>Total Expenses (Including Interest &amp; Depreciation)</b>	<b>25,478.72</b>	<b>20,885.71</b>
<b>Profit/(Loss) before Tax</b>	<b>0.66</b>	<b>(1,887.99)</b>
Less: Tax expenses:		
1. Current tax	0.23	5.10
2. Deferred tax	79.53	(427.72)
<b>Profit/ (Loss) after tax</b>	<b>(79.10)</b>	<b>(1,465.37)</b>
Other Comprehensive Income	(31.80)	0.73
<b>Total Comprehensive Income</b>	<b>(110.90)</b>	<b>(1,464.64)</b>

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

Despite the challenging environment, Samunnati as a group registered an aggregate GTV of INR 35,256 MN in Agri finance business & INR 22,891 MN in Agri commerce business during FY 2024. FY 2024 has also been a profitable year for the Company both on standalone and consolidated basis. The Profit Before Tax on a standalone basis stood at INR 251.49 MN compared to a loss of INR 1,297.37 MN in the previous year. On a consolidated basis, the Profit Before Tax stood at INR 0.66 MN compared to a loss of INR 1,887.99 MN during the previous year.

Samunnati has made significant strides in operational efficiency, reducing employee costs from INR 881 MN during FY 2023 to INR 736 MN during FY 2024, a reduction of 20%. This was achieved by reducing headcount from 620 to 536, a 16% decrease. Despite this, the Company managed to grow its assets by 20% and increase operational efficiency by 12% through strategic cost reductions.

During the year under review (as of May 2024), the Company raised Pre-Series E capital aggregating to INR 2,169 MN through issuance of Compulsorily Convertible Cumulative Preference Shares and Optionally Convertible Redeemable Preference Shares. The existing investors as well as some new investors participated in these rounds of capital raise, which indicates the investors' confidence in the Company's business model.

Since inception, the Company has disbursed a cumulative amount of US\$ 3 billion (as of March 31, 2024) and aims to disburse US\$ 7 billion by FY 2027, targeting an ambitious compounded annual growth rate (CAGR) of 50%. Samunnati's mission for the near future is to facilitate financial and trade supply chain solutions for one in every four farming households, enabling the Agri and food supply chain through innovative ideas powered by technology at scale. To achieve this ambitious mission, Samunnati has devised detailed action plans for each customer segment.

For the Agri Enterprises segment, the disbursement is projected to grow at 40% CAGR. In the Farmer Collectives segment, the disbursement is expected to grow at 85% CAGR. This aggressive growth strategy highlights Samunnati's commitment to deepening its penetration in the relatively untapped Farmer Collectives segment and elevating it to an asset class.

During FY 2024, Samunnati's debt raise has doubled to INR 11,039 MN. The debt strategy for the fiscal year focused on ensuring liquidity, with a diversified mix of instruments and institutions. The Company onboarded 13 new lenders during the year under review. Additionally, Samunnati's Net Worth increased by 38% as of March 31, 2024 and stood at INR 7,689 MN compared to INR 5,601 MN as of March 31, 2023.

Samunnati has demonstrated remarkable growth and operational efficiency in FY 2024, setting the stage for an ambitious future. The Company's strategic initiatives, coupled with its focus on innovation and technology, position it well to achieve its mission of transforming the agriculture and food value chains in India. With a strong foundation and clear action plan, Samunnati is poised for sustained growth and significant impact in the years to come.

## **B. SUMMARY OF OPERATIONS**

### **Standalone**

The Company's Asset under Management (AUM) grew by INR 1,823 MN to INR 13,335 MN as of March 31, 2024, compared to INR 11,512 MN as of March 31, 2023. Revenue from operations grew by INR 221.40 MN (growth of ~ 11%) to INR 2,192.94 MN during FY 2024 from INR 1,971.54 MN

during FY 2023. The Profit before tax improved significantly from a loss of INR 1,297.37 MN during FY 2023 to a profit of INR 251.49 MN during FY 2024. The Cash generated from operations before working capital changes also increased from INR 1,379.23 MN during FY 2023 to INR 1,558.71 MN during FY 2024.

During the year, the Company raised capital of INR 2,169 MN (including capital raised during May 2024) and debt funding of INR 7,199 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. The Gross Transaction Value / Sales of the subsidiary during FY 2024 increased to INR 21,986.33 MN (growth of ~ 30%) from INR 16,940.51 MN during FY 2023.
- 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. 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. The sales of SAIL increased significantly from INR 22.95 MN during FY 2023 to INR 925.03 MN during FY 2024.
- 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 intends to manage an Alternative Investment Fund (“AIF”) (Category 2 - Debt fund) with emphasis on Sustainability, Scalability and Impact, as and when the AIF is set up. Samunnati Investment Management Services Private Limited 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.

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 has made an application for obtaining Registration/License from the Reserve Bank of India (RBI), to operate as a Non-Banking Finance Company (NBFC). Upon receipt of the Registration/Licence from RBI, 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, with an intent to manage an Alternative Investment Fund (“AIF”) (Category 2 - Debt fund) with emphasis on Sustainability, Scalability and Impact.

#### **D. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

##### **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 2024 stands at around INR 1.27 crore against last year’s Budget of approximately INR 1.15 lakh crore, which represents a hike of around 10 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 conflict, ongoing since February 2022, has continued to impact global prices for food, fuel, and fertilizers, driving inflation and prompting monetary policy tightening worldwide. Developing countries, particularly in South Asia, have faced economic challenges due to weaker currencies, higher import prices, rising living costs and a stronger dollar, making debt servicing more expensive.

In FY 2024, these pressures have persisted. The Reserve Bank of India (RBI) has raised the repo rate by 250 basis points since May 2022 to curb inflation, with rates peaking in the first half of the fiscal year 2023-24. This has led to higher borrowing costs and liquidity constraints. Businesses and consumers face increased interest expenses, reducing disposable income and investment capacity, thereby slowing economic growth.

Higher borrowing costs mean businesses struggle to finance operations and expansion, while consumers face more expensive loans, reducing spending power. Liquidity constraints, exacerbated by tighter monetary policies, limit access to credit, further straining economic activity. These factors collectively hinder economic recovery, maintaining pressure on prices and affecting overall financial stability. In view of this, Samunnati also experienced increased cost of borrowing/ impact on the fund raise plans and liquidity constraints for business expansion.

### **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.

In FY 2024, the Indian government increased the agricultural credit target to INR 22-25 lakh crore, focusing on sectors such as animal husbandry, dairy and fisheries. This increase is aimed at providing greater financial support to these industries, promoting growth and sustainability. The budget also continues support for initiatives like the PM Kisan Samman Nidhi, allocating INR 60,000 crore to provide direct financial assistance to over 11.8 crore small and marginal farmers. The Pradhan Mantri Fasal Bima Yojana (PMFBY) received allocations to ensure crop insurance for four crore farmers, protecting them against adverse weather and other risks.

Additionally, the government emphasizes a cluster-based approach to encourage collaboration among farmers, state, and industry. This approach aims to improve the supply of inputs, extension services and market connections, fostering sustainable agricultural growth. To support young professionals and agricultural startups, the Agriculture Accelerator Fund continues to receive backing, focusing on innovative solutions to increase productivity and profitability in farming through modern technology.

Furthermore, the budget aims to address post-harvest losses with public-private partnerships to enhance infrastructure and storage facilities, which are crucial for improving food security and driving economic growth. 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. This presented a good business opportunity for

Samunnati Agro in the farm equipment space especially those related to farm mechanization viz., sprayers, dryers, weed harvesters, bailers and farm implements etc. These equipments are more sought after by farmers and the farmer collectives and would enable Samunnati Agro to become a formidable player in the farm equipment distribution space. There are many start-ups that are innovative and technology-driven but do not have a conventional distributor/dealer network to reach the products to the consumers at large and may not have the reach in connecting with the farmers at large through a single source. Considering Samunnati's strong presence in the FPO ecosystem, Samunnati Agro can be a distributor for these products as Samunnati has the reach in the FPO Space with about 5500+ FPOs in its fold. In view of this, Samunnati Agro has recently ventured into trading of farm implements, equipment, agricultural processing machines, accessories and tools.

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 has created a digital marketplace which is 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.

### **Sustainability Initiatives at Samunnati**

Samunnati's sustainability strategy rests on four main pillars: sustainable lending, sustainable operations, sustainable supply chains and overall sustainable impact.

- ***Sustainable Lending***

Samunnati focuses on climate-smart and gender-focused portfolios. The Company has accessed US\$ 12.2 MN through Green Bonds since 2021 and during FY 2024, secured US\$ 9 MN through Orange Bond from the Impact Investment Exchange (IIX) to finance women-led enterprises and Farmer Producer Organizations (FPOs). During FY 2025, Samunnati aims to raise US\$ 35 MN through thematic capital, targeting to reach at least 20% of the AUM to be in green and social assets.

Samunnati has collaborated with USAID, USDFC and Rabo Foundation to support sustainable financing and risk mitigation. These partnerships help secure credit guarantees and thematic funds, bolstering the green and social asset portfolio of the Company. USAID and USDFC have provided credit guarantees worth US\$ 12.5 MN (-INR 1 billion) and US\$ 25 MN (INR 2 billion), enhancing financial stability and risk management. Rabo Foundation's involvement (INR 900 MN) supports sustainable finance frameworks and capacity building in the agricultural sector.

- ***Sustainable Operations***

Samunnati's ESG strategy encompasses governance, risk management and reporting. The organization targets key ESG risks such as GHG emissions, E&S risks and climate-smart agriculture while seizing opportunities in product innovations and building enabling ecosystems. This approach aims to improve financial access, market access and gender participation in agriculture.

- ***Sustainable Supply Chains***

Samunnati through its wholly owned subsidiary, Samunnati Foundation, drives initiatives in FPO promotion and development, gender inclusion, climate-smart agriculture and rural youth engagement. Programs like the FPO Academy and partnerships with organizations such as Corteva and DCM Shriram support all-women FPCs and projects like Responsible Soya.

### ***Case Studies and Biochar Summary***

Samunnati's biochar initiative highlights sustainable practices by converting biomass and crop residues into soil carbon through smokeless pyrolysis, reducing CO2 emissions. Four biochar manufacturing facilities have been established, with over 200 farmers trained. Positive impacts on crop yields have been demonstrated through field trials. Partnerships with major textile manufacturers and research institutes have been established with aim to enhance the scalability and impact of biochar applications, including generating carbon credits and improving agricultural practices.

These initiatives underscore Samunnati's commitment to integrating sustainability into its operations, enhancing the livelihoods of smallholder farmers and contributing to broader environmental and social goals.

### ***Target for the year ahead***

Samunnati aims to achieve a total AUM of US\$ 275 MN by end of FY 2025, with 20% (US\$ 55 MN) allocated to green and social assets. The planned capital raise for thematic investments stands at US\$ 35 MN.

### **Business Performance Overview**

Samunnati has consistently enabled various agriculture and food value chains to operate at higher equilibrium through customized solutions, including working capital, aggregation and market linkage, higher accessibility through technological interventions, advisory services and capacity building. The Company has successfully partnered with over 3,500 Agri Enterprises and 6,500 Farmer Collectives, addressing the needs of these two principal client segments.

- ***Agri Enterprises***

For Agri Enterprises, Samunnati primarily offers Agri Receivables Finance and Term Loans, which together constitute nearly all of the assets under management (AUM) for this segment. During FY 2024, the total disbursement in this segment reached INR 25,066 MN, marking an 18% increase from FY 2023. The AUM grew to INR 7,885 MN, a 15% rise from the previous fiscal year. Notably, the growth rates for both disbursement and AUM in FY 2024 surpass those between FY 2022 and FY

2023, with disbursement growth doubling and AUM growth increasing sixfold. Despite such robust growth, the repayment efficiency in this segment has remained impressive at 99.1%.

- **Farmer Collectives**

The key products for Farmer Collectives include Instant Preapproved Loans (IPL), Input Loans, Output Loans, Term Loans and Samunnati Farmer Loans (SAFAL), all contributing significantly to the AUM share in this segment. In FY 2024, the total disbursement in this segment soared to INR 9,711 MN, representing a substantial 75% increase from FY 2023. The AUM reached INR 4,980 MN, a 50% increase from the previous year. According to FPO financing trends in India published by APMAS, Samunnati holds a dominant 75% market share, with NABKISAN a distant second at 20%, and other players like FWFB and Caspian Debt contributing a mere 5%. This dominance underscores Samunnati's leadership in the nascent yet crucial Farmer Collectives segment. Despite the inherent risks associated with financing these collectives, Samunnati has maintained an impressive repayment efficiency of 97.8%.

### **Financial Performance**

The AUM of the Company as of March 31, 2024 stood at INR 13,363 MN, a 20% increase from March 2023. The Profit Before Tax on a standalone basis stood at INR 251.49 MN compared to a loss of INR 1,297.37 MN in the previous year. On a consolidated basis, the Profit Before Tax stood at INR 0.66 MN compared to loss of INR 1,887.99 MN during the previous year. The Gross Non-Performing Assets (GNPA) stood at 2.33%, while the Net Non-Performing Assets (NNPA) stood at 1.29% at the end of FY 2024. The overall repayment efficiency for Agri Finance business stood at 98.2%.

### **Operational Efficiency**

Samunnati has made significant strides in operational efficiency, reducing employee costs from INR 881 MN during FY 2023 to INR 736 MN during FY 2024, a reduction of 20%. This was achieved by reducing headcount from 620 to 536, a 16% decrease. Despite this, the Company managed to grow its assets by 20% and increase operational efficiency by 12% through strategic cost reductions.

### **Future Potential**

Since inception, the Company has disbursed a cumulative amount of US\$ 3 billion (as of March 31, 2024) and aims to disburse US\$ 7 billion by FY 2027, targeting an ambitious compound annual growth rate (CAGR) of 50%. Samunnati's mission for the near future is to facilitate financial and trade supply chain solutions for one in every four farming households, enabling the Agri and food supply chain through innovative ideas powered by technology at scale. To achieve this ambitious mission, Samunnati has devised detailed action plans for each customer segment.

For the Agri Enterprises segment, the disbursement is projected to grow from INR 25,066 MN in FY 2024 to INR 67,645 MN in FY 2027, representing a 40% CAGR. In the Farmer Collectives segment, the disbursement is expected to increase from INR 9,711 MN in FY 2024 to INR 67,645 MN in FY 2027, representing a 85% CAGR. This aggressive growth strategy highlights Samunnati's commitment to deepening its penetration in the relatively untapped Farmer Collectives segment and elevating it to an asset class.

## Equity and Debt

During the year under review (as of May 2024), the Company raised Pre-Series E capital aggregating to INR 2,169 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.

During FY 2024, Samunnati's debt raise has doubled to INR 11,039 MN. The debt strategy for the fiscal year focused on ensuring liquidity, with a diversified mix of instruments and institutions. The Company onboarded 13 new lenders during the year under review. Additionally, Samunnati's Net Worth increased by 38% as of March 31, 2024 and stood at INR 7,689 MN compared to INR 5,601 MN as of March 31, 2023.

## Samunnati Foundation

Some of the key initiatives/projects undertaken by Samunnati Foundation during FY 2024 are given below:

### a) Development of Hadoti Agrofarm Producer FPC

Samunnati Foundation, in collaboration with DCM Shriram Foundation, is empowering smallholder farmers of 14 villages in the Ladpura Block of Kota. The program aims to transform the Hadoti Agrofarm FPC into a sustainable entity. Key areas of focus include member activation, governance enhancement, market integration, financial management, and digital adoption.

Key initiatives include the following:

- *Shareholder Engagement:* Noteworthy progress in strengthening Hadoti FPC, resulting in a threefold increase in membership. The FPC boasts a total of 410 shareholders, with over 50% being women. Additionally, INR 0.37 MN of shareholder funds have been mobilized.
- *Procurement and Sales of input:* FPC has conducted agri input purchases worth INR 2.95 MN and sales worth INR 2.97 MN, engaging 503 unique farmers in these transactions.
- *Procurement and Sales of output:* FPC procured a total of 146.8 MT of commodities, including mustard, wheat and soyabean, from 76 farmers. Sales amounted to INR 5 MN. Farmers benefitted by additional price of INR 55-60 per quintal through these transactions.

These accomplishments signify substantial progress in uplifting the Hadoti Agrofarm Producer FPC, demonstrating tangible outcomes in shareholder engagement, market participation, and economic benefits for local farmers.

### b) Promotion of 10 All Women FPCs Supported by Corteva:

Samunnati Foundation, in collaboration with Corteva Agrisciences, is empowering smallholder women farmers in Madhya Pradesh and Jharkhand.

Key initiatives include the following:

Project prioritized the enhancement of skills and knowledge for both the FPC staff and Board of Directors. Comprehensive capacity-building training sessions were conducted for both the Board of Directors and FPC staff. The FPC has successfully incorporated various Standard Operating Procedures (SOPs) in their respective FPCs with the approval of the Board of Directors.

- *Community engagement and Member Mobilization:* - The total interactions with 16000+ farmers across 1000+ meetings underscored the commitment to engaging and mobilizing community members. A cumulative addition of 5047 shareholders and mobilization of a share capital of INR 3.67 MN has been achieved.
- *Agri Input Business:* FPCs procured agri inputs worth INR 9.95 MN and achieved a total sales of INR 8.33 MN benefiting 2300 farmers.
- *Agri Output Business:* Procurement of soybean, paddy, and maize from 127 small and marginal farmers generated revenue of INR 4.02 MN upon sale to local traders.
- *Digitization:* FPC details and member details digitisation through FPO next.
- *Innovation:* Installation of four vegetable drying units (Raheja solar) in Jharkhand FPCs aims to introduce new technologies, enhancing the marketability of dried vegetables through Raheja Solar. This will serve as an additional income source to FPC.

**c) Strengthening of Vijayalaxmi Sakhi FPC & Manjiri Sakhi FPC in Maharashtra**

The recent MOU signing with Swayam Shikshan Prayog (SSP) heralds a transformative chapter for Vijayalaxmi Sakhi Producer Company Limited & Manjiri Sakhi Producer Company Limited in Maharashtra. Through business line identification, commodity selection and completion of the baseline survey, we've laid the groundwork for impactful change. Additionally, directors and staff orientation, coupled with a substantial working capital loan of INR 1 MN for Manjiri Sakhi FPC, signify our commitment to catalysing sustainable development and empowering local communities.

**d) Promotion of Responsible Soya**

The "Promotion of Responsible Soya" initiative in Madhya Pradesh, funded by the Samunnati Foundation and led by the Madhya Bharat Consortium of Farmers Producer Company Limited (MBCFPCL), aims to boost soybean production sustainably. Through improved agricultural practices, the program aims to increase yields by over 20%, reduced child labor in soya production by up to 80%, and ensured equal wages for women

Key initiatives include the following:

- **Farmer Engagement:** 4000 farmers registered, with baseline data collected for 3500, demonstrating extensive farmer involvement.
- **Training and Awareness:** 267 events and sessions held on Sustainable Agriculture Practices, gender laws, and workers' health safety, indicating a strong educational effort.
- **Demonstrations on Good Practices:** 445 demonstrations conducted on seed treatment, improved varieties, sowing methods, weed management, and integrated pest and nutrient management, showcasing practical training in sustainable agriculture.
- **Adoption of Sustainable Techniques:** Emphasis on eco-friendly practices like bio-pesticide seed treatment and mechanical weeding in demonstrations highlights the program's focus on sustainable agriculture.

**e) FPO Academy:**

The FPO Academy Learning Platform is dedicated to facilitating the holistic growth of Farmers Producer Organization (FPO) CEOs, Accountants, Staff, Board of Directors, FIG leaders, and Member farmers.

**Key Features:**

- *Extensive Course Portfolio:* Offering a diverse range of 65 meticulously curated courses, the platform hosts over 850 high-quality videos. These courses cover crucial domains such as FPO governance, compliance, organizational management, marketing strategies, financial acumen, business planning, leadership skills, technology integration and the agri-value chain.
- *Multilingual Access:* Breaking language barriers, the FPO Academy provides content in English and five regional languages—Hindi, Tamil, Telugu, Kannada, and Marathi. This commitment ensures inclusivity, allowing every learner to access transformative knowledge in their preferred language.
- *Dual Accessibility:* Transition seamlessly between devices with the FPO Academy, which is accessible through both web and mobile platforms. This dual accessibility guarantees a consistent and enriching learning experience, empowering learners to engage with content at their convenience.

Additionally, the FPO Academy has conducted over 30 training sessions, benefiting more than 500 individuals. These efforts further underscore the commitment to equipping stakeholders with valuable skills and knowledge for the advancement of FPOs and agricultural communities.

**f) Rural youth drone technology training Program:**

- Samunnati Foundation in collaboration with Indian Oil Corporation, conducted a 13-day residential training program on Drone Technology for 22 rural youth between December 11 - 23, 2023, at Kanha Shanti Vanam.
- Participants, including ITI-IOT students and FPO directors, were trained in drone applications in agriculture and related entrepreneurship skills.
- The program aimed to empower participants to become Agri pruners and positively impact farmers' lives.

**Strategic Interventions with Ecosystem**

Informal interaction on policy issues, especially related to FPO policy, continued with Ministry of Agriculture from FY 2023. A key transformation in FY 2024 was the formal participation of Samunnati representatives in several high-level expert and working groups, tasked with generating inputs on specific themes related to lending to FPOs, technology, marketing and institution building. These provided a platform for the Company to share its experiences, provide feedback on bottlenecks and opportunities and suggest options to address constraints. It also enabled the Company to interact with senior representatives from various Ministries of Government of India and the State Governments, besides regulatory bodies, financial institutions and civil society organizations.

One major outcome of these series of engagements was the notification by the Ministry of Agriculture of an amendment to the credit guarantee fund for FPOs, administered by NABARD, expanding the eligibility of NBFCs to be covered under its ambit. This notification resulted from a set of suggestions

specifically contributed by Samunnati to a working group on FPO financing. The positive impact of this change will be visible during FY 2025 on our finances, as a result of lower ECL provisioning for FPO loans which are eligible for credit guarantee cover.

Our engagement with FICCI also continued apace during FY 2024, where our representatives chair two task forces, on FPOs and Agri Finance. This multi-stakeholder platform enabled us to build a wider community of dialogue partners, including key industry players besides FPOs, start-ups and financial institutions.

On the ground, Samunnati continued to be recognized as the lead player in the FPO business space, dominating lending, while actively working on market linkages, technology and training. Our network of FPOs grew further to cross 5500 and the Company is positioned as a high-recall brand enjoying significant trust in this sector. The growing number of CSR-supported projects (including support from MNCs like Corteva, Walmart and Unilever) is testimony to the Company's expanding presence in the Agri space.

### **Samunnati Research Desk**

Samunnati's Research Desk continued to grow in its third year. Existing customers preferred to renew the service contract and the new clients joined via subscription route. Also, the global clientele has increased during FY 2024, solely through word of mouth publicity. The fact that the Company is providing quality research at the right time helped the cause.

Research Desk provides host of services ranging from crop cutting, yield estimation to price forecasting providing market intelligence in form of regular weekly, monthly and crop survey reports. Samunnati's FPO network was of a great help for the same by providing credibility to our research. The client base ranges from Indian and foreign MNC traders to domestic manufacturers.

Research serves internal customers like credit, risk, business departments for our programs like ML and STF. Regular weekly reports and Risk reports are shared with the concerned internal departments that help them make informed decisions. During FY 2024, the desk released more than 400 reports that covered more than 25 commodities and around 12-16 value chains ranging from oilseeds, pulses, spices, grains, dry fruits, to dairy, aqua, textile, ethanol value chains regularly.

While the Research Desk is in the business of assessing commodity demand, supply and provide an outlook, the success rate is not 100%. Occasionally, unanticipated events like government policy, weather vagaries and global events end up influencing research outcomes. Regular update on those are also given to all the stakeholders to keep them updated on the changing circumstances.

Going forward, the Research Desk is intensifying the efforts for a diversified client base. The desk has also taken up a project of value chain research in three districts of Assam for WWF. If this works out to the satisfaction of the client, it has the potential to grow more.



### Awards & Recognitions

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

- Samunnati has been certified as a great workplace (Category: Mid-Sized Organisations). Samunnati was certified as a Great Place to Work for the fourth time in a row during the year under review and also featured in the mid-size places to work in the country.
- Samunnati has been awarded at the Best Financial Support to sugar and allied industry and the sugar and ethanol awards ceremony in Delhi in February 2024. The award ceremony was organized by Chini Mandi (JK Sugar Group).

### Financial Performance

#### Standalone Financial Performance

On a Standalone basis, the Company recorded a total Income of INR 2,192.94 MN during FY 2024 compared to INR 1,971.54 MN during FY 2023 which represents a growth of ~ 11%. The Net Income increased significantly to INR 1,063.62 MN during FY 2024 compared to INR 755.80 MN during FY 2023, registering a growth of ~41% despite increase in cost of funds due to the external environment. The Profit/ (Loss) before tax improved significantly from a loss of INR 1,297.37 MN during FY 2023 to a profit of INR 251.49 MN during FY 2024. Impairment/ provision was INR 158.37 MN during FY 2024 compared to INR 1,370.72 MN during FY 2023. The total Comprehensive Income stood at INR 184.83 MN during FY 2024 compared to a loss of INR 983.14 MN during FY 2023.

The Company's Net Worth on a standalone basis has significantly increased to INR 7,688.76 MN as at March 31, 2024, compared to INR 5,601.46 MN as at March 31, 2023 on account of the equity infusion and profits.

The cash generated from operations before working capital has increased from INR 1,379.23 MN during FY 2023 to INR 1,558.71 MN during FY 2024. The total assets have significantly improved from INR 15,323.57 MN as of March 31, 2023, to INR 19,943.89 MN as of March 31, 2024. The Company's net portfolio has increased from INR 10,448.04 MN as at March 31, 2023 to INR 13,810.40 MN as at March 31, 2024.

#### Consolidated Financial Performance

On a consolidated basis, the total income of the Company has increased to INR 25,479.38 MN for FY 2024 compared to INR 18,997.72 MN during FY 2023. The Impairment/ provision was INR 158.37 MN compared to INR 1,308.96 MN during FY 2023. The Company also turned profitable on a consolidated basis registering a Profit Before Tax of INR 0.66 MN compared to a loss of INR 1,887.99 MN during FY 2023. The total Comprehensive Loss has significantly reduced to INR 110.90 MN compared to a loss of INR 1,464.64 MN during FY 2023. At a consolidated level, the Company's Net Worth stood at INR 6,372 MN as at March 31, 2024, compared to INR 4,580.08 MN as at March 31, 2023.

### **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.

Samunnati Finance Private Limited had submitted an application with the Reserve Bank of India (RBI) during December 2021 seeking the grant of Certificate of Registration (CoR) for undertaking the business of NBFC, in line with the Scheme of Arrangement. However, after seeking additional information and documents, RBI had returned the application during August 2022 stating that entities incorporated in the Cayman Islands, an FATF grey-list jurisdiction, indirectly held more than 20% in Samunnati Finance Private Limited.

Subsequently, Cayman Islands was removed from the list of Jurisdictions under Increased Monitoring (‘FATF grey-list’) at the plenary held during October 2023 and RBI had issued a press release dated November 1, 2023, confirming the same.

Further to this, Samunnati Finance Private Limited has filed an application with the Reserve Bank of India on December 01, 2023, seeking grant of Certificate of Registration (COR) for undertaking the business of a Non-Deposit accepting Non-Banking Financial Company (NBFC-ND) under Section 45-IA of the Reserve Bank of India Act, 1934. In this regard, the Reserve Bank of India has sent a communication explaining the modalities for surrender of the NBFC license by the Company and issuance of the new NBFC license in the name of Samunnati Finance Private Limited.

**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 May 2024, the Company raised further equity through allotment of second tranche of the Pre-Series E Compulsorily Convertible Cumulative Preference Shares, the details of which are given below:

Date of Allotment	Name of the Shareholder	No of Shares
May 09, 2024	Equitane DMCC	24,870

Consequent to the same, the paid-up share capital as on the date of this report stands at, INR 2,59,45,800/- (Rupees Two Crore Fifty Nine Lakhs Forty Five Thousand and 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 20,20,719 (Twenty Lakhs Twenty Thousand Seven Hundred and Nineteen only) Preference shares of INR 10/- each.

No other material changes 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 Amendment to the Amended and Restated Shareholders' Agreement dated March 20, 2024.

**H. DIVIDEND**

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

**I. TRANSFER TO RESERVES**

The Company has made Profit After Tax of INR 210.49 MN during the Financial Year 2023-24. Further to this, the Company has transferred INR 42.10 MN, being 20% of the profits, to statutory reserve pursuant to the provisions of 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 2023-24.

**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, 2024.

**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 period from April 1, 2023 till the date of this report, the Company has issued 1,75,450 (One Lakh Seventy Five Thousand Four Hundred and Fifty) Pre-Series E Compulsorily Convertible Cumulative Preference Shares and 41,450 (Forty One Thousand Four Hundred and Fifty) 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.	April 06, 2023	responsAbility Sustainable Food - Asia II, SLP through its general partner responsAbility Sustainable Food - Asia II (GP), S.À R.L.	Pre-Series E Compulsorily Convertible Cumulative Preference Shares	1,22,000
2.	April 06, 2023	Mr. Ramaraj Rajasekhar	Pre-Series E Compulsorily Convertible Cumulative Preference Shares	4,000
3.	April 06, 2023	Mr. Vaidyanathan Shankar	Pre-Series E Compulsorily Convertible Cumulative Preference Shares	4,000
4.	April 06, 2023	Mr. Venkataramani Srivathsan	Pre-Series E Compulsorily Convertible Cumulative Preference Shares	2,000
5.	April 06, 2023	Mr. Colladi Venkatesan Janakiraman	Pre-Series E Compulsorily Convertible Cumulative Preference Shares	1,000
6.	April 06, 2023	Mr. Muthukumar Neelamani	Pre-Series E Compulsorily Convertible Cumulative Preference Shares	1,000
7.	March 27, 2024	Equitane DMCC (formerly known as ATIF Holdco DMCC)	Pre-Series E Compulsorily Convertible Cumulative Preference Shares	16,580
8.	March 27, 2024	EE-FI AIF	Pre-Series E Optionally Convertible Redeemable Preference Shares	41,450
9.	May 9, 2024	Equitane DMCC (formerly known as ATIF Holdco DMCC)	Pre-Series E Compulsorily Convertible Cumulative Preference Shares	24,870
<b>Total</b>				<b>216,900</b>

Consequent to the same, the paid-up share capital as on the date of this report stands at, INR 2,59,45,800/- (Rupees Two Crore Fifty Nine Lakhs Forty Five 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 20,20,719 (Twenty Lakhs Twenty Thousand Seven 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, 2023)	Closing (Date of this Report)
Authorized Capital (INR)	INR 3,05,00,000/-	INR 3,05,00,000/-
Paid Up Capital (INR)	INR 2,37,76,800/-	INR 2,59,45,800/-

**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 2023-24.

**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, 2023	74,454

Particulars	Value
Options Granted during FY 2024	-
Options Vested during FY 2024	-
Options Exercised during FY 2024	-
Options Lapsed	4,334
Total No. of Shares arising as a result of exercise of option during FY 2024	No options exercised during FY 2024
Exercise Price (Weighted)	No options exercised during FY 2024
Variation of terms of options	No variation in the terms of the options during FY 2024
Money realised by exercise of options	No options exercised during FY 2024
Total No. of Options in force as on March 31, 2024	70,120
Employee wise details of options granted to:	
(1) key managerial personnel;	Nil
(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 23.25% as on March 31, 2024, 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 at <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	Cessation w.e.f. July 15, 2024*
3.	Ms. Padma	06609477	Additional	Appointed w.e.f.

