



**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF SAMASTA MICROFINANCE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **SAMASTA MICROFINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

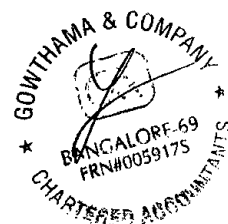
### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) In the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the '**Annexure-A**' 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 appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in '**Annexure-B**'
- g) With respect to the other matters to be included in the Auditor's 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 does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. The company being Micro Finance Company, have collected on daily basis loan recoveries and same has been deposited into the bank thereafter and these are in accordance with the books of accounts maintained by the company.

**Place: Bangalore**  
**Date: 21.04.2017**

**For Gowthama & Company**  
**Chartered Accountants**  
**Firm No: 005917S**

  
**H V Gowthama**  
**Partner**

**Mem. No: 014353**



**The Annexure-A referred to in our Report of even date to the members of Samasta Microfinance Limited, on the financial statements of the company for the year ended March 31, 2017.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- 1 (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) According to the information and explanation explained to us, fixed assets have been physically verified by the management during the year which, in our opinion, is reasonable having regard to the size of the company and the nature of its Assets. No material discrepancies were noticed on such verification.  
  
(c) The company does not hold any immovable properties, therefore this clause is not applicable to the company.
- 2 According to the information and explanation explained to us, The Company is a Non-Banking Financial Company ('NBFC') engaged in the business of providing loans. Therefore the provisions of this clause are not applicable to the Company.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loans, secured or unsecured, to companies, in the register maintained under Section 189 of the Act.
  - a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest
  - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangement do not stipulate any repayment schedule and the loans are repayable on demand.
  - c) There are no overdue amounts for more than five lakhs in respect of the loans granted to the in the register maintained under Section 189 of the Act.
4. According to the information and explanations given to us, the Company has not given loans, Investments and guarantees to which the provisions of the Section 185 and 186 of the companies Act, 2013 apply. Therefore this clause is not applicable to the company.



5. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not accepted any deposits covered under section 73 to 76 of the Companies Act or any other relevant provisions of the Companies Act or the rules framed there under or directions issued by RBI. Therefore this clause is not applicable to Company.
6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the companies act for any services rendered by the Company. Therefore this clause is not applicable to the company.
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth tax, Duty of customs, Duty of Excise, Value Added Tax and any other statutory dues with the appropriate authorities have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2017 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, there is no amounts payable in respect of Income Tax, Wealth tax, Sales tax, Service tax, duties of customs, duties of excise, Value Added Tax or Cess which have not been deposited on account of any disputes.
8. According to the information and explanations given to us and on the basis of our examination of the books of account, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
9. According to the information and explanations give to us and in our opinion, the money raised by way Private placed Debt instruments i.e. non Convertible Debenture and term loans were applied for the purpose for which those are raised.
10. According to the information and explanations given to us and based upon the audit procedures performed, we report that no fraud by the Company and no fraud on the company by its officers/employees has been noticed or reported during the year, nor have we been informed of such case by the management.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the companies act.
12. According to the information and explanations given to us and in our opinion, the Company is not a Nidhi Company and therefore clause is not applicable.
13. According to the Information and Explanation given to us, all the transactions with the related parties are in compliance with section 188 and 177 and where applicable the



details have been disclosed in the financial statements as required by the accounting standard and Companies Act 2013.

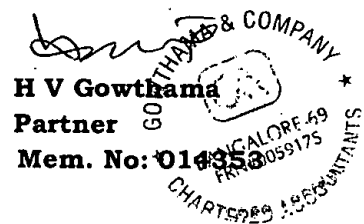
14. According to the Information and Explanation given to us, the company has made preferential allotment of shares during the year which is in accordance with Sec 42 of Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised.
15. According to the Information and Explanation provided to us, the company has not entered into any Non-cash transactions with Directors or persons connected with him and therefore this clause is not applicable to the company.
16. According to the Information and Explanation given to us, the company has obtained the registration under section 45-IA of the Reserve Bank of India Act, 1934.

