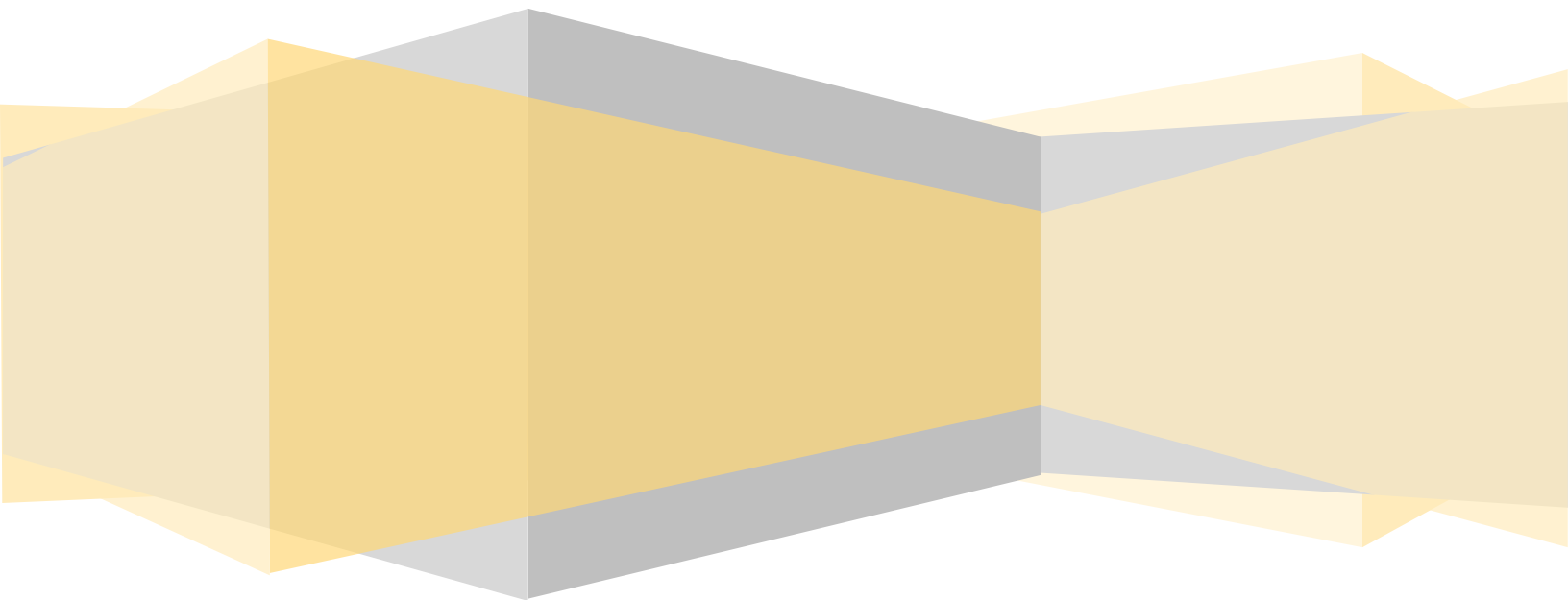


Sonata Finance Pvt. Ltd.

Annual Report

2014-2015



- Sonata Finance Private Limited is registered as a company under companies Act, 1956 (CIN- U65921UP1995PTC035286)
- The company is registered as (Non Deposit Taking) Non Banking Financial Company under section 45 IA of the Reserve Bank of India (Reg. No .B-12.00445)
- The Company is a microfinance institution established in January 2006 and based in North India.
- Memorandum of Association and Articles of Association of the Company are available on request.
- Visitors are welcome to the addresses on the contact us link on website www.sonataindia.com

Board of Directors

- *Anup Kumar Singh Managing Director*
- *Anal Kumar Jain, Independent Director*
- *Chandni Gupta Ohri, Independent Director*
- *Kenneth Dan Vander Weele, Nominee Director*
- *Vishal Bharat, Nominee Director*
- *Vivek Kumar Malhotra- Nominee Director*
-

Statutory Auditors

S. R. Batliboi & CO. LLP

Company Secretary

Shalini Baghel

SONATA FINANCE PVT. LTD.



