



**Lakshmeenarayan Bhat** B.Com, CS  
**Practicing Company Secretary**  
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Date: 11 May 2020

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**For the financial year ended 31<sup>st</sup> March 2020**

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

To,  
The Members,  
**Samasta Microfinance Limited**  
418, 1/2A, 4<sup>th</sup> Cross, 6<sup>th</sup> Main, Wilson Garden  
Bangalore -560027

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Samasta Microfinance Limited** (herein after called the 'Company'). 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 the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided and representation made 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 covering the financial year ended on 31<sup>st</sup> March 2020 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 and subject to the reporting made hereinafter:

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 31<sup>st</sup> March 2020 according to the provisions of:

1. The Companies Act, 2013(the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made

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there under;

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - The Securities and Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulation, 2015;
  - The Prevention of Money Laundering Act, 2002 and Rules framed there under
5. Directions, Guidelines and Notifications issued by the Reserve Bank of India from time to time with respect to the 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs)

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- b) The Listing Agreements entered in to by the Company with Bombay Stock Exchange(s) & National Stock Exchange w.r.t. Debt listing

I further report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. 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.



Other statutes, Acts, laws, Rules, Regulations, Guidelines and Standards etc., as applicable to the Company are given below:

Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;

- (i) Acts as prescribed under Direct Tax and Indirect Tax;
- (ii) Acts prescribed under prevention and control of pollution;
- (iii) Acts prescribed under environmental protection;
- (iv) Land Revenue laws of respective States;
- (v) Labour Welfare Act of respective States; and
- (vi) Local laws as applicable to various offices of the Company.

Further, Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the Company has undertaken following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

1. The Company has shifted its registered office from No.418, 1/2A,th Cross, 6<sup>th</sup> Main, Wilson Garden Bangalore-560027 to No.110/3,Lalbhag Road, Krishnappa Layout,



Bangalore-560027 i.e., within the local limits of the Bangalore city with effect from 27<sup>th</sup> May 2019.

2. Rights issue made during the year:

Sl. No.	Issue Size	Date of Allotment	Nature of Security
1.	29,708,853	30 <sup>th</sup> September 2019	Equity Shares
2.	28,248,587	4 <sup>th</sup> March 2020	Equity Shares
3.	28,248,587	24 <sup>th</sup> March 2020	Equity Shares

3. The Authorized Share Capital of the Company was increased from Rs.180,50,00,000 (Rupees One Hundred Eighty Crore Fifty Lakh Only) divided into 17,85,00,000 (Seventeen Crore Eighty-Five Lakh Only) Equity shares of Rs.10 each (Rupees Ten only) aggregating to Rs.178,50,00,000 (Rupees One Hundred Seventy-Eight Crore Fifty Lakh Only), and 20,00,000 (Twenty Lakh Only) Preference Shares of Rs. 10/- (Rupees Ten Only) aggregating to Rs.2,00,00,000 (Rupees Two Crore Only) comprising of 1,45,000 (One Lakh Forty Five Thousand Only) Redeemable Non-Convertible Cumulative Preference Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs.14,50,000 (Rupees Fourteen Lakh and Fifty Thousand Only) and 18,55,000 (Eighteen Lakh Fifty Five Thousand Only) Preference Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.1,85,50,000 (Rupees One Crore Eighty Five Lakh and Fifty Thousand Only) to Rs.215,50,00,000 (Rupees Two Hundred Fifteen Crore Fifty Lakhs Only) divided into 21,35,00,000 (Twenty Crore Eighty-Five Lakh Only) Equity shares of Rs. 10 (Rupees Ten only) each aggregating to Rs.213,50,00,000 (Rupees Two Hundred Thirteen Crore Fifty Lakh Only), and 20,00,000 (Twenty Lakh Only) Preference Shares of Rs. 10/- (Rupees Ten Only) aggregating to Rs.2,00,00,000 (Rupees Two Crore Only) comprising of 1,45,000 (One Lakh Forty Five Thousand Only) Redeemable Non-Convertible Cumulative Preference Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs.14,50,000 (Rupees Fourteen Lakh and Fifty Thousand Only) and 18,55,000 (Eighteen Lakh Fifty Five Thousand Only) Preference Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.1,85,50,000 (Rupees One Crore Eighty Five Lakh and Fifty Thousand Only) vide Extra-Ordinary General Meeting held on 23<sup>rd</sup> September 2019.