**Place: Bangalore**  
**Date: 21.04.2017**

**For Gowthama & Company**  
**Chartered Accountants**  
**Firm No: 005917S**

  
**H V Gowthama**  
**Partner**

**Mem. No: 014353**



**'ANNEXURE-B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SAMASTA MICROFINANCE LIMITED**

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

We have audited the internal financial controls over financial reporting of Samasta Microfinance Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

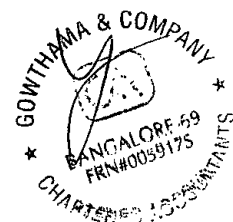
The Company's management is responsible for establishing and maintaining internal financial controls based on essential components such as the control environment, the entity's risk assessment process, control activities, Information system and communication and the monitoring of such controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 was 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 auditor's 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 Company's internal financial controls system over financial reporting.



### **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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls 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**

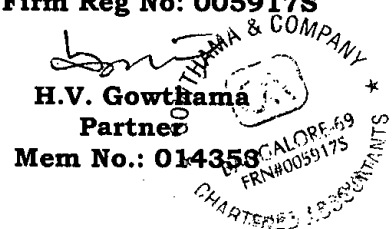
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on essential components such as the control environment, the entity's risk assessment process, control activities, Information system and communication and the monitoring of such controls.

**Date: 21.04.2017**  
**Place: Bangalore**

**For Gowthama and company**  
**Chartered Accountants**  
**Firm Reg No: 005917S**

  
**H.V. Gowthama**  
**Partner**

**Mem No.: 014358**





**BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars		As at current year ended 31st March, 2017 (Audited)	As at previous year ended 31st March, 2016 (Audited)
		Rs.	Rs.
<b>I</b>	<b>EQUITY AND LIABILITIES</b>		
(1)	<b>Shareholder's Funds</b>		
	(a) Share Capital	613,446,110	114,700,000
	(b) Reserves and Surplus	30,086,348	21,598,728
		<b>643,532,458</b>	<b>136,298,728</b>
(2)	<b>Non-Current Liabilities</b>		
	(a) Long-term borrowings	682,670,317	326,691,099
	(b) Long-term provisions	23,607,225	12,258,331
		<b>706,277,542</b>	<b>338,949,430</b>
(3)	<b>Current Liabilities</b>		
	(a) Other current liabilities	906,318,873	503,163,052
	(b) Short-term provisions	1,450,000	6,452,901
		<b>907,768,873</b>	<b>509,615,953</b>
	<b>Total</b>	<b>2,257,578,873</b>	<b>984,864,111</b>
<b>II</b>	<b>ASSETS</b>		
(1)	<b>Non-current assets</b>		
	(a) Fixed assets		
	(i) Tangible assets	21,315,419	10,016,410
	(ii) Intangible assets	725,220	856,799
	(b) Non-current investments	10,500,000	10,500,000
	(c) Deferred tax assets (Net)	4,787,015	2,823,812
	(d) Long-term loans and advances	-	-
	(e) Other non-current assets	544,347,843	308,797,826
		<b>581,675,497</b>	<b>332,994,847</b>
(2)	<b>Current assets</b>		
	(a) Trade Receivables	1,067,314,077	502,381,859
	(b) Cash and Cash equivalents	566,319,601	130,666,104
	(c) Short-term loans and advances	16,522,487	6,024,233
	(d) Other current assets	25,747,211	12,797,068
		<b>1,675,903,376</b>	<b>651,869,264</b>
	<b>Total</b>	<b>2,257,578,873</b>	<b>984,864,111</b>

**Note:** The unaudited financial results for the half year ended 31.03.2017 have been reviewed by the Audit Committee and approved by the Board of Directors vide Meeting dated 21.04.2017

The figures of the previous year have been regrouped and re-classified, wherever necessary, to conform to the current period's classification

For and on behalf of Samasta Microfinance Limited

N. Venkatesh  
 Managing Director  
 DIN: 01018821



Date: 21.04.2017  
 Place: Bangalore

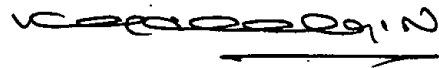
**STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED 31ST MARCH, 2017**