Directors' Report

[For the Financial Year Ended
31st March, 2015]

Registered & Head Office

II Floor, CP-1 PG Towers,
Kursi Road, Vikas Nagar,
Lucknow – 226022
Phone No. 0522 – 2334900



Director's Report

To
The Members,
Sonata Finance Private Limited

Your directors are pleased to present the Annual Report on the business and operations of the Company and the Audited Statements of accounts for the Financial Year ended March 31st, 2015.

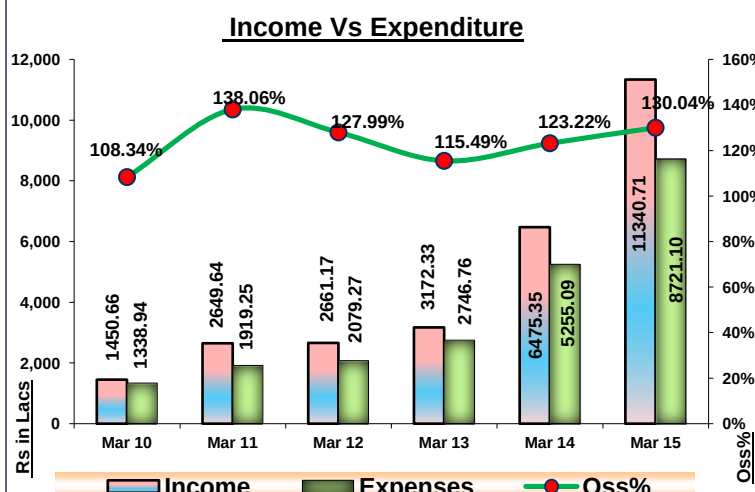
FINANCIAL RESULTS

The Company's financial performances for the year under review along with previous year's figures are summarized hereunder:

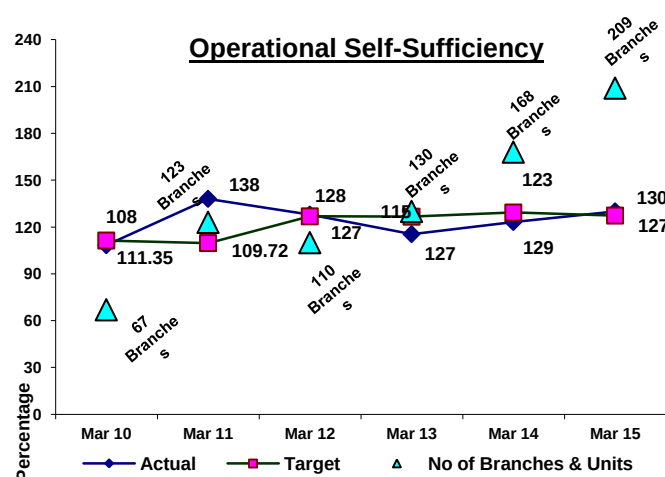
Particulars	31st March 2015	31st March 2014
	Amt (in Mn)	Amt (in Mn)
Revenue from operations	1,004.68	581.07
Other Income	129.39	66.46
(A) Total Income	1,134.07	647.54
Employee benefit expenses	187.09	133.76
Finance Costs	580.93	315.46
Depreciation Expense	7.03	3.43
Other Expenses	97.06	72.82
(B) Total Expenses	872.11	525.51
Profit before prior period expenses	261.96	122.03
Profit before Tax	261.96	120.94
(C) Total Tax Expenses	80.97	48.58
Profit for the Year	180.99	72.36
Share Capital	168.75	168.75
Reserve and Surplus	834.99	675.94
Long-term borrowings	3,009.17	1,422.81
Other long- term liabilities	33.23	4.42
Long- term provisions	17.87	7.67
Short- term borrowings	376.18	30.00
Other current liabilities	3,375.67	2,163.01
Short- term provisions	89.09	65.41
Total Liabilities	7,904.94	4,538.02
Fixed assets	8.53	10.63
Non-current investment	0.50	0.50
Deferred Tax Assets	22.61	1.18
Long term loans and advances	1,200.82	646.14
Other non-current assets	399.17	329.20
Current Investments	1,149.21	860.19
Cash and Bank Balances	1,972.91	761.18
Short- term loans and advances	3,055.67	1,878.38
Other current assets	95.53	50.62
Total Assets	7,904.94	4,538.02

REVIEW OF BUSINESS OPERATIONS

During the year under review, the Company has earned an income of ₹ 1,134.07mn from ₹ 647.54 Mn in last year. The profit after Tax for the period under review has been ₹ 180.99 Mn as against ₹ 72.36Mn during the previous financial year. The Operational Self Sufficiency Ratio "OSS" of your Company has reached 130% from 123% which is 102% of the stipulated target (as shown in the Charts Below). Your Directors are continuously looking for avenues for future growth of the Company in the Micro-finance Industry.