	Chandrasekaran		Director (Independent)	July 16, 2024*
4.	Dr. Venkatesh Tagat	02728441	Independent Director	Retired w.e.f. September 17, 2023
5.	Mr. Krishnan K	01109189	Independent Director	Appointed w.e.f. September 18, 2023
6.	Mr. Mahendran Balachandran	00121640	Nominee Director	Nil
7.	Ms. Jyotsna Krishnan	06572288	Nominee Director	Nil
8.	Mr. Akshay Dua	03144843	Nominee Director	Nil
9.	Ms. Rekha Unnithan	08354141	Nominee Director	Cessation w.e.f. November 29, 2023
10.	Mr. Stephen Dongwon Lee	08640160	Nominee Director	Appointed w.e.f. November 30, 2023
11.	Mr. Anil Kumar S G	01189011	Director & CEO	Nil
12.	Mr. Gurunath Neelamani	02799586	Whole-time Director	Nil
13.	Mr. Lalit Malik	AKDPM0939K	CFO (KMP)	Cessation w.e.f. May 29, 2023
14.	Mr. S Arun Kumar	AIPPA8757R	Company Secretary	Cessation w.e.f. August 16, 2023
				Re-instated w.e.f. October 31, 2023
15.	Mr. Anand Subramaniam	AAXPS3215J	CFO (KMP)	Appointed w.e.f. April 18, 2024*

\* Changes post end of the financial year

Dr. Venkatesh Tagat, Independent Director, due to other commitments, had requested that his term as an Independent Director which ended on September 17, 2023, be not extended. Further to this, the Members at the Annual General Meeting held on September 18, 2023, approved 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.

Mr. Sunil Satyapal Gulati's (DIN:00016990) whose second term as Independent Director was until September 24, 2027, has, owing to other business and personal commitments, stepped down as Independent Director of the Company with effect from July 15, 2024.

Further to this, the Company identified Ms. Padma Chandrasekaran (DIN 06609477), for appointment as an Independent Director of the Company. Considering her qualification, experience and expertise and based on review of all the declarations given by her including the fit and proper declaration and the background verification carried by the Company, the Nomination and Remuneration Committee had through a resolution by circulation passed on July 13, 2024, recommended to the Board, the appointment of Ms. Padma Chandrasekaran as an Independent Director of the Company.

The Board of Directors, based on the recommendation of the Nomination and Remuneration

Committee, has appointed Ms. Padma Chandrasekaran as an Additional Director (Independent) of the Company w.e.f. July 16, 2024. Ms. Padma Chandrasekaran holds office as an Additional Director until the ensuing Annual General Meeting.

In this regard, the Board recommends to the Members the appointment of Mr. Padma Chandrasekaran as an Independent Director, not liable to retire by rotation, for a period of five years with effect from July 16, 2024, up to July 15, 2029. The notice convening the Annual General Meeting, sets out the details.

#### U. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and individual Directors. The performance of the Board was evaluated after seeking inputs from all the Directors on the basis of criteria such as the Board Composition and Structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated after seeking inputs from the Committee Members on the basis of criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

In a separate meeting of Independent Directors, performance of non-independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive Directors and Non-Executive Directors.

#### V. DOWNSTREAM INVESTMENT

The Company is a foreign owned and controlled company (FOCC) as per the provisions of the Foreign Exchange Management Act, 1999 as more than 50% of the Share Capital of the Company on a fully diluted basis is held by foreign investors.

During FY 2024, the Company has made the following downstream equity investments in its wholly owned subsidiaries:

Name of the Subsidiary	Amount of downstream equity investment (INR MN)	Automatic / Approval Route
Samunnati Agro Solutions Private	299.96	Automatic Route
Samunnati Finance Private Limited	100.00	Approval Route *
Samunnati Agri Innovations Lab Private Limited	199.99	Automatic Route

*\* Pursuant to the Scheme of Arrangement, the Company had incorporated a wholly owned subsidiary, Samunnati Finance Private Limited, to which, the NBFC business of the Company would be transferred by way of a slump sale in accordance with the Scheme. In this regard, Samunnati Finance Private Limited has made an application to the Reserve Bank of India for obtaining a NBFC license. In order to meet the requirements with regard to Net Owned Funds, the Company had infused equity of INR 100 MN during November 2023. At the time of filing Form DI for the said downstream investment, the Authorised Dealer had advised the Company to seek*



*the approval of the Ministry of Finance for the said downstream investment as Samunnati Finance Private Limited proposed to be in the business of a NBFC. Pursuant to the same, the Company has obtained the approval of the Ministry of Finance (MoF) vide MoF's letter dated July 8, 2024 and the Form DI filed by the Company has been approved.*

In accordance with the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 read with Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, your Company has obtained a certificate from the Statutory Auditors of your Company. The same would be available at the Annual General Meeting for inspection by Members.

#### **W. 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/>

#### **X. DETAILS OF MEETINGS OF THE BOARD**

The Directors of the Company met 6 (Six) times during the Financial Year 2023-24. 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.	May 10, 2023	9/9
2.	May 29, 2023	8/9
	May 30, 2023*	6/9
3.	August 11, 2023	8/9
4.	October 31, 2023	7/9
5.	January 23, 2024	9/9
6.	March 19, 2024	7/9

\* Adjourned Meeting

#### **Y. LIST OF COMMITTEES**

The composition of the Board Committees as of the date of this report, are as below:

##### **1. Audit Committee**

The composition of the Audit Committee is as follows:

- |                             |   |          |
|-----------------------------|---|----------|
| a) Mr. Krishnan K           | - | Chairman |
| b) Mr. N. Srinivasan        | - | Member   |
| c) Ms. Padma Chandrasekaran | - | Member   |
| d) 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. Krishnan K           | - | Member   |
| c) Ms. Padma Chandrasekaran | - | Member   |
| d) Ms. Jyotsna Krishnan     | - | Member   |
| e) Mr. Stephen Dongwon Lee  | - | Member   |

## **3. Risk Management Committee**

The composition of the Risk Management Committee is as follows:

- |                       |   |          |
|-----------------------|---|----------|
| a) Mr. Krishnan K     | - | Chairman |
| b) Mr. N. Srinivasan  | - | Member   |
| c) Mr. Akshay Dua     | - | Member   |
| d) Mr. Anil Kumar S G | - | Member   |
| e) Mr. N. Gurunath    | - | Member   |

## **4. Stakeholders Relationship Committee**

The composition of the Stakeholders Relationship Committee is as follows:

- |                       |   |          |
|-----------------------|---|----------|
| a) Mr. Krishnan K     | - | 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) Ms. Padma Chandrasekaran | - | Chairman |
| b) Mr. Anil Kumar S G       | - | Member   |
| c) Mr. N. Gurunath          | - | Member   |
| d) Mr. Raj Vallabhaneni     | - | Member   |
| e) Mr. Lakshmana Perumal    | - | Member   |

## **6. Corporate Social Responsibility Committee**

The composition of the Corporate Social Responsibility Committee is as follows:

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

## Z. 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 29, 2023	3/3
2.	August 10, 2023	2/3
3.	October 30, 2023	3/3
4.	January 22, 2024	3/3

NOMINATION & REMUNERATION COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	May 22, 2023	5/6
	May 26, 2023*	6/6
2.	August 09, 2023	5/6

\* Adjourned Meeting

RISK MANAGEMENT COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	May 24, 2023	6/6
2.	August 09, 2023	6/6
3.	October 30, 2023	6/6
4.	January 22, 2024	5/5

STAKEHOLDERS RELATIONSHIP COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	January 22, 2024	3/3

IT STRATEGY COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	June 06, 2023	5/5
2.	August 07, 2023	4/5
3.	November 02, 2023	3/5
4.	January 30, 2024	4/5

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	January 23, 2024	2/3

FINANCE COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	April 12, 2023	2/2
2.	April 26, 2023	2/2
3.	May 24, 2023	2/2
4.	June 09, 2023	2/2
5.	June 28, 2023	2/2
6.	June 29, 2023	2/2
7.	July 24, 2023	2/2
8.	July 26, 2023	2/2
9.	August 09, 2023	2/2
10.	August 14, 2023	2/2
11.	August 21, 2023	2/2
12.	September 21, 2023	2/2
13.	September 27, 2023	2/2
14.	September 29, 2023	2/2
15.	October 25, 2023	2/2
16.	November 16, 2023	2/2
17.	November 28, 2023	2/2
18.	December 18, 2023	2/2
19.	December 21, 2023	2/2
20.	December 22, 2023	2/2
21.	December 27, 2023	2/2
22.	December 29, 2023	2/2
23.	January 06, 2024	2/2
24.	January 17, 2024	2/2
25.	January 23, 2024	2/2
26.	January 29, 2024	2/2
27.	February 05, 2024	2/2
28.	February 14, 2024	2/2
29.	February 21, 2024	2/2

FINANCE COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
30.	February 28, 2024	2/2
31.	March 01, 2024	2/2
32.	March 13, 2024	2/2
33.	March 14, 2024	2/2
34.	March 21, 2024	2/2
35.	March 22, 2024	2/2
36.	March 26, 2024	2/2
37.	March 27, 2024	2/2
38.	March 28, 2024	2/2
39.	March 29, 2024	2/2

INVESTMENT COMMITTEE		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	April 17, 2023	2/2
2.	May 17, 2023	2/2
3.	June 19, 2023	2/2
4.	July 18, 2023	2/2
5.	August 17, 2023	2/2
6.	September 28, 2023	2/2
7.	October 19, 2023	2/2
8.	November 20, 2023	2/2
9.	December 20, 2023	2/2
10.	January 02, 2024	2/2
11.	January 19, 2024	2/2
12.	February 22, 2024	2/2
13.	March 19, 2024	2/2

INDEPENDENT DIRECTORS MEETING		
S. No.	Date of Meeting	No. of Members who attended the Meeting
1.	January 23, 2024	3/3

**AA. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The particulars of loans, investments and guarantees for FY 2023-24 have been provided in the notes to the Financial Statements of the Company.

**BB. 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.

**CC. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES AS OF MARCH 31, 2024**

As of March 31, 2024, 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 has made an application for obtaining NBFC license with 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**.

**DD. RELATED PARTY TRANSACTIONS**

As required under the Companies Act, 2013, the prescribed Form AOC-2 for the financial year 2023-24 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 43 of the notes to the Financial Statements of the Company.

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

During the year under review, no significant and material orders have been passed by the regulators, Courts or tribunals impacting the going concern status and future operations of the Company.

**FF. DETAILS OF CREDIT RATINGS OF THE COMPANY DURING FY 2023-24**

During the year under review, the rating given by the Rating Agencies are as given below:

Rating agency	Ratings as on April 01, 2023	Changes/revisions of rating during the year, if any	Ratings as on March 31, 2024
CRISIL - Long term	CRISIL BBB/Stable	-	CRISIL BBB/Stable
CRISIL - Short term	CRISIL A2	-	CRISIL A2
CARE	CARE BBB/Stable	-	CARE BBB/Stable

**GG. DETAILS OF DEBENTURE TRUSTEE OF LISTED DEBENTURES**

The Non-Convertible Debentures of the Company and Commercial Papers are listed on the Bombay Stock Exchange.

The details of Debenture Trustees of the listed NCDs are given below:

Name of the Debenture Trustee	Complete Postal Address	Email ID and Contact Number
Catalyst Trusteeship Limited	Windsor, 6 <sup>th</sup> floor, Office no.604, CST Road, Kalina, Santacruz, Mumbai - 400098	E mail ID: <a href="mailto:nidhi.vasa@ctltrustee.com">nidhi.vasa@ctltrustee.com</a> Contact No: 022-4922 0555
Orbis Trusteeship Services Private Limited	4A, Ocus Technopolis, Sector 54, Golf Club Road, Gurgaon, Haryana - 122002	E mail ID: <a href="mailto:trusteeship@orbisfinancial.in">trusteeship@orbisfinancial.in</a> Contact No: 0124 454 6527/565

**HH. 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.

**II. 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.

**JJ. 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 2023-24, your Company has not received any complaints pertaining to sexual harassment.

#### **KK. 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 7<sup>th</sup> 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 7<sup>th</sup> Annual General Meeting till the conclusion of 10<sup>th</sup> Annual General Meeting (i.e. for FY 2021-22 to FY 2023-24).

In accordance with the Guidelines for Appointment of Statutory Auditors of NBFCs issued by Reserve Bank of India (RBI) vide ref. no. RBI/2021-22/25 - DoS. CO. ARG/SEC. 01/08.91.001/2021-22 dated April 27, 2021, M/s PKF Sridhar & Santhanam LLP have completed a term of 3 (Three) years as Statutory Auditors of the Company and are not eligible for re-appointment as statutory auditors of the Company.

Further to this, the Board recommends to the Members for their approval, the appointment of M/s V. Narayanan & Co., Chartered Accountants (Registration No. 002398S), as the Statutory Auditors of the Company for a period of 3 (Three) consecutive years, to hold office from the conclusion of the ensuing 10<sup>th</sup> Annual General Meeting till the conclusion of 13<sup>th</sup> Annual General Meeting (i.e. for FY 2024-25 to FY 2026-27). The Board has considered some key parameters including the firm's vintage, reputation, profile of partners, audit experience, clientele served, technical knowledge etc., prior to recommending the appointment. The notice convening the Annual General Meeting, sets out the details.

The Company has received consent and eligibility letter from M/s V. Narayanan & Co., Chartered Accountants (Firm Registration Number 002398S) to act as Statutory Auditors of the Company along with confirmation that, if appointed, their appointment, would be within the prescribed limits under the Companies Act, 2013 and the RBI regulations.

#### **LL. 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.



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

There was an inadvertent delay of one day in filing the details of the record for payment of interest / principal repayment under Regulation 60 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In view of this, BSE had levied a fine of INR 10,000/- (Indian Rupees Ten Thousand Only) plus GST and the Company has paid the fine.

Details of the fine levied and the steps taken to prevent recurrence of such delays were tabled to the Board of Directors at the Meeting held on January 23, 2024. The Board advised the Company to file such intimations well in advance going forward, to avoid any delays.

**NN. 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.

**OO. 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 M/s Mohan Kumar & Associates, Practicing Company Secretary (Membership No. F4347 /Certificate of Practice No. 19145), to undertake the Secretarial Audit of the Company for the Financial Year 2023-24. 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 his Report dated May 28, 2024.

**PP. 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).

**QQ. 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 2023-24.

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.

**RR. INFORMATION SYSTEM AUDIT**

In line with the requirements of RBI's Master Direction on Information Technology Framework for the NBFC Sector, 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 2023-24. The Information Systems Auditors conducted the Information Systems audit and confirmed that the Company is in compliance with all applicable regulations as prescribed by RBI. The observations from the IS Audit are tabled to the Audit Committee on an annual basis.

**SS. 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, 2024.

**TT. 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 incurred in the previous years, the Company was not under an obligation under Section 135 of the Companies Act, 2013 to spend for CSR activities during FY 2023-24. The annual report on CSR activities is provided in **Annexure-IV** to this report.

**UU. 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.

## **VV. HUMAN RESOURCES**

The Company had 293 employees on payroll as on March 31, 2024 (on standalone basis). The management team of the Company comprises of passionate professionals committed to achieve the organizational goals.

During the year, Samunnati built the rigour around employee engagement conducting several programs on mental and social well-being apart from refurbishing the employee connect program. 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, 2024, Samunnati Group (the Company and its subsidiaries) had a total of 464 employees on its rolls.

## **WW. TECHNOLOGY RELATED UPDATES**

### **1. Technology initiatives**

Samunnati's Tech initiatives for FY 2024 were focused on digitizing the Company's processes and integrations, aligned to the Technology roadmap. All the new, upgraded features and integrations were aimed at reducing the Turn Around Time and improving the end user efficiency.

## 2. Core systems updates

### **SAM Custopedia (Loan Origination system):**

Loan Origination System was enhanced with the features like disbursement trigger, collection tracker, etc. Feature for capturing the ESG tagging of loans was implemented and the same helps in focused tracking. Auto generation of Sanction letter has been implemented and the same significantly improves the TAT.

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 been upgraded to their latest version 5.6 and new features are being tested. LOS and LMS are fully integrated ensuring seamless data flow.

### **Analytics and insights**

With the first version of unified data ecosystem place, this year's focus was to ensure seamless flow of data from the digital systems, optimizing the data ecosystem components. The business-as-usual dashboards are being upgraded and optimized.

The platform continues to integrate, process and transforms both near-real time and batch data, serving as a single source of truth for business and customer metrics. With this data foundation use cases like Customer churn analysis, bad loan prediction has been kickstarted under the data intelligence category.

The Insights Dashboard portal continues to house customized dashboards for the Farmer Collective and Agri Enterprises verticals serving the needs of business leaders, support teams and field force.

Facilitated by the centralized data repository, a few LCNC applications were built and deployed for improving the productivity of the field force.

### **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 mobile first platform is a configurable and agile platform for onboarding partners, products and business rules. The platform is made compliant to digital lending guidelines and fair practice code.

### **Samunnati's Marketplaces for Transformation (SMarT)**

Samunnati's Marketplaces brings all the Agri Ecosystem players - Agri entrepreneurs, Agtech startups, Traders, Value added service providers and Farmers & Collectives together on a single platform.

**Credit Marketplace:**

Seamless access to loan solutions provided by Samunnati, equipped with user-friendly features for tracking existing loans and initiating new requests. The platform furnishes comprehensive details about loan products and facilitates inquiries, enables document submission through a simple chat feature. Continuous backend support is available to assist with proposals.

**3. Information Security**

The Company continues to strengthen 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 empaneled vendor for secure disposal
- e. Annual Vulnerability and Penetration Test (VAPT) for Infra/Network at Chennai Head Office
- f. All IT and IS policies and procedures are reviewed and updated periodically and based on RBI's master directions.

**XX. 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 the defined credit policy of the Company. 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 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 metrics 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.

## YY. 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, 2024, 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, 2024 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.

**ZZ. 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: <ol style="list-style-type: none"> <li>a. Recycling and reduced usage of paper</li> <li>b. Energy efficient lighting in its offices</li> <li>c. Introduction of mobile based training application for employees</li> <li>d. Virtual meetings, reviews, planning and mobile based learning sessions</li> </ol>
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 2023-24)	INR 2.94 MN	INR 192.05 MN
Previous Year (FY 2022-23)	NIL	INR 14.01 MN

**AAA. OTHER DISCLOSURES AND AFFIRMATIONS**

Pursuant to the provisions of the Companies (Accounts) Rules, 2014, the Company affirms that for the year ended on March 31, 2024:

- There were no proceedings on the Company pending under the Insolvency and Bankruptcy Code, 2016, before the National Company Law Tribunal or any other court.
- There was no instance of one-time settlement with any bank or financial institution.

**BBB. 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**

S/d-  
Gurunath Neelamani  
Wholetime Director  
DIN: 02799586

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

Place: Chennai  
Date: September 06, 2024



**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				
		Samunnati Agro Solutions Private Limited	Samunnati Finance Private Limited	Samunnati Agri Innovations Lab Private Limited (Formerly known as Kamatan Farm Tech Private Limited)	Samunnati Investment Management Service	Samunnati Foundation
1.	Name of the subsidiary					
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	6.94	125.00	253.45	0.10	8.50
6.	Reserves & surplus	1,058.05	0.90	(239.65)	(1.32)	(39.18)
7.	Total assets	5,996.36	129.28	631.82	0.17	3.12
8.	Total Liabilities	5,996.36	129.28	631.82	0.17	2.13
9.	Investments	30.10	-	-	-	-
10.	Turnover	21,986.33	-	925.03	-	24.85
11.	Profit / (Loss) before taxation	(161.99)	0.89	(86.78)	(0.46)	(12.27)
12.	Provision for taxation	38.51	0.22	-	-	-
13.	Profit / (Loss) after taxation	(200.50)	0.67	(86.78)	(0.46)	(12.27)
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**

**Part B : Associates and Joint Ventures**

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

Name of Associates/Joint Ventures	<b>Not applicable</b>
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**

S/d-  
**Gurunath Neelamani**  
 Wholetime Director  
 DIN: 02799586

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

Place: Chennai  
 Date: September 06, 2024

**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/ transactions	Duration of the contracts/arrangements/transactions	Justification for entering into such contracts or arrangements or transactions	Date of Approval by the Board	Amount paid as advances , if any	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188
NIL						

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 20.79 MN (excluding taxes), has been charged from wholly owned subsidiary as Deputation Charges	February 06, 2023	
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	February 06, 2023	

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
			INR 14.46 MN (excluding taxes)		
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 06, 2023	
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	<p>Loan granted during the year INR 7,211 MN</p> <p>Loan repaid during the year INR 7,155 MN</p> <p>Loan outstanding at the end of the year (including accrued interest) INR 256.49 MN</p> <p>Interest Income during the year INR 56.59 MN</p>	February 06, 2023 & May 29, 2023	

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the Contracts/Arrangements/Transactions	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 Foundation, Wholly owned subsidiary	Inter Company loans given to the wholly owned subsidiary	12 months	<p>Loan granted during the year INR 19.67 MN</p> <p>Loan repaid during the year INR 5.82 MN</p> <p>Loan outstanding at the end of the year (including accrued interest) INR 15.68 MN</p> <p>Interest Income during the year INR 1.17 MN</p>	February 06, 2023 & May 29, 2023	
Samunnati Agri Innovations Private Limited, Wholly owned subsidiary	Inter Company loans given to the wholly owned subsidiary	12 months	<p>Loan granted during the year INR 298.80 MN</p> <p>Loan repaid during the year INR 2.50 MN</p> <p>Loan outstanding at the end of the year (including accrued interest) INR 404.12 MN</p> <p>Interest income during the year INR 17.93 MN</p>	February 06, 2023 & May 29, 2023	
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	<p>Loan granted during the year INR 1.20 MN</p> <p>Loan repaid during the year INR 1.00 MN</p> <p>Loan outstanding at the end of the year (including accrued</p>	February 06, 2023 & May 29, 2023	

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
			interest) INR 1.20 MN  Interest income during the year INR 0.12 MN		

For Samunnati Financial Intermediation & Services Private Limited

S/d-  
Gurunath Neelamani  
Wholetime Director  
DIN: 02799586

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

Place: Chennai  
Date: September 06, 2024

## 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.	Mr. N. Srinivasan	Chairman	1	1
2.	Ms. Jyotsna Krishnan	Member		-
3.	Mr. Anil Kumar S G	Member		1

- 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/>
- 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**
- 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
<b>NIL</b>					

(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
<b>NIL</b>												

- (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**

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

**S/d-  
Narasimhan Srinivasan  
Director (Chairman of the CSR Committee  
DIN: 01501266**

**Place: Chennai  
Date: September 06, 2024**



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

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

To,

The Board of Directors,

M/s. SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED.

Baid Hi Tech Park, 8th Floor, No 129B, East Coast Road, Thiruvanmiyur,

Chennai - 600 041.

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”) bearing Corporate Identification Number **U65990TN2014PTC096252**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period for the financial year ended on March, 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner specified in this report.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March, 31, 2024 (“Review period”) according to the provisions of:

- (i) The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- (ii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- ***During the financial year under review, there were no acquisition of shares and hence not applicable;***
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- ***The Company has not issued any listed equity shares/convertible security during the financial year under review and hence not applicable;***
  - d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- ***Not Applicable to the Company during the financial year under review;***
  - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- ***Not applicable during the financial year under review as the Company has not delisted its equity shares from any stock exchange;***
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- ***The Company has not bought back any of its securities during the financial year under review and hence not applicable;***
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.
  - j) The Laws as applicable specifically to the Company.

- (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) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

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

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

I further report that the applicable financial laws, such as Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory auditor and by other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned as above subject to the following observations:

1. The Company has delayed in filing of SMA-2 weekly return (renamed as CRILC RDB) in two instances during October 2023 and November 2023. The said delay which was due to technical glitch on the portal was informed to the Board at the Meeting held on 23/01/2024.
2. The Company has intimated the record date under Regulation 60(2) of The SEBI (Listing Obligations Disclosure Requirements), Regulations, 2015 to the Stock Exchange with a delay of one day for which BSE had levied penalty of INR 10,000/- plus GST. The Board took note of the same in its meeting held on 23/01/2024 that this was due to the difference in holidays in the States of Maharashtra and Tamil Nadu for Ganesh Chaturthi and advised the Company to file such intimations well in advance going forward, to avoid any delays. The Board also advised the Company to ensure there is no recurrence of such delays.

I further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate Notice is given to all Directors to Schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining

further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) All the decisions were carried through with the assent of the majority of the Board of Directors.

I further report that there are adequate systems and process 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, the following major transactions were identified:-

1. The Company has implemented the Structured Digital Database w.e.f. April 1, 2023 and collated the database of persons having access to UPSI within the organization.
2. The Board of Directors accorded their approval for allotment of Pre-Series E Compulsorily Convertible Cumulative Preference Shares (“Pre-Series E CCPS”) by way of Circular Resolution approved on 06/04/2023 & this was taken note in their Board Meeting held on 10/05/2023.
3. Based on the Amended and Restated Shareholders Agreement dated 31/03/2023 in which the terms of issuance of the Preference Shares issued during 2022 were revised, the Board by way of circular resolution on 11/04/2023 approved the following:
  - i. Variation of terms of 80,000 (Eighty Thousand) Pre-Series E Compulsorily Convertible Cumulative Preference Shares (“Pre-Series E CCPS”) of the Company allotted during October 2022.
  - ii. Variation of terms of 40,000 (Forty Thousand) pre-series e-optionally convertible redeemable preference shares (“Pre-Series E OCRPS”) of the company allotted during December 2022.

This was subsequently approved by the Shareholders in the EGM dated 17/04/2023. Additionally, the Company has altered the Articles of Association (AOA) pursuant to the execution of the amended and restated Shareholders’ Agreement dated March 31, 2023 in the said EGM.

4. The Company has further altered the Articles of Association (AOA) in the Ninth Annual General Meeting held on 18/09/2023 to include an enabling clause providing for appointment of a Nominee Director by the Debenture Trustee on the Board of the Company pursuant to SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 read with SEBI (Debenture Trustees) Regulations, 1993.
5. Mr. Lalit Malik, Group Chief Financial Officer of the Company resigned from his post with effect from 29/05/2023 and Mr. Anand Subramaniam was appointed as the Group Chief Financial Officer at the Board Meeting held on 18/04/2024.
6. The Company has reviewed and amended the following existing policies:
  - a. Credit Policy
  - b. Investment Policy
  - c. ECL Policy
  - d. KYC AML Policy
  - e. Fair Practice Code
  - f. Policy on Grievance Redressal Mechanism
  - g. Interest Rate Policy
  - h. Corporate Governance Policy
  - i. Code of Fair Disclosure and Practices for Unpublished Price Sensitive Information
  - j. Policy on Determination of Legitimate Purpose for Communication of Unpublished Price Sensitive Information
  - k. Code of conduct to regulate, monitor and report trading by designated persons & their immediate relatives and connected persons
  - l. Policy on Compromise Settlements and Technical write-offs
  - m. Privacy and Disclosure policy
  - n. IT Outsourcing policy (new policy)
  - o. Policy on Default Loss Guarantee (new policy)
  - p. Cloud Governance Policy (new policy)
7. The Company has fully redeemed 250 Non-convertible Debentures (NCDs) on 17.07.2023 which was issued and allotted on 17/06/2020 (ISIN: INE551U07100).

8. Mr. S. Arun Kumar, Company Secretary & Compliance Officer of the Company had resigned from the post with effect from 16.08.2023 and was reinstated as the Company Secretary & Compliance Officer with effect from 31.10.2023.
9. The Company has invested in Compulsorily Convertible Debentures of M/s. Connedit Business Solutions Private Limited and in M/s. Ecozen Solutions Private Limited.
10. Dr. Venkatesh Tagat (DIN:02728441), Independent Director's term of appointment expired on 17.09.2023 and was not re-appointed due to his other commitments. Subsequently the Company appointed Mr. Krishnan (DIN: 01109189) as Independent Director of the Company in its Annual General Meeting held on 18.09.2023.
11. The Company has fully redeemed 330 Non-convertible Debentures (NCDs) on 25.09.2023 which was issued and allotted on 25/09/2020 (ISIN: INE551U07126).
12. Pursuant to the overall limit of up to INR 800,00,00,000 approved by the Board (Meeting dated 06/02/2023) and by the shareholders (Extraordinary General Meeting dated 15/03/2023), the Board of Directors accorded their approval for allotment of the following Debentures at a face value of INR 1,00,000/- each on a private placement basis:

<b>Particulars of debentures</b>	<b>Number of debentures</b>	<b>Debenture holder/ allottee</b>	<b>Date of approval for issue by Finance Committee</b>	<b>Date of approval for allotment</b>	<b>Date of intimation to stock exchange</b>
Secured, Unrated, Unlisted, Redeemable, Transferable Non-Convertible Debentures	245	Responsibility SICAV (Lux) – Agriculture Fund	12/04/2023	Circular Resolution on 20/04/2023	-
Unlisted, secured, redeemable Non-Convertible Debentures	2500	Alteria Capital Fund II Scheme I, acting through its trustee Orbis Trusteeship Services Private Limited	14/08/2023	Circular Resolution on 18/08/2023	-

Unlisted, secured, redeemable Non-Convertible Debentures	750	Alteria Capital Fund II Scheme I, acting through its trustee Orbis Trusteeship Services Private Limited	16/11/2023	Circular Resolution on 01/12/2023	07/11/2023, 10/11/2023 & 16/11/2023
Unlisted, secured, redeemable Non-Convertible Debentures	2250	Alteria Capital Fund III Scheme A, acting through its trustee Orbis Trusteeship Services Private Limited	16/11/2023	Circular Resolution on 01/12/2023	07/11/2023, 10/11/2023 & 16/11/2023
Unlisted, secured, redeemable Non-Convertible Debentures	500	Alteria Capital Fund II Scheme I, acting through its trustee Orbis Trusteeship Services Private Limited	21/12/2023	Circular Resolution on 28/12/2023	18/12/2023 & 21/12/2023
Unlisted, secured, redeemable Non-Convertible Debentures	1500	Alteria Capital Fund III Scheme A, acting through its trustee Orbis Trusteeship Services Private Limited	21/12/2023	Circular Resolution on 28/12/2023	18/12/2023 & 21/12/2023
Senior, Rated, Listed, Unsecured, Redeemable, Taxable, Non-Convertible Debentures	1500	Northern Arc Capital Limited	27/12/2023  Revision in terms- 06/01/2024	Circular Resolution on 12/01/2024	21/12/2023 & 27/12/2023  03/01/2024 & 06/01/2024
Listed, Rated, Redeemable, Secured, Non-Convertible Debentures	7506	WLB Asset VI Pte Ltd	05/02/2024	Circular Resolution on 20/02/2024	31/01/2024 & 05/02/2024, 20/02/2024
Listed, Rated, Senior, Secured, Transferable, Redeemable,	2500	Money Boxx Finance Limited	21/02/2024	Circular Resolution on 26/02/2024	16/02/2024, 21/02/2024, & 26/02/2024



Non-Convertible Debentures					
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13. The Board of Directors in its meeting dated 31/10/2023 approved a further investment of INR 100,000,000/- in one or more tranches in the Equity Share Capital of Samunnati Finance Private Limited, a Wholly Owned Subsidiary, at a face value of INR 10/- per share.
14. The Board vide a Board resolution passed on 31/10/2023 granted its approval for an investment of up to INR 50,00,00,000/- in the equity share capital of its Wholly Owned Subsidiary, Samunnati Agro Solutions Private Limited (“Samunnati Agro”), in one or more tranches, of which, INR 29,99,60,000/- was infused at a price of INR 22,967.73 per share on the basis of valuation report received from SPA Valuation Advisors Private Limited, which was approved by the Investment Committee meeting held on 02/01/2024.
- Further, in the meeting held on 23/01/2024, the Board approved for an additional investment of up to INR 70,00,00,000/- in the equity share capital of Samunnati Agro.
15. Ms. Rekha Unnithan (DIN: 08354141), Nominee Director of Teachers Insurance and Annuity Association of America resigned with effect from 29/11/2023 and Mr. Stephen Dongwon Lee (DIN: 08640160) was appointed in her place with effect from 30/11/2023, which was approved by the shareholders in the Extraordinary General Meeting dated 30/11/2023.
16. The approval of the Board of the Directors was accorded for the Company to invest up to INR 200,000,000/-, in one or more tranches, in the Equity Share Capital of Samunnati Agri Innovations Lab Private Limited, a Wholly Owned Subsidiary, at face value of INR 10/- per share in the meeting of the Board held on 23/01/2024.
17. The Board of Directors in its meeting held on 19/03/2024 accorded their approval for preferential issue on a private placement basis for the following:
- i. 41,450 Pre-Series E Compulsorily Convertible Cumulative Preference Shares (“Pre-Series E CCPS”) through preferential allotment on a private placement basis at an issue price of INR 10,000 each, at a premium of INR 9,990 each to ATIF Holdco DMCC.

