

SONATA FINANCE PRIVATE LIMITED

BALANCE SHEET AS ON 31st MARCH 2006

PARTICULARS	SCHEDULES	AS ON	AS ON
		31.03.06 Rs.	31.03.05 Rs.
I. SOURCE OF FUNDS:			
SHAREHOLDERS FUNDS:	A		
Share Capital		7,500,000	3,223,000
Reserve Fund		18,705	18,705
LOAN FUNDS:			
Secured Loans	B	5,000,000	0
Unsecured Loans	C	2,500,000	0
TOTAL		15,018,705	3,241,705
II. APPLICATION OF FUNDS:			
FIXED ASSETS			
Gross Block	D	531,097	22,874
Less: Depreciation Block		31,502	4,140
NET BLOCK		499,595	18,734
INVESTMENTS	E	0	53,390
CURRENT ASSETS, LOANS & ADVANCES	F		
A) Cash & Bank Balances		8,443,624	187,990
B) Loans & Advances			
a) Loans to Poor Women in Self Help Groups		3,154,336	0
b) Advances and Other Receivables		97,243	2,622,380
		11,695,203	2,810,370
LESS: Current Liabilities & Provisions	G		
a) Current Liabilities		406,307	28,189
b) Provisions		0	14,459
		406,307	42,648
NET CURRENT ASSETS		11,288,896	2,767,722
DEFERRED TAX ASSET		513,930	50,671
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	H	1,291,650	0
Profit & Loss A/c		1,424,634	351,188
TOTAL		15,018,705	3,241,705
NOTES ON ACCOUNTS	M		

AS PER OUR REPORT OF
EVEN DATE ATTACHED:
For M V NARAYANA REDDY & Co.,
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

ANUP KUMAR SINGH
MANAGING DIRECTOR

S KOTI REDDY
PARTNER

RAKESH DUBEY
DIRECTOR

PLACE: HYDERABAD
DATE: 08-08-2006

SONATA FINANCE PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2006

PARTICULARS	SCHEDULES	FOR THE	FOR THE
		YEAR ENDED	YEAR ENDED
		31.03.06	31.03.05
		Rs.	Rs.
1) INCOME:			
Interest Income from Micro Credit Loans		62,860	0
Processing Fees		69,200	0
Interest		133,854	421,130
Other Income	I	37,842	9,465
Reversal of NPA Provisions		0	38,000
TOTAL		303,756	468,595
2) EXPENDITURE:			
Salaries, benefits to employees	J	856,921	241,800
Administrative Expenses	K	536,934	177,445
Finance Charges	L	59,651	0
Depreciation		31,502	4,140
Preliminary Exp. written off		32,412	1,800
Pre - operative Exp - written off		290,500	0
TOTAL		1,807,920	425,185
PROFIT/(LOSS) FOR THE YEAR		(1,504,164)	43,410
PROVISION FOR TAX			
Less: Current Tax		0	14,459
Less: F B T Tax		32,541	
Add: Deferred Tax Asset		463,259	9,962
		(1,073,446)	38,913
Less: Reserve Fund @ 20%		0	5,791
PROFIT/(LOSS) TRANSFERRED TO BALANCE SHEET		(1,073,446)	33,122
ADD : PREVIOUS YEAR BALANCE		(351,188)	(384,310)
TOTAL LOSS CARRIED TO BALANCE SHEET		(1,424,634)	(351,188)

NOTES ON ACCOUNTS

M

AS PER OUR REPORT OF
EVEN DATE ATTACHED:
For M V NARAYANA REDDY & Co.,
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

ANUP KUMAR SINGH
MANAGING DIRECTOR

S KOTI REDDY
PARTNER

RAKESH DUBEY
DIRECTOR

PLACE: HYDERABAD
DATE: 08-08-2006

SONATA FINANCE PRIVATE LIMITED

<u>SCHEDULE - A</u>	<u>AS ON</u>	<u>AS ON</u>
	<u>31.03.06</u>	<u>31.03.05</u>
	Rs.	Rs.
<u>SHARE CAPITAL:</u>		
AUTHORISED 2,000,000 Equity Shares of Rs.10/- each	<u>20,000,000</u>	<u>3,500,000</u>
<u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>		
7,50,000 Equity Shares(Previous Year 3,22,300 equity shares) of Rs.10/- each fully paid up	7,500,000	3,223,000
TOTAL	<u>7,500,000</u>	<u>3,223,000</u>
 <u>SCHEDULE - B</u>		
SECURED LOANS - From H D F C Bank	5,000,000	0
TOTAL	<u>5,000,000</u>	<u>0</u>
 <u>SCHEDULE - C</u>		
UN-SECURED LOANS - Convertible loan from M/s Bellwether Microfinance Fund Pvt. Ltd.	2,500,000	0
TOTAL	<u>2,500,000</u>	<u>0</u>

