



**SONATA
FINANCE PVT.LTD.**

AUDITED FINANCIAL STATEMENT

Year ended 31st March, 2012.

Corporate Office:

125B/6B, Pt. Madan Mohan Malviya Road,
Geroge Town , Allahabad – 211002
Phone No. 0532-6540311, 6540326

Vinay Kumar & Co.

CHARTERED ACCOUNTANTS

ALLAHABAD-KANPUR-NEWDELHI-KOLKATA-LUCKNOW

Chandra Shekhar Azad Market Complex, 5 Sardar Patel Marg,

Civil Lines, Allahabad 211001, U.P., India.

Phones Office: 91-0532-2408602; 2408839 Fax: 91-0532-2408839

Phones after office hours: 91-0532-2261380; 2400920; 2548088

Email: vinaykumarandco@gmail.com agvinay@hotmail.com

AUDITOR'S REPORT

**To the Members of
Sonata Finance Private Limited**

Report on the Financial Statements

We have audited the attached Balance Sheet of **M/s SONATA FINANCE PVT. LTD.**, as at **31st MARCH, 2012** and the Statement of Profit and Loss of the company and also the Cash Flow Statement of the company for the year ended on that date annexed thereto.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the said accounts together with the statement of Accounting Policies and Notes on Accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:



- (i) In the case of the Balance Sheet of the state of affairs, of the company as at 31st MARCH, 2012 and;
- (ii) In the case of Statement of Profit & Loss of the PROFIT for the year ended on that date;
- (iii) In the case of Cash Flow Statement 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, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31 March 2012, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

for **VINAY KUMAR & CO.**
Chartered Accountants
FRNO: 00719C



(Signature)
(W.K. AGRAWAL)
Partner
M No. 013795

Place: Allahabad
Date: 15 JUNE 2012

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF AUDIT REPORT OF
EVEN DATE**

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The company is in the process of updating the particulars of additions to fixed assets pertaining to the year under audit.
 - (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - (c) As per the records of the company, it has not disposed off any fixed assets during the year
2. The company is in the business of financing and hence it does not hold any Finished Goods, Stores, Spare Parts and Raw materials, the relevant clause is not applicable.
3. As per information and explanation given to us the company has taken unsecured loan of Rs. 2,00,00,000/- from Bellwether Micro Finance Fund Pvt. Ltd. Considering the market trend for such type of transactions, the interest and other terms and conditions for transactions with the parties listed in register maintained in pursuance of section 301 of the Act are reasonable and prima-facie not prejudicial to the interest of the company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business.
5. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Sections 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
6. In our opinion, the internal audit system of the company is commensurate with its size and the nature of its business.
7. According to the information and explanations given to us, the cost records under section 209 (1) (d) of the Companies Act, 1956 is not applicable to the company. Accordingly clause 4 (viii) of the order is not applicable.
8. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has



- been regular in depositing statutory dues with appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed dues payable in respect of income-tax, wealth tax and cess were outstanding at 31st March, 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues in respect of income tax, wealth tax and cess that have not been deposited with the appropriate authorities on account of any dispute.
9. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding year.
10. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank and has not issued any debentures.
11. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the order is not applicable.
12. The company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4 (xiii) of the order is not applicable.
13. The Company has generally kept adequate records of its transactions in securities and other investments and timely entries have been made therein. The investments owned by the company are held in the Company's name.
14. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.
15. In our opinion, the term loans have been applied for the purpose for which they were obtained.
16. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the funds raised for the relevant purpose has been utilized for the specific purposes.



17. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
18. The company has not issued any debentures. Accordingly, clause 4 (xix) of the order is not applicable.
19. The company has not raised any money by public issues during the year. Accordingly, clause 4 (xx) of the order is not applicable.
20. During the course of our examination of the books of accounts carried on in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any major instance of fraud on or by the company.

for **VINAY KUMAR & CO.**
Chartered Accountants
FRNO: 00719C



V.K. Agrawal
(V.K. AGRAWAL)
Partner
M No. 013795

Place: Allahabad
Date: 15 JUNE 2012

Vinay Kumar & Co.

CHARTERED ACCOUNTANTS

ALLAHABAD-KANPUR-NEWDELHI-KOLKATA-LUCKNOW

Chandra Shekhar Azad Market Complex, 5 Sardar Patel Marg,
Civil Lines, Allahabad 211001, U.P., India.