- ii. 41,450 Pre-Series E Optionally Convertible Redeemable Preference Shares (“Pre-Series E OCRPS”) through preferential allotment on a private placement basis at an issue price of INR 10,000 each, at a premium of INR 9,990 each to Vistra ITCL (India) Ltd. Acting as the trustee of EE-FI-AIF.

The issue was approved by the shareholders in the Extraordinary General Meeting dated 20/03/2024 and was allotted vide a circular resolution passed by the Board of Directors on 27/03/2024 and 09/05/2024.

Further, the Company has altered the Articles of Association (AOA) pursuant to the execution of the amended and restated Shareholders’ Agreement dated March 20, 2024 in the EGM held on 02/04/2024.

18. The Board at its Meeting held on 23/01/2024 approved the issuance of Non-Convertible Debentures on private placement basis for FY 2024-25 up to an overall limit of INR 800,00,00,000 and the shareholders approved the issue and the limit in the Extraordinary General Meeting dated 20/03/2024.
19. The Finance Committee granted its approval for issuance of Commercial Paper (CP) in dematerialised form to the following subscribers:

<b>Name of subscribers</b>	<b>Issuance amount</b>	<b>Face Value per CP</b>	<b>Date of approval</b>
Northern Arc Money Market Alpha Trust	INR 25,00,00,000/-	INR 5,00,000/-	28/11/2023
Dvara Kshetriya Gramin Financial Services Private Limited	INR 10,00,00,000/-	INR 5,00,000/-	28/11/2023
Dvara Kshetriya Gramin Financial Services Private Limited	INR 10,00,00,000/-	INR 5,00,000/-	23/01/2024
V. M. Salgaocar and Brother Private Limited	INR 5,00,00,000/-	INR 5,00,000/-	14/02/2024
Mr. Venkatesh Ramarathinam	INR 100,00,000/-	INR 5,00,000/-	14/02/2024
Dvara Kshetriya Gramin Financial Services Private Limited	INR 25,00,00,000/-	INR 5,00,000/-	01/03/2024
Northern Arc Money Market Alpha Trust	INR 25,00,00,000/-	INR 5,00,000/-	14/03/2024

Mr. Natarajan Akhila	INR 15,00,00,000/-	INR 5,00,000/-	21/03/2024
Citra Financials Private Limited	INR 2,50,00,000/-	INR 5,00,000/-	21/03/2024
V. M. Salgaocar and Brother Private Limited	INR 10,00,00,000/-	INR 5,00,000/-	26/03/2024

For Mohan Kumar & Associates

ARAVAMUDHAN MOHAN KUMAR Digitally signed by ARAVAMUDHAN MOHAN KUMAR

Place: Chennai.  
Date: 28-05-2024

A. Mohan Kumar  
Practicing Company Secretary  
Membership Number: FCS 4347  
Certificate of Practice Number: 19145  
Peer Review Certificate No. 2205/2022  
UDIN: F004347F000418178

This Report is to be read with my testimony 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.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my 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 verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I have followed provide a reasonable basis for my 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 the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Mohan Kumar & Associates**

ARAVAMUDHAN MOHAN KUMAR Digitally signed  
by  
ARAVAMUDHAN  
MOHAN KUMAR

Place: Chennai.  
Date: 28-05-2024

A. Mohan Kumar  
Practicing Company Secretary  
Membership Number: FCS 4347  
Certificate of Practice Number: 19145  
Peer Review Certificate No. 2205/2022

**INDEPENDENT AUDITORS' REPORT**

To the Members of Samunnati Financial Intermediation & Services Private Limited

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Samunnati Financial Intermediation & Services Private Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2024, 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 2024, 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.



Key Audit Matter	How the matter was addressed
<p><b>Provision for expected credit loss (ECL) on loans</b> (Refer Note 6 and Note 25 to the Consolidated Ind AS Financial Statements)</p> <p>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. 13,473.96 million as at 31 March 2024. The Holding Company has made a provision for impairment loss aggregating Rs. 325.33 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.</p> <p>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:</p> <p>(a) Segmentation of the loan portfolio into homogenous pool of borrowers;</p> <p>(b) Identification of exposures where there is a significant increase in credit risk ('SICR') and those that are credit impaired;</p> <p>(c) Determination of the probability of default for each of the segments identified; and</p> <p>(d) Loss given default for various exposures based on past trends / experience, management estimates etc.,</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>Tested assumptions used by the management in determining the overlay for macro-economic factors.</p> <p>Assessed and tested the inputs used in the impairment computation (including the data integrity of information extracted from the Company's IT systems).</p> <p>Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.</p> <p>Assessed disclosures included in the consolidated Ind AS financial statements in respect of expected credit losses.</p>

**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 so far as it appears from our examination of those books. Please refer to the matters stated in the Note 49 to the Consolidated financial statements and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - 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 2024 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 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g) 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.

- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 37 to the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – 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. Relying on the representations/ explanations from the Holding Company and its subsidiaries and based on our examination which included test checks, the Holding Company and its subsidiaries has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software and we did not come across any instance of such audit trail feature being tampered with. The feature of recording audit trail (edit log) for the third party managed payroll processing software and also at the database level to log any direct data changes in the accounting ERP system could not be verified.

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*



**V Kothandaraman**

Partner

Membership No. 025973

UDIN: 24025973BKERHE3667

Place of Signature: Chennai

Date: 28 May 2024

## 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 2024.

- (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)
2	Samunnati Agro Solutions Private Limited	U74999TN2016PTC112925	Subsidiary	Clause 3(ii)(b), 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: 24025973BKERHE3667



Place of Signature: Chennai

Date: 28 May 2024

## Annexure B

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

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

In conjunction with our audit of the consolidated financial statements of Samunnati Financial Intermediation & Services Private Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, 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 2024, 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*

**V Kothandaraman**  
Partner  
Membership No. 025973  
UDIN: 24025973BKERHE3667



Place of Signature: Chennai  
Date: 28 May 2024

**Samunnati Financial Intermediation & Services Private Limited**  
**Consolidated Balance Sheet as at 31 March 2024**  
*(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)*

Particulars	Note	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Financial assets</b>			
a) Cash and cash equivalents	3	1,605.81	1,247.45
b) Bank balances other than (a) above	4	903.21	421.01
c) Trade receivables	5	4,280.87	2,846.82
d) Loans	6	13,148.63	10,153.51
e) Investments	7	141.62	11.92
f) Other financial assets	8	241.72	59.90
		<b>20,321.86</b>	<b>14,740.61</b>
<b>Non-financial assets</b>			
a) Inventories	9	844.21	1,056.56
b) Non-current tax assets (net)	10	262.03	354.45
c) Deferred tax assets (net)	11	753.86	824.05
d) Biological assets	12	0.43	0.59
e) Property, plant and equipment	12	114.15	139.68
f) Right of use assets	12	11.42	32.64
g) Intangible assets under development	12	46.45	22.92
h) Other intangible assets	12	860.96	869.85
i) Other non-financial assets	13	288.69	441.42
		<b>3,182.20</b>	<b>3,742.16</b>
<b>Total assets</b>		<b>23,504.06</b>	<b>18,482.77</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
a) Trade payables	14	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		659.22	301.82
b) Other payables		-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		9.86	57.61
c) Borrowings			
(i) Debt securities	15	5,994.16	5,075.53
(ii) Borrowings (other than debt securities)	16	9,880.58	7,963.48
d) Other financial liabilities	17	129.01	158.60
		<b>16,672.83</b>	<b>13,557.04</b>
<b>Non-financial liabilities</b>			
a) Provisions	18	71.74	51.28
b) Other non-financial liabilities	19	387.49	294.37
		<b>459.23</b>	<b>345.65</b>
<b>Equity</b>			
a) Share capital	20	22.74	21.25
b) Other equity	21	6,349.26	4,558.83
		<b>6,372.00</b>	<b>4,580.08</b>
<b>Total liabilities and equity</b>		<b>23,504.06</b>	<b>18,482.77</b>

Summary of material 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: 28 May 2024



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: 28 May 2024

**S. Arunkumar**  
**Arunkumar Sridharan**  
Company Secretary  
Membership No.: F7112

Place: Chennai  
Date: 28 May 2024

**Gurunath Neelamani**  
Whole-time Director  
DIN : 02799586

Place: Chennai  
Date: 28 May 2024

**Anand Subramaniam**  
Group - CFO

Place: Chennai  
Date: 28 May 2024

**Samunnati Financial Intermediation & Services Private Limited**  
**Statement of consolidated profit and loss for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)*

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
<b>I Revenue from operations</b>			
(i) Interest income	22	1,975.67	1,745.41
(ii) Bad debts recovered	22	123.82	-
(iii) Net gain on fair value changes	22	33.12	-
(iv) Sale of traded goods	22	22,850.24	16,885.84
(v) Sale of services	22	37.51	-
(vi) Other operating revenue	22	19.21	143.22
<b>Total Revenue from Operations</b>		<b>25,039.57</b>	<b>18,774.47</b>
<b>II Other income</b>	23	439.81	223.25
<b>III Total income (I+II)</b>		<b>25,479.38</b>	<b>18,997.72</b>
<b>Expenses</b>			
(i) Finance costs	24	1,510.91	1,491.71
(ii) Impairment on financial instruments	25	158.37	1,308.96
(iii) Purchase of stock-in-trade	26	22,147.32	16,727.45
(iv) Changes in inventories of stock-in-trade	27	305.14	(291.01)
(v) Employee benefit expenses	28	736.43	880.87
(vi) Depreciation and amortization	29	85.33	60.74
(vii) Other expenses	30	535.22	706.99
<b>IV Total expenses</b>		<b>25,478.72</b>	<b>20,885.71</b>
<b>V Profit / (Loss) before tax (III-IV)</b>		<b>0.66</b>	<b>(1,887.99)</b>
<b>VI Tax expense</b>	31		
(i) Current tax		0.23	5.10
(ii) Deferred tax		79.53	(427.72)
		<b>79.76</b>	<b>(422.62)</b>
<b>VII Profit / (Loss) for the year (V-VI)</b>		<b>(79.10)</b>	<b>(1,465.37)</b>
<b>VIII Other comprehensive income (OCI)</b>			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		(8.48)	0.94
- Income tax impact thereon		1.14	(0.21)
(ii) Items that will not be reclassified to profit or loss			
- Gain / (Loss) on hedge accounting		(32.68)	-
- Income tax impact thereon	31	8.22	-
<b>Other comprehensive income (i)+(ii)+(iii)</b>		<b>(31.80)</b>	<b>0.73</b>
<b>IX Total comprehensive income/(loss) for the year (VII+VIII)</b>		<b>(110.90)</b>	<b>(1,464.64)</b>
<b>X Earnings per equity share (face value ₹ 10/- per equity share)</b>	32		
Basic (₹)		(35.07)	(703.95)
Diluted (₹)		(35.07)	(703.95)

Summary of material 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: 28 May 2024



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: 28 May 2024

**Arunkumar Sridharan**

Company Secretary

Membership No.: F7112

Place: Chennai

Date: 28 May 2024

**Gurunath Neelamani**

Whole-time Director

DIN : 02799586

Place: Chennai

Date: 28 May 2024

**Anand Subramaniam**

Group - CFO

Place: Chennai

Date: 28 May 2024



Samunnati Financial Intermediation & Services Private Limited  
Statement of consolidated cash flows for the year ended 31 March 2024  
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. Operating activities</b>		
Profit / (loss) before tax	0.66	(1,887.99)
<b>Adjustments for:</b>		
Depreciation and amortization	85.33	60.74
Employee stock option expenses	0.05	58.29
Gratuity and leave encashment expenses	28.25	26.79
(Profit) / loss on sale of property, plant and equipment	(3.06)	0.38
Income from mutual funds	(30.81)	(42.18)
Income from debt funds	-	(1.31)
Interest expenses	1,418.55	1,390.24
Interest expense on lease liability	1.02	4.05
Unwinding interest of debt component of OCRPS	3.37	1.03
MTM gain on external commercial borrowings	(32.68)	(17.84)
Net gain on fair value changes - CCD	(33.12)	-
Impairment on financial instruments	(687.94)	660.73
Provision no longer required written back	(48.73)	-
Impairment on trade receivables	10.19	72.51
Bad debts written off	848.74	651.56
Provision on inventory	(100.91)	83.61
Amortisation of origination costs of borrowings	87.97	97.42
<b>Cash generated from operations before working capital changes</b>	<b>1,546.88</b>	<b>1,158.03</b>
<b>Changes in working capital:</b>		
Loans	(3,155.92)	(404.12)
Other financial assets	(181.82)	92.19
Trade receivables	(1,444.24)	558.07
Other non-financial assets	201.47	(197.48)
Net movement in provisions	(16.27)	(20.91)
Other financial and non-financial liabilities	50.92	90.89
Inventories	313.24	(291.01)
Trade payables	309.65	(391.88)
<b>Cash (used in) / generated from operations</b>	<b>(2,376.08)</b>	<b>593.78</b>
Income taxes paid (net of refunds)	92.19	(170.23)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(2,283.89)</b>	<b>423.55</b>
<b>B. Investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(59.54)	(116.83)
Proceeds from sale of property, plant and equipment	9.54	1.96
Movement in deposits with banks and financial institutions	(482.20)	91.14
Purchase of investments	(15,685.41)	(16,360.24)
Proceeds from sale of investments	15,588.83	16,540.69
Interest income received on investments measured at amortised cost, FVTPL	30.81	43.49
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(597.97)</b>	<b>200.21</b>
<b>C. Financing activities</b>		
Issue of Compulsorily convertible preference shares	1,505.79	800.00
Issue of Optionally convertible redeemable preference shares	417.87	400.00
Proceeds from debt securities	4,210.58	1,235.00
Repayment of debt securities	(3,299.88)	(1,454.31)
Repayment of principal portion of lease liability	(11.62)	(23.74)
Repayment of interest portion of lease liability	(1.02)	(4.05)
Proceeds from other than debt securities	15,646.96	12,627.17
Repayment of other than debt securities	(13,775.42)	(12,635.34)
Interest paid	(1,453.04)	(1,488.69)
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>3,240.22</b>	<b>(543.96)</b>
Net increase in cash and cash equivalents (A+B+C)	358.36	79.80
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,247.45</b>	<b>1,167.65</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,605.81</b>	<b>1,247.45</b>



**Samunnati Financial Intermediation & Services Private Limited**  
**Statement of consolidated cash flows for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)*

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Components of cash and cash equivalents</b>		
Cash and cash equivalents at the end of the year (also, refer note 3)		
- Cash on hand	-	0.23
- Balances with banks in current accounts	1,478.94	1,067.76
- In deposit accounts (with original maturity of 3 months or less)	126.87	179.46
<b>Total</b>	<b>1,605.81</b>	<b>1,247.45</b>

Summary of material 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.: 0039908/S200018

*V Kothandaraman*

**V Kothandaraman**

Partner

Membership No.: 025973

Place: Chennai

Date: 28 May 2024



For and on behalf of the Board of Directors of

**Samunnati Financial Intermediation & Services Private Limited**

*S G Anil Kumar*

**S G Anil Kumar**

Director and CEO

DIN : 01189011

Place: Chennai

Date: 28 May 2024

*Gurunath Neelamani*

**Gurunath Neelamani**

Whole-time Director

DIN : 02799586

Place: Chennai

Date: 28 May 2024

*S. Arunkumar*

**Arunkumar Sridharan**

Company Secretary

Membership No.: F7112

Place: Chennai

Date: 28 May 2024

*Anand Subramaniam*

**Anand Subramaniam**

Group - CFO

Place: Chennai

Date: 28 May 2024

Samunnati Financial Intermediation & Services Private Limited  
Statement of Consolidated Changes in Equity for the year ended 31 March 2024  
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

A. Share capital

Particulars	Equity share capital		Compulsorily convertible preference shares ("CCPS")		Total	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	5.74	5.74	17.64	16.84	23.38	22.58
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the year	5.74	5.74	17.64	16.84	23.38	22.58
Issued during the year	-	-	1.50	0.80	1.50	0.80
Buyback of shares	-	-	-	-	-	-
Sub-total	5.74	5.74	19.14	17.64	24.88	23.39
Equity shares held under trust for employees under ESOP scheme	(2.14)	(2.14)	-	-	(2.14)	(2.14)
<b>Balance at the end of the year</b>	<b>3.60</b>	<b>3.60</b>	<b>19.14</b>	<b>17.64</b>	<b>22.74</b>	<b>21.25</b>

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
<b>Balance as at 01 April 2022</b>	<b>40.59</b>	<b>5,755.45</b>	<b>262.32</b>	<b>0.07</b>	<b>(23.55)</b>	<b>5.67</b>	<b>(1,254.26)</b>	<b>4,786.29</b>
Changes in accounting policy or prior period errors (Refer Note 21)	-	-	-	-	23.55	1.69	(28.18)	(2.94)
<b>Restated Balance as at 01 April 2022</b>	<b>40.59</b>	<b>5,755.45</b>	<b>262.32</b>	<b>0.07</b>	<b>-</b>	<b>7.36</b>	<b>(1,282.44)</b>	<b>4,783.35</b>
Comprehensive income for the year	-	-	-	-	-	0.73	(1,465.37)	(1,464.64)
Premium on issue of shares	-	799.06	-	-	-	-	-	799.06
Equity Component of Debt Securities issued during the year	-	-	-	-	382.77	-	-	382.77
Employee stock options expense	-	-	58.29	-	-	-	-	58.29
<b>Balance as at 31 March 2023</b>	<b>40.59</b>	<b>6,554.51</b>	<b>320.61</b>	<b>0.07</b>	<b>382.77</b>	<b>8.09</b>	<b>(2,747.81)</b>	<b>4,558.83</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-	0.36	0.36
<b>Restated Balance as at 31 March 2023</b>	<b>40.59</b>	<b>6,554.51</b>	<b>320.61</b>	<b>0.07</b>	<b>382.77</b>	<b>8.09</b>	<b>(2,747.45)</b>	<b>4,559.19</b>
Comprehensive income for the year	-	-	-	-	-	(31.80)	(79.10)	(110.90)
Transfer to retained earnings	42.10	-	-	-	-	-	(42.10)	-
Premium on issue of shares	-	1,504.29	-	-	-	-	-	1,504.29
Equity component of debt securities issued during the year	-	-	-	-	396.63	-	-	396.63
Issue expenses for debt securities	-	-	-	-	-	-	-	-
Employee stock options expense	-	-	0.05	-	-	-	-	0.05
<b>Balance as at 31 March 2024</b>	<b>82.69</b>	<b>8,058.80</b>	<b>320.66</b>	<b>0.07</b>	<b>779.40</b>	<b>(23.71)</b>	<b>(2,868.65)</b>	<b>6,349.26</b>

Summary of material 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: 28 May 2024



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: 28 May 2024

Gurunath Neelamani  
Whole-time Director  
DIN : 02799586  
Place: Chennai  
Date: 28 May 2024

Arunkumar Sridharan  
Company Secretary  
Membership No.: F7112  
Place: Chennai  
Date: 28 May 2024

Ahmad Subramaniam  
Group-CFO  
Place: Chennai  
Date: 28 May 2024

## Samunnati Financial Intermediation & Services Private Limited

Summary of consolidated material accounting policies and other explanatory information for the year ended March 31, 2024

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

### 1. Corporate Information

Samunnati Financial Intermediation & Services Private Limited ("the Holding Company") (CIN: U65990TN2014PTC096252) is a Company limited by shares and incorporated on 23 June 2014 under the provisions of the Companies Act, 2013 and domiciled in India. The debt securities of the Holding Company namely non-convertible debentures are listed on the Bombay Stock Exchange ("BSE"). The Holding Company is engaged in extending credit to secured and unsecured loans to farmers, farmer producer organizations, community-based organizations and Agri-enterprises.

The Holding Company had received the Certificate of Registration (Registration No. N-07.00815) dated 25 February 2016 from Reserve Bank of India ("RBI") to carry on the business of Non-Banking Financial Company without accepting public deposits ("NBFC-ND"). The Holding Company commenced active NBFIs operations from the month of July 2016. During March 2019, the Holding Company had crossed the total assets threshold of INR 500 crores and had become a Non-Deposit Taking Systemically Important Non-Banking Financial Company ("NBFC-ND-SI"). The Holding Company is classified under middle layer as per scale based framework applicable from 01 October 2022.

The Holding Company has four wholly owned subsidiaries and one step down subsidiary as at the year end 31 March 2024.

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 ('SAIL') (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 Holding Company has issued 67,624 Compulsory Convertible Preference Shares ('CCPS') to the equity shareholders of KFTPL.
3. Samunnati Finance Private Limited ('SFPL') was incorporated on 22 September 2021 and is registered under the Companies Act 2013 as a company limited by shares.
4. Samunnati Foundation ('the Foundation') was incorporated on 09 March 2020 and is registered under section 8 of the Companies Act 2013 as a company with limited liability. The main objects of the Company are to undertake social oriented programs, activities as deemed appropriate, referred to in schedule VII to the Companies Act 2013, read with section 135 of the Act.

The following is the details of the step down subsidiary:

1. 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 financial year 2021-22, as the intent of the investment is not considered to be commercial in nature so as to get any return on the investments.



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

Summary of consolidated material accounting policies and other explanatory information for the year ended March 31, 2024

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

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## **2. Summary of material accounting policies**

### **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.

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 28, 2024.

#### **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 than the rounding off norms adopted by the Group are disclosed as 0. All amounts are rounded-off to the nearest millions upto two decimal places, 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.



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

Summary of consolidated material accounting policies and other explanatory information for the year ended March 31, 2024

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

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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).

### **2.5 Critical accounting estimates and judgements**

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

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

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

#### **Property, Plant and Equipment (PPE)**

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

#### **Income tax**

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

#### **Deferred tax assets**

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



## Samunnati Financial Intermediation & Services Private Limited

Summary of consolidated material accounting policies and other explanatory information for the year ended March 31, 2024

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

### 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.

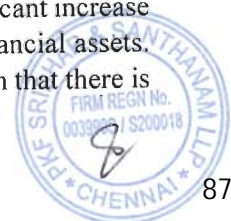
12-month expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

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



**Samunnati Financial Intermediation & Services Private Limited**

Summary of consolidated material accounting policies and other explanatory information for the year ended March 31, 2024

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

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.

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) w.e.f FY'23
Farmer Collectives	Stage 1	Upto 60 Days
	Stage 2	61 Days to 180 Days
	Stage 3	More than 180 Days
Agri enterprises	Stage 1	Upto 60 Days
	Stage 2	61 Days to 180 Days
	Stage 3	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 seven 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.





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

Summary of consolidated material accounting policies and other explanatory information for the year ended March 31, 2024

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

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

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

To mitigate its credit risks on financial assets, the Holding Company seeks to use collateral, where possible. The collateral comes in various forms, such as land, building, books debts, securities, letters of credit/guarantees, etc. However, the fair value of collateral affects the calculation of ECL. The fair value of the same is based on management judgements. Further the management of the subsidiary Agro had considered the insured portion of receivable consists nil exposure at default.

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

### **Impairment of financial instruments for trade receivables from trading and allied activities**

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

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

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

### **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.



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

Summary of consolidated material accounting policies and other explanatory information for the year ended March 31, 2024

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

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### **Defined benefit plans and other long term employee benefits**

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

### **Provisions and other contingent liabilities**

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

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

## **2.6 Revenue recognition**

### **a) Recognition of interest income on loans**

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 and SAIL 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.



## Samunnati Financial Intermediation & Services Private Limited

Summary of consolidated material accounting policies and other explanatory information for the year ended March 31, 2024

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

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 and SAIL 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) Interest income on investments

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 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.



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

Summary of consolidated material accounting policies and other explanatory information for the year ended March 31, 2024

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

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### **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**

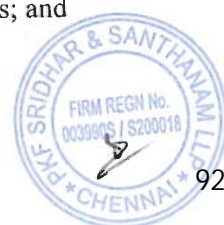
Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

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)



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

Summary of consolidated material accounting policies and other explanatory information for the year ended March 31, 2024

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

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### **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.



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

Summary of consolidated material accounting policies and other explanatory information for the year ended March 31, 2024

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

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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) Derecognition**

#### **Financial assets**

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

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

#### **Financial liabilities**

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

### **e) 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.



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### f) 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



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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.

#### 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





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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.

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.



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

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

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

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

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

### 2.16 Cash and cash equivalents

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

### 2.17 Earnings per share

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

### 2.18 Inventories

Inventories are measured at the lower of cost and the net realizable value. Costs includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition, net of discounts and rebates and is determined on weighted average basis. Cost is determined on FIFO



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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
3. Others

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 Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards and are effective 1 April 2023.

Material changes are in relation to the following:

- (i) - Disclosure of accounting policies — amendments to Ind AS 1.
- (ii) - Definition of accounting estimates — amendments to Ind AS 8.
- (iii) - Deferred tax related to assets and liabilities arising from a single transaction — amendments to Ind AS 12.

The Company has evaluated the amendments and the impact is not material.

**New Standards/Amendments notified but not yet effective:** None

### 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.



**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2024**  
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Note	Particulars	As at 31 March 2024	As at 31 March 2023
<b>3</b>	<b>Cash and cash equivalents</b>		
	Cash-on-hand	-	0.23
	Balances with banks		
	(i) In current account	1,478.94	1,067.76
	(ii) in deposit account (with original maturity up to 3 months)	126.87	179.46
		<b>1,605.81</b>	<b>1,247.45</b>
<b>4</b>	<b>Bank balances other than cash and cash equivalents</b>		
	Deposit account with banks -		
	Balances with banks to the extent held as margin money	903.21	218.08
	- with original maturity of more than 3 months but less than 12 months	-	202.93
		<b>903.21</b>	<b>421.01</b>
	Details of balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments.		
	<b>Maturity period of less than 12 months</b>		
	(i) Held as collateral against borrowings and securitisation transactions	874.87	196.05
		<b>874.87</b>	<b>196.05</b>
	<b>Maturity period of more than 12 months</b>		
	(ii) Held as collateral against borrowings and securitisation transactions	28.34	22.03
		<b>28.34</b>	<b>22.03</b>
	<b>Total</b>	<b>903.21</b>	<b>218.08</b>
<b>5</b>	<b>Trade receivables</b>		
	<i>Unsecured</i>		
	Considered good	3,917.90	2,561.37
	Less: Allowance for expected credit loss	(21.14)	(14.87)
		<b>3,896.76</b>	<b>2,546.50</b>
	Having significant increase in credit risk	295.10	323.49
	Less: Allowance for expected credit loss	(36.45)	(42.00)
		<b>258.65</b>	<b>281.49</b>
	Credit impaired	337.66	221.56
	Less: Allowance for expected credit loss	(212.20)	(202.73)
		<b>125.46</b>	<b>18.83</b>
		<b>4,280.87</b>	<b>2,846.82</b>
	(Refer Note 47 for ageing schedule of trade receivables)		
<b>6</b>	<b>Loans</b>		
(A)	<b>Term Loans at amortised cost</b>		
	To clients	13,458.24	11,166.77
	To Samunnati Foundation	15.72	-
	<b>Total- Gross</b>	<b>13,473.96</b>	<b>11,166.77</b>
	Less : Impairment loss allowance	(325.33)	(1,013.26)
	<b>Total- Net</b>	<b>13,148.63</b>	<b>10,153.51</b>
(B)	<b>Secured/ Unsecured break up</b>		
(i)	<b>Secured against tangible assets:</b>		
	<b>Gross</b>	1,109.04	1,075.49
	Less: Impairment loss allowances	(57.25)	(83.69)
	<b>Net</b>	<b>1,051.79</b>	<b>991.80</b>
(ii)	<b>Secured against receivables:</b>		
	<b>Gross</b>	-	-
	Less: Impairment loss allowances	-	-
	<b>Net</b>	-	-
(iii)	<b>Unsecured</b>		
	<b>Gross</b>	12,364.92	10,091.28
	Less: Impairment loss allowances	(268.08)	(929.57)
	<b>Net</b>	<b>12,096.84</b>	<b>9,161.71</b>
	<b>Total (B) = (i) + (ii) + (iii)</b>	<b>13,148.63</b>	<b>10,153.51</b>



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Note	Particulars	As at 31 March 2024	As at 31 March 2023
(C)	<b>Loans in/ outside India</b>		
	<b>(i) Loans in India</b>		
	(a) Public sector	-	-
	(b) Others	13,473.96	11,166.77
		<b>13,473.96</b>	<b>11,166.77</b>
	Less : Impairment loss allowance	(325.33)	(1,013.26)
	Total (i)	<b>13,148.63</b>	<b>10,153.51</b>
	<b>(ii) Loans outside India</b>	-	-
	<b>Total (C) = (i) + (ii)</b>	<b>13,148.63</b>	<b>10,153.51</b>

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)
<b>As at 31 March 2024</b>	12,640.26	126.43	12,513.83
Stage 1 - Considered good	677.77	66.65	611.12
Stage 2 - Significant increase in credit risk	155.93	132.25	23.68
Stage 3 - Credit impaired	<b>13,473.96</b>	<b>325.33</b>	<b>13,148.63</b>
<b>As at 31 March 2023</b>	10,353.18	347.21	10,005.97
Stage 1 - Considered good	154.61	31.28	123.33
Stage 2 - Significant increase in credit risk	658.98	634.77	24.21
Stage 3 - Credit impaired	<b>11,166.77</b>	<b>1,013.26</b>	<b>10,153.51</b>

**7 Investments**

(A)	Investments in equity shares carried at cost (Unquoted) : Samunnati Foundation 850,000 (previous year: 850,000) equity shares of ₹10 each	8.50	8.50
(B)	Investments carried at amortised cost: Investments in Pass through certificates - Unquoted	-	3.42
(C)	Investment carried at fair value through profit and loss (FVTPL) Investments in Cumulative Convertible Debentures - Unquoted Investment in Ecozen Solutions Private Limited 7,614 (previous year: Nil) 0.01% Compulsorily Convertible Debentures of Rs.6,566.82 each Investment in Connedit Business Solutions Private Limited 509 (previous year: Nil) 0.01% Compulsorily Convertible Debentures of Rs.10 each	58.82 74.30	- -
	<b>Total value of unquoted investments</b>	<b>141.62</b>	<b>11.92</b>