The chart signifies Income & Expenditure pattern along with OSS. Sonata's incomes over the period are always higher than its expenditure.

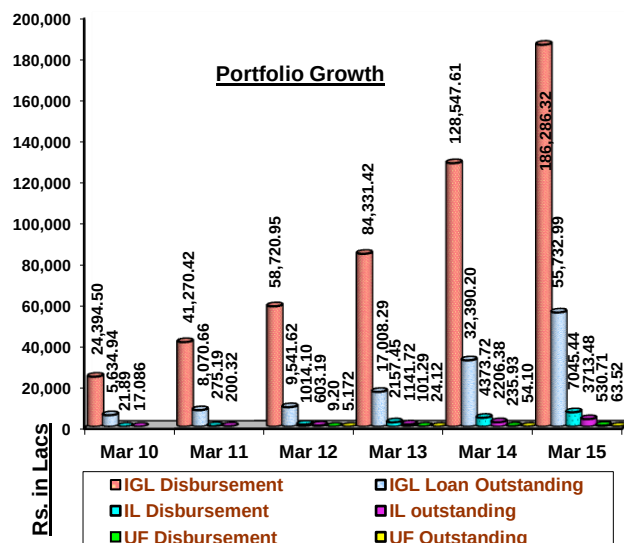
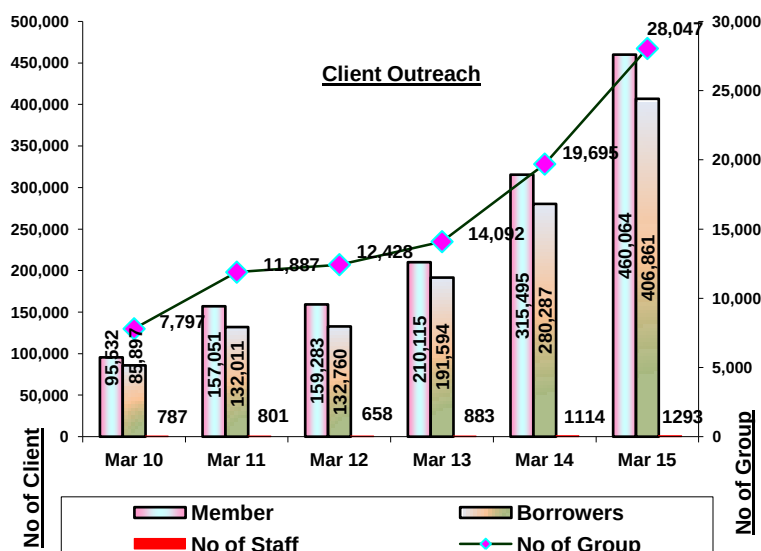


This chart indicates Sonata's Self sufficiency in terms of sufficient revenue earned to cover total cost-operating expenses, loan loss provisions and financial cost over the period. Sonata from the very beginning is able to secure OSS equivalent to defined targets. OSS as on March 2015 is 130% which represents the achievement of 102% of the target.

The operational performance of your Company for the year ended 31st March, 2015 are tabularize as under:

Year ended 31 st March	As on 2015	As on 2014	Changeover %
Number on Branches	209	172	22% ↑
Number of Employees	1,325	1,114	19% ↑
Number of Loan Clients	406,861	280,287	45% ↑
Amount Disbursed (In Mn)	1,9464.4	1,3315.7	46% ↑
Gross Loan Portfolio (In Mn)	5951	3465.1	72% ↑

Your Company has recorded the remarkable growth over the FY 2014-15, the client outreach is much more significant as compared to our projections for the year. We have now extended our services to more than 4.6 Lacs clients in 6 states. The portfolio outreach of your company reached to ₹ 5,951 Mn which shows outstanding increase as compared to the portfolio growth for the last year which was ₹ 3,465 Mn



The Chart represents that Sonata is continuously increasing its scalability to outreach wide range of customers.

The chart represents historical growth of overall portfolio of the company in terms of total disbursement and outstanding of Income Generation Loan, Individual loan and utility loan.