Phones Office: 91-0532-2408602; 2408839 Fax: 91-0532-2408839

Phones after office hours: 91-0532-2261380; 2400920; 2548088

Email: vinaykumarandco@gmail.com agvinay@hotmail.com

Auditors' Report

Pursuant to the Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998, under sub-section(1) of section 45MA of the Reserve Bank of India Act, 1934, we report the following;

1. On the basis of documents produced before us, we report that the company is registered under Section 45IA of the Reserve Bank Of India Act, 1934, and has obtained a certificate of registration from the Reserve Bank Of India, registration number being B-12.00445 dated: 6th October 2008 (earlier no: B-09-00329 dated: 10th April 2001)
2. The company has not been accepting / holding public deposit accordingly, clause (B) of the order is not applicable.
3. (a) As per the minutes produced before us, the board of directors had passed a resolution for non acceptance of public deposit in the company.
(b) As per the records produced and explanations given to us, the company has not accepted any public deposit during the year under audit.
(c) Upon an overall view and as per the records and documents produced before us, the norms for provisions, income recognition, accounting standard, asset classification have been complied with by the company.
4. The company is holding Certificate of Registration and therefore requirements to clause (D) of the order is not applicable.

for **VINAY KUMAR & CO.**

Chartered Accountants

FRNO: 00719C



(Signature)

(K. AGRAWAL)

Partner

M No. 013795

Place: Allahabad
Date: 15 JUNE 2012

SONATA FINANCE PRIVATE LIMITED

BALANCE SHEET

PARTICULARS	Notes	AS ON 31.03.12 Rs.	AS ON 31.03.11 Rs.
I. Equities & Liabilities			
(1) SHAREHOLDERS FUNDS:			
(a) Share Capital	1	83,406,950.00	83,406,950.00
(b) Reserves & Surplus	2	316,845,641.56	279,600,259.53
(c) Money Received Against Share Warrants			
(2) Share Application Money Pending Allotment			
(3) Non Current Liabilities :			
(a) Long Term Borrowings			
Secured Loans	3	707,923,565.00	686,267,969.88
Unsecured Loans		20,000,000.00	-
(b) Deferred Tax Liabilities (Net)			
(c) Other Long Term Liabilities			
(d) Long Term Provisions			
(4) Current Liabilities			
a) Short Term Borrowings			
b) Trade Payables			
c) Other Current Liabilities	9	27,133,798.84	18,868,303.34
d) Short Term Provisions		20,903,203.30	25,427,024.00
TOTAL		1,176,213,158.70	1,093,570,506.75
II. ASSETS			
NON CURRENT ASSETS :			
I. Fixed Assets			
a) Tangible Assets			
Gross Block	5	14,752,877.65	13,757,459.65
Less: Accumulated Depreciation		7,658,691.00	5,556,134.00
NET BLOCK		7,094,186.65	8,201,325.65
b) Intangible Assets		0.00	0.00
c) Capital Work in Progress		0.00	0.00
d) Intangible Assets Under Development		0.00	0.00
II. Non Current Investments	4	62,051,560.18	31,809,152.36
III. Deferred Tax Assets (Net)		1,021,566.00	1,063,521.00
IV. Long Term Loans and Advances		0.00	0.00
V. Other Non- Current Assets		0.00	0.00
Total		70,167,312.83	41,073,999.01
CURRENT ASSETS			
(a) Current Investments-Micro Loans to Poor Women			
Total Loan Portfolio in SHG		949,418,211.00	800,160,359.00
Less : Managed Portfolio in SHG		585,158,244.00	79,259,937.00
Owned Loan Portfolio in SHG	6	364,259,967.00	720,900,422.00
Individual Loan		59,112,463.20	20,032,035.00
Utility Finance		516,921.00	0.00
		423,889,351.20	740,932,457.00
(b) Inventories			
(c) Trade Receivables			
(d) Cash & Cash Equivalents	7	616,531,279.14	280,995,354.29
(e) Short term Loans and Advances			
(f) Other Current Assets	8	65,625,215.53	30,568,696.45
TOTAL		1,106,045,845.87	1,052,496,507.74
TOTAL		1,176,213,158.70	1,093,570,506.75

As per our report of even date
for **VINAY KUMAR & CO.,**
Chartered Accountants

for **SONATA FINANCE PRIVATE LIMITED**

Allahabad
Date:

15 JUN 2012

(V. K. AGRAWAL)
Partner

Membership No. 13795

(ANUP KUMAR SINGH)
Managing Director

(VISHAL BHARAT)
Director

(SHALINI BAGHEL)
COMPANY SECRETARY



SONATA FINANCE PRIVATE LIMITED
Statement of PROFIT AND LOSS

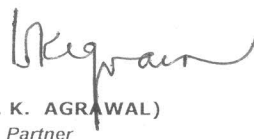
PARTICULARS	NOTES	FOR THE	FOR THE
		PERIOD ENDED	YEAR ENDED
		31.03.12	31.03.11
		Rs.	Rs.
I) REVENUE FROM OPERATIONS			
Interest from Micro Credit Loans	6(a)	22,93,42,601.72	23,57,14,593.60
Processing Fees		1,40,82,267.08	1,37,20,740.10
Income from Portfolio Sale		71,24,125.00	47,08,082.00
II)Other Income	10	1,55,68,234.28	1,08,20,798.90
TOTAL REVENUE		26,61,17,228.08	26,49,64,214.60
2) EXPENSES:			
Salaries, benefits to personnel	11	8,24,39,293.00	7,97,48,700.00
Administrative Expenses	12	3,29,49,663.42	2,30,08,830.35
Finance Charges	13	8,29,91,044.53	8,25,70,694.85
Provision for Doubtful Debts	6	25,41,510.80	6,11,562.00
Bad Loan written off	6	46,40,861.00	34,96,692.00
Business Infrastructure Acquisition Exp - written off	8(b)	2,61,758.00	2,61,758.00
Depreciation		21,02,557.00	22,26,949.00
TOTAL EXPENSES		20,79,26,687.75	19,19,25,186.20
PROFIT BEFORE EXCEPTIONAL & EXTRAORDINARY ITEMS AND TAX		5,81,90,540.33	7,30,39,028.40
Less : Exceptional Items		0.00	0.00
PROFIT BEFORE EXTRAORDINARY ITEMS & TAX		5,81,90,540.33	7,30,39,028.40
Less : Extraordinary Items		0.00	0.00
PROFIT BEFORE TAX		5,81,90,540.33	7,30,39,028.40
Tax Expense			
Less: PROVISION FOR TAXATION - Current		2,09,03,203.30	2,54,27,024.00
Less: F B T Tax		-	0.00
Less: DEFERRED TAX LIABILITY\ (ASSETS)		41,955.00	2,25,954.00
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		3,72,45,382.03	4,73,86,050.40
PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS		0.00	0.00
Tax Expense of Discontinuing Operations			
PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS (After Tax)		0.00	0.00
Less: Reserve Fund @ 20%		74,57,467.00	95,22,401.00
PROFIT/(LOSS) FOR THE PERIOD		2,97,87,915.03	3,78,63,649.40
ADD : PREVIOUS YEAR PROFIT/(LOSS) BALANCE BROUGHT FORWARD		5,67,56,512.53	1,88,92,863.13
TOTAL PROFIT/(LOSS) CARRIED TO BALANCE SHEET		8,65,44,427.56	5,67,56,512.53
No of Shares Outstanding		83,40,695.00	83,40,695.00
EPS Basic		4.47	5.68
EPS Diluted		5.00	5.68

As per our report of even date
for VINAY KUMAR & CO.,
Chartered Accountants

for SONATA FINANCE PRIVATE LIMITED

Allahabad
Date:

15 JUN 2012


(V. K. AGRAWAL)
Partner

Membership No. 13795


(ANUP KUMAR SINGH)
Managing Director


(VISHAL BHARAT)
Director


SHALINI BAGHEL
(COMPANY SECRETARY)



SONATA FINANCE PRIVATE LIMITED

Note 1

SHARE CAPITAL:

AUTHORISED
10,000,000 Equity Shares of Rs. 10/- each

5,000,000 Preference Shares of Rs.10/- each

	AS ON 31.03.12 Rs.	AS ON 31.03.11 Rs.
	10,00,00,000.00	10,00,00,000.00
	5,00,00,000.00	5,00,00,000.00
	15,00,00,000.00	15,00,00,000.00

ISSUED, SUBSCRIBED & PAID UP CAPITAL

8,340,695 Equity Shares of Rs 10/- each fully paid up
(Of the above shares, 1,250,000 shares are held by Sonata Employee Welfare Trust .)

Nil Preference Shares

TOTAL

	8,34,06,950.00	8,34,06,950.00
	0.00	0.00
	8,34,06,950.00	8,34,06,950.00

Note 2

RESERVE & SURPLUS

Reserve Fund:
Opening Balance
Add : Transfer during the year
Securities Premium
Profit and Loss Account

1,59,13,369
74,57,467

TOTAL

	2,33,70,836.00	1,59,13,369.00
	20,69,30,378.00	20,69,30,378.00
	8,65,44,427.56	5,67,56,512.53
	31,68,45,641.56	27,96,00,259.53

As per our report of even date
for **VINAY KUMAR & CO.,**
Chartered Accountants

for **SONATA FINANCE PRIVATE LIMITED**

Allahabad
Date:

15 JUN 2012

(Signature)
(V. K. AGRAWAL)
Partner
Membership No. 13795

(Signature)
(ANUP KUMAR SINGH)
Managing Director

(Signature)
(VISHAL BHARAT)
Director

(Signature)
(SHALINI BAGHEL)
Company Secretary