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

Investments in India	141.62	11.92
Investments outside India	-	-
	<b>141.62</b>	<b>11.92</b>

**8 Other financial assets**

*Unsecured, considered good*

Security deposits	26.08	27.63
Margin money held with financial institution	50.00	-
Employee advances	6.70	3.90
Interest accrued but not due on deposits	7.76	9.13
Insurance receivables	134.09	-
Other receivables	17.09	19.24
	<b>241.72</b>	<b>59.90</b>

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Notes to the consolidated financial statements for the year ended 31 March 2024  
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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		
<b>Gross block</b>																
Balance as at 01 April 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)	
<b>Balance as at 31 March 2023</b>	<b>72.10</b>	<b>11.02</b>	<b>17.05</b>	<b>43.85</b>	<b>35.80</b>	<b>23.35</b>	<b>4.95</b>	<b>11.00</b>	<b>219.12</b>	<b>0.65</b>	<b>92.18</b>	<b>775.67</b>	<b>109.71</b>	<b>885.38</b>	<b>22.92</b>	
Additions	-	0.16	1.29	0.73	-	0.59	-	-	2.77	-	-	-	31.95	31.95	53.49	
Assets written off	-	(0.13)	(0.44)	(0.49)	-	-	(1.08)	-	(2.14)	-	-	-	-	-	-	
Disposals/ deductions	-	(3.40)	(1.31)	(0.28)	(15.07)	(0.21)	-	-	(20.27)	(0.10)	-	-	(0.33)	(0.33)	(29.96)	
<b>Balance as at 31 March 2024</b>	<b>72.10</b>	<b>7.65</b>	<b>16.59</b>	<b>43.81</b>	<b>20.73</b>	<b>23.73</b>	<b>3.87</b>	<b>11.00</b>	<b>199.48</b>	<b>0.55</b>	<b>92.18</b>	<b>775.67</b>	<b>141.33</b>	<b>917.00</b>	<b>46.45</b>	
<b>Accumulated depreciation and amortization</b>																
Balance as at 01 April 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 / adjustments	-	(0.13)	-	(4.59)	(2.43)	-	(0.04)	-	(7.19)	-	-	-	(16.59)	(16.59)	-	
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>3.86</b>	<b>7.07</b>	<b>30.20</b>	<b>19.62</b>	<b>18.04</b>	<b>0.53</b>	<b>0.12</b>	<b>79.44</b>	<b>0.06</b>	<b>59.54</b>	<b>-</b>	<b>15.53</b>	<b>15.53</b>	<b>-</b>	
Charge for the year	-	1.29	2.24	8.74	6.36	4.11	0.30	0.18	23.22	0.06	21.21	-	40.84	40.84	-	
Assets written off	-	(0.01)	(0.22)	(0.43)	-	-	(0.26)	-	(0.92)	-	-	-	-	-	-	
Disposals / adjustments	-	(1.70)	(0.71)	(0.35)	(13.32)	(0.33)	-	-	(16.41)	-	-	-	(0.33)	(0.33)	-	
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>3.44</b>	<b>8.38</b>	<b>38.16</b>	<b>12.66</b>	<b>21.82</b>	<b>0.57</b>	<b>0.30</b>	<b>85.33</b>	<b>0.12</b>	<b>80.76</b>	<b>-</b>	<b>56.04</b>	<b>56.04</b>	<b>-</b>	
<b>Net block</b>																
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	
As at 31 March 2024	72.10	4.21	8.21	5.65	8.07	1.91	3.30	10.70	114.15	0.43	11.42	775.67	85.29	860.96	46.45	

Intangible Assets under Development ageing Schedule as on 31 March 2024

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	28.38	0.97	17.10	-	46.45
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>28.38</b>	<b>0.97</b>	<b>17.10</b>	<b>-</b>	<b>46.45</b>

There is no project for which cost exceeded the budget or time over run. There were no projects which is temporarily suspended as at 31 March 2024

Intangible Assets under Development ageing Schedule as on 31 March 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	-	-	-	-	-
<b>Total</b>	<b>5.66</b>	<b>17.26</b>	<b>-</b>	<b>-</b>	<b>22.92</b>

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



**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)*

Note	Particulars	As at 31 March 2024	As at 31 March 2023
<b>9 Inventories</b>			
	At lower of cost or net realisable value		
	Stock in trade	855.17	1,160.32
	Less: Provision for inventory	(10.96)	(103.76)
		<b>844.21</b>	<b>1,056.56</b>
<b>10 Non-current tax assets (net)</b>			
	Advance income tax (net of provisions for tax)	262.03	354.45
		<b>262.03</b>	<b>354.45</b>

**11 Deferred tax assets (net)**

Tax effect of items constituting deferred tax assets / (liabilities) :	Balance as at 01 April 2023	(Charge) / credit to statement of profit and loss	(Charge) / credit to OCI	Balance as at 31 March 2024
Fixed assets	(15.14)	(5.08)	-	(20.22)
Provisions for employee benefits	12.21	3.63	1.14	16.98
Provision for Inventory	17.78	(17.78)	-	-
Impairment loss allowance	317.60	(172.34)	-	145.26
(Gains) and losses on Hedge Accounting	-	(1.48)	8.22	6.74
Carried forward losses	482.97	121.13	-	604.10
Others	8.63	(7.61)	-	1.02
<b>Total</b>	<b>824.05</b>	<b>(79.53)</b>	<b>9.36</b>	<b>753.86</b>

Tax effect of items constituting deferred tax assets / (liabilities) :	Balance as at 01 April 2022	(Charge) / credit to statement of profit and loss	(Charge) / credit to OCI	Balance as at 31 March 2023
Fixed assets	(6.65)	(8.49)	-	(15.14)
Provisions for employee benefits	12.88	(0.46)	(0.21)	12.21
Provision for Inventory	-	17.78	-	17.78
Impairment loss allowance	176.81	140.79	-	317.60
Carried forward losses	209.57	273.40	-	482.97
Others	3.93	4.70	-	8.63
<b>Total</b>	<b>396.54</b>	<b>427.72</b>	<b>(0.21)</b>	<b>824.05</b>

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**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)*

Note	Particulars	As at 31 March 2024	As at 31 March 2023
<b>13</b>	<b>Other non-financial assets</b>		
	Prepaid expenses	65.21	51.68
	Advance paid to vendors	42.30	302.62
	Balances with government authorities	181.18	85.39
	Advances to employees	-	1.73
		<b>288.69</b>	<b>441.42</b>
<b>14</b>	<b>Trade payables</b>		
	i) Total outstanding dues of micro and small enterprises	-	-
	ii) Total outstanding dues of creditors other than micro and small enterprises	659.22	301.82
		<b>659.22</b>	<b>301.82</b>
	(Also refer note 48 for ageing of the trade payables).		
	<b>Other Payables</b>		
	i) Total outstanding dues of micro and small enterprises	-	-
	ii) Total outstanding dues of creditors other than micro and small enterprises	9.86	57.61
		<b>9.86</b>	<b>57.61</b>
	<b>Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under</b>		
	(a) The principal amount remaining unpaid at the end of the year*	-	-
	(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	-	-
		<b>-</b>	<b>-</b>
	*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.		
<b>15</b>	<b>Debt securities</b>		
	<b>At amortised cost</b>		
	Non-convertible redeemable debentures	5,138.61	5,075.53
	Commercial paper	855.55	-
		<b>5,994.16</b>	<b>5,075.53</b>
	Note: There are no debt securities measured at FVTPL or designated as FVTPL		
	Debt securities in India	2,059.54	598.21
	Debt securities outside India	3,934.62	4,477.32
	<b>Total</b>	<b>5,994.16</b>	<b>5,075.53</b>
	(also, refer note 44 A)		
<b>16</b>	<b>Borrowings (other than debt securities)</b>		
	<b>At amortised cost</b>		
	Term loans:		
	from banks	337.91	1,048.67
	from other parties	6,528.02	5,141.00
	Working capital loan	2,974.66	1,747.89
	Interest accrued but not due on borrowings	39.99	25.92
		<b>9,880.58</b>	<b>7,963.48</b>
	Note: There are no Borrowings measured at FVTPL or designated as FVTPL		
	Borrowings in India	8,029.00	7,231.42
	Borrowings outside India	1,851.58	732.06
		<b>9,880.58</b>	<b>7,963.48</b>
	(also, refer note 44 B)		

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**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)*

Note	Particulars	As at	As at
		31 March 2024	31 March 2023
<b>17 Other financial liabilities</b>			
	Unamortised interest income	-	1.61
	Lease liability	12.64	34.91
	Employee related payables	49.16	74.84
	Provision for expenses	-	1.25
	Financial liability of compound financial instrument	39.48	18.26
	MTM Cost on ECB Borrowing	26.77	8.00
	Others	0.96	-
	Interest accrued but not due on borrowings	-	19.73
		<b>129.01</b>	<b>158.60</b>
<b>18 Provisions</b>			
	Provision for employee benefits (Refer note 34)		
	Gratuity	38.09	25.07
	Compensated absences	33.65	26.21
		<b>71.74</b>	<b>51.28</b>
<b>19 Other non-financial liabilities</b>			
	Advance received from customers	260.34	236.75
	Statutory dues payable	108.06	57.28
	Income received in advance	19.09	-
	Others	-	0.34
		<b>387.49</b>	<b>294.37</b>

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**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)*

	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
<b>20 Share capital</b>				
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	7,50,000	7.50	7,50,000	7.50
Preference shares of ₹ 10 each	23,00,000	23.00	23,00,000	23.00
<b>Total</b>		<b>30.50</b>		<b>30.50</b>
<b>Issued, Subscribed and Paid-up:</b>				
Equity shares of ₹ 10 each	5,73,861	5.74	5,73,861	5.74
Less: Equity shares held under trust for employees under ESOP scheme (also, refer note h) below	(2,13,523)	(2.14)	(2,13,523)	(2.14)
Compulsorily convertible preference shares of ₹ 10 each	19,14,399	19.14	17,63,819	17.64
<b>Total</b>		<b>22.74</b>		<b>21.25</b>
Optionally convertible redeemable preference shares of ₹ 10 each (Refer note 17 & 21)	81,450	0.81	40,000	0.40
		<b>0.81</b>		<b>0.40</b>
<b>a) Reconciliation of number of equity shares and amount outstanding</b>				
<b>Issued, subscribed and paid-up</b>				
Balance at the beginning of the year	5,73,861	5.74	5,73,861	5.74
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
	5,73,861	5.74	5,73,861	5.74
Less: Equity shares held under trust for employees under ESOP scheme (also, refer note 20 (h) below)	(2,13,523)	(2.14)	(2,13,523)	(2.14)
<b>Balance at the end of the year</b>	<b>3,60,338</b>	<b>3.60</b>	<b>3,60,338</b>	<b>3.60</b>
<b>b) Reconciliation of number of preference shares and amount outstanding</b>				
<b>i) Compulsorily convertible preference shares</b>				
<b>Issued, subscribed and paid-up:</b>				
Balance at the beginning of the year	17,63,819	17.64	16,83,819	1.68
Shares issued during the year	1,50,580	1.51	80,000	0.08
<b>Balance at the end of the year</b>	<b>19,14,399</b>	<b>19.15</b>	<b>17,63,819</b>	<b>1.76</b>
<b>ii) Optionally convertible redeemable preference shares</b>				
<b>Issued, subscribed and paid-up:</b>				
Balance at the beginning of the year	40,000	0.40	-	-
Shares issued during the year	41,450	0.41	40,000	0.40
<b>Balance at the end of the year</b>	<b>81,450</b>	<b>0.81</b>	<b>40,000</b>	<b>0.40</b>
<b>c) Shareholders holding more than 5 percent</b>				
	<b>No. of shares</b>	<b>% of holding</b>	<b>No. of shares</b>	<b>% of holding</b>
<b>Equity shares of ₹ 10 each</b>				
S G Anil Kumar	2,38,257	41.52%	2,38,257	42.00%
Samunnati ESOP Welfare Trust	2,13,523	37.21%	2,13,523	37.00%
Accel India V (Mauritius) Ltd	75,733	13.20%	75,733	13.00%
<b>Compulsorily convertible preference shares of ₹ 10 each</b>				
Elevar M-III	4,21,522	22.02%	4,21,522	23.90%
Accel India V (Mauritius) Ltd	3,84,949	20.11%	3,84,949	21.82%
ResponsAbility Agriculture I, SLP	3,66,594	19.15%	3,66,594	20.78%
Teachers Insurance and Annuity Association of America	2,66,730	13.93%	2,66,730	15.12%
Accel Growth Fund V L.P	1,10,075	5.75%	1,10,075	6.24%
Elevar I-IV AIF represented by its Trustee Vistra ITCL India	1,48,957	7.78%	1,48,957	8.45%
ResponsAbility Sustainable Food – Asia II	1,22,000	6.37%	-	0.00%
<b>Optionally convertible redeemable preference shares of ₹ 10 each</b>				
EE-FI AIF	81,450	100.00%	40,000	100.00%
<b>d) Equity shares held by promoters at the end of the year</b>				
	<b>31 March 2024</b>			
<b>Promoter Name</b>	<b>Number of shares</b>	<b>Percentage of total shares</b>	<b>Percentage change during the year</b>	
Mr. Anil Kumar S G	2,38,257	41.52%	-	



**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)*

Promoter Name	31 March 2023		
	Number of shares	Percentage of total shares	Percentage change during the year
Mr. Anil Kumar S G	2,38,257	41.52%	-

e) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues since incorporation of the Holding Company.

f) The Holding 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 Holding Company has issued 67,624 Compulsory Convertible Preference Shares ('CCPS') to the equity shareholders of SAIL.

**g) Terms and rights attached to shares**

**i) 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.

**ii) Terms and rights attached to Compulsorily convertible preference shares of ₹ 10 each**

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 Holding Company, the holders of compulsorily convertible preference shares shall have a preference over other share holders of the Holding Company.

**iii) Terms and rights attached to Optionally convertible redeemable preference shares of ₹ 10 each**

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 Holding 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 Holding 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 of Equity shares post conversion
<b>Conversion of CCPS into equity</b>		
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	05 Apr 2042	1.34
Pre-Series E	27 March 2043	0.17
<b>Conversion of OCRPS into equity</b>		
Pre-Series E OCRPS	30 Nov 2041	0.40
Pre-Series E OCRPS	27 March 2043	0.41

**19.96**



- 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 2024	As at 31 March 2023
Statutory reserve	82.69	40.59
Securities premium	8,058.80	6,554.51
Employee stock options outstanding	320.66	320.61
Capital redemption reserve	0.07	0.07
Equity component of Optionally Convertible Redeemable Preference Shares (OCRPS)	779.40	382.77
Other comprehensive income	(23.71)	8.09
Retained earnings* (Refer Note below)	(2,868.65)	(2,747.81)
	<b>6,349.26</b>	<b>4,558.83</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Statutory Reserve</b>		
Opening balance	40.59	40.59
Add : Transfer from retained earnings	42.10	-
<b>Balance as at the end of the year</b>	<b>82.69</b>	<b>40.59</b>
<b>Securities Premium</b>		
Balance as at the beginning of the year	6,554.51	5,755.45
Premium on shares issued during the year	1,504.29	799.06
<b>Balance as at the end of the year</b>	<b>8,058.80</b>	<b>6,554.51</b>
<b>Employee stock options outstanding</b>		
Balance as at the beginning of the year	320.61	262.32
Additions during the year	0.05	58.29
<b>Balance as at the end of the year</b>	<b>320.66</b>	<b>320.61</b>
<b>Capital Redemption Reserve</b>		
Balance as at the beginning of the year	0.07	0.07
Add : Additions during the year	-	-
<b>Balance as at the end of the year</b>	<b>0.07</b>	<b>0.07</b>
<b>Equity Component of Optionally Convertible Redeemable Preference shares (OCRPS)</b>		
Balance as at the beginning of the year	382.77	(23.55)
Changes in accounting policy or prior period errors	-	23.55
Issued during the year	396.63	382.77
<b>Balance as at the end of the year</b>	<b>779.40</b>	<b>382.77</b>
<b>Other comprehensive income</b>		
Balance as at the beginning of the year	8.09	5.67
Changes in accounting policy or prior period errors	-	1.69
Add : Other comprehensive income for the year	(31.80)	0.73
<b>Balance as at the end of the year</b>	<b>(23.71)</b>	<b>8.09</b>
<b>Retained earnings</b>		
Balance as at the beginning of the year	(2,747.81)	(1,254.26)
Changes in accounting policy or prior period errors	0.36	(28.18)
Add : Comprehensive income for the year	(79.10)	(1,465.37)
Less : Transfer to statutory reserve	(42.10)	-
<b>Balance as at the end of the year</b>	<b>(2,868.65)</b>	<b>(2,747.81)</b>
<b>Total other equity</b>	<b>6,349.26</b>	<b>4,558.83</b>

\*Note: Samunnati Foundation was consolidated upto FY 2020-21. However, Samunnati Foundation has not been consolidated from the FY 2021-22 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 2020-21 amounting Rs. 1.13 million has been eliminated in the consolidation for FY 2021-22. Regrouping with corrections have been carried out in the previous year pertaining to the FY 2021-22 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 OCRPS**

Represents Equity Component of Optionally Convertible Redeemable Preference Shares, In accordance with Ind AS 32 - Financial Instruments: Presentation, the equity component of OCRPS is classified separately from the liability component. The initial carrying amount of the equity component is determined by deducting the fair value of the liability component from the fair value of the entire financial instrument.

**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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**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)*

	Year ended 31 March 2024	Year ended 31 March 2023
<b>22 Revenue from operations</b>		
<b>a) Interest income on financial instruments measured at amortised cost</b>		
Loans	1,913.51	1,702.92
Investment in pass through certificates	0.02	10.97
Security deposits held with lenders	52.38	15.12
Fixed deposits	9.76	16.40
	<b>1,975.67</b>	<b>1,745.41</b>
<b>b) Bad debts recovery</b>	123.82	-
	<b>123.82</b>	-
<b>c) Sale of traded goods</b>	22,850.24	16,885.84
	<b>22,850.24</b>	<b>16,885.84</b>
<b>d) Sale of services</b>	37.51	-
	<b>37.51</b>	-
<b>e) Other operating revenue</b>	19.21	143.22
	<b>19.21</b>	<b>143.22</b>
<b>f) Net gain on fair value changes</b>		
Unrealised gain on fair value changes (FVTPL)	33.12	-
	<b>33.12</b>	-
<b>Total (a+b+c+d+e+f)</b>	<b>25,039.57</b>	<b>18,774.47</b>
<b>23 Other income</b>		
Interest income on delayed payment of dues by customers	65.82	49.96
Income from mutual fund investments	30.81	42.18
Interest income on Fixed deposits	5.05	16.80
Interest on income tax refund	12.18	-
Income from debt fund	-	1.31
Provision no longer required written back	149.64	-
Profit on sale of property, plant and equipment	3.06	-
Other income	173.25	113.00
	<b>439.81</b>	<b>223.25</b>
<b>24 Finance costs</b>		
<b>On financial liabilities measured at amortised cost</b>		
<b>Interest expense on:</b>		
Borrowings (other than debt securities)	796.21	773.49
Debt securities	622.34	616.75
Lease liability	1.02	4.05
Unwinding interest of OCRPS	3.37	-
Other borrowing costs	87.97	97.42
	<b>1,510.91</b>	<b>1,491.71</b>
<b>25 Impairment on financial instruments</b>		
<b>At amortised cost</b>		
Impairment of loans	(687.94)	660.73
Bad debts written off	846.31	648.23
	<b>158.37</b>	<b>1,308.96</b>

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**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)*

	Year ended 31 March 2024	Year ended 31 March 2023
<b>26 Purchases of stock-in-trade</b>		
Purchase of stock-in-trade	22,147.32	16,727.45
	<b>22,147.32</b>	<b>16,727.45</b>
<b>27 Changes in inventories of stock in trade</b>		
Opening stock	1,160.32	869.31
Closing stock	855.18	1,160.32
	<b>305.14</b>	<b>(291.01)</b>
<b>28 Employee benefit expenses</b>		
Salaries and wages (also, refer note 45)	649.57	741.20
Gratuity and leave encashment expenses (Also refer note 34)	28.25	26.79
Contribution to provident and other funds	26.22	31.29
Employee stock option expenses (also, refer note 33)	0.05	58.29
Staff welfare expenses	32.34	23.30
	<b>736.43</b>	<b>880.87</b>
<b>29 Depreciation &amp; amortization</b>		
(Also, refer note 12)		
Depreciation on property, plant and equipment	23.28	28.94
Amortisation of intangible assets	40.84	7.04
Depreciation on right of use assets	21.21	24.76
	<b>85.33</b>	<b>60.74</b>
<b>30 Other expenses</b>		
Legal and professional charges	192.21	179.64
Service fee expenses	6.22	18.45
Technology and communication expenses	66.60	39.08
Membership and subscription charges	20.82	15.42
Travelling and conveyance	67.75	70.40
Insurance	23.15	29.35
Payments to auditors	9.04	10.68
Repairs and maintenance - others	8.62	10.61
Rates and taxes	0.94	3.04
Rent	22.00	16.29
Impairment of trade receivables	10.19	72.51
Printing and stationery	5.64	3.79
Power and fuel	5.68	6.04
Sitting fees	3.27	2.65
Loss on sale of property, plant and equipment	-	0.38
Marketing expenses	26.76	12.45
Provision for Inventory	-	83.61
Bad debts written off	2.44	3.33
Outsourced manpower	10.06	-
Other operating expenses	27.05	-
Miscellaneous expenses	26.78	129.27
	<b>535.22</b>	<b>706.99</b>

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**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)*

	Year ended 31 March 2024	Year ended 31 March 2023
<b>31 Tax expenses</b>		
<b>a) Income tax recognized in statement of profit and loss</b>		
<b>Current tax:</b>		
In respect of current year	0.23	0.07
In respect of prior years	-	5.03
	<b>0.23</b>	<b>5.10</b>
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	79.53	(427.72)
<b>Total income tax recognized in statement of profit and loss</b>	<b>79.53</b>	<b>(427.72)</b>
<b>b) Income tax recognized in other comprehensive income</b>		
<b>Deferred tax related to items recognized in Other Comprehensive Income during the year:</b>		
Remeasurement of defined employee benefits	1.14	(0.21)
- Gain / (Loss) on hedge accounting	8.22	-
<b>Total income tax recognized in other comprehensive income</b>	<b>9.36</b>	<b>(0.21)</b>
<b>32 Earnings Per Share (EPS) after considering compulsorily convertible preference shares</b>		
Net (loss) attributable to equity shareholders ₹ in millions (Basic and Diluted)	(79.10)	(1,465.37)
Weighted average number of equity shares used in computing basic EPS (in numbers)	3,60,338	3,60,338
Weighted average number of CCPS used in computing basic EPS (in numbers)	18,95,437	17,21,298
Total weighted average number of shares used in computing Basic EPS (in numbers)	22,55,775	20,81,636
Effect of potential dilutive equity shares (in numbers)	1,22,438	1,19,454
Weighted average number of equity shares used in computing diluted earnings per share	23,78,213	22,01,090
Basic EPS (₹) - face value of share ₹10 each	(35.07)	(703.95)
Diluted EPS (₹) - face value of share ₹10 each*	(35.07)	(703.95)

\*Due to loss incurred for the year ended 31 March 2024 and 31 March 2023, the potential equity shares are considered an dilutive.

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**33 Employee share based payments**

**ESOP 2015 Scheme**

- a) On September 08, 2015, the Board of Directors of the Holding Company 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 of the Holding Company. 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 of the Holding Company 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 of the Holding Company. 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 of the Holding Company 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 31 March 2024	Weighted Average Rate	No. of options as at 31 March 2023	Weighted Average Rate
Options outstanding at the beginning of the year	74,454	3,441	85,713	3,173
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/ lapsed during the year	(4,334)	11,224	(11,259)	-
Options outstanding at the end of the year	70,120	4,859	74,454	3,441
Options exercisable as at the end of the period	57,712	4,420	10,930	739

The weighted average remaining contractual life for the stock options outstanding at the end of the year was 365 days (previous year 191 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	0.00
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 of the Holding Company 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 Board of Directors of the Holding Company 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 31 March 2024	Weighted Average Rate	No. of options as at 31 March 2023	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

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**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)*

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	2,939
Number of options granted	45,000
Exercise price range (weighted average)	3,753
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.

**ESOP 2022 Scheme**

The Holding Company has adopted the Employee Stock Option Plan 2015 duly approved by the Board of Directors of the Holding Company on 08 September 2015, and by the members of the Holding Company on September 08, 2015 vide an ordinary resolution ; thereafter amended and adopted the Employee Stock Option Plan 2019 duly approved by the Board of Directors of the Holding Company and the members of the Holding Company with effect from 24 May 2019 ; further amended and adopted the Samunnati Employee Stock Option Plan 2022 duly approved by the Board of Directors of the Holding Company and by the members of the Holding Company with effect from 07 March 2022.

Under the newly amended scheme, the Holding Company granted 12,285 options to the existing employees of the Group, based on commitments made during FY 2022-23. Of the total grants made, 2689 options were granted with accelerated vesting of one year. These options were granted to existing Senior Management team in lieu of a portion of their fixed compensation for the FY 2022-23 and were granted with effect from 01 April 2023 at an exercise price of INR 10,000. The Holding Company also awarded 9,596 options to its new employees as part of their offer commitment with effect from 01 April 2023 at an exercise price of INR 10,000.

The Holding Company had, in line with the RBI Notification No. RBI/2022-23/36 DOR.GOV.REC.No.29/18.10.002/2022-23 dated April 29, 2022 - Guidelines on Compensation of Key Managerial Personnel (KMPs) and Senior Management of Non-Banking Finance Companies, put in place a Compensation Policy for the KMPs and Senior Management of the Group. As part of this framework, KMPs and other Senior Management identified as per the compensation policy shall be eligible for ESOPs as part of their overall compensation. Under the new compensation framework, the Holding Company will decide on the number of performance-based options to be granted under the ESOP component and these Options shall progressively vest over a period of 3 years and be also subject to malus and claw back provisions. These shall be applicable from FY 2023-24.

Particulars	No of options as at 31 March 2024	Weighted Average Rate
Options outstanding at the beginning of the year	-	-
Granted during the year	12,285	10,000
Exercised during the year	-	-
Expired/ lapsed during the year	(4,967)	-
Options outstanding at the end of the year	7,318	10,000
Options exercisable as at the end of the year	4,121	10,000

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	9,958
Number of options granted	12,285
Exercise price range (weighted average)	10,000
Expected volatility (%)	55.57%
Expected forfeiture percentage on each vesting date	0.00%
Expected option life (weighted average in years)	4
Expected dividends yield	0.00%
Risk free interest rate (%)	7.32%

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### 34 Employee benefits

#### General description of defined benefit plans

##### 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 provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. The 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:

**Actuarial risk:** It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse salary growth experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption then the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefit will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**Liquidity risk:** Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company there can be strain on the cash flows.

**Market risk:** Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**Legislative risk:** Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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

Particulars	Year ended 31 March 24	Year ended 31 March 23
<b>I. Amount recognized in the statement of Profit and Loss</b>		
Current service cost	8.35	8.45
Net Interest cost	2.60	1.70
<b>Total expenses included in employee benefit expenses</b>	<b>10.95</b>	<b>10.15</b>
<b>II. Amount recognized in Other Comprehensive income</b>		
<b>Remeasurement (gains)/ losses:</b>		
Actuarial (gain)/ losses arising from changes in		
- Experience adjustments	8.48	(0.94)
<b>Total amount recognized in other comprehensive income</b>	<b>8.48</b>	<b>(0.94)</b>
<b>III. Changes in the defined benefit obligation</b>		
Opening defined benefit obligation	25.07	20.39
Current service cost	8.35	8.45
Interest expense	2.60	1.70
Remeasurement (gains)/losses arising from changes in -		
- Experience adjustments	8.48	(0.94)
Benefits paid	(6.34)	(0.91)
(Disposals)/Acquisitions (Net)	(0.07)	(3.62)
<b>Closing defined benefit obligation</b>	<b>38.09</b>	<b>25.07</b>
	<b>As at</b>	<b>As at</b>
	<b>31 March 24</b>	<b>31 March 23</b>
<b>IV. Net defined benefit obligation</b>		
Defined benefit obligation	38.09	25.07
Current portion of the above	7.49	3.50
Non current portion of the above	30.60	21.57
<b>V. Maturity profile of defined benefit obligation (undiscounted)</b>		
Within 1 year	7.49	3.87
1 to 5 years	17.65	10.79
More than 5 years	34.18	29.63



<b>VI. Actuarial assumptions and sensitivity</b>		
Discount rate (p.a.)	7.00%	7.20%
Attrition rate	15.00%	15.00%
Rate of salary increase	5% - 15%	5% - 15%
In- service Morality rate	IAL2012-14Ult	IAL2012-14Ult

<b>VII. Quantitative sensitivity analysis for input of significant assumptions on defined benefit obligations are as follows</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2024</b>	<b>31 March 2023</b>
One percentage point increase in discount rate	(0.67)	(1.31)
One percentage point decrease in discount rate	2.03	1.47
One percentage point increase in salary growth rate	2.06	1.49
One percentage point decrease in salary growth rate	(0.39)	(1.37)

**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**

	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2024</b>	<b>31 March 2023</b>
<b>Particulars</b>		
<b>I. Actuarial assumptions and sensitivity</b>		
Discount rate (p.a.)	7.00%	7.20%
Rate of salary increase	7.00%	7.00%
Attrition rate over different age brackets	5% - 15%	5% - 15%

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.

	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2024</b>	<b>31 March 2023</b>
<b>II. Expenses recognized in Statement of profit and loss</b>		
Included under gratuity and leave encashment expenses	17.30	16.64
	<b>As at</b>	<b>Year ended</b>
	<b>31 March 2024</b>	<b>31 March 2023</b>
<b>III. Net defined benefit obligation</b>		
Defined benefit obligation	33.65	26.21
Current portion of the above	9.37	7.62
Non current portion of the above	24.28	18.59

**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.

<b>Net debt to equity ratio</b>	<b>As at</b>	<b>As at</b>
	<b>31 March 2024</b>	<b>31 March 2023</b>
Debt	15,874.74	13,039.01
Less: Cash and cash equivalents and other bank balances	(2,509.02)	(1,668.46)
Net debt	<b>13,365.72</b>	<b>11,370.55</b>
Total equity	6,372.00	4,580.08
Net debt to equity ratio (%)	209.76%	248.26%

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36 Leases

As a lessee	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a) Additions to right of use asset			
Leased premises		-	27.84
b) Carrying value of right of use asset			
Right of use asset as on the opening date		32.64	31.23
Additions during the year		-	27.84
Disposals/ deductions		-	(1.67)
Depreciation charge for the year		(21.21)	(24.76)
Balance as at the year end		<u>11.42</u>	<u>32.64</u>
c) Maturity analysis of lease liability			
Contractual Undiscounted Cash Flows			
Less than 1 year		8.02	24.67
One to five years		5.85	13.88
Total undiscounted lease liability		<u>13.87</u>	<u>38.54</u>
Lease liabilities included in the statement of financial position		<u>12.64</u>	<u>34.91</u>
d) Amounts recognized in Statement of profit or loss			
Interest on lease liabilities		1.02	4.05
Depreciation charge for the year		21.21	24.76
Expenses relating to short-term leases		22.00	16.29

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

Contingent liabilities

The Holding Company had received orders from Income Tax Assessing Officer (AO) pertaining to AY 2016-17, 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 2024	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 2023	AY 2016-17	AY 2017-18	AY 2018-19
Amount of demand	10.24	0.26	106.03
Amount paid against stay	2.10	-	21.21

38 Corporate Social Responsibility

The Group has not incurred any expenditure in the current year (Previous year: Nil).