SONATA FINANCE PRIVATE LIMITED

<u>SCHEDULE - E</u>	<u>AS ON</u>	<u>AS ON</u>
	<u>31.03.06</u>	<u>31.03.05</u>
	Rs.	Rs.
<u>INVESTMENTS:</u>		
QUOTED SHARES		
1000 Equity Shares of Maruthi Plastics Limited (Market Value Rs.600/-)	0	1,000
166 Equity Shares of Bambino Agro-Tech Limited (Market Value - Rs.2,988/-)	0	2,575
2000 Equity Shares of Ravileela Granites Limited (Market Value - Rs.1,900/-)	0	1,900
3000 Equity Shares of G R Cables Limited (Market Value - Rs.31,520/-)	0	10,000
500 Equity Shares of Konar Organics Limited (Market Value - Rs.575/-)	0	575
1500 Equity Shares of Hemadri Cement Limited (Market Value - Rs.6,000/-)	0	6,000
1800 Equity Shares of Shri Krishna Drugs Limited (Market Value - Rs.44,280/-)	0	30,240
1000 Equity Shares of Nagarjuna Finance Limited (Market Value - Rs.3,050/-)	0	1,100
TOTAL	<u>0</u>	<u>53,390</u>

SCHEDULE - F

CURRENT ASSETS, LOANS & ADVANCES:

A. CASH AND BANK BALANCES

Cash in hand	0	167,080
Balances with Scheduled Bank		
- In Current Account	7,943,624	20,910
- In Fixed Deposit	500,000	0

Total (A)

8,443,624 **187,990**

SONATA FINANCE PRIVATE LIMITED

B. LOANS & ADVANCES:

a) LOANS TO POOR WOMEN IN SELF HELP GROUPS:

Receivables from Self Help Groups		3,154,336	0
	Total (a)	<u><u>3,154,336</u></u>	<u><u>0</u></u>

b) ADVANCES AND OTHER RECEIVABLES:

Other Amounts Recoverable		86,928	0
Loans Receivables		0	2,580,748
Interest Receivable		0	25,317
Prepaid Income Tax		0	5,000
Deposits		0	1,000
Income Tax		503	503
Tax on Interest		9,812	9,812

	Total (b)	<u><u>97,243</u></u>	<u><u>2,622,380</u></u>
	Total (a+b)[B]	<u><u>3,251,579</u></u>	<u><u>2,622,380</u></u>
	TOTAL (A + B)	<u><u>11,695,203</u></u>	<u><u>2,810,370</u></u>

SCHEDULE - G

CURRENT LIABILITIES:

Creditors for expenses		406,307	24,067
Interest received in advance		0	4,122

	Total (A)	<u><u>406,307</u></u>	<u><u>28,189</u></u>
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PROVISIONS:

Provision for Income Tax	Total (B)	<u><u>0</u></u>	<u><u>14,459</u></u>
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	TOTAL (A + B)	<u><u>406,307</u></u>	<u><u>42,648</u></u>
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SCHEDULE - H

MISCELLANEOUS EXPENDITURE:

(to the extent not written off or adjusted)

Preliminary Expenses		162,062	1,800
LESS : 1/5th Written Off		32,412	1,800

	Total (A)	<u><u>129,650</u></u>	<u><u>0</u></u>
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Pre-Operative Expenses		1,452,500	0
LESS : 1/5th Written Off		290,500	0

	Total(B)	<u><u>1,162,000</u></u>	<u><u>0</u></u>
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	TOTAL (A + B)	<u><u>1,291,650</u></u>	<u><u>0</u></u>
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SONATA FINANCE PRIVATE LIMITED

	FOR THE YEAR ENDED <u>31.03.06</u> Rs.	FOR THE YEAR ENDED <u>31.03.05</u> Rs.
<u>SCHEDULE - I</u>		
OTHER INCOME:		
Interest	39	2,700
Profit on sale of Shares	37,803	6,625
Interest on Refund Due	0	140
TOTAL	37,842	9,465
<u>SCHEDULE - J</u>		
SALARIES & BENEFITS TO EMPLOYEES		
Director's Remuneration	268,927	84,000
Salaries	114,845	157,800
Probationary Period Salaries	314,936	0
Incentivas	158,213	0
TOTAL	856,921	241,800
<u>SCHEDULE - K</u>		
OTHER ADMINISTRATIVE EXPENDITURE:		
Rent	97,900	33,600
Printing & Stationary	39,207	5,944
Travelling & Conveyance	186,034	19,779
Staff Welfare Exp	5,586	10,220
Postage & Telegrams	212	1,321
Electricity Charges	3,043	5,877
Telephone Charges	42,629	23,756
Office Maintenance	4,635	9,521
Auditor's Fee	30,060	16,530
Professional Charges	22,000	21,000
Miscellaneous Expenditure	45,011	14,247
Monitoring Expenses	14,500	0
Filing Fee	12,563	1,500
Business Promotion Expenses	0	14,150
Board Meeting Expenses	1,684	0
Rates and Taxes	10,948	0
Training and Recruitment Expenses	20,922	0
TOTAL	536,934	177,445
<u>SCHEDULE - L</u>		
FINANCE CHARGES		
Interest on Borrowings	12,466	0
Bank Charges	47,185	0
TOTAL	59,651	0