DIVIDEND

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and no Dividend was declared on Equity Shares of the Company for the year ended 31st March, 2015.

An amount of INR 4.5 Mn was paid by your Company as Dividend on 9% Optionally Convertible Preference Shares ("OCPS") to SIDBI for FY 14-15.

RESERVES

Board proposes to carry 20% of Profit for the Financial Year ended 31st March, 2015 amounting to INR 36.20 Mn to the Statutory Reserve.

SHARES

A. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

B. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

C. Bonus Shares

No Bonus Shares were issued during the year under review.

D. Employee Stock Option Plan

a) Options Granted during the year



During the year under review, the Company had granted 2,00,000 additional Stock Options each at a price of Rs. 59 under the Employees Stock Option Plan 2013. The terms and conditions of the grant are regulated by the ESOP Scheme 2013, approved by the Shareholders of the Company on 20th March 2014.

b) Options Vested during the year

During the year under review total 249,283 options have been vested as on 31-Mar-15 to employees including Promoter under ESOP Schemes applicable in the Company.

The summary of the vesting is listed as follows:-

Scheme	Plan	Description of Plan	Options due for Vesting	Actual Vesting	Details of employees to whom options vested
ESOP Scheme 2011	Plan 2 (b) (ii)	Second tranche of employees became eligible for Options as on 31, March 2011	34,800	34,050	Please refer Annexure A
	Plan 2 (c) (i)	First tranche of employees became eligible for Options as on 31, March 2012	37,200	32,400	Please refer Annexure B
ESOP Scheme 2013	Plan 3	New Scheme	50,000	49,500	Please refer Annexure C
ESOP Scheme 2013	Plan 4	Promoter Plan under New Scheme	133,333	133,333	Anup Kumar Singh
	Total		255,333	249,283	

The Company has made detailed disclosure of all ESOP Schemes in the audited financial statements as of March 31, 2015 with the object to ensure transparency.

c) Options Exercised during the year

Neither employee nor promoter has exercised vested options as on date of 31st March 2015 to date of Annual General Meeting.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

COMPOSITION OF THE BOARD

During the year under review no changes were made in the Composition of Board of directors of the Company. Whereas, two changes were taken place between the end of the financial year of the Company and date of this report:

- **Mr. Satyam Darmora**, Nominee Director of MSDF has stepped down w.e.f 13th April 15.
- **Mr. Sethuraman Ganesh** has been added as an Independent Director in the Board w.e.f 25th May 15



At present, the Board of your Company consists of Seven members as below:

S.Nos	Name of Members	Designation
1.	Ms. Chandni Gupta Ohri	Independent Director - Chairman
2.	Mr. Anal Kumar Jain	Independent Director
3.	Mr. Anup Kumar Singh	Managing Director
4.	Mr. Kenneth Dan Vander Weele	Non-resident Nominee Director
5.	Mr. Sethuraman Ganesh	Independent Director
6.	Mr. Vishal Bharat	Nominee Director
7.	Mr. Vivek Malhotra	Nominee Director

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

As per Section 173 and 174 of Companies Act, 2013, **four** (4) board meetings were conducted during the financial year and the details are as follows:

Sr. No.	Date of Board Meeting	Place of Meeting	Members attended Board Meeting
1.	01 st May, 2014	Hotel Grand, New Delhi	Mr. Anal Kumar Jain - Chairman Mr. Anup Kumar Singh, CEO and MD Ms. Chandni Gupta Ohri, Independent Director Mr. Kenneth Dan Vander Weele, Nominee Director Mr. Satyam Darmora, Nominee Director Mr. Vishal Bharat, Nominee Director Mr. Vivek Kumar Malhotra, Nominee Director
2.	24 th Jun 2014	New Delhi	Mr. Anal Kumar Jain-Chairman Mr. Anup Kumar Singh-CEO Mr. Vishal Bharat-Nominee Director- Ms. Chandni Gupta Ohri- Non Executive Director Mr. Vivek Kumar Malhotra-Nominee of SIDBI- Mr. Satyam Darmora
3.	28 th July, 2014	Hotel Narmada Jackson, Jabalpur	Ms. Chandni Gupta Ohri - Chairman Mr. Anal Kumar Jain- Joined via con call Mr. Anup Kumar Singh Mr. Kenneth Dan Vander Weele Mr. Satyam Darmora- Joined via con call Mr. Vishal Bharat Mr. Vivek Kumar Malhotra- Joined via con call
4.	07 th November, 2014	Hotel Grand, New Delhi	Ms. Chandni Gupta Ohri - Chairman Mr. Anal Kumar Jain Mr. Anup Kumar Singh Mr. Kenneth Dan Vander Weele Mr. Satyam Darmora Mr. Vishal Bharat Mr. Vivek Kumar Malhotra
5.	16 th February, 2015	Hotel Grand, New Delhi	Ms. Chandni Gupta Ohri - Chairman Mr. Anal Kumar Jain Mr. Anup Kumar Singh Mr. Kenneth Dan Vander Weele Mr. Satyam Darmora Mr. Vishal Bharat Mr. Vivek Kumar Malhotra



DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this 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; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are **not applicable** to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

Pursuant to guidelines on Corporate Governance issued or amended by RBI from time to time, it was directed to all NBFCs to mandatory form Nomination Committee to ensure 'fit and proper' status/ credentials of proposed/ existing Directors.

Thus, the Board unanimously formed the Nomination Committee w.e.f. 28th July, 2014 under stewardship of Mr. Vivek Kumar Malhotra as Chairman of the Committee and Mr. Anal, Mr. Anup, and Mr. Ken as members to the Committee

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

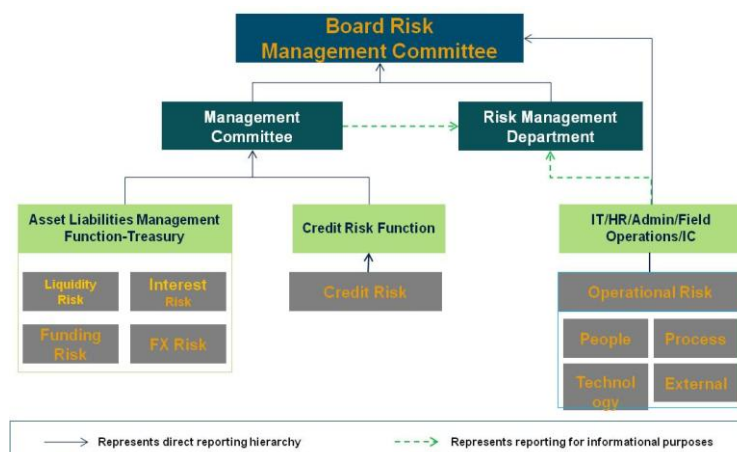
The Company has underwent Risk Control Self Assessment exercise conducted by IFC and adopted following measures concerning the development and implementation of a Risk Management Policy of the Company



after identifying the priority areas of risks which in the opinion of the Board may threaten the very existence of the Company itself.



Holistic view of risk management framework



Risk Management Organization of Sonata

The Board was pleased to inform that your Company has an efficacious risk management structure. It works simultaneously to review policies and procedures, Identify risk, understand existing risk mitigation/controlling strategies and identify gaps in the existing controlling strategies and to improve upon the same.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has made the relevant provisions for CSR activities in the Books of Accounts and has deposited the money in a separate Bank Account. The Company shall find out ways and means to spend the same in the coming months and shall submit the relevant report in the ensuing year. The Company could not spend the money before finalizing this report as the time was too short to identify suitable projects for spending the same.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There was no loan, guarantee or investment made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS :-

The Auditors have made following comments in the Auditors Report.

- a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax and other material statutory dues have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.



- b) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, though idle / surplus funds have been gainfully invested in fixed deposits / money market mutual funds till disbursement.
- c) We have been informed that during the year there were instances of misappropriation of cash by the employees of the Company aggregating Rs. 677,241. As informed, services of the employees involved have been terminated and the Company has taken legal action against the employees.

The explanations or comments made by the Board relating to above observations made by the Auditors in their report are as under:

- a) The significant delay amounted to PF and ESIC submissions. Initially the process was manual which now has been digitalized from financial year 15-16. Now the PF and ESIC payments have been regularized.
- b) In the ordinary course of Business, there is always a time lag between procurement of funds from Lenders of the Company and disbursement in the field. The Company incurs financial cost on the borrowed funds, so to compensate the financial cost, the company temporarily parks surplus money in the risk free liquid funds comprising of money market instrument.
- The Company proactively has initiated the legal proceedings against those employees who committed such misappropriation and terminated them. In addition, the Company has filed FIR against the accused employees with the local police station within the jurisdiction the branch offices of the Company is situated.