Details of amount spent towards CSR activities :

a) Gross amount required to be spent by the Group during the year is Nil (previous year Nil)

Particulars	For the year ended					
	31 March 2023			31 March 2024		
	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	-	-	-	-	-	-

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

Particulars	31 March 2023	Interest expenses#	Cash flows (net)	Interest payments*	Amortisation of loan origination cost	31 March 2024
(i) Debt securities	5,075.53	622.34	910.70	(614.41)	-	5,994.16
(ii) Borrowings (other than debt securities)	7,963.48	796.21	1,871.54	(838.62)	87.97	9,880.58
Total	<u>13,039.01</u>	<u>1,418.55</u>	<u>2,782.24</u>	<u>(1,453.03)</u>	<u>87.97</u>	<u>15,874.74</u>

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	<u>13,312.12</u>	<u>1,390.24</u>	<u>(227.48)</u>	<u>(1,533.29)</u>	<u>97.42</u>	<u>13,039.01</u>

# 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

**Financial assets that expose the group to credit risk**

Particulars	Nature	As at	As at
		31 March 2024	31 March 2023
Cash and cash equivalents (excluding cash on hand)	Low credit risk	1,605.81	1,247.45
Bank balance other than above*	Low credit risk	903.21	421.01
Trade receivables- considered good*	Low credit risk	3,917.90	2,561.37
Trade receivables- having significant increase in credit risk *	Moderate credit risk	295.10	323.49
Trade receivables- credit impaired*	High credit risk	337.66	221.56
Loans - considered good*	Low credit risk	12,640.26	10,353.18
Loans - having significant increase in credit risk*	Moderate credit risk	677.77	154.61
Loans - credit impaired*	High credit risk	155.93	658.98
Investments	Low credit risk	141.62	11.92
Other financial assets	Low credit risk	241.72	59.90

(\*) 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	Year ended
	31 March 2024	31 March 2023
Balance at the beginning of the year	259.60	392.12
Add: Allowance for the year	10.19	72.51
Less: Written off during the year	-	(205.03)
<b>Balance at the end of the year</b>	<b>269.79</b>	<b>259.60</b>

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. 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 31 March 2024 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
<b>As at 31 March 2024</b>				
Gross carrying amount	1,605.81	903.21	141.62	241.72
Less: Expected credit losses	-	-	-	-
<b>Net carrying amount</b>	<b>1,605.81</b>	<b>903.21</b>	<b>141.62</b>	<b>241.72</b>
<b>As at 31 March 2023</b>				
Gross carrying amount	1,247.45	421.01	11.92	59.90
Less: Expected credit losses	-	-	-	-
<b>Net carrying amount</b>	<b>1,247.45</b>	<b>421.01</b>	<b>11.92</b>	<b>59.90</b>

**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 2024	As at 31 March 2023
Stage 1	12,640.26	10,353.18
Stage 2	677.77	154.61
Stage 3	155.93	658.98
<b>Total</b>	<b>13,473.96</b>	<b>11,166.77</b>

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

**As at 31 March 2024**

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying value of opening balances	10,353.18	154.61	658.98
New assets originated during the year, netted off repayments and derecognised portfolio*	2,808.29	351.37	(6.16)
Transfer to stage 1	35.10	(35.10)	-
Transfer to stage 2	(302.54)	302.54	-
Transfer to stage 3	(253.77)	(95.65)	349.42
Amounts written off	-	-	(846.31)
<b>Gross carrying value of closing balances</b>	<b>12,640.26</b>	<b>677.77</b>	<b>155.93</b>

**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	<b>10,312.28</b>	<b>691.68</b>	<b>410.25</b>
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)
<b>Gross carrying value of closing balances</b>	<b>10,353.18</b>	<b>154.61</b>	<b>658.98</b>



**Movement in expected credit loss of loans:**

As at 31 March 2024

Particulars	Stage 1	Stage 2	Stage 3
ECL allowance - opening balances	347.21	31.28	634.77
New assets originated during the year, netted off repayments and derecognised portfolio	(161.29)	1.16	319.04
Transfer to stage 1	16.17	(16.17)	-
Transfer to stage 2	(64.05)	64.05	-
Transfer to stage 3	(11.61)	(13.67)	25.28
Amounts written off	-	-	(846.84)
<b>ECL allowance - closing balances</b>	<b>126.43</b>	<b>66.65</b>	<b>132.25</b>

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)	-
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)
<b>ECL allowance - closing balances</b>	<b>347.21</b>	<b>31.28</b>	<b>634.77</b>

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 ₹ 85.06 millions and ₹ 62.88 millions respectively. (As at March 31, 2023: ₹ 67.89 millions and ₹ 83.06) 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 43 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 2024	Year ended 31 March 2023
Interest sensitivity*		
Interest rates – increase by 0.50%	33.76	20.34
Interest rates – decrease by 0.50%	(33.76)	(20.34)

\* 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.





**Foreign currency sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2024 and 31 March 2023 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	EUR	USD	EUR	USD
Foreign currency sensitivity*				
Gain / (loss) on Appreciation 1% appreciation in INR	0.41	0.01	0.11	-
Gain / (loss) on Depreciation 1% depreciation in INR	(0.41)	(0.01)	(0.11)	-

**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 are denominated in Euro's or US Dollars.

Particulars	As at 31 March 2024		As at 31 March 2023	
	Amount in EUR	Amount in USD	Amount in EUR	Amount in USD
Financial assets				
Trade receivables	0.45	0.01	0.12	-

**41 Fair value measurements**

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

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Financial assets</b>	<b>Carrying value</b>	<b>Carrying value</b>
Cash and cash equivalents	1,605.81	1,247.45
Other Bank Balances	903.21	421.01
Trade receivables	4,280.87	2,846.82
Loans	13,148.63	10,153.51
Investments	141.62	11.92
Other financial assets	241.72	59.90
	<b>20,321.86</b>	<b>14,740.61</b>
<b>Financial liabilities</b>		
Trade payables	659.22	301.82
Other payables	9.86	57.61
Debt securities	5,994.16	5,075.53
Borrowings (other than debt securities)	9,880.58	7,963.48
Other financial liabilities	129.01	158.60
	<b>16,672.83</b>	<b>13,557.04</b>

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

**Financial instruments measured at fair value through profit or loss**

Particulars	Carrying value	Fair value	Fair value		
			Level 1	Level 2	Level 3
<b>Financial assets</b>					
Investments					
As at 31 March 2024	133.12	133.12	-	133.12	-
As at 31 March 2023	-	-	-	-	-

**b) Fair value measurement hierarchy**

The Group records certain financial assets and financial liabilities at fair value on a recurring basis. The Group 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 Group'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 Group 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 Group 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.

**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 2024			
	Financing	Trading and allied activities	Others	Total
Total income	2,224.23	23,255.15	-	25,479.38
Cost of goods sold	-	22,452.46	-	22,452.46
Finance costs	1,129.32	381.59	-	1,510.91
Depreciation and amortization	47.30	38.03	-	85.33
Employee benefit expenses	425.93	310.50	-	736.43
Profit/(loss) before tax	252.38	(251.23)	(0.49)	0.66
Tax expense	41.22	38.54	-	79.76
Profit/(loss) after tax	211.16	(289.77)	(0.49)	(79.10)

Particulars	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)

Particulars	For the Year ended 31 March 2024			
	Financing	Trading and allied activities	Others	Total
Segment Assets	16,909.42	6,594.46	0.18	23,504.06
Segment Liabilities	12,257.57	4,874.42	0.07	17,132.06

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

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**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2024**  
*(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 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	1,605.81	-	1,605.81	1,247.45	-	1,247.45
Other bank balances	874.87	28.34	903.21	304.28	116.73	421.01
Trade receivables	4,280.87	-	4,280.87	2,846.82	-	2,846.82
Loans	10,785.74	2,362.89	13,148.63	5,404.23	4,749.28	10,153.51
Investments	133.12	8.50	141.62	3.42	8.50	11.92
Other financial assets	215.64	26.08	241.72	37.53	22.37	59.90
	<b>17,896.05</b>	<b>2,425.81</b>	<b>20,321.86</b>	<b>9,843.73</b>	<b>4,896.88</b>	<b>14,740.61</b>
<b>Non- financial assets</b>						
Inventories	844.21	-	844.21	1,056.56	-	1,056.56
Non-current tax assets (net)	-	262.03	262.03	-	354.45	354.45
Deferred tax assets (net)	-	753.86	753.86	-	824.05	824.05
Property, plant and equipment	-	114.15	114.15	-	139.68	139.68
Biological Assets	-	0.43	0.43	-	0.59	0.59
Right of use assets	-	11.42	11.42	-	32.64	32.64
Intangible assets under development	-	46.45	46.45	-	22.92	22.92
Other intangible assets	-	860.96	860.96	-	869.85	869.85
Other non-financial assets	283.80	4.89	288.69	435.85	5.57	441.42
	<b>1,128.01</b>	<b>2,054.19</b>	<b>3,182.20</b>	<b>1,492.41</b>	<b>2,249.75</b>	<b>3,742.16</b>
<b>LIABILITIES</b>						
<b>Financial Liabilities</b>						
Trade payables	659.22	-	659.22	306.21	(4.39)	301.82
Other payables	9.86	-	9.86	57.61	-	57.61
Debt securities	3,683.69	2,310.47	5,994.16	2,080.15	2,995.38	5,075.53
Borrowings (other than debt securities)	7,433.52	2,447.06	9,880.58	6,413.33	1,550.15	7,963.48
Other financial liabilities	56.18	72.83	129.01	128.84	29.76	158.60
	<b>11,842.48</b>	<b>4,830.35</b>	<b>16,672.83</b>	<b>8,986.14</b>	<b>4,570.90</b>	<b>13,557.04</b>
<b>Non- financial liabilities</b>						
Provisions	16.86	54.88	71.74	11.12	40.16	51.28
Other non-financial liabilities	383.42	4.07	387.49	294.03	0.34	294.37
	<b>400.28</b>	<b>58.95</b>	<b>459.23</b>	<b>305.15</b>	<b>40.50</b>	<b>345.65</b>

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Samunnati Financial Intermediation & Services Private Limited  
Notes to the consolidated financial statements for the year ended 31 March 2024  
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

44 Borrowing details

A. Debt securities as at 31 March 2024

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
<b>Non Convertible Redeemable Debentures</b>								
72 Months	10,00,000	24-Sep-18	24-Sep-24	14.59%	150.33	-	150.33	Book debts
72 Months	10,00,000	24-Sep-18	24-Sep-24	12.67%	300.66	-	300.66	
72 Months	10,00,000	10-Aug-22	02-Aug-28	11.29%	9.45	585.00	594.45	
60 months	5,000	20-Aug-20	20-Aug-25	13.05%	0.00	0.05	0.05	
60 months	1,00,000	26-Jul-21	15-Jul-26	11.24%	352.24	0.03	352.27	
48 Months	10,00,000	15-Feb-22	15-Feb-26	14.71%	78.46	222.75	301.21	
48 Months	10,00,000	15-Feb-22	15-Feb-26	14.94%	78.45	222.75	301.20	
36 Months	10,00,000	31-Mar-21	01-Apr-24	12.30%	363.43	-	363.43	
36 months	10,00,000	05-Apr-21	05-Apr-24	14.07%	316.09	-	316.09	
36 months	10,00,000	06-Sep-21	06-Sep-24	12.07%	245.71	-	245.71	
36 months	1,00,000	28-Dec-21	27-Dec-24	11.60%	125.92	-	125.92	
24 months	10,00,000	20-Apr-23	17-Apr-25	14.25%	36.16	214.38	250.53	
18 months	1,00,000	18-Aug-23	01-Feb-25	12.50%	147.06	-	147.06	
35 months	1,00,000	01-Dec-23	01-Oct-26	11.00%	106.45	183.87	290.32	
11 months	1,00,000	12-Feb-24	13-Jan-25	11.50%	125.67	-	125.67	
46 months	1,00,000	20-Feb-24	06-Dec-27	13.73%	8.10	750.60	758.70	
12 months	1,00,000	26-Feb-24	06-Mar-25	12.00%	252.52	-	252.52	
31 months	1,00,000	28-Mar-24	01-Oct-26	11.00%	68.97	131.03	200.00	
61 months	10,00,000	15-Oct-22	15-Oct-24	14.50%	62.50	-	62.50	
<b>Commercial Paper</b>								
3 Months	5,00,000	15-Feb-24	16-May-24	12.25%	150.00	-	150.00	
3 Months	5,00,000	19-Mar-24	27-Jun-24	12.50%	250.00	-	250.00	
3 Months	5,00,000	22-Mar-24	24-Jun-24	12.50%	175.00	-	175.00	
3 Months	5,00,000	27-Mar-24	27-Jun-24	12.50%	100.00	-	100.00	
4 Months	5,00,000	19-Dec-23	17-Apr-24	12.50%	100.00	-	100.00	
5 Months	5,00,000	19-Dec-23	17-May-24	12.50%	100.00	-	100.00	
					<b>3,703.15</b>	<b>2,310.47</b>	<b>6,013.61</b>	

\*The above amount is post considering the impact of interest paid in advance of Rs. 19.45 million for Commercial papers.

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Samunnati Financial Intermediation & Services Private Limited  
Notes to the consolidated financial statements for the year ended 31 March 2024  
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Debt securities as at 31 March 2023

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	
<b>Non Convertible Redeemable Debentures</b>								
72 Months	10,00,000	24-Sep-18	24-Sep-24	12.06%	0.33	150.00	150.33	Book Debts
72 Months	10,00,000	24-Sep-18	24-Sep-24	12.27%	0.66	300.00	300.66	
72 Months	10,00,000	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	1,00,000	26-Jul-21	15-Jul-26	10.70%	7.17	345.00	352.17	
48 Months	10,00,000	15-Feb-22	15-Feb-26	12.16%	8.22	594.00	602.22	
36 Months	5,00,000	17-Jun-20	17-Jun-23	12.75%	25.13	-	25.13	
36 Months	10,00,000	19-Jun-20	19-Jun-23	13.00%	50.20	-	50.20	
36 Months	10,00,000	17-Jul-20	17-Jul-23	12.00%	271.12	-	271.12	
36 Months	10,00,000	15-Dec-20	15-Dec-23	12.06%	694.80	-	694.80	
36 Months	10,00,000	31-Mar-21	01-Apr-24	12.30%	0.11	354.00	354.11	
36 months	10,00,000	05-Apr-21	05-Apr-24	11.64%	121.34	300.00	421.34	
36 months	10,00,000	06-Sep-21	06-Sep-24	10.85%	1.71	244.00	245.71	
36 months	1,00,000	28-Dec-21	27-Dec-24	11.60%	128.43	123.33	251.76	
33 months	8,75,000	25-Sep-20	25-Jun-23	12.40%	247.98	-	247.98	
					<b>2,080.15</b>	<b>2,995.38</b>	<b>5,075.53</b>	

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Samunnati Financial Intermediation & Services Private Limited  
Notes to the consolidated financial statements for the year ended 31 March 2024  
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

B. Borrowings (other than debt securities) as at 31 March 2024

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		
<b>Monthly repayment of principal</b>							
36 Months	11.65%	3	15.20	0	-	15.20	Book debts and Cash Collateral
36 Months	11.65%	4	20.80	0	-	20.80	Book debts and Cash Collateral
25 Months	12.00%	11	36.89	0	-	36.89	Cash Collateral
24 Months	13.25%	12	151.32	0	-	151.32	Cash Collateral
18 Months	13.50%	9	79.41	0	-	79.41	Book debts
24 Months	12.00%	12	50.39	6	25.00	75.39	Book debts
30 Months	12.95%	12	178.20	12	177.25	355.45	Book debts and Cash Collateral
24 Months	11.50%	12	124.03	8	89.77	213.80	Book debts
24 Months	12.90%	12	142.17	11	147.08	289.25	Book debts
13 Months	12.25%	12	99.97	0	-	99.97	Book debts
13 Months	12.25%	8	13.44	0	-	13.44	Book debts
13 Months	12.50%	11	174.40	1	15.83	190.23	Book debts
16 Months	12.60%	1	61.46	0	-	61.46	Book debts
16 Months	12.60%	3	102.23	0	-	102.23	Book debts
91 Months	9.50%	9	37.52	0	-	37.52	Book debts
91 Months	9.75%	4	18.38	2	9.17	27.55	Book debts
<b>Quarterly repayment of principal</b>							
36 months	11.50%	3	37.83	0	-	37.83	Book debts
40 months	11.60%	2	150.00	0	-	150.00	Book debts
31 months	12.25%	4	125.00	1	31.25	156.25	Book debts
15 months	12.95%	2	200.45	0	-	200.45	Book debts
16 months	12.95%	2	180.11	0	-	180.11	Book debts
<b>Annual repayment of principal</b>							
48 months ECB - Note a)	10.91%	1	75.52	1	73.58	149.10	Book debts
48 months ECB - Note a)	11.12%	1	45.31	1	44.15	89.46	Book debts
<b>Bullet Repayment of principal</b>							
37 months ECB - Note a)	11.18%	0	10.66	1	332.64	343.30	Book debts
<b>Half Yearly repayment of principal</b>							
67 months ECB - Note a)	12.50%	0	3.39	8	624.00	627.39	Book debts
54 months ECB - Note a)	11.99%	1	78.81	7	547.35	626.15	Book debts
24 months	5.25%	2	25.00	0	-	25.00	Book debts and Cash Collateral
24 months	5.50%	1	50.00	1	50.00	100.00	Book debts and Cash Collateral
24 months	5.50%	1	40.00	2	80.00	120.00	Book debts and Cash Collateral
24 months	4.50%	2	200.00	2	200.00	400.00	Book debts and Cash Collateral
<b>Pledge Loan</b>							
43 to 28 months	9.85% to 10.25%		377.44		-	377.44	Book debts and corporate guarantee of holding company
			<b>2,905.32</b>		<b>2,447.06</b>	<b>5,352.38</b>	



Samunnati Financial Intermediation & Services Private Limited  
Notes to the consolidated financial statements for the year ended 31 March 2024  
(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
<b>Bullet Repayment of principal</b>				
3 Months	13.00%	1	50.50	Book debts and Cash Collateral
<b>Monthly Repayment of Principal</b>				
9 Months	12.75%	2	67.24	Book Debts
9 Months	12.75%	5	194.88	Book Debts
9 Months	12.75%	7	117.68	Book Debts
9 Months	12.75%	8	224.11	Book Debts
6 Months	12.50%	1	52.66	Book Debts
12 Months	12.25%	12	40.33	Book Debts
6 Months	12.60%	1	190.62	Book Debts
7 Months	13.25%	6	70.41	Book Debts
7 Months	13.00%	7	400.51	Book Debts
6 Months	12.25%	6	100.06	Book Debts
3 Months	12.75%	3	50.00	Book Debts
<b>Quarterly Repayment of principal</b>				
6 Months	12.60%	5	200.45	Book Debts
6 Months	12.90%	6	200.38	Book Debts
<b>Pledge Loan</b>				
7 to 8 months	11.35% to 11.45%		181.75	Book debts and corporate guarantee of holding company
<b>Bill Discounting Facility</b>				
3 to 8 months	8.50% to 13.50%		1,468.88	Book debts
<b>Factoring</b>	12.50%	Not Applicable	547.27	Book debts
<b>III.OD backed by FD</b>	7.75% to 9.75%	Not Applicable	412.14	
			<b>4,569.87</b>	

Note:

- ECB loan amount excludes forex restatement loss of Rs: 34.66 millions
- The above amount excludes unamortised processing fees of Rs: 76.33 millions

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Samunnati Financial Intermediation & Services Private Limited  
Notes to the consolidated financial statements for the year ended 31 March 2024  
(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)

Borrowings (other than debt securities) as at 31 March 2023

I. Long Term

Original Maturity of Loan	Rate of Interest	Balance outstanding				Total	Security Details
		Due within one year		Due beyond one year			
		No. of Instalments	Amount	No. of Instalments	Amount		
<b>Monthly repayment of principal</b>							
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	72.78	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
<b>Quarterly repayment of principal</b>							
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
12 months	13.35%	2	75.44	9	-	75.44	Book debts
12 months	13.75%	2	176.01	0	-	176.01	Book debts
<b>Annual repayment of principal</b>							
48 months	10.69%	1	122.28	2	240.70	362.98	Book debts
<b>Bullet Repayment of principal</b>							
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
<b>Half Yearly repayment of principal</b>							
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	200.00	Book debts and Cash Collateral
<b>Pledge Loan</b>							
13 to 20 months	7.75% to 8.75%		464.41		-	464.41	Book debts and corporate guarantee
			<b>2,215.78</b>		<b>1,561.73</b>	<b>3,777.50</b>	





Samunnati Financial Intermediation & Services Private Limited  
Notes to the consolidated financial statements for the year ended 31 March 2024  
(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
<b>Bullet Repayment of principal</b>				
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
3 months	11.25%	1	50.00	guarantee of holding company
<b>Monthly Repayment of Principal</b>				
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
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	
6 months	11.60%	1	86.38	Book Debts and corporate
6 months	11.50%	6	500.00	guarantee issued by Holding
4 months	12.00%	3	150.00	company
3 months	12.25%	1	86.74	
<b>Pledge Loan</b>				
2 to 12 months	7.75 to 8.75%		270.92	Book debts and corporate
<b>Bill Discounting Facility</b>				
1 to 3 months	8.15 to 12.75%		365.57	Book debts
<b>Factoring</b>				
	7.85% to 10.05%	Not Applicable	262.84	
<b>III.OD backed by FD</b>				
	11.25%	Not Applicable	50.12	
			<b>4,216.79</b>	

Note:

a) The above amount excludes unamortised processing fees of Rs: 30.81 millions

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45 Related party disclosure

a) Names of related parties and relationship

Relationship	Name of the related party
Key management personnel (KMP)	Mr. Anil Kumar S G - Director and CEO
	Mr. Gurunath N - Director
	Mr. Pravesh Sharma - Director of Subsidiary Company
	Mr. Anuj Vijay Kumar Narang, Director of Subsidiary Company
	Mr. Chittur Subramanian Ramakrishnan, Director of Subsidiary Company
	Mr. Lalit Malik – CFO (Resigned w.e.f April 29, 2023)
	Mr. Arunkumar Sridharan - Company Secretary
	Mr. Suraj Vasudev Sharma-Company Secretary of subsidiary (w.e.f January 18, 2024)
	Mr. Anand Subramaniam-CFO (w.e.f April 18, 2024)
	<b>Independent directors:</b>
	Mr. Sunil Satyapal Gulati
	Mr. Narasimhan Srinivasan
	Mr. Thiyagarajan S , (Subsidiary Company)
	Mr. Venkatesh Tagat (Resigned w.e.f September 17, 2023 from Holding Company but continued in Subsidiary Company)
	Mr. Krishnan K (w.e.f. 18 September 2023)
	Mr. Hemendra Mathur, (Subsidiary Company)
	<b>Nominee directors:</b>
	Ms. Jyotsna Krishnan
	Mr. Mahendran Balachandran
	Mr. Akshay Dua
Ms. Rekha Unnithan (Resigned w.e.f. November 29, 2023)	
Ms. Stephen Dongwon Lee (w.e.f. November 30, 2023)	

b) Related party transactions

Nature of transactions	Year ended 31 March 2024	Year ended 31 March 2023
<b>Anil Kumar S G</b> Remuneration *	23.53	23.02
<b>Gurunath N</b> Remuneration *	12.61	8.20
<b>Anuj Vijay Kumar Narang</b> Remuneration *	16.21	9.74
<b>Pravesh Sharma</b> Remuneration *	8.79	5.99
Salary deduction of Director (Loan recovery)	-	23.20
<b>Mr. Lalit Malik</b> Remuneration *	0.90	13.71
<b>Arunkumar Sridharan</b> Remuneration *	2.71	3.20
<b>Sitting fees paid</b>		
Mr. Sunil Satyapal Gulati	1.16	0.85
Mr. Narasimhan Srinivasan	0.89	0.65
Mr. Venkatesh Tagat	0.66	0.95
Mr. Krishnan K	0.33	-
Mr. Thiyagarajan	0.22	-
Mr. 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.

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

Name of the entity in the Group	As at 31 March 2024		As at 31 March 2023	
	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	4,525.05	71.01%	3,425.20	74.78%
<b>Subsidiaries(Indian):</b>				
Samunnati Agro Solutions Private Limited	1,298.69	20.38%	1,147.25	25.05%
Samunnati Agri Innovations Lab Private Limited (Formerly "Kamatan Farm Tech Private Limited")	421.34	6.61%	(17.94)	-0.39%
Samunnati Finance Private Limited	126.82	1.99%	25.33	0.55%
Samunnati Investment Management Services Private Limited	0.10	0.00%	0.24	0.01%
	<b>6,372.00</b>	<b>100%</b>	<b>4,580.08</b>	<b>100%</b>

Year ended 31 March 2024

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	97.78	-123.62%	(25.66)	80.69%	72.12	-65.03%
<b>Subsidiaries:</b>						
Samunnati Agro Solutions Private Limited	(103.06)	130.29%	(2.19)	6.89%	(105.25)	94.91%
Samunnati Agri Innovations Lab Private Limited (Formerly "Kamatan Farm Tech Private Limited")	(74.62)	94.34%	(3.95)	12.42%	(78.57)	70.85%
Samunnati Finance Private Limited	1.14	-1.44%	-	0.00%	1.14	-1.03%
Samunnati Investment Management Services Private Limited	(0.34)	0.43%	-	0.00%	(0.34)	0.31%
	<b>(79.10)</b>	<b>100%</b>	<b>(31.80)</b>	<b>100%</b>	<b>(110.90)</b>	<b>100%</b>

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%
<b>Subsidiaries:</b>						
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)	0.06%	-	0.00%	(0.86)	0.06%
	<b>(1,465.37)</b>		<b>0.73</b>		<b>(1,464.64)</b>	



47 Trade receivables ageing schedule

	Current but not due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>As at 31 March 2024</b>							
Undisputed Trade Receivables – considered good	3,286.79	274.41	-	-	-	-	3,561.20
Undisputed Trade Receivables – which have significant increase in credit risk	-	152.53	60.10	-	-	-	212.63
Undisputed Trade receivable – credit impaired	-	359.63	0.27	161.89	67.00	188.04	776.83
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>3,286.79</b>	<b>786.57</b>	<b>60.37</b>	<b>161.89</b>	<b>67.00</b>	<b>188.04</b>	<b>4,550.66</b>
Less: Allowance for expected credit loss							(269.79)
<b>Net Total</b>							<b>4,280.87</b>

	Current but not due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>As at 31 March 2023</b>							
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	-	-	-	-	-	-	-
<b>Total</b>	<b>2,315.30</b>	<b>483.06</b>	<b>86.50</b>	<b>86.27</b>	<b>6.38</b>	<b>128.91</b>	<b>3,106.42</b>
Less: Allowance for expected credit loss							(259.60)
<b>Net Total</b>							<b>2,846.82</b>

48 Trade payables ageing schedule

Particulars	As at 31 March 2024					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	32.35	580.15	32.36	6.99	7.37	659.22
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>32.35</b>	<b>580.15</b>	<b>32.36</b>	<b>6.99</b>	<b>7.37</b>	<b>659.22</b>

Particulars	As at 31 March 2023					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	3.47	277.53	8.05	8.54	4.23	301.82
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>3.47</b>	<b>277.53</b>	<b>8.05</b>	<b>8.54</b>	<b>4.23</b>	<b>301.82</b>

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**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (₹), unless otherwise stated)*

49 The Holding Company along with 2 wholly owned subsidiaries and 1 step down subsidiary has implemented cloud-based ERP from April 01, 2023 and another wholly owned subsidiary has implemented cloud-based ERP from October 01, 2022. The cloud-based ERP is on SaaS model. The cloud server is located outside India and service provider promises very high level of server uptime and no data loss. As required by the Companies (Accounts) Rules, 2014, the back-up of the books of accounts shall be kept in servers physically located in India on a daily basis. As the original application server is kept outside India, a backup of the books of accounts needs to be taken on a daily basis and needs to be kept in servers in India for retrieval at any time. The Group has subscribed for certain functionality and the maintenance of the backup in India on a daily basis will be implemented from FY 2024-25.

**50 Additional regulatory disclosures**

- The Group owns freehold land and the title deeds of the freehold land is held in the name of the Group.
- The Group does not hold any investment property and hence the disclosure on fair valuation of investment property is not applicable to the Group.
- 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.
- 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.
- 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.
- The Group has not been declared as a wilful defaulter by any bank or financial Institution or any other lender.
- The Group has borrowings from banks and financial institutions on the basis of security of current assets. The Group has filed the monthly statement of current assets with the banks and financial institutions and the following are the discrepancies between such filed statements and books :

Name of Bank	Month	Reported net current assets	Actual net current assets	Difference
HDFC Bank	Jun-23	3,965.90	4,120.23	(154.33)
HDFC Bank	Sep-23	3,684.30	3,739.29	(54.99)
HDFC Bank	Dec-23	4,066.70	4,161.42	(94.72)
HDFC Bank	Mar-24	4,558.00	4,402.46	155.54

The difference for the month of March'24 is due to the reclassification entries between receivables and other current assets post submission of data to the bank. The variances in the other months are due to non consideration of advance to suppliers while submission to the Bank.

- 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, no companies have been identified as struck off companies.
- There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.
- 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.
- 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.
- Other than the transactions that are carried out as part of Group's normal lending business:
  - 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 -
    - 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
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;



**Samunnati Financial Intermediation & Services Private Limited**

**Notes to the consolidated financial statements for the year ended 31 March 2024**

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

- B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall -
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- m. There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.
- n. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 51 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 52 The Holding Company has since issued Compulsorily Convertible Preference Shares (CCPS) amounting to Rs. 248 million on 09 May 2024. This Pre-Series E funding will be utilized by the Holding 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*

**V Kothandaraman**

Partner

Membership No.: 025973

Place: Chennai

Date: 28 May 2024



**For and on behalf of the Board of Directors of**

**Samunnati Financial Intermediation & Services Private Limited**

*S G Anil Kumar*

**S G Anil Kumar**

Director and CEO

DIN : 01189011

Place: Chennai

Date: 28 May 2024

*Gurunath Neelamani*

**Gurunath Neelamani**

Whole-time Director

DIN : 02799586

Place: Chennai

Date: 28 May 2024

*S Arunkumar*

**Arunkumar Sridharan**

Company Secretary

Membership No.: F7112

Place: Chennai

Date: 28 May 2024

*Anand Subramaniam*

**Anand Subramaniam**

Group - CFO

Place: Chennai

Date: 28 May 2024

**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 balance sheet as at 31 March 2024, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its profit 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 matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matter</b>	<b>How the matter was addressed</b>
<p><b>Provision for expected credit loss (ECL) on loans</b> (Refer Note 5 and Note 25 to the Standalone Ind AS Financial Statements)</p> <p>Financial instruments, which include loans to customers, represent a significant portion of the total assets of the Company. The Company has loans aggregating Rs. 14,135.73 million as at 31 March 2024. The Company has made a provision for impairment loss aggregating Rs. 325.33 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</p>	<p>Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and RBI regulations/circulars, the governance framework approved by the Board of Directors and tested the implementation of such policy on a sample basis.</p> <p>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</p>



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 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.,

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.