4. Further the Authorized Share Capital of the Company was increased from Rs.215,50,00,000 (Rupees Two Hundred Fifteen Crore Fifty Lakhs Only) divided into 21,35,00,000 (Twenty Crore Eighty-Five Lakh Only) Equity shares of Rs. 10 (Rupees Ten only) each aggregating to Rs.213,50,00,000 (Rupees Two Hundred Thirteen Crore Fifty Lakh Only), and 20,00,000 (Twenty Lakh Only) Preference Shares of Rs. 10/- (Rupees Ten Only) aggregating to Rs.2,00,00,000 (Rupees Two Crore Only) comprising of 1,45,000 (One Lakh Forty Five Thousand Only) Redeemable Non-Convertible Cumulative Preference Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs.14,50,000 (Rupees Fourteen Lakh and Fifty Thousand Only) and 18,55,000 (Eighteen Lakh Fifty Five Thousand Only) Preference Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.1,85,50,000 (Rupees One Crore Eighty Five Lakh and Fifty Thousand Only) to Rs. 300,00,00,000 (Rupees Three Hundred Crores Only) divided into 29,80,00,000 (Twenty-Nine Crore Eighty Lakh Only) Equity shares of Rs. 10 (Rupees Ten only) each aggregating to Rs. 298,00,00,000 (Rupees Two Hundred Ninety- Eight Crore Only), and 20,00,000 (Twenty Lakh Only) Preference Shares of Rs. 10/- (Rupees Ten Only) aggregating to Rs.2,00,00,000 (Rupees Two Crore Only) comprising of 1,45,000 (One Lakh Forty-Five Thousand Only) Redeemable Non-Convertible Cumulative Preference Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs.14,50,000 (Rupees Fourteen Lakh and Fifty Thousand Only) and 18,55,000 (Eighteen Lakh Fifty-Five Thousand Only) Preference Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.1,85,50,000 (Rupees One Crore Eighty-Five Lakh and Fifty Thousand Only) vide Extra-Ordinary General Meeting held on 24<sup>th</sup> January 2020
5. The subscribed and paid up capital of the Company has increased form Rs. 1,78,03,91,130 to 2,359,965,530 by way of rights issue of 86,206,027 Equity shares issued to India Infoline Finance Limited during the reporting period.


Lakshmeenarayan Bhat

**Practicing Company Secretary**

ACS No: 35993

CP No. 15003

Date:11<sup>th</sup> May 2020

Place: Bengaluru

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

*Annexure A'*

To,

The Members,

**Samasta Microfinance Limited**

418, 1/2A, 4<sup>th</sup> Cross, 6<sup>th</sup> Main, Wilson Garden

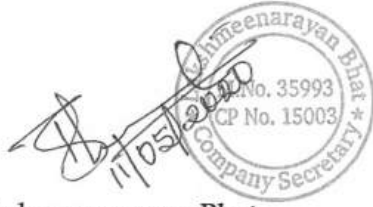
Bangalore -560027

*Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.*
2. *We have followed the audit practices and processes 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.*
3. *We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.*
4. *Where ever required, we 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. Our examination was limited to the verification of procedures 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.*



7. *We have prepared the Secretarial Audit Report on the draft Financials, therefore we are not able to comment on the Related Party Transactions, Loans, and advances which we have rely on the Audited Financials.*



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**Practicing Company Secretary**  
ACS No: 35993  
CP No. 15003  
Date:11<sup>th</sup> May 2020  
Place: Bengaluru