STATUTORY AUDITORS

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, having its office at Kolkata with Reg. No. 301003E were appointed as Statutory Auditors for a period of five years in the Annual General Meeting held on 29th September, 2014. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure I** and is attached to this Report.

POST BALANCE SHEET EVENTS

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars required under Section 134(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption do not apply to our Company and hence, not included in this report, considering the nature of activities undertaken by the company during the year under review. The Company only consumes electricity in course of operational and administrative activities.



Further there was no foreign exchange inflow or Outflow during the year under review. Thus, the Company has neither earned nor used any foreign exchange.

DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**For and on behalf of Board of
Sonata Finance Pvt. Ltd.**

**Anup Kumar Singh
Managing Director**

Date: 30-July-2015

Place: Lucknow

**For and on behalf of Board of
Sonata Finance Pvt. Ltd.**

**Shalini Baghel
Company Secretary**

Annexure A

List of Employees to whom Options Vested under ESOP Plan 2 (b) (ii) of 2011

S.No.	Name	Designation	Total Options	Second Tranche	Vested Options as on 31-Mar-15
1	Anil Gupta	DVP Operations	10000	3000	3000
2	Archana Singh	Senior HR Manager	4000	1200	1200
3	Ashish Singh	DVP Operations	10000	3000	3000
4	Awdhesh Yadav	District Incharge	4000	1200	1200
5	Brahamanand	DVP	10000	3000	3000
6	Devnath Mishra	District Incharge	4000	1200	1200
7	Dharmendra Singh	District Incharge	4000	1200	900
8	Hari Mohan	District Incharge	4000	1200	1200
9	Jitendra Yadav	District Incharge	4000	1200	1200
10	Manish Pal	Senior PMECD Manager	4000	1200	900
11	Manoj Singh	District Incharge	4000	1200	1200
12	Mukesh Verma	Senior Audit Manager	4000	1200	1200
13	Priyanka Srivastava	AVP-HR	8000	2400	2400
14	Sanjay Singh	AVP-Operations	8000	2400	2400
15	Shyam Kanhaiya	DVP Operations	10000	3000	3000
16	Tarun Srivastava	DVP-Audit	10000	3000	2250
17	V.P Singh (Saharanpur)	District Incharge	4000	1200	1200
18	Vikash Patel	AVP-Operations	8000	2400	2400
19	Vinod Singh	District Incharge	4000	1200	1200
TOTAL			130000	35400	34050

Annexure B

List of Employees to whom Options Vested under ESOP Plan 2(c) (I) of 2011

S.No.	Name of Employee	Designation	Granted Options	30 % of Granted Options	Vested Options as on 31 March 15
1	Abhay Singh	DVP Risk Head	10000	3000	2250
2	Amit Pandey	Resigned	4000	1200	1200
3	Anand Singh	Resigned	4000	1200	1200
4	Anil Singh	AVP Operations	8000	2400	2400
5	Ashok Kumar	DVP Ops	10000	3000	3000
6	Avinash Rai	Resigned	4000	1200	1200
7	Bala Krishna	Resigned	4000	1200	1200
8	Brijbihari Singh	Senior Manager	4000	1200	900
9	Digvijay Singh	SBM	4000	1200	900
10	Dinesh Singh	SBM	4000	1200	1200
11	Hina Mishra	Resigned	4000	1200	1200
12	Laxman Singh	SBM	4000	1200	1200
13	Mohammad Saif	DVP P&M	10000	3000	2250
14	Niharika Singh	Senior Manager	4000	1200	1200
15	Rajnath Yadav	SBM	4000	1200	1200
16	Rakesh Kr. Burman	SBM	4000	1200	1200
17	Reema Das	Senior Manager-HR	4000	1200	1200
18	Ritu Yadav	Resigned	4000	1200	1200
19	Satya Prakash	AVP Operations	8000	2400	2400
20	Satyendra Das	SBM	4000	1200	900
21	Vinay Pratap Singh	DVP Ops	10000	3000	3000
	TOTAL		116000	34,800	32,400

Annexure C

List of Employees to whom Options Vested under ESOP Plan 3 of 2013

S. No.	Employee Name	Designation