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.

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.

### 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, profit 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 the 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**

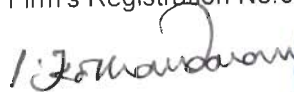
1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required 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. Please refer to the matters stated in the Note 46 to the financial statements and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the 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 (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 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - (g) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements – Refer Note 39 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 2024; 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 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. Relying on the representations/ explanations from the Company and based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software and we did not come across any instance of such audit trail feature being tampered with. The feature of recording audit trail (edit log) for the third party managed payroll processing software and also at the database level to log any direct data changes in the accounting ERP system could not be verified.
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. 003990/S/200018

  
**V Kothandaraman**  
Partner  
Membership No. 025973  
UDIN: 24025973BKERHD1889



Place of Signature: Chennai  
Date: May 28, 2024

## 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 2024.

- (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 including investment 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 and according to the information and explanation given to us, the Company has not made investments in, and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties in respect of which:
- (a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.



- (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 2024, aggregating Rs. 155.93 million were categorised as credit impaired ("Stage 3") and Rs. 677.77 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. 13,302.03 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. 722.29 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. 334.82 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. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal. 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 2024 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 2024, 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)	Amount of refund adjusted* (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	11.47	AY 2016-17	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income tax and interest	3.77	0.80	5.06	AY 2017-18	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income tax and interest	0.26	-	0.34	AY 2018-19	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income tax and interest	106.03	21.21	84.83	AY 2020-21	Commissioner of Income tax (Appeals)

\*The Income Tax Department had adjusted the refunds of AY 2021-22 & AY 2022-23 against the demands raised for AY 2016-17, AY 2017-18, AY 2018-19 and AY 2020-21.

- (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 and on the basis of our examination of the records of the Company, the Company has not been declared willful defaulter by any bank or financial institution or government or government authority.
- (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, joint ventures or associate companies. 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, joint ventures or associate companies. 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



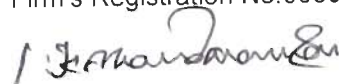
offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

- (b) According to the information and explanations given to us, the Company has made preferential allotment or private placement of preference shares (fully 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) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government of India for the period covered by our audit.
- (c) As represented to us by the management, there are no whistle blower complaints 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) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (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 of the Company issued till date 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) and the registration has been obtained.
- (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. Nil in the financial year and Rs. 1,248.05 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: 24025973BKERHD1889



Place of Signature: Chennai  
Date: May 28, 2024



## Annexure B

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

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

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 2024 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 2024, 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: 24025973BKERHD1889

Place of Signature: Chennai

Date: May 28, 2024

Samunnati Financial Intermediation & Services Private Limited  
 Standalone Balance sheet as at 31 March 2024  
 (All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	1,143.12	935.83
Bank balances other than cash and cash equivalents	4	653.90	218.08
Loans	5	13,810.40	10,448.04
Investments	6	3,409.56	2,679.90
Other financial assets	7	37.42	32.38
		<b>19,054.40</b>	<b>14,314.23</b>
<b>Non-financial assets</b>			
Current tax assets (net)	8	240.83	296.23
Deferred tax assets (net)	9	531.23	563.60
Property, plant and equipment	10	24.40	42.77
Right of use assets	10	4.07	13.61
Intangible assets under development	10	20.85	22.92
Other intangible assets	10	40.03	38.96
Other non-financial assets	11	28.08	31.25
		<b>889.49</b>	<b>1,009.34</b>
<b>Total Assets</b>		<b>19,943.89</b>	<b>15,323.57</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Financial liabilities</b>			
Trade Payables	12		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		25.88	46.97
Other Payables	12		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		9.86	4.39
Debt securities	13	5,733.75	5,075.53
Borrowings (other than debt securities)	14	6,291.78	4,437.07
Other financial liabilities	15	94.76	89.07
		<b>12,156.03</b>	<b>9,653.02</b>
<b>Non-financial liabilities</b>			
Provisions	16	45.23	31.88
Other non-financial liabilities	17	53.87	37.21
		<b>99.10</b>	<b>69.09</b>
<b>Equity</b>			
Share capital	18	22.74	21.25
Other equity	19	7,666.02	5,580.21
		<b>7,688.76</b>	<b>5,601.46</b>
<b>Total liabilities and equity</b>		<b>19,943.89</b>	<b>15,323.57</b>

Summary of material 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*

V Kothandaraman  
 Partner  
 Membership No.: 025973  
 Place: Chennai  
 Date: 28 May 2024



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

*S G Anil Kumar*

S G Anil Kumar  
 Director and CEO  
 DIN : 01189011  
 Place: Chennai  
 Date: 28 May 2024

*Gurunath Neelamani*

Gurunath Neelamani  
 Whole-time Director  
 DIN : 02799586  
 Place: Chennai  
 Date: 28 May 2024

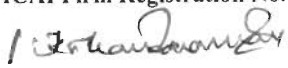



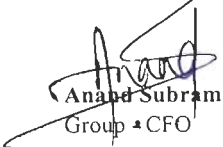
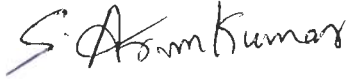
*Anand Subramaniam*

Anand Subramaniam  
 Group - CFO  
 Place: Chennai  
 Date: 28 May 2024

*Arunkumar Sridharan*

Arunkumar Sridharan  
 Company Secretary  
 Membership No.: F7112  
 Place: Chennai  
 Date: 28 May 2024

**Samunnati Financial Intermediation & Services Private Limited**  
**Standalone Statement of profit and loss for the year ended 31 March 2024**  
(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue from operations</b>			
Interest income	20	2,036.00	1,884.03
Bad debts recovered	21	123.82	87.51
Net gain on fair value changes	22	33.12	-
<b>Total revenue from operations</b>		<b>2,192.94</b>	<b>1,971.54</b>
Other income	23	118.56	138.63
<b>Total income</b>		<b>2,311.50</b>	<b>2,110.17</b>
<b>Expenses</b>			
Finance costs	24	1,129.32	1,215.74
Impairment on financial instruments	25	158.37	1,370.72
Employee benefits expenses	26	425.93	481.47
Depreciation and amortization	27	47.30	49.32
Other expenses	28	299.09	290.29
<b>Total expenses</b>		<b>2,060.01</b>	<b>3,407.54</b>
<b>Profit / (loss) before tax</b>		<b>251.49</b>	<b>(1,297.37)</b>
<b>Tax expense</b>	29		
Current tax		-	5.03
Deferred tax		41.00	(318.60)
		<b>41.00</b>	<b>(313.57)</b>
<b>Profit / (loss) after tax for the year</b>		<b>210.49</b>	<b>(983.80)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit obligation		(1.61)	0.88
Income tax relating to above items		0.41	(0.22)
Items that will be reclassified to profit or loss			
Gains and losses on Hedge Accounting		(32.68)	-
Income tax relating to above items		8.23	-
<b>Other comprehensive income for the year (net of tax)</b>		<b>(25.66)</b>	<b>0.66</b>
<b>Total comprehensive income for the year (net of tax)</b>		<b>184.83</b>	<b>(983.14)</b>
<b>Earnings per equity share: after considering</b>			
Compulsorily convertible preference shares (face value Rs. 10/- per equity share)	30		
Basic (Rs.)		93.31	(472.61)
Diluted (Rs.)		88.51	(472.61)
Summary of material accounting policies	2		
The accompanying notes form an integral part of the financial statements.			
As per our report of even date attached			
<b>For PKF Sridhar &amp; Santhanam LLP</b> Chartered Accountants ICAI Firm Registration No.: 003990S/S200018		<b>For and on behalf of the Board of Directors of</b> <b>Samunnati Financial Intermediation &amp; Services Private Limited</b>	
 <b>V Kothandaraman</b> Partner Membership No.: 025973 Place: Chennai Date: 28 May 2024		 <b>S G Anil Kumar</b> Director and CEO DIN : 01189011 Place: Chennai Date: 28 May 2024	 <b>Gurusath Neelamani</b> Whole-time Director DIN : 02799586 Place: Chennai Date: 28 May 2024
		 <b>Anand Subramaniam</b> Group CFO Place: Chennai Date: 28 May 2024	 <b>Arunkumar Sridharan</b> Company Secretary Membership No.: F7112 Place: Chennai Date: 28 May 2024

**Samunnati Financial Intermediation & Services Private Limited**  
**Statement of Audited Standalone Cash Flows for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (Rs.), unless otherwise stated)*

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. Operating activities</b>		
Profit / (loss) before tax	251.49	(1,297.37)
<i>Adjustments for:</i>		
Depreciation and amortization	47.30	49.32
Employee stock option expenses	0.05	58.29
Gratuity and leave encashment expenses	14.26	12.42
Loss/(Profit) on sale of property, plant and equipment	(0.50)	(0.92)
Income from mutual funds	(27.21)	(35.66)
Income from debt funds	-	(1.31)
Interest expenses towards financing activities	1,057.24	1,137.39
Interest expense on lease liability	0.98	1.72
Unwinding interest of debt component of OCRPS	3.37	1.03
MTM gain booked on ECB loans	18.77	8.00
Fair Value Gain on CCD	(33.12)	-
Impairment on financial instruments	(687.94)	660.73
Bad debts written off	846.30	709.99
Amortisation of origination costs of borrowings	67.72	75.60
	<b>1,307.22</b>	<b>2,676.60</b>
<b>Cash generated from operations before working capital changes</b>	<b>1,558.71</b>	<b>1,379.23</b>
<b>Changes in working capital:</b>		
Loans	(3,520.72)	662.50
Other financial assets	(5.04)	(8.05)
Other non-financial assets	3.17	5.53
Net movement in provisions	(2.52)	(14.09)
Trade payables	(21.09)	5.09
Other Payables	5.47	(7.25)
Other financial and non-financial liabilities	(44.00)	(21.55)
<b>Cash used in operations</b>	<b>(2,026.03)</b>	<b>2,001.41</b>
Income taxes paid (net of refunds)	55.40	(125.37)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>(1,970.63)</b>	<b>1,876.04</b>
<b>B. Investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(30.65)	(30.50)
Proceeds from sale of property, plant and equipment	12.75	1.96
Movement in capital advances	-	-
Movement in deposits with banks and financial institutions	(435.82)	60.87
Purchase of investments	(699.96)	(17,155.16)
Proceeds from sale of investments	3.42	16,286.37
Interest income received on investments measured at amortised cost, FVTPL and at cost	27.20	36.97
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>(1,123.05)</b>	<b>(799.49)</b>
<b>C. Financing activities</b>		
Issue of Compulsorily Convertible Preference Shares	1,505.79	800.00
Issue of Optionally convertible redeemable preference shares	417.87	399.99
Proceeds from debt securities	3,770.58	585.00
Repayment of debt securities	(3,061.64)	(810.80)
Repayment of principal portion of lease liability	(9.71)	(1.16)
Repayment of interest portion of lease liability	(0.98)	(1.72)
Proceeds from borrowings other than debt securities	7,103.69	4,515.87
Repayment of borrowings other than debt securities	(5,316.70)	(5,487.39)
Interest paid	(1,107.95)	(1,130.88)
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>3,300.95</b>	<b>(1,131.09)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>207.29</b>	<b>(54.54)</b>
Cash and cash equivalents at the beginning of the year	935.83	990.37
<b>Cash and cash equivalents at the end of the year</b>	<b>1,143.12</b>	<b>935.83</b>



**Samunnati Financial Intermediation & Services Private Limited**  
**Statement of Audited Standalone Cash Flows for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (Rs.), unless otherwise stated)*

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Components of cash and cash equivalents</b>		
Cash and cash equivalents at the end of the year		
- Cash on hand	-	-
- Balances with banks in current accounts	1,143.12	935.83
-in deposit account (with original maturity up to 3 months)	-	-
<b>Total</b>	<b>1,143.12</b>	<b>935.83</b>

Summary of material 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*

**V Kothandaraman**  
Partner  
Membership No.: 025973

Place: Chennai  
Date: 28 May 2024



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

*S G Anil Kumar*

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

Place: Chennai  
Date: 28 May 2024

*Gurunath Neelamani*

**Gurunath Neelamani**  
Whole-time Director  
DIN : 02799586

Place: Chennai  
Date: 28 May 2024

*Anand Subramaniam*

**Anand Subramaniam**  
Group - CFO

Place: Chennai  
Date: 28 May 2024

*Arunkumar Sridharan*

**Arunkumar Sridharan**  
Company Secretary  
Membership No.: F7112

Place: Chennai  
Date: 28 May 2024

Samunnati Financial Intermediation & Services Private Limited  
 Standalone Statement of Changes in Equity for the year ended 31 March 2024  
 (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 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	5.74	5.74	17.64	16.84	23.38	22.58
Changes in Share Capital due to prior period errors	-	-	-	-	-	-
Issued during the year	-	-	1.50	0.80	1.50	0.80
<b>Sub-total</b>	<b>5.74</b>	<b>5.74</b>	<b>19.14</b>	<b>17.64</b>	<b>24.88</b>	<b>23.38</b>
Equity shares held under trust for employees under ESOP scheme	(2.14)	(2.14)	-	-	(2.14)	(2.14)
<b>Balance at the end of the year</b>	<b>3.60</b>	<b>3.60</b>	<b>19.14</b>	<b>17.64</b>	<b>22.74</b>	<b>21.25</b>

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
<b>Balance as at 01 April 2022</b>	<b>40.59</b>	<b>5,755.45</b>	<b>262.32</b>	<b>0.07</b>	<b>-</b>	<b>5.07</b>	<b>(740.41)</b>	<b>5,323.09</b>
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
<b>Balance as at 31 March 2023</b>	<b>40.59</b>	<b>6,554.65</b>	<b>320.61</b>	<b>0.07</b>	<b>382.77</b>	<b>5.73</b>	<b>(1,724.21)</b>	<b>5,580.21</b>
Changes in accounting policies or prior period errors	-	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	-	(25.66)	210.49	184.83
Premium on issue of shares	-	1,504.29	-	-	-	-	-	1,504.29
Transfer to statutory reserve	42.10	-	-	-	-	-	(42.10)	-
Employee stock options expense	-	-	0.05	-	-	-	-	0.05
Issued during the year	-	-	-	-	396.64	-	-	396.64
<b>Balance as at 31 March 2024</b>	<b>82.69</b>	<b>8,058.94</b>	<b>320.66</b>	<b>0.07</b>	<b>779.41</b>	<b>(19.93)</b>	<b>(1,555.82)</b>	<b>7,666.02</b>

Summary of material 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: 28 May 2024



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: 28 May 2024

Gurudath Neelamani  
 Whole-time Director  
 DIN : 02799586  
 Place: Chennai  
 Date: 28 May 2024

Anand Subramaniam  
 Group - CFO  
 Place: Chennai  
 Date: 28 May 2024

Arunkumar Sridharan  
 Company Secretary  
 Membership No.: F7112  
 Place: Chennai  
 Date: 28 May 2024

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

Summary of standalone material accounting policies for the year ended 31 March 2024

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

### **1. Corporate information:**

Samunnati Financial Intermediation & Services Private Limited ("the Company") (CIN: U65990TN2014PTC096252) is a Company limited by shares and incorporated on 23 June 2014 under the provisions of the Companies Act, 2013 and domiciled in India. The debt securities of the Company namely non-convertible debentures are listed on the Bombay Stock Exchange ("BSE"). The Company is engaged in extending credit to secured and unsecured loans to farmers, farmer producer organizations, community-based organizations and Agri-enterprises.

The Company had received the Certificate of Registration (Registration No. N-07.00815) dated 25 February 2016 from Reserve Bank of India ("RBI") to carry on the business of Non-Banking Financial Company without accepting public deposits ("NBFC-ND"). The company commenced active NBFIs operations from the month of July 2016. During March 2019, the Company had crossed the total assets threshold of INR 500 crores and had become a Non-Deposit Taking Systemically Important Non-Banking Financial Company ("NBFC-ND-SI"). The Company is classified under middle layer as per scale based framework applicable from 01 October 2022.

### **2. Summary of material accounting policies**

#### **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 28 May 2024.

#### **2.2. Functional and presentation currency**

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

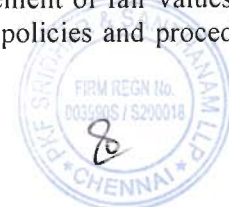
#### **2.3. Historical cost convention**

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





## Samunnati Financial Intermediation & Services Private Limited

Summary of standalone material accounting policies for the year ended 31 March 2024

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

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.

#### 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.

#### 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.



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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 Company reverts 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.

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) w.e.f FY'23
Farmer Collectives	Stage 1	Upto 60 Days
	Stage 2	61 Days to 180 Days
	Stage 3	More than 180 Days
Agri enterprises	Stage 1	Upto 60 Days
	Stage 2	61 Days to 180 Days
	Stage 3	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



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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.

### **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.

### **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.



## 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.

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.

### b) Interest income on investments

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



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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



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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) 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.

### e) 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.

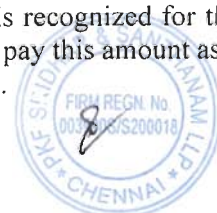
### f) Write offs

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 / avilment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / avilment. 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**

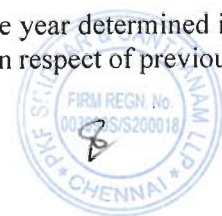
Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include term loans, fixed deposits mobilized, debt instruments, commercial papers and subordinated debts. Finance costs are charged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





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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.

### 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.

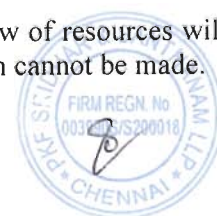
When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss 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.



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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 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 Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards and are effective 1 April 2023.

Material changes are in relation to the following:

- (i) Disclosure of accounting policies — amendments to Ind AS 1.
- (ii) Definition of accounting estimates — amendments to Ind AS 8.
- (iii) Deferred tax related to assets and liabilities arising from a single transaction — amendments to Ind AS 12.

The Company has evaluated the amendments and the impact is not material.

**New Standards/Amendments notified but not yet effective:** None

## 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.



Particulars	As at 31 March 2024	As at 31 March 2023
<b>3 Cash and cash equivalents</b>		
Balances with banks		
In current accounts	1,143.12	935.83
	<u>1,143.12</u>	<u>935.83</u>
<b>4 Bank balances other than cash and cash equivalents</b>		
Balances with banks to the extent held as margin money	653.90	218.08
	<u>653.90</u>	<u>218.08</u>
<b>Details of balances with banks to the extent held as margin money or security against the borrowings</b>		
<b>Maturity period of less than 12 months</b>		
(i) Held as collateral against borrowings and securitization transactions	625.56	196.05
	<u>625.56</u>	<u>196.05</u>
<b>Maturity period of more than 12 months</b>		
(ii) Held as collateral against borrowings and securitization transactions	28.34	22.03
	<u>28.34</u>	<u>22.03</u>
<b>Total</b>	<u>653.90</u>	<u>218.08</u>
<b>5 Loans</b>		
<b>(A) Term Loans at Amortised cost</b>		
Loans to Customers	13,458.24	11,166.77
Loans to Subsidiaries (refer note 43)	677.49	294.53
<b>Total Gross</b>	<u>14,135.73</u>	<u>11,461.30</u>
Less: Impairment loss allowance	(325.33)	(1,013.26)
<b>Total</b>	<u>13,810.40</u>	<u>10,448.04</u>
<b>(B) Secured / Unsecured Break-up</b>		
<b>(i) Secured against tangible assets</b>		
Gross	1,109.04	1,075.49
Less: Impairment allowance	(57.25)	(83.69)
	<u>1,051.79</u>	<u>991.80</u>
<b>(ii) Secured against receivables</b>		
Gross	-	-
Less: Impairment allowance	-	-
	<u>-</u>	<u>-</u>
<b>(iii) Unsecured</b>		
Gross	13,026.69	10,385.81
Less: Impairment allowance	(268.08)	(929.57)
	<u>12,758.61</u>	<u>9,456.24</u>
<b>Total (B) - (i) + (ii) + (iii)</b>	<u>13,810.40</u>	<u>10,448.04</u>
<b>(C) Loans in/ outside India</b>		
<b>(i) Loans in India</b>		
(a) Public sector	-	-
(b) Others	14,135.73	11,461.30
	<u>14,135.73</u>	<u>11,461.30</u>
Less: Impairment loss allowance	(325.33)	(1,013.26)
<b>Total (i)</b>	<u>13,810.40</u>	<u>10,448.04</u>
<b>(ii) Loans outside India</b>		
Less: Impairment loss allowance	-	-
<b>Total (ii)</b>	<u>-</u>	<u>-</u>
<b>Total (C) = (i) + (ii)</b>	<u>13,810.40</u>	<u>10,448.04</u>

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

**Summary of loans by stage distribution**

	Gross Carrying Amount	Impairment Loss Allowance	Net Carrying Amount
<b>As at March 31, 2024</b>			
Stage 1 - Considered good	13,302.03	126.43	13,175.59
Stage 2 - Significant increase in credit risk	677.77	66.65	611.12
Stage 3 - Credit impaired	155.93	132.25	23.69
<b>Total</b>	<u>14,135.73</u>	<u>325.33</u>	<u>13,810.40</u>
<b>As at March 31, 2023</b>			
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
<b>Total</b>	<u>11,461.30</u>	<u>1,013.26</u>	<u>10,448.04</u>



**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the standalone financial statements for the year ended 31 March 2024**  
(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>6 Investments</b>		
<b>(A) Investments in subsidiaries carried at cost</b>		
(i) In equity shares of subsidiaries (Unquoted)		
Investment in Samunnati Agro Solutions Private Limited 6,93,944 (previous year: 6,80,883) equity shares of Rs.10 each	2,079.30	1,779.34
Investment in Samunnati Agri Innovations Lab Private Limited (formerly knows as Kamatan Farmtech Private Limited) 2,53,44,844 (previous year: 53,44,848) equity shares of Rs.10 each	1,063.64	863.64
Investment in Samunnati Finance Private Limited 1,25,00,000 (previous year: 25,00,000) equity shares of Rs.10 each	125.00	25.00
Investment in Samunnati Foundation 8,50,000 (previous year: 8,50,000) equity shares of Rs.10 each	8.50	8.50
<b>(B) Investments carried at amortised cost:</b>		
(i) Investments in Pass thorough certificates - Unquoted	-	3.42
<b>(C) Investment carried at fair value through profit and loss (FVTPL)</b>		
(i) Investments in Compulsorily Convertible Debentures - Unquoted		
Investment in Ecozen Solutions Private Limited 7,614 (previous year Nil) 0.01% Compulsorily Convertible Debentures of Rs.6,566.82 each	58.82	-
Investment in Connedit Business Solutions Private Limited 509 (previous year Nil) 0.01% Compulsorily Convertible Debentures of Rs.10 each	74.30	-
<b>Total value of unquoted investments</b>	<b>3,409.56</b>	<b>2,679.90</b>
Investments outside India	-	-
Investments in India	3,409.56	2,679.90
<b>Total</b>	<b>3,409.56</b>	<b>2,679.90</b>
<b>7 Other financial assets</b> (Unsecured, considered good)		
Security deposits	9.93	10.32
Employee advances	5.35	3.90
Interest accrued but not due on deposits	-	0.06
Receivable from Group Company	20.23	-
Other receivables	1.91	18.10
<b>Total</b>	<b>37.42</b>	<b>32.38</b>
<b>8 Current tax assets (net)</b>		
Advance income tax (net of provisions)	240.83	296.23
<b>Total</b>	<b>240.83</b>	<b>296.23</b>
<b>9 Deferred tax assets (net)</b>		
Deferred tax	531.23	563.60
<b>Total</b>	<b>531.23</b>	<b>563.60</b>

Tax effect of items constituting deferred tax assets / (liabilities) :	Balance as at April 01, 2023	(Charge) / credit to Statement of profit and loss	(Charge) / credit to OCI	Balance as at 31 March 2024
Fixed assets	(1.10)	(5.62)	-	(6.72)
Provisions for employee benefits	8.02	2.95	0.41	11.38
Impairment loss allowance	256.78	(174.90)	-	81.88
Carried forward losses	296.26	140.50	-	436.76
(Gains) and losses on Hedge Accounting	-	(1.48)	8.22	6.74
Lease Liability	3.64	(2.44)	-	1.20
<b>Total</b>	<b>563.60</b>	<b>(41.00)</b>	<b>8.63</b>	<b>531.23</b>

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	Balance as at 31 March 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
<b>Total</b>	<b>245.22</b>	<b>318.60</b>	<b>(0.22)</b>	<b>563.60</b>



Samunnati Financial Intermediation & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2024

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

10 Property, plant and equipment	Freehold land	Furniture and fixtures	Office equipments	Computers and accessories	Vehicles	Leasehold Improvements	Total	Right of use assets (ROU)	Computer software	Intangible assets under development
<b>Cost or Deemed cost</b>										
Balance as at 01 April 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	-	(0.19)	-	(4.83)	(2.67)	-	(7.69)	(1.66)	(16.59)	(27.68)
<b>Balance as at 31 March 2023</b>	<b>2.31</b>	<b>8.37</b>	<b>14.89</b>	<b>33.77</b>	<b>26.02</b>	<b>22.37</b>	<b>107.72</b>	<b>41.98</b>	<b>61.33</b>	<b>22.92</b>
Additions	-	0.16	1.29	0.72	-	0.59	2.76	-	20.37	27.89
Disposals	-	(2.75)	(1.24)	(0.28)	(11.91)	(0.19)	(16.36)	-	(0.28)	(29.96)
<b>Balance as at 31 March 2024</b>	<b>2.31</b>	<b>5.78</b>	<b>14.94</b>	<b>34.21</b>	<b>14.11</b>	<b>22.77</b>	<b>94.12</b>	<b>41.98</b>	<b>81.42</b>	<b>20.85</b>
<b>Accumulated depreciation</b>										
Balance as at 01 April 2022	-	2.14	4.54	18.35	11.35	12.44	48.82	16.27	24.52	-
Additions	-	1.05	1.64	8.85	6.48	4.76	22.78	12.10	14.44	-
On disposals	-	(0.12)	-	(4.59)	(1.93)	-	(6.65)	-	(16.59)	-
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>3.07</b>	<b>6.18</b>	<b>22.61</b>	<b>15.90</b>	<b>17.20</b>	<b>64.95</b>	<b>28.37</b>	<b>22.37</b>	<b>-</b>
Additions	-	1.04	1.91	7.09	4.43	3.99	18.46	9.54	19.30	-
On disposals / adjustments	-	(1.38)	(0.67)	(0.35)	(10.98)	(0.31)	(13.69)	-	(0.28)	-
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>2.73</b>	<b>7.42</b>	<b>29.34</b>	<b>9.36</b>	<b>20.88</b>	<b>69.72</b>	<b>37.91</b>	<b>41.39</b>	<b>-</b>
<b>Net block</b>										
As at 31 March 2023	2.31	5.30	8.71	11.16	10.12	5.17	42.77	13.61	38.96	22.92
As at 31 March 2024	2.31	3.05	7.51	4.88	4.76	1.89	24.40	4.07	40.03	20.85

Intangible Assets under Development ageing Schedule as on 31 March 2024

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	2.78	0.97	17.10	-	20.85
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2.78</b>	<b>0.97</b>	<b>17.10</b>	<b>-</b>	<b>20.85</b>

There is no project for which cost exceeded the budget or time over run. There were no projects which is temporarily suspended as at 31 March 2024.