Particulars	Half Year ended 31st March, 2017 (Unaudited)	Corresponding half year in the previous year ended 31st March, 2016 (Unaudited)	Year to date figures ended 31st March, 2017 (Audited)	Previous Year ended 31st March, 2016 (Audited)
	Rs.	Rs.	Rs.	Rs.
<b>1. Interest earned (a)+(b)+(c)+(d)</b>				
(a) Interest/disc. on advances/ bills	83,112,561	73,328,244	197,194,881	151,192,794
(b) Income on Investments	-	-	-	-
(c) Interest on balances with Reserve Bank of India and other interbank funds	-	-	-	-
(d) Others	76,145,756	33,132,698	123,236,545	40,406,124
2. Other income	2,812,558	7,446,925	8,015,881	9,799,712
<b>3. Total Income (1+2)</b>	<b>162,070,875</b>	<b>113,907,867</b>	<b>328,447,287</b>	<b>201,398,630</b>
4. Interest Expended	48,319,357	53,672,846	138,500,056	97,958,479
<b>5. Operating Expenses (I)+(II)</b>				
(I) Employee benefits expenses	70,896,540	26,252,807	112,174,369	49,396,519
(II) Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	36,589,927	19,528,807	61,021,312	34,036,985
<b>6. Total Expenses (4+5) excluding provisions and contingences</b>	<b>155,805,824</b>	<b>99,454,460</b>	<b>311,695,737</b>	<b>181,391,983</b>
<b>7. Operating Profit before Provisions and Contingences (3-6)</b>	<b>6,265,051</b>	<b>14,453,407</b>	<b>16,751,550</b>	<b>20,006,647</b>
8. Provisions (other than tax) and Contingences	7,544,836	1,026,016	10,517,255	1,077,402
9. Exceptional items	-	-	-	-
<b>10. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)</b>	<b>(1,279,785)</b>	<b>13,427,391</b>	<b>6,234,295</b>	<b>18,929,245</b>
<b>11. Tax expenses-</b>				
(a) Current tax	(2,442,390)	3,700,000	107,610	5,350,000
(b) Deferred tax	(1,126,388)	-1,076,077	(1,963,203)	(1,076,077)
<b>12. Net Profit(+)/ Loss(-) from Ordinary Activities after tax (10-11)</b>	<b>2,288,993</b>	<b>10,803,468</b>	<b>8,089,888</b>	<b>14,655,322</b>
13. Extraordinary items (net of tax expense)	-	-	-	-
<b>14. Net Profit (+)/ Loss (-) for the period (12-13)</b>	<b>2,288,993</b>	<b>10,803,468</b>	<b>8,089,888</b>	<b>14,655,322</b>
15. Paid-up equity share capital (Equity shares of Rs.10 each)	613,446,110	10,47,00,000	613,446,110	10,47,00,000
16. Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	26,686,725	9,720,250	30,086,348	21,598,728
<b>17. Analytical Ratios-</b>				
(i) Capital Adequacy Ratio	44.37%	17.76%	44.37%	17.76%
(ii) Earnings per Equity Share (Face value of Rs.10/- each):				
(a) Basic	0.04	1.03	0.59	1.40
(b) Diluted	0.04	1.03	0.59	1.40
<b>18. NPA Ratios-</b>				
a) Gross NPA (in lakh)	8.37	19.73	8.37	19.73
b) % of Gross NPA	0.06%	0.28%	0.06%	0.28%
c) Return on Assets	1.01%	1.72%	0.50%	1.72%

\*strike off whichever is not applicable

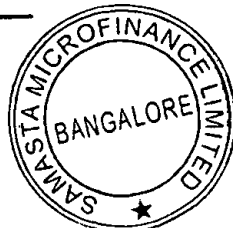
- Note:** 1. Employee cost under Operating expenses to include all forms of consideration in exchange for services rendered by employees. It should also include provisions for post-employment benefits such as gratuity, pension, other retirement benefits, etc.
2. Extraordinary items as defined in Accounting Standard 5 as income or expenses that arise from the ordinary activities of the enterprise and therefore, are not expected to recur frequently or regularly.
3. The Audited financial results for the year ended 31.03.2017 have been reviewed by the Audit Committee and approved by the Board of Directors vide Meeting dated 21.04.2017
4. The figures of the previous year have been regrouped and re-classified wherever necessary, to conform to the current period's classification.