Intangible Assets under Development ageing Schedule as on 31 March 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	-	-	-	-	-
<b>Total</b>	<b>5.66</b>	<b>17.26</b>	<b>-</b>	<b>-</b>	<b>22.92</b>

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



Particulars		As at 31 March 2024	As at 31 March 2023
11	<b>Other non-financial assets</b>		
	Unsecured, considered good		
	Prepaid expenses	22.54	19.59
	Advance paid to Suppliers	2.66	7.88
	Balances with government authorities	2.88	3.78
	<b>Total</b>	<b>28.08</b>	<b>31.25</b>
12	<b>Payables</b>		
	<b>I) Trade Payables</b>		
a)	- Total outstanding dues of micro enterprises and small enterprises	-	-
b)	- Total outstanding dues of creditors other than micro enterprises and small enterprises	25.88	46.97
	<b>Total</b>	<b>25.88</b>	<b>46.97</b>
	<b>II) Other Payables</b>		
a)	- Total outstanding dues of micro enterprises and small enterprises	-	-
b)	- Total outstanding dues of creditors other than micro enterprises and small enterprises	9.86	4.39
	<b>Total</b>	<b>9.86</b>	<b>4.39</b>

(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:

Particulars	31 March 24	31 March 23
i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	-	-
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	-	-

Particulars	As at March 31, 2024					Total
	Unbilled	Less than 1	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	15.65	10.23	-	-	-	25.88
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>15.65</b>	<b>10.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.88</b>

Particulars	As at March 31, 2023					Total
	Unbilled	Less than 1	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	3.47	43.00	0.41	0.09	-	46.97
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>3.47</b>	<b>43.00</b>	<b>0.41</b>	<b>0.09</b>	<b>-</b>	<b>46.97</b>

13	<b>Debt securities</b>		
	<b>At amortised cost</b>		
	<b>Secured:</b>		
	Non-Convertible Redeemable Debentures (Refer note 33a)	5,076.11	5,075.53
	Commercial papers	657.64	-
	<b>Total</b>	<b>5,733.75</b>	<b>5,075.53</b>
	Debt securities in India	1,799.13	598.21
	Debt securities outside India	3,934.62	4,477.32
	<b>Total</b>	<b>5,733.75</b>	<b>5,075.53</b>
14	<b>Borrowings (Other than debt securities)</b>		
	<b>At amortised cost</b>		
	(A) Term loans (secured) (Refer note 33b)		
	From banks - long term	273.90	1,048.67
	From other parties	5,986.17	3,362.48
	Interest accrued but not due on borrowings	31.71	25.92
	<b>Total</b>	<b>6,291.78</b>	<b>4,437.07</b>
	Borrowings in India	4,440.20	3,705.01
	Borrowings outside India	1,851.58	732.06
	<b>Total</b>	<b>6,291.78</b>	<b>4,437.07</b>

There is no default as on 31 March 2024 and 31 March 2023 in repayment of borrowings and interest in all the above categories of the borrowings



**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the standalone financial statements for the year ended 31 March 2024**  
(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>15 Other financial liabilities</b>		
Lease liabilities	4.75	14.46
Employee related payables	23.76	35.97
Payable to subsidiaries	-	12.38
MTM Cost on ECB Borrowing	26.77	8.00
Liability component of OCRPS	39.48	18.26
	<b>94.76</b>	<b>89.07</b>
<b>16 Provisions</b>		
Provision for employee benefits		
Provision for gratuity	24.69	16.96
Provision for compensated absences	20.54	14.92
	<b>45.23</b>	<b>31.88</b>
<b>17 Other non-financial liabilities</b>		
Statutory dues payable	34.77	26.55
Income Received in Advance	19.10	10.32
Car Deposits	-	0.34
	<b>53.87</b>	<b>37.21</b>

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	No of shares	Amount	No of shares	Amount
<b>18 Share capital</b>				
<b>Authorised</b>				
Equity shares of ₹ 10 each	7,50,000	7.50	7,50,000	7.50
Preference shares of ₹ 10 each	23,00,000	23.00	23,00,000	23.00
		<b>30.50</b>		<b>30.50</b>
<b>Issued, subscribed and paid-up</b>				
<b>Fully paid-up</b>				
Equity shares of ₹ 10 each	5,73,861	5.74	5,73,861	5.74
Less: Equity shares held under trust for employees under ESOP scheme (refer note no 18(i))	(2,13,523)	(2.14)	(2,13,523)	(2.14)
Compulsorily convertible preference shares of ₹ 10 each	19,14,399	19.14	17,63,819	17.64
		<b>22.74</b>		<b>21.24</b>
Optionally convertible redeemable preference shares of ₹ 10 each (Refer note 15 & 19)	81,450	0.81	40,000	0.40
		<b>0.81</b>		<b>0.40</b>
<b>a) Reconciliation of number of equity shares and amount outstanding</b>				
<b>Issued, subscribed and paid-up</b>				
Balance at the beginning of the year	5,73,861	5.74	5,73,861	5.74
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
	<b>5,73,861</b>	<b>5.74</b>	<b>5,73,861</b>	<b>5.74</b>
Less: Equity shares held under trust for employees under ESOP scheme	(2,13,523)	(2.14)	(2,13,523)	(2.14)
<b>Balance at the end of the year</b>	<b>3,60,338</b>	<b>3.60</b>	<b>3,60,338</b>	<b>3.60</b>
<b>b) Reconciliation of number of Preference shares and amount outstanding</b>				
<b>i) Compulsorily convertible preference shares</b>				
<b>Issued, subscribed and paid-up:</b>				
Balance at the beginning of the year	17,63,819	17.64	16,83,819	16.84
Shares issued during the year	1,50,580	1.50	80,000	0.80
<b>Balance at the end of the year</b>	<b>19,14,399</b>	<b>19.14</b>	<b>17,63,819</b>	<b>17.64</b>
<b>ii) Optionally convertible redeemable preference shares</b>				
<b>Issued, subscribed and paid-up:</b>				
Balance at the beginning of the year	40,000	0.40	-	-
Shares issued during the year	41,450	0.41	40,000	0.40
<b>Balance at the end of the year</b>	<b>81,450</b>	<b>0.81</b>	<b>40,000</b>	<b>0.40</b>
<b>c) Shareholders holding more than 5 percent</b>				
	<b>No. of shares</b>	<b>% of holding</b>	<b>No. of shares</b>	<b>% of holding</b>
<b>Equity shares of Rs. 10 each</b>				
S G Anil Kumar	2,38,257	41.52%	2,38,257	41.52%
Samunnati ESOP Welfare Trust	2,13,523	37.21%	2,13,523	37.21%
Accel India V (Mauritius) Ltd	75,733	13.20%	75,733	13.20%
<b>Compulsorily convertible preference shares of Rs. 10 each</b>				
Elevar M-III	4,21,522	22.02%	4,21,522	23.90%
Accel India V (Mauritius) Ltd	3,84,949	20.11%	3,84,949	21.82%
ResponsAbility Agriculture I, SLP	3,66,594	19.15%	3,66,594	20.78%
Teachers Insurance and Annuity Association of America	2,66,730	13.93%	2,66,730	15.12%
Accel Growth Fund V L.P	1,10,075	5.75%	1,10,075	6.24%
Elevar I-IV AIF represented by its Trustee Vistra ITCL India Ltd	1,48,957	7.78%	1,48,957	8.45%
ResponsAbility Sustainable Food – Asia II	1,22,000	6.37%	-	0.00%
<b>Optionally convertible redeemable preference shares of Rs. 10 each</b>				
EE-FI AIF	81,450	100.00%	40,000	100.00%
<b>d) Shares held by promoters at the end of the year</b>				

Promoter Name	31-Mar-24		
	Number of shares	Percentage of total shares	Percentage change during the year
Mr. Anil Kumar S G	2,38,257	41.52%	-



Promoter Name	31-Mar-23		
	Number of shares	Percentage of total shares	Percentage change during the year
Mr. Anil Kumar S G	2,38,257	41.52%	-

- e) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues since incorporation of the Company
- 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.
- h) **Terms and rights attached to preference shares**
- i) **Compulsorily convertible 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.
- ii) **Optionally convertible redeemable preference shares**  
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 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 to equity**

Series	Date	Amount of Equity shares post conversion
<b>Conversion of CCPS into equity</b>		
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	05 Apr 2042	1.34
Pre-Series E	27 Mar 2043	0.17
<b>Conversion of OCRPS into equity</b>		
Pre-Series E	30 Nov 2041	0.40
Pre-Series E	27 Mar 2043	0.41
		<b>19.96</b>

- 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 31)



19 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Statutory Reserve</b>		
Opening balance	40.59	40.59
Add : Transfer from retained earnings	42.10	-
<b>Balance as at the end of the year</b>	<b>82.69</b>	<b>40.59</b>
<b>Securities Premium</b>		
Balance as at the beginning of the year	6,554.65	5,755.45
Premium on shares issued during the year	1,504.29	799.20
<b>Balance as at the end of the year</b>	<b>8,058.94</b>	<b>6,554.65</b>
<b>Employee stock options outstanding</b>		
Balance as at the beginning of the year	320.61	262.32
Additions during the year	0.05	58.29
<b>Balance as at the end of the year</b>	<b>320.66</b>	<b>320.61</b>
<b>Capital Redemption Reserve</b>		
Balance as at the beginning of the year	0.07	0.07
Add : Additions during the year	-	-
Less : Adjustments during the year	-	-
<b>Balance as at the end of the year</b>	<b>0.07</b>	<b>0.07</b>
<b>Equity Component of Optionally Convertible Redeemable Preference shares (OCRPS)</b>		
Balance as at the beginning of the year	382.77	-
Issued during the year	396.64	382.77
<b>Balance as at the end of the year</b>	<b>779.41</b>	<b>382.77</b>
<b>Other comprehensive income</b>		
Balance as at the beginning of the year	5.73	5.07
Add : Other comprehensive income for the year	(25.66)	0.66
<b>Balance as at the end of the year</b>	<b>(19.93)</b>	<b>5.73</b>
<b>Retained earnings</b>		
Balance as at the beginning of the year	(1,724.21)	(740.41)
Add : Comprehensive income for the year	210.49	(983.80)
Less : Transfer to statutory reserve	(42.10)	-
<b>Balance as at the end of the year</b>	<b>(1,555.82)</b>	<b>(1,724.21)</b>
<b>Total other equity</b>	<b>7,666.02</b>	<b>5,580.21</b>

**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.

**Impairment Reserve**

The excess provision held on the date of transition as per IRAC norms of the Reserve Bank of India are held separately as impairment reserve as per RBI circular.

**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.

**Equity component of OCRPS**

Represents Equity Component of Optionally Convertible Redeemable Preference Shares, In accordance with Ind AS 32 - Financial Instruments: Presentation, the equity component of OCRPS is classified separately from the liability component. The initial carrying amount of the equity component is determined by deducting the fair value of the liability component from the fair value of the entire financial instrument.



**Samunnati Financial Intermediation & Services Private Limited**

**Notes to the standalone financial statements for the year ended 31 March 2024**

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Note	Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>20</b>	<b>Interest income</b>		
	<b>On financial assets measured at amortised cost</b>		
	Interest on receivables from financing activity	1,912.34	1,702.9
	Income from investment in Pass Through Certificates	0.02	10.9
	Interest income on fixed deposits	9.76	16.4
	Interest income on security deposits held with Lenders	38.07	15.1
	On loan to subsidiary ( refer note no 43b )	75.81	138.6
		<b>2,036.00</b>	<b>1,884.0</b>
<b>21</b>	<b>Bad debts recovered</b>		
	Recovery of defaults in loan serviced	123.82	87.5
		<b>123.82</b>	<b>87.5</b>
<b>22</b>	<b>Net gain on fair value changes</b>		
	Unrealised Gain on Fair Value Changes (FVTPL)	33.12	-
		<b>33.12</b>	<b>-</b>
<b>23</b>	<b>Other income</b>		
	Income from share of expenses	17.28	21.5
	Income from Debt fund investments	-	1.3
	Income from mutual fund investments	27.21	35.6
	Gain on sale of property, plant and equipment	2.20	0.9
	Interest on income tax refund	10.67	-
	Other income	61.21	79.2
		<b>118.56</b>	<b>138.6</b>
<b>24</b>	<b>Finance costs</b>		
	<b>At financial liabilities measured at amortised cost</b>		
	Interest on borrowings		
	- term loans from banks	82.76	198.3
	- cash credits and overdraft from banks	3.23	0.1
	- term loans from others	397.92	322.1
	Interest expense on Debentures	573.34	616.7
	Other borrowing costs	67.72	75.6
	Unwinding interest of OCRPS	3.37	1.0
	Interest expenses on lease liabilities	0.98	1.7
		<b>1,129.32</b>	<b>1,215.7</b>
<b>25</b>	<b>Impairment on financial instruments</b>		
	<b>At amortised cost</b>		
	Impairment loss allowance on loans	(687.94)	660.7
	Loans written off	846.31	709.9
		<b>158.37</b>	<b>1,370.7</b>



**Samunnati Financial Intermediation & Services Private Limited**

**Notes to the standalone financial statements for the year ended 31 March 2024**

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Note	Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>26</b>	<b>Employee benefits expenses</b>		
	Salaries and wages	372.92	380.0
	Contribution to provident and other funds	15.93	15.2
	Employee stock option expenses ( refer note no 31 )	0.05	58.2
	Gratuity and leave encashment expenses ( refer note no 32 )	14.26	12.4
	Staff welfare expenses	22.77	15.4
		<b>425.93</b>	<b>481.4</b>
<b>27</b>	<b>Depreciation and amortization ( Refer Note 10 )</b>		
	Depreciation of property, plant and equipment	18.46	22.7
	Depreciation of right of use assets	9.54	12.1
	Amortisation of intangible assets	19.30	14.4
		<b>47.30</b>	<b>49.3</b>
<b>28</b>	<b>Other expenses</b>		
	Legal and professional charges	122.61	119.9
	Service fee expenses	6.02	5.9
	Technology and communication expenses	46.86	39.0
	Membership and subscription charges	19.82	15.4
	Travelling and conveyance	43.37	38.8
	Insurance	1.52	1.9
	Auditors remuneration*	6.38	7.4
	Repairs and maintenance - others	6.09	8.3
	Rates and taxes	0.50	0.7
	Rent	13.57	7.8
	Printing and stationery	4.83	3.7
	Power and fuel	4.04	4.3
	Sitting fees	2.68	2.2
	Marketing expenses	8.89	4.7
	CSR Contribution	-	7.8
	Miscellaneous expenses	11.91	22.0
		<b>299.09</b>	<b>290.2</b>
	<b>*Payments to auditors</b>		
	Statutory audit	3.44	3.4
	Limited review	1.65	1.5
	Tax audit^	0.22	0.4
	Certification	0.20	0.2
	Others	0.34	1.0
	Out of pocket expenses	0.03	0.0
	GST	0.50	0.8
	<b>Total</b>	<b>6.38</b>	<b>7.4</b>

^(Previous year includes tax audit fees for FY 21-22 & 22-23)

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**Samunnati Financial Intermediation & Services Private Limited**

**Notes to the standalone financial statements for the year ended 31 March 2024**

(All amounts are in Indian Rupees in millions, except share data and as stated otherwise)

Note	Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>29</b>	<b>Income tax</b>		
	<b>a) Income tax recognized in statement of profit and loss</b>		
	Current tax		
	In respect of current year	-	-
	In respect of prior years	-	5.0
		<u>-</u>	<u>5.0</u>
	<b>Deferred tax:</b>		
	In respect of current year origination and reversal of temporary differences	41.00	(318.6)
	<b>Total</b>	<u><b>41.00</b></u>	<u><b>(313.5)</b></u>
	<b>b) Income tax recognized in other comprehensive income</b>		
	<b>Deferred tax related to items recognized in Other Comprehensive Income during the year:</b>		
	Remeasurement of defined employee benefits	8.63	(0.2)
	<b>Total income tax recognized in other comprehensive income</b>	<u><b>8.63</b></u>	<u><b>(0.2)</b></u>
<b>30</b>	<b>Earnings Per Share (EPS) after considering compulsorily convertible preference shares:</b>		
	Net profit/ (loss) attributable to equity shareholders Rs. in millions (Basic and Diluted)	210.49	(983.8)
	Weighted average number of equity shares used in computing basic EPS (in numbers)	3,60,338	3,60,33
	Weighted average number of CCPS used in computing basic EPS (in numbers)	18,95,437	17,21,29
	Total weighted average number of shares used in computing Basic EPS (in numbers)	22,55,775	20,81,63
	Effect of potential dilutive equity shares (in numbers)	1,22,438	1,19,45
	Weighted average number of equity shares used in computing diluted earnings per share (in numbers)	23,78,213	22,01,09
	Basic EPS (Rs.) - face value of share Rs.10 each	93.31	(472.6)
	Diluted EPS (Rs.) - face value of share Rs.10 each*	88.51	(472.6)

\*Due to loss incurred for the year ended 31 March 2023, the potential equity shares are considered anti dilutive.

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### 31 Employee share based payments

#### ESOP 2015 Scheme

- a) On September 08, 2015, the Board of Directors approved and the Company adopted the "Employees Stock Option Plan 2015" (the "Plan") under which not more than 62,500 shares of the Company's equity shares was reserved for issuance to employees. In the Board meeting dated January 28, 2017, December 20, 2017 and April 29, 2019 additional shares of 6,794 (nos), 70,368 (nos) and 115,000 (nos) respectively were added to the Plan, issued and allotted to ESOP Trust.

The options are to be granted to the eligible employees as per the eligibility criteria as determined by the Board of Directors. The share options vest in a graded manner over a period of 1-4 years and are exercisable within 2 months of exercise event, failing which the options shall lapse.

On June 21, 2018, the Board of Directors approved and the Company adopted the "Amendment to the Employees Stock Option Plan 2015" ("The Plan"). The amendment pertains to vesting period, exercise and grant of options to new joiners. The options to be granted to the eligible employees as per the eligibility criteria as determined by the Board of Directors. The share options vest in a graded manner over a period of 1-4 years and are exercisable within 2 months of exercise event, failing which the employees shall have to hold on till the next event arises. On May 24, 2019, the Board of Directors approved and the Company adopted the "Employees Stock Option Plan 2019". The amendment pertains to vesting period. Vesting of Options may now take place between three and four years in the manner, as may be decided by the Nomination and Remuneration Committee. 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 31 March 2024	Weighted Average Rate	No of options as at 31 March 2023	Weighted Average Rate
Options outstanding at the beginning of the year	74,454	3,441	85,713	3,173
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/ lapsed during the year	(4,334)	11,224	(11,259)	-
Options outstanding at the end of the year	70,120	4,859	74,454	3,441
Options exercisable as at the end of the year	57,712	4,420	10,930	739

The weighted average remaining contractual life for the stock options outstanding at the end of the year was 365 days (previous year 191 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 31 March 2024	Weighted Average Rate	No. of options as at 31 March 2023	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

Fair market value of option on the date of grant	2,939
Number of options granted	45,000
Exercise price range (weighted average)	3,753
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.

#### ESOP 2022 Scheme

The Company has adopted the Employee Stock Option Plan 2015 duly approved by the Board of Directors of Samunnati Financial Intermediation & Services Private Limited ("Company") on 08 September 2015, and by the members of the Company on September 08, 2015 vide an ordinary resolution; thereafter amended and adopted the Employee Stock Option Plan 2019 duly approved by the Board of Directors of the Company and the members of the Company with effect from 24 May 2019; further amended and adopted the Samunnati Employee Stock Option Plan 2022 duly approved by the Board of Directors of the Company and by the members of the Company with effect from 07 March 2022.



Under the newly amended scheme, the Company granted 12,285 options to the existing employees of the Company, based on commitments made during FY 2022-23. Of the total grants made, 2689 options were granted with accelerated vesting of one year. These options were granted to existing Senior Management team in lieu of a portion of their fixed compensation for the FY 2022-23 and were granted with effect from 01 April 2023 at an exercise price of INR 10,000. The Company also awarded 9,596 options to its new employees as part of their offer commitment with effect from 01 April 2023 at an exercise price of INR 10,000.

The Company had, in line with the RBI Notification No. RBI/2022-23/36 DOR.GOV.REC.No.29/18.10.002/2022-23 dated April 29, 2022 - Guidelines on Compensation of Key Managerial Personnel (KMPs) and Senior Management of Non-Banking Finance Companies, put in place a Compensation Policy for the KMPs and Senior Management of the Company. As part of this framework, KMPs and other Senior Management identified as per the compensation policy shall be eligible for ESOPs as part of their overall compensation. Under the new compensation framework, the Company will decide on the number of performance-based options to be granted under the ESOP component and these Options shall progressively vest over a period of 3 years and be also subject to malus and claw back provisions. These shall be applicable from FY 2023-24.

Particulars	No of options as at 31 March 2024	Weighted Average Rate
Options outstanding at the beginning of the year	-	-
Granted during the year	12,285	10,000
Exercised during the year	-	-
Expired/ lapsed during the year	(4,967)	-
Options outstanding at the end of the year	7,318	10,000
Options exercisable as at the end of the year	4,121	10,000

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	9,958
Number of options granted	12,285
Exercise price range (weighted average)	10,000
Expected volatility (%)	55.57%
Expected forfeiture percentage on each vesting date	0.00%
Expected option life (weighted average in years)	4
Expected dividends yield	0.00%
Risk free interest rate (%)	7.32%

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### 32 Employee benefits

#### Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

#### Defined benefit plans

##### Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The gratuity plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. The Company does not maintain any plan assets to fund its obligation towards gratuity liability.

The defined benefit plans expose the Company to risks such as Actuarial risk, Liquidity risk, Market risk, Legislative risk. These are discussed as follows.

**Actuarial risk:** It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons.

**Adverse salary growth experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption then the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefit will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**Liquidity risk:** Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company there can be strain on the cash flows.

**Market risk:** Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**Legislative risk:** Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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

	Year ended March 31, 2024	Year ended March 31, 2023
<b>I. Amount recognized in the statement of Profit and Loss</b>		
Current service cost	5.04	3.94
Net Interest cost	1.69	1.21
<b>Total expenses included in employee benefit expenses</b>	<b>6.73</b>	<b>5.15</b>
	Year ended March 31, 2024	Year ended March 31, 2023
<b>II. Amount recognized in Other Comprehensive income</b>		
<b>Remeasurement (gains)/ losses:</b>		
Actuarial (gain)/ losses arising from changes in		
- Experience adjustments	1.61	(0.88)
<b>Total amount recognized in other comprehensive income</b>	<b>1.61</b>	<b>(0.88)</b>
	As at March 31, 2024	As at March 31, 2023
<b>III. Changes in the defined benefit obligation</b>		
Opening defined benefit obligation	16.96	17.21
Current service cost	5.04	3.94
Interest expense	1.69	1.21
Remeasurement (gains)/losses arising from changes in -		
- Acquisitions	3.66	
- Experience adjustments	1.61	(0.88)
- Disposals	-	(4.00)
Benefits paid	(4.27)	(0.52)
Closing defined benefit obligation	<b>24.69</b>	<b>16.96</b>



	As at March 31, 2024	As at March 31, 2023
<b>IV. Net defined benefit obligation</b>		
Defined benefit obligation	24.69	16.96
Current portion of the above	5.43	3.37
Non current portion of the above	19.26	13.59
<b>V. Maturity profile of defined benefit obligation (undiscounted)</b>		
Within 1 year	5.43	3.37
Year 2	2.84	1.86
Year 3	2.62	2.05
Year 4	2.87	2.17
Year 5	2.85	1.94
Years 6-10	11.05	8.06
Years 11-15	5.00	3.40
Years 15+	4.08	3.08
<b>VI. Actuarial assumptions and sensitivity</b>		
Discount rate (p.a.)	7.00%	7.20%
Attrition rate	15.00%	15.00%
Rate of salary increase	7.00%	7.00%
In- service Morality rate	IAL2012-14Ult	IAL2012-14Ult
<b>VII. Quantitative sensitivity analysis for input of significant assumptions on defined benefit obligations are as follows</b>		
	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
One percentage point increase in discount rate	(1.11)	(0.79)
One percentage point decrease in discount rate	1.22	0.87
One percentage point increase in salary growth rate	1.23	0.87
One percentage point decrease in salary growth rate	(1.14)	(0.81)
Ten percentage point increase in attrition rate	(0.23)	(0.18)
Ten percentage point decrease in attrition rate	0.23	0.18

**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**

	Year ended March 31, 2024	Year ended March 31, 2023
<b>I. Actuarial assumptions and sensitivity</b>		
Discount rate (p.a.)	7.00%	7.20%
Rate of salary increase	7.00%	7.00%
Attrition rate over different age brackets	15.00%	15.00%

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

	Year ended March 31, 2024	Year ended March 31, 2023
<b>II. Expenses recognized in Statement of profit and loss</b>		
Included under gratuity and leave encashment expenses	7.53	7.27
<b>III. Net defined benefit obligation</b>		
Defined benefit obligation	20.54	14.92
Current portion of the above	5.90	4.41
Non current portion of the above	14.64	10.51



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

a) Debt securities

For balances outstanding as at 31 March 2024

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	
<b>Non Convertible Redeemable Debentures</b>									
72 Months	10,00,000	24-Sep-18	24-Sep-24	14.59%	150.33	-	150.33	Book debts	
72 Months	10,00,000	24-Sep-18	24-Sep-24	12.67%	300.66	-	300.66		
72 Months	10,00,000	10-Aug-22	02-Aug-28	11.29%	9.45	585.00	594.45		
60 months	5,000	20-Aug-20	20-Aug-25	13.05%	0.00	0.05	0.05		
60 months	1,00,000	26-Jul-21	15-Jul-26	11.24%	352.24	0.03	352.27		
48 Months	10,00,000	15-Feb-22	15-Feb-26	14.71%	78.46	222.75	301.21		
48 Months	10,00,000	15-Feb-22	15-Feb-26	14.94%	78.45	222.75	301.20		
36 Months	10,00,000	31-Mar-21	01-Apr-24	12.30%	363.43	-	363.43		
36 months	10,00,000	05-Apr-21	05-Apr-24	14.07%	316.09	-	316.09		
36 months	10,00,000	06-Sep-21	06-Sep-24	12.07%	245.71	-	245.71		
36 months	1,00,000	28-Dec-21	27-Dec-24	11.60%	125.92	-	125.92		
24 months	10,00,000	20-Apr-23	17-Apr-25	14.25%	36.16	214.38	250.53		
18 months	1,00,000	18-Aug-23	01-Feb-25	12.50%	147.06	-	147.06		
35 months	1,00,000	01-Dec-23	01-Oct-26	11.00%	106.45	183.87	290.32		
11 months	1,00,000	12-Feb-24	13-Jan-25	11.50%	125.67	-	125.67		
46 months	1,00,000	20-Feb-24	06-Dec-27	13.73%	8.10	750.60	758.70		
12 months	1,00,000	26-Feb-24	06-Mar-25	12.00%	252.52	-	252.52		
31 months	1,00,000	28-Mar-24	01-Oct-26	11.00%	68.97	131.03	200.00		
<b>Commercial Papers</b>									
3 Months	5,00,000	15-Feb-24	16-May-24	12.25%	150.00	-	150.00		
3 Months	5,00,000	19-Mar-24	27-Jun-24	12.50%	250.00	-	250.00		
3 Months	5,00,000	22-Mar-24	24-Jun-24	12.50%	175.00	-	175.00		
3 Months	5,00,000	27-Mar-24	27-Jun-24	12.50%	100.00	-	100.00		
					<b>3,440.67</b>	<b>2,310.46</b>	<b>5,751.13</b>		

\*The above amount is post considering the impact of interest paid in advance of Rs 17.38 million for Commercial papers

For balances outstanding as at 31 March 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	
<b>Non Convertible Redeemable Debentures</b>									
72 Months	10,00,000	24-Sep-18	24-Sep-24	12.06%	0.33	150.00	150.33	Book debts	
72 Months	10,00,000	24-Sep-18	24-Sep-24	12.27%	0.66	300.00	300.66		
72 Months	10,00,000	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	1,00,000	26-Jul-21	15-Jul-26	10.70%	7.17	345.00	352.17		
48 Months	10,00,000	15-Feb-22	15-Feb-26	12.16%	8.22	594.00	602.22		
36 Months	5,00,000	17-Jun-20	17-Jun-23	12.75%	25.13	-	25.13		
36 Months	10,00,000	19-Jun-20	19-Jun-23	13.00%	50.20	-	50.20		
36 Months	10,00,000	17-Jul-20	17-Jul-23	12.00%	271.12	-	271.12		
36 Months	10,00,000	15-Dec-20	15-Dec-23	12.06%	694.80	-	694.80		
36 Months	10,00,000	31-Mar-21	01-Apr-24	12.30%	0.11	354.00	354.11		
36 months	10,00,000	05-Apr-21	05-Apr-24	11.64%	121.34	300.00	421.34		
36 months	10,00,000	06-Sep-21	06-Sep-24	10.85%	1.71	244.00	245.71		
36 months	1,00,000	28-Dec-21	27-Dec-24	11.60%	128.43	123.33	251.76		
33 months	8,75,000	25-Sep-20	25-Jun-23	12.40%	247.98	-	247.98		
					<b>2,080.15</b>	<b>2,995.38</b>	<b>5,075.53</b>		

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33 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 31 March 2024

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		
<b>Monthly repayment of principal</b>							
36 Months	11.65%	3	15.20	0	-	15.20	Book debts and Cash Collateral
36 Months	11.65%	4	20.80	0	-	20.80	Book debts and Cash Collateral
25 Months	12.00%	11	36.89	0	-	36.89	Book debts
24 Months	13.25%	12	151.32	0	-	151.32	Book debts
18 Months	13.50%	9	79.41	0	-	79.41	Book debts
24 Months	12.00%	12	50.39	6	25.00	75.39	Book debts and Cash Collateral
30 Months	12.95%	12	178.20	12	177.25	355.45	Book debts
24 Months	11.50%	12	124.03	8	89.77	213.80	Book debts
24 Months	12.90%	12	142.17	11	147.08	289.25	Book debts
13 Months	12.25%	12	99.97	0	-	99.97	Book debts
13 Months	12.25%	8	13.44	0	-	13.44	Book debts
13 Months	12.50%	11	174.40	1	15.83	190.23	Book debts
<b>Quarterly repayment of principal</b>							
36 months	11.50%	3	37.83	0	-	37.83	Book debts
40 months	11.60%	2	150.00	0	-	150.00	Book debts
31 months	12.25%	4	125.00	1	31.25	156.25	Book debts
<b>Annual repayment of principal</b>							
48 months ECB - Note a)	10.91%	1	75.52	1	73.58	149.10	Book debts
48 months ECB - Note a)	11.12%	1	45.31	1	44.15	89.46	Book debts
<b>Bullet Repayment of principal</b>							
37 months ECB - Note a)	11.18%	0	10.66	1	332.64	343.30	Book debts
<b>Half Yearly repayment of principal</b>							
67 months ECB - Note a)	12.50%	0	3.42	8	624.00	627.42	Book debts
54 months ECB - Note a)	11.99%	1	78.81	7	547.35	626.15	Book debts and Cash Collateral
24 months	5.25%	2	25.00	0	-	25.00	Book debts and Cash Collateral
24 months	5.50%	1	50.00	1	50.00	100.00	Book debts and Cash Collateral
24 months	5.50%	1	40.00	2	80.00	120.00	Book debts and Cash Collateral
24 months	4.50%	2	200.00	2	200.00	400.00	Book debts and Cash Collateral
			<b>1,927.76</b>		<b>2,437.89</b>	<b>4,365.65</b>	

II. Short-term

Original maturity of loan	Rate of interest	No of instalments	Amount	Security details
<b>Bullet Repayment of principal</b>				
3 Months	13.00%	1	50.50	
<b>Monthly Repayment of Principal</b>				
9 Months	12.75%	2	67.24	Book debts
9 Months	12.75%	5	194.88	
9 Months	12.75%	7	117.68	
9 Months	12.75%	8	224.11	
6 Months	12.50%	1	52.66	
12 Months	12.25%	12	40.33	
6 Months	12.60%	1	190.62	
7 Months	13.25%	6	70.41	
7 Months	13.00%	7	400.51	
6 Months	12.25%	6	100.06	
3 Months	12.75%	3	50.00	
Quarterly				
6 Months	12.60%	5	200.45	
6 Months	12.90%	6	200.38	
			<b>1,959.82</b>	

Note

- a) ECB loan amount excludes forex restatement loss of Rs: 34.66 millions  
b) The above amount excludes unamortised processing fees of Rs: 68.35 millions



Samunnati Financial Intermediation & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2024

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

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		
<b>Monthly repayment of principal</b>							
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
<b>Quarterly repayment of principal</b>							
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
<b>Annual repayment of principal</b>							
48 months	10.69%	1	122.28	2	240.70	362.98	Book debts
<b>Bullet Repayment of principal</b>							
37 months	11.18%	0	10.56	1	358.43	368.99	Book debts
<b>Half Yearly repayment of principal</b>							
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	200.00	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
<b>Bullet Repayment of principal</b>				
12 months	9.30%	1	95.00	
12 months	10.25%	1	50.00	Book debts and Cash Collateral
12 months	11.00%	1	155.00	
<b>Monthly Repayment of Principal</b>				
6 months	12.60%	3	201.38	
6 months	13.40%	4	201.12	
12 months	12.75%	5	417.71	Book debts and Cash Collateral
6 months	12.00%	6	601.51	
12 months	14.50%	1	9.16	
<b>III. OD backed by FD</b>		Not Applicable	-	
			1,730.88	

Note

a) The above amount excludes unamortised processing fees of Rs: 30.81 millions



34 Fair value measurement

34.1 Financial instruments by category

a) Financial instruments measured at amortized cost

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Carrying value	Carrying value
<b>Financial assets</b>		
Cash and cash equivalents	1,143.12	935.83
Other bank balances	653.90	218.08
Loans	13,810.40	10,448.04
Investments	3,276.44	2,679.90
Other financial assets	37.42	32.38
	<b>18,921.28</b>	<b>14,314.23</b>
<b>Financial liabilities</b>		
Trade payables	25.88	46.97
Other payables	9.86	4.39
Debt securities	5,733.75	5,075.53
Borrowings (other than debt securities)	6,291.78	4,437.07
Other financial liabilities	94.76	89.07
	<b>12,156.03</b>	<b>9,653.03</b>

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
<b>As at 31 March 2024</b>					
<b>Financial assets</b>					
Investments	133.12	133.12	-	133.12	-
<b>As at 31 March 2023</b>					
<b>Financial assets</b>					
Investments	-	-	-	-	-

34.2 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.

35 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	-
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, 2024	As at March 31, 2023
Cash and cash equivalents (excluding cash on hand)	Low credit risk	1,143.12	935.83
Bank balance other than above	Low credit risk	653.90	218.08
Loans*	Low credit risk	13,302.03	10,647.71
Loans*	Moderate credit risk	677.77	154.61
Loans*	High credit risk	155.93	658.98
Investments	Low credit risk	3,409.56	2,679.90
Other financial assets	Low credit risk	37.42	32.38

(\* ) 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.

**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 31 March 2024				
Gross carrying amount	1,143.12	653.90	3,409.56	37.42
Less: Expected credit losses	-	-	-	-
Net carrying amount	1,143.12	653.90	3,409.56	37.42



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Notes to the standalone financial statements for the year ended 31 March 2024  
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Particulars	Cash and cash equivalents	Other bank balance	Investments	Other financial assets
<b>As at 31 March 2023</b>				
Gross carrying amount	935.83	218.08	2,679.90	32.38
Less: Expected credit losses	-	-	-	-
<b>Net carrying amount</b>	<b>935.83</b>	<b>218.08</b>	<b>2,679.90</b>	<b>32.38</b>

(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, 2024	As at March 31, 2023
Stage 1	13,302.03	10,647.71
Stage 2	677.77	154.61
Stage 3	155.93	658.98
<b>Total</b>	<b>14,135.73</b>	<b>11,461.30</b>

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

**As at March 31, 2024**

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying value of opening balances	10,647.71	154.61	658.98
New assets originated during the year, netted off repayments and derecognised	3,175.53	351.37	(6.16)
Transfer to stage 1	35.10	(35.10)	-
Transfer to stage 2	(302.54)	302.54	-
Transfer to stage 3	(253.77)	(95.65)	349.42
Amounts written off	-	-	(846.31)
<b>Gross carrying value of closing balances</b>	<b>13,302.03</b>	<b>677.77</b>	<b>155.93</b>

**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)	142.79
Revised gross carrying value of opening balances	11,731.86	691.68	477.68
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)	(709.99)
<b>Gross carrying value of closing balances</b>	<b>10,647.71</b>	<b>154.61</b>	<b>658.98</b>

**As at 31 March 2024**

Particulars	Stage 1	Stage 2	Stage 3
ECL allowance - opening balances	347.21	31.28	634.77
New assets originated during the year, netted off repayments and derecognised portfolio*	(161.29)	1.16	318.51
Transfer to stage 1	16.17	(16.17)	-
Transfer to stage 2	(64.05)	64.05	-
Transfer to stage 3	(11.61)	(13.67)	25.28
Amounts written off	-	-	(846.31)
<b>ECL allowance - closing balances</b>	<b>126.43</b>	<b>66.65</b>	<b>132.25</b>





**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the standalone financial statements for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (Rs.), unless otherwise stated)*

As at 31 March 2023			
Particulars	Stage 1	Stage 2	Stage 3
<b>ECL allowance - opening balances</b>	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)
<b>ECL allowance - closing balances</b>	<b>347.21</b>	<b>31.28</b>	<b>634.77</b>

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. 85.06 millions and Rs (62.88) millions respectively (As at 31 March 2023: Rs 67.89 millions and Rs. (83.06) 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 33(a), 33(b) and 42 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.

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, 2024	Year ended March 31, 2023
Interest sensitivity*		
Interest rates – increase by 0.50%	22.54	4.59
Interest rates – decrease by 0.50%	(22.54)	(4.59)

\* 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



### 36 Capital management

The Company's capital management objectives are:

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

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term/long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

	As at March 31, 2024	As at March 31, 2023
<b>Net debt to equity ratio</b>		
Debt	12,025.53	9,512.60
Less: Cash and bank balances & other bank balances	(1,797.02)	(1,153.91)
<b>Net debt</b>	<b>10,228.51</b>	<b>8,358.69</b>
Total equity	7,688.76	5,601.46
Net debt to equity ratio (%)	133.03%	149.22%

### 37 Leases

As a lessee

#### a) Additions to right of use asset

Particulars

Leased premises

	Year ended March 31, 2024	Year ended March 31, 2023
Leased premises	-	15.00

#### b) Carrying value of right of use asset

Particulars

Right of use asset as on the opening date

Additions during the year

Deletions during the year

Depreciation charge for the year

Balance as at the year end

	As at March 31, 2024	As at March 31, 2023
Right of use asset as on the opening date	13.61	12.37
Additions during the year	-	15.00
Deletions during the year	-	(1.66)
Depreciation charge for the year	(9.54)	(12.10)
<b>Balance as at the year end</b>	<b>4.07</b>	<b>13.61</b>

#### c) Maturity analysis of lease liability

##### Contractual Undiscounted Cash Flows

Less than 1 year

One to five years

Total undiscounted lease liability

Lease liabilities included in the statement of financial position

Less than 1 year	3.88	10.71
One to five years	1.22	5.10
<b>Total undiscounted lease liability</b>	<b>5.10</b>	<b>15.81</b>
<b>Lease liabilities included in the statement of financial position</b>	<b>4.75</b>	<b>14.46</b>

#### d) Amounts recognized in Statement of profit or loss

Interest on lease liabilities

Depreciation charge for the year

Expenses relating to short-term leases

	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilities	0.98	1.73
Depreciation charge for the year	9.54	12.10
Expenses relating to short-term leases	13.57	7.82

### 38 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.

### 39 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 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, 2024

	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 March 31, 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



40 Corporate Social Responsibility

The Company has not incurred any expenditure in the current year (Previous year Nil).

Details of amount spent towards CSR activities :

a) Gross amount required to be spent by the Company during the year is Nil (previous year Nil)

Particulars	For the year ended					
	March 31, 2024			March 31, 2023		
	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	-	-	-	-	-	-

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

Particulars	March 31, 2023	Cash flows (net)	Exchange difference	Amortisation of loan origination	March 31, 2024
Debt securities	5,075.53	658.22	-	-	5,733.75
Borrowings (other than debt securities)	4,437.07	1,786.99	-	67.72	6,291.78
<b>Total</b>	<b>9,512.60</b>	<b>2,445.21</b>	<b>-</b>	<b>67.72</b>	<b>12,025.53</b>

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
<b>Total</b>	<b>10,601.97</b>	<b>(1,175.27)</b>	<b>45.10</b>	<b>40.80</b>	<b>9,512.60</b>

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**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the standalone financial statements for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (Rs.), unless otherwise stated)*

**42 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, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	1,143.12	-	1,143.12	935.83	-	935.83
Other bank balances	625.56	28.34	653.90	196.05	22.03	218.08
Loans	11,447.51	2,362.89	13,810.40	5,698.76	4,749.28	10,448.04
Investments	133.12	3,276.44	3,409.56	3.42	2,676.48	2,679.90
Other financial assets	27.48	9.93	37.42	27.31	5.07	32.38
	<b>13,376.80</b>	<b>5,677.60</b>	<b>19,054.40</b>	<b>6,861.37</b>	<b>7,452.86</b>	<b>14,314.23</b>
<b>Non- financial assets</b>						
Current tax assets (net)	-	240.83	240.83	-	296.23	296.23
Deferred tax assets (net)	-	531.23	531.23	-	563.60	563.60
Property, plant and equipment	-	24.40	24.40	-	42.77	42.77
Right of use assets	-	4.07	4.07	-	13.61	13.61
Intangible assets under development	-	20.85	20.85	-	22.92	22.92
Other intangible assets	-	40.03	40.03	-	38.96	38.96
Other non-financial assets	23.18	4.90	28.08	25.70	5.55	31.25
	<b>23.18</b>	<b>866.30</b>	<b>889.48</b>	<b>25.70</b>	<b>983.64</b>	<b>1,009.34</b>
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Trade payables	25.88	-	25.88	46.97	-	46.97
Other payables	9.86	-	9.86	4.39	-	4.39
Debt securities	3,423.29	2,310.46	5,733.75	2,080.15	2,995.38	5,075.53
Borrowings (Other than debt securities)	3,882.40	2,409.38	6,291.78	3,264.43	1,172.64	4,437.07
Other financial liabilities	27.64	67.12	94.76	59.06	30.01	89.07
	<b>7,369.07</b>	<b>4,786.96</b>	<b>12,156.03</b>	<b>5,455.00</b>	<b>4,198.03</b>	<b>9,653.03</b>
<b>Non- financial liabilities</b>						
Provisions	11.33	33.90	45.23	7.78	24.10	31.88
Other non-financial liabilities	49.80	4.07	53.87	36.87	0.34	37.21
	<b>61.13</b>	<b>37.97</b>	<b>99.10</b>	<b>44.65</b>	<b>24.44</b>	<b>69.09</b>

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**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the standalone financial statements for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (Rs.), unless otherwise stated)*

**43 Related party disclosures**

**a) Names of related parties and relationship**

<b>Relationship</b>	<b>Name of the related party</b>
Wholly owned subsidiaries	Samunnati Agro Solutions Private Limited Samunnati Foundation Samunnati Finance Private Limited Samunnati Agri Innovations Lab Private Limited
Step-down subsidiary	Samunnati Investment Management Services Private Limited
Key management personnel (KMP)	<b>Executive Director</b> Mr. Anil Kumar S G - Director and CEO Mr. Gurunath Neelamani - Whole-time Director <b>KMP</b> Mr. Anand Subramannian - CFO (w.e.f 18 April 2024) Mr. Lalit Malik – CFO (w.e.f 22 April 2022 to 29 May 2023) Mr. Arunkumar Sridharan - Company Secretary (w.e.f. October 31, 2023) <b>Independent directors:</b> Mr. Narasimhan Srinivasan Mr. Sunil Satyapal Gulati Mr. Venkatesh Tagat (till 17 September 2023) Mr. Krishnan K (w.e.f. 18 September 2023) <b>Nominee directors:</b> Ms. Jyotsna Krishnan Mr. Mahendran Balachandran Mr. Akshay Dua Ms. Rekha Unnithan (Resigned w.e.f. from November 29, 2023) Ms. Stephen Dongwon Lee (w.e.f. November 30, 2023)
Entity in which KMP has significant influence	Samunnati ESOP Welfare Trust

**b) Related party transactions**

<b>Nature of transactions</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
<b>Samunnati Agro Solutions Private Limited</b>		
Loans given	7,211.00	4,265.00
Loans repaid	7,155.00	5,465.00
Interest income on loans	56.59	133.04
Corporate guarantee provided / (withdrawn)	(186.69)	2,199.23
Investment in equity shares (Non-current investments)	299.96	999.24
Income from subsidiary for shared services	17.28	21.49
Salaries and wages (deputation charges)	20.79	2.87
<b>Samunnati Foundation</b>		
Investment in share capital	-	-
Loan repaid	5.82	-
Interest income	1.17	-
Loans given	19.67	1.10
<b>Samunnati Agri Innovations Lab Private Limited</b>		
Investment in equity shares	200.00	50.00
Loans given	298.80	155.00
Loans repaid	2.50	69.75
Interest income	17.93	5.57
<b>Samunnati Finance Private Limited</b>		
Investment in equity shares	100.00	-
Reimbursement of expenses	-	-
<b>Samunnati Investment Management Services Private Limited</b>		
Loans given	1.20	1.00
Loans repaid	1.00	-
Interest income	0.12	0.01
<b>Mr. Anil Kumar S G</b>		
Remuneration *	23.53	23.02



**Samunnati Financial Intermediation & Services Private Limited**  
**Notes to the standalone financial statements for the year ended 31 March 2024**  
*(All amounts are in millions of Indian Rupees (Rs.), unless otherwise stated)*

Nature of transactions	Year ended March 31, 2024	Year ended March 31, 2023
<b>Mr. Gurunath Neelamani</b> Remuneration *	12.61	8.20
<b>Mr. Arunkumar Sridharan</b> Remuneration *	2.71	3.20
<b>Mr. Lalit Malik</b> Remuneration *	-	1.98
<b>Sitting fees paid</b>		
Mr. Sunil Satyapal Gulati	1.16	0.85
Mr. Narasimhan Srinivasan	0.89	0.65
Mr Venkatesh Tagat	0.31	0.55
Mr. Krishnan K	0.33	-

\* 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, 2024	As at March 31, 2023
<b>Samunnati Agro Solutions Private Limited</b>		
Loans and advances ( including interest accrued)	256.49	200.01
Corporate guarantee provided by Company towards borrowings	2,612.31	2,799.00
Deputation cost payable	-	0.59
Other receivables	7.59	7.63
<b>Samunnati Agri Innovations Lab Private Limited</b>		
Loans and advances (including interest accrued)	404.12	92.41
Deputation cost payable	0.01	17.80
Other receivables	1.56	-
<b>Samunnati Foundation</b>		
Loans and advances (including interest accrued)	15.68	1.10
Other receivables	10.58	12.73
<b>Samunnati Finance Private Limited</b>		
Other receivables	0.50	0.08
<b>Samunnati Investment Management Services Private Limited</b>		
Loans and advances (including interest accrued)	1.20	1.01

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

Liabilities side:

	As at 31 March 2024 Amount outstanding	As at 31 March 2024 Amount overdue	As at 31 March 2023 Amount outstanding	As at 31 March 2023 Amount overdue
1 ) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures				
-Secured	4,950.44	-	5075.53	-
-Unsecured	125.67	-	-	-
(b)Deferred credits	-	-	-	-
(c)Term loans	6291.78	-	4437.07	-
(d)Inter-corporate loans and borrowing	-	-	-	-
(e)Commercial paper	657.64	-	-	-
(f) Public deposits	-	-	-	-
(g)Cash credit	-	-	-	-

Assets side:

	As at 31 March 2024 Amount outstanding	As at 31 March 2023 Amount outstanding
2 ) Break up of loans and advances including bills receivable (receivable from financing activity)		
(a) Secured	1,051.79	991.80
(b) Unsecured - includes loans to subsidiary	12,758.61	9,456.24
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		
<b>Current Investments</b>		
<b>Quoted</b>		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Pass through certificates	-	-
<b>Unquoted</b>		
(i) Shares	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Pass through certificates	-	3.42
<b>Long term investments</b>		
<b>Quoted</b>		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-



	As at 31 March 2024 Amount outstanding	As at 31 March 2023 Amount outstanding
<b>Unquoted</b>		
(i) Shares		
(a) Equity	3,276.44	2,676.48
(b) Preference	-	-
(ii) Debentures and Bonds	133.12	-
(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 31 March 2024			
Category	Secured	Unsecured	Total
1) Related parties			
(a) Subsidiaries	-	677.49	677.49
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2) Other than related parties	1,051.79	12,081.12	13,132.91
<b>Total</b>	<b>1,051.79</b>	<b>12,758.61</b>	<b>13,810.40</b>

As at 31 March 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
<b>Total</b>	<b>991.80</b>	<b>9,456.24</b>	<b>10,448.04</b>

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

As at 31 March 2024		
Category	Book Value (Net of Provisions)	Market value/ Break up or fair value or NAV
1) Related Parties		
(a) Subsidiaries	3,409.56	Not applicable
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2) Other than related parties	0.00	0.00
<b>Total</b>	<b>3,409.56</b>	<b>0.00</b>

As at 31 March 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
<b>Total</b>	<b>2,679.90</b>	<b>3.42</b>

7 ) Other Information

	As at 31 March 2024	As at 31 March 2023
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	334.82	681.06
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	172.43	40.85
(iii) Assets acquired in satisfaction of debt		





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

Particulars	As at	As at
	31 March 2024	31 March 2023
CRAR (percent)	23.25%	20.18%
CRAR – Tier I Capital (percent)	17.63%	14.81%
CRAR – Tier II Capital (percent)	5.62%	5.37%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

9 ) Investments

Particulars	As at	As at
	31 March 2024	31 March 2023
Value of Investments		
(i) Gross value of investments		
(a) In India	3,409.56	2,679.90
(b) Outside India	-	-
(ii) Provisions for impairment		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	3,409.56	2,679.90
(b) Outside India	-	-
<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31 March 2024</b>	<b>31 March 2023</b>
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	As at
	31 March 2024	31 March 2023
The notional principal of swap agreements	1,817.63	685.82
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
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)	(26.77)	(8.00)

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 managing the risks.

Quantitative Disclosures:

Foreign currency non-repatriate loans availed:

Particulars	As at	As at
	31 March 2024	31 March 2023
	<b>Currency Derivatives</b>	<b>Currency Derivatives</b>
(i) Derivatives (Notional principal amount) for Hedging	1,817.63	685.82
(ii) Market to Market position		
(a) Asset (+) Estimated gain	-	-
(b) Liability (-) Estimated loss	(26.77)	(8.00)
(iii) Credit exposure	-	-
(iv) Unhedged exposure	-	-



11 ) Disclosure related to securitisation

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>SPVs relating to outstanding securitisation transactions</b>		
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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15) Asset liability management maturity pattern of certain items of assets and liabilities

As at 31 March 2024

Maturity pattern	Assets				Liabilities
	Advances	Investments	Deposits	Total	Borrowings*
1 to 7 days	970.55	-	0.10	970.65	851.71
8 to 14 days	524.94	-	-	524.94	20.85
14 days to 1 month	1,944.39	-	300.00	2,244.39	267.76
1 - 2 months	2,283.58	-	-	2,283.58	716.35
2 - 3 months	1,702.92	-	0.80	1,703.72	1,192.11
3 - 6 months	2,245.68	-	-	2,245.68	2,586.04
6 - 12 months	1,973.81	-	239.17	2,212.98	1,588.99
1 - 3 years	1,807.16	-	113.83	1,920.98	3,451.12
3 - 5 years	593.02	133.12	-	726.14	1,297.24
> 5 years	89.67	-	-	89.67	-
<b>Total</b>	<b>14,135.73</b>	<b>133.12</b>	<b>653.90</b>	<b>14,922.75</b>	<b>11,972.16</b>

\*Borrowings does not include unamortized processing fees, interest accrued, mark to margins on external commercial borrowings and interest paid on commercial papers.

As at 31 March 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
<b>Total</b>	<b>11,461.30</b>	<b>3.42</b>	<b>218.14</b>	<b>11,682.86</b>	<b>9,543.39</b>

\*Borrowings does not include unamortized processing fees.

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 31 March 2024 and 31 March 2023.

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 60(2) of SEBI (LODR) Regulation, 2015, the Company had inadvertently delayed intimating the record date for interest payment of NCDs. BSE has levied a fine of INR 11,800 (incl. tax) for non compliance (one day delayed filing).

23) Related party transactions

Refer note 43 for Related party transactions

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

Instrument	Name of the rating agency	As at 31 March 2024		As at 31 March 2023	
		Amount rated (in millions)	Rating assigned	Amount rated (in millions)	Rating assigned
Non Convertible Debentures	CARE	450.00	BBB	450.00	BBB (stable)
Term loans (Long Term rating)	CRISIL	3,000.00	BBB Stable	3,000.00	BBB (stable)
Term loans (Short Term rating)	CRISIL	3,000.00	A2 Reaffirmed	3,000.00	A2
Commercial Paper	CRISIL	1,500.00	A2	400.00	A2
Non Convertible Debentures ( Short Term )	CRISIL	350.00	A2	350.00	A2
Non Convertible Debentures ( Long Term )	CRISIL	6,005.00	BBB Stable	5,835.00	BBB (stable)



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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Provision for depreciation on investments	-	-
Provision towards NPA	162.39	321.58
Provision made towards income tax	-	5.03
Provision for standard assets	162.94	339.15
Provision for depreciation and amortisation on property, plant and equipment, right of use assets and other intangible assets	47.30	49.32
Provision for employee benefits (Gratuity and compensated absences)	14.26	12.42

26 ) Draw down from reserves

Refer Statement of Changes in Equity for details relating to draw down from reserves.

27 ) Concentration of deposits, advances, exposures and NPAs

Particulars	As at 31 March 2024	As at 31 March 2023
<b>i. Concentration of advances</b>		
Total advances to twenty largest borrowers	3019.59	2,945.93
Percentage of advances to twenty largest borrowers to total advances of the NBFC	21.86%	28.20%
<b>ii. Concentration of exposures (undrawn limits not considered)</b>		
Total exposures to twenty largest borrowers/customers*	5,631.90	5,744.93
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/ customers*	34.29%	43.37%

\*The total exposure includes the corporate guarantee given to the subsidiary company. Refer Note 43.

iii. Concentration of exposures

Total exposures to top four NPA accounts 146.45 217.58

iv. Sector-wise NPAs

Sector wise exposure and NPA is disclosed. Refer Note 45(3).

v. Movement of NPAs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>A</b> Net NPAs to Net Advances (%)	1.25%	0.39%
<b>B</b> Movement of NPAs (Gross)		
a) Opening balance	681.06	473.92
b) Additions during the year	831.67	891.86
c) Reductions during the year	331.59	36.48
d) Write-off during the year	846.31	648.23
e) Closing balance	334.82	681.06
<b>C</b> Movement of Net NPAs		
a) Opening balance	40.85	172.86
b) Additions during the year	748.92	40.80
c) Reductions during the year	617.34	172.82
d) Closing balance	172.43	40.85
<b>D</b> Movement of provisions for NPAs (excluding provision on standard assets)		
a) Opening balance	640.21	301.06
b) Provisions made during the year	82.75	851.06
c) Utilisation during the year	433.44	417.07
d) Write-back of excess provisions	127.12	94.84
e) Closing balance	162.39	640.21

vi. Overseas assets

The Company does not have any overseas assets as at 31 March 2024 and March 31, 2023

28 ) There are no off-balance sheet SPVs sponsored by the Company as at 31 March 2024 and 31 March 2023 that are required to be consolidated.

29 ) Customer complaints\*

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
i) No. of complaints pending at the beginning of the year	-	-
ii) No. of complaints received during the year	30	22
iii) No. of complaints redressed during the year	28	22
iv) No. of complaints pending at the end of the year	2	-

\*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 31 March 2024

S.No.	Number of Significant Counterparties	Amount	% of Total borrowings	% of Total liabilities
1	22	11,346.84	94.36%	92.43%

As at 31 March 2023

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

(ii) Top 20 large deposits as at 31 March 2024 and 31 March 2023 (amount in millions and % of Total Deposits)

Nil

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

As at 31 March 2024

Amount	% of Total Borrowings
8,103.19	67.38%

As at 31 March 2023

Amount	% of Total Borrowings
6,748.12	70.94%

(iv) Funding concentration based on significant instrument/product

As at 31 March 2024

S.No.	Name of the instrument	Amount	% of Total liabilities
1	Cash credit	-	0.00%
2	Commercial paper	657.64	5.47%
3	Non convertible debentures	5,076.11	42.21%
4	Overdraft facilities	-	0.00%
5	Short-term Loans	1,959.82	16.30%
6	Long-term loans	4,331.96	36.02%
<b>Total</b>		<b>12,025.53</b>	<b>100.00%</b>

As at 31 March 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%
<b>Total</b>		<b>9,512.60</b>	<b>100.00%</b>

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.

(v) Stock Ratios

As at 31 March 2024

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	5.47%	5.37%	3.30%
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	61.79%	60.63%	37.26%



As at 31 March 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	57.81%	56.57%	35.89%

(vi) Institutional set-up for Liquidity risk management

**Nature of risk:**

- a) Liquidity risk arises from mismatches in the timing of cash flows and loan collection defaults.  
b) Funding risk arises from:  
i) Inability to raise incremental borrowings to fund business requirement or repayment obligations  
ii) When assets cannot be funded at the expected term resulting in cashflow mismatches  
iii) Volatile market conditions impacting sourcing of funds from banks and money markets

**Measurement, monitoring and management of risk**

Liquidity and funding risk is measured by:

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

**Monitored by:**

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

**Managed by:**

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

Executive governance structure- Management level Asset Liability Committee (ALCO): The Company's ALCO monitors Asset Liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet. The Company continuously monitors liquidity in the market. As a part of its Asset-Liability Management (ALM) strategy, the Company maintains a liquidity buffer managed by an active investment to reduce this risk. As on 31 March 2024, the Company has liquidity of Rs. 1143.12 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 2023-24, 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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Samunnati Financial Intermediation & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2024

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

44) 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)	
<b>Performing assets</b>							
Standard	Stage 1	13,302.03	126.43	13,175.59	50.17	76.26	0 - 60 days
	Stage 2	498.87	36.50	462.37	1.92	34.58	60 - 90 days
<b>Subtotal</b>		<b>13,800.90</b>	<b>162.93</b>	<b>13,637.97</b>	<b>52.08</b>	<b>110.85</b>	
<b>Non-Performing Assets (NPA)</b>							
Substandard	Stage 2	178.90	30.15	148.75	16.18	13.97	90 - 180 days
Substandard	Stage 3	155.92	132.25	23.68	15.21	117.04	More than 180 days
Doubtful - up to 1 year	Stage 3						
1 to 3 years	Stage 3						
More than 3 years	Stage 3	-	-	-	-	-	
<b>Subtotal for doubtful</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Loss</b>	Stage 3	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Subtotal for NPA</b>		<b>334.82</b>	<b>162.39</b>	<b>172.43</b>	<b>31.39</b>	<b>131.00</b>	
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	-	-	-	-	-	
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	Stage 1	13,302.03	126.43	13,175.59	50.17	76.26	
	Stage 2	677.77	66.65	611.12	18.10	48.55	
	Stage 3	155.92	132.25	23.68	15.21	117.04	
	<b>Total</b>	<b>14,135.73</b>	<b>325.33</b>	<b>13,810.40</b>	<b>83.48</b>	<b>241.85</b>	



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

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 31 March 2024 and 31 March 2023.
- 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	10,727.72	255.18	2.38%	7,915.80	340.14	4.30%
2. Industry	460.96	0.42	0.09%	478.57	-	0.00%
3. Services	1,349.91	12.04	0.89%	1,826.77	208.68	11.42%
4. Personal Loans	1,597.13	67.18	4.21%	1,240.15	132.24	10.66%

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	256.49	2,079.30	2,612.31
Samunnati Agri Innovations Lab Private Limited (formerly known as "Kamatan Farm Tech Private Limited")	404.12	1,063.64	-
Samunnati Foundation	15.68	8.50	-
Samunnati Finance Private Limited	-	125.00	-
Samunnati Investment Management Services Private Limited	1.20	-	-
	677.49	3,276.44	2,612.31

Amount (Rs)

- ii) Total amount of top 20 intra-group exposures (includes loans to subsidiaries, investment in subsidiaries and corporate guarantees given) 6,566.24

- 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) 33%

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 43 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
<b>Complaints received by the NBFC from its customers</b>		
1. Number of complaints pending at beginning of the year	-	-
2. Number of complaints received during the year	30	22
3. Number of complaints disposed during the year	28	22
3.1 Of which, number of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	2	-





Particulars	Current Year	Previous Year
<b>Maintainable complaints received by the NBFC from Office of Ombudsman</b>		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	5.00	3.00
5.1. Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	3.00	-
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
<b>Current Year</b>					
Loans and advances	-	30	36.36 % increase	2	2
<b>Total</b>	-	<b>30</b>	<b>36.36 % increase</b>	<b>2</b>	<b>2</b>
<b>Previous Year</b>					
Loans and advances	-	22	120 % increase	-	-
<b>Total</b>	-	<b>22</b>	<b>120 % increase</b>	-	-

**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 31 March 2024, no fraud by the customer have been reported by the Company.

~\* This space has been intentionally left blank ~\*



45) (i) (a) Disclosures under Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016, as updated for the year ended 31 March 2024

Type of Restructuring Asset Classification details		Other than CDR and SME Debt Restructuring*				
		Standard	Sub-standard	Doubtful	Loss	Total
Restructured assets as on 01 April 2023	No. of borrowers	6.00	5.00	-	-	11.00
	Amount Outstanding	180.03	101.51	-	-	281.54
	Provision there on	78.91	111.44	-	-	190.35
Fresh restructuring during the year	No. of borrowers	616.00	-	-	-	616.00
	Amount Outstanding	14.64	-	-	-	14.64
	Provision there on	0.46	-	-	-	0.46
Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision there on	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision there on	-	-	-	-	-
Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision there on	-	-	-	-	-
Recoveries during the year	Amount	45.78	-	-	-	45.78
Closure/Write off restructured accounts during the year	No. of borrowers	69.00	2.00	-	-	71.00
	Amount Outstanding	116.16	72.85	-	-	189.01
	Provision there on	-	-	-	-	-
Restructured accounts as on 31 March 2024	No. of borrowers	553.00	3.00	-	-	556.00
	Amount Outstanding	124.29	28.66	-	-	152.95
	Provision there on	22.73	13.81	-	-	36.54

\* represents one time restructuring in accordance with notification no RBI/2020-21/16 DOR No BP BC/3/21 04 048/2020-21 dated 6 August 2020 and RBI/2021-22/31 DOR STR REC 11/21 04 048/2021-22 dated 5 May 2021

(a) Disclosures under Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016, as updated for the year ended 31 March 2023

Type of Restructuring Asset Classification details		Other than CDR and SME Debt Restructuring*				
		Standard	Sub-standard	Doubtful	Loss	Total
Restructured assets as on 01 April 2022	No. of borrowers	13.00	2.00	-	-	15.00
	Amount Outstanding	350.39	23.24	-	-	373.63
	Provision there on	35.69	4.09	-	-	39.78
Fresh restructuring during the year	No. of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision there on	-	-	-	-	-
Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision there on	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision there on	-	-	-	-	-
Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision there on	-	-	-	-	-
Recoveries during the year	Amount	58.00	-	-	-	58.00
Closure/Write off restructured accounts during the year	No. of borrowers	2.00	2.00	-	-	4.00
	Amount Outstanding	92.09	-	-	-	92.09
	Provision there on	-	-	-	-	-
Restructured accounts as on 31 March 2023	No. of borrowers	6.00	5.00	-	-	11.00
	Amount Outstanding	180.03	101.51	-	-	281.54
	Provision there on	78.91	111.44	-	-	190.35

\* represents one time restructuring in accordance with notification no RBI/2020-21/16 DOR No BP BC/3/21 04 048/2020-21 dated 6 August 2020 and RBI/2021-22/31



46 The Company has implemented cloud-based ERP from April 01, 2023 which is on SaaS model. The cloud server is located outside India and service provider promises very high level of server uptime and no data loss. As required by the Companies (Accounts) Rules, 2014, the back-up of the books of accounts shall be kept in servers physically located in India on a daily basis. As the original application server is kept outside India, a backup of the books of accounts needs to be taken on a daily basis and needs to be kept in servers in India for retrieval at any time. The Company has subscribed for certain functionality and the maintenance of the backup in India on a daily basis will be implemented from FY 2024-25.

**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, 2024	Year ended March 31, 2023
Capital to risk-weighted assets ratio (CRAR)	23.25%	20.18%
CRAR – Tier I Capital (percent)	17.63%	14.81%
CRAR – Tier II Capital (percent)	5.62%	5.37%

- l. The Company has not entered into any scheme(s) of arrangements and hence the disclosure on compliance with approved scheme(s) of arrangements is not applicable to the Company.
- m. Other than the transactions that are carried out as part of Company's normal lending business:
  - A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
    - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
  - B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



**Samunnati Financial Intermediation & Services Private Limited**

**Summary of material accounting policies and other explanatory information for the year ended 31 March 2024**

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

- 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. 248 million on 09 May 2024. 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: 28 May 2024



**For and on behalf of the Board of Directors of**

**Samunnati Financial Intermediation & Services Private Limited**



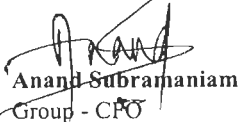
**S G Anil Kumar**

Director and CEO

DIN : 01189011

Place: Chennai

Date: 28 May 2024



**Anand Subramaniam**

Group - CFO

Place: Chennai

Date: 28 May 2024



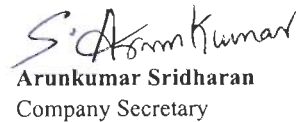
**G Prunath Neelamani**

Whole-time Director

DIN : 02799586

Place: Chennai

Date: 28 May 2024



**Arunkumar Sridharan**

Company Secretary

Membership No.: F7112

Place: Chennai

Date: 28 May 2024