For and on behalf of Samasta Microfinance Limited



N. Venkatesh  
 Managing Director  
 DIN: 01018821

Date: 21.04.2017  
 Place: Bengaluru





May 02, 2017

To,  
**The BSE Limited,**  
P J Towers,  
Dalal Street,  
Mumbai -400001.

Dear Sirs,

**Sub: Details of Non-Convertible Debentures pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 - Half yearly ended 31<sup>st</sup> March, 2017**

With reference to the above subject, we submit herewith the information and documents as per the provisions of Uniform Listing Agreement: entered into with the Stock Exchanges where Debt Securities of the Company are listed and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 thereunder, for dissemination to the debenture holders as mentioned below:

a) Credit rating and change in credit rating (if any):

S.No.	NCD Facility	Rated By	Rating
1	Rs.10 Crores	ICRA Limited	[ICRAI BBB (SO)]

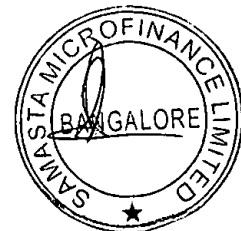
We confirm that the credit rating is not downgraded since the date of issue of said Non-Convertible Debentures.

b) Asset Cover available -NA, the Company being a NBFC.

c) The Debt Equity Ratio as on 31.03.2017 is 2.27 times.

d) The previous due date for payment of interest / repayment of principal on NCDs and whether the same has been paid or not for the half year ending on 31.03.2017 are as under:

Details of redemption & payment of interest paid during last half year ending 31.03.2017:



SAMASTA MICRO FINANCE LIMITED  
CIN:U65191KA1995PLC057884

Series / Tranche	Type (Principal / Interest)	Amount (Rs.)
CBO XIII	Principal	2,50,00,000
	Interest	36,19,221

e) The next due date for payment of interest / principal along with the amount of interest and the redemption amount on said NCDs during next half-year i.e., 01.04.2017 to 30.09.2017 are as under:

Details of redemption & interest due in the next half-year:

Series Tranche	Type (Principal / Interest)	Due date of payment	Amount (Rs.)
CBO XIII	Principal	27/04/2017	4,166,700
	Interest	27/04/2017	470,570
	Principal	26/05/2017	4,166,700
	Interest	26/05/2017	400,059
	Principal	27/06/2017	4,166,600
	Interest	27/06/2017	397,496
	Principal	27/07/2017	4,166,700
	Interest	27/07/2017	331,138
	Principal	25/08/2017	4,166,700
	Interest	25/08/2017	280,041
	Principal	27/09/2017	4,166,600
	Interest	27/09/2017	273,324

We do not expect default in payment of principal / interest due in next half year.

f) Debenture Redemption Reserve: Not applicable

g) Net worth as on 31.03.2017 is 6435.32 Lakh

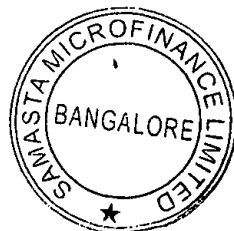
h) Net profit after tax for the year ended 31.03.2017 is 80.89 Lakh

i) Earnings per share for the year ended 31.03.2017 is 0.59

We request you to take the above on record.

**For Samasta Microfinance Limited,**

  
**Sutteja K.J**  
**Company Secretary**



No.CTL/DEB/17-18/Noting Certificate  
02 May, 2017

To Whomsoever It May Concern,

**CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION**

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **Samasta Microfinance Limited** (“**the Company**”) for the Half year ended March 31, 2017.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited

  
Authorised Signatory



Date: 02 May, 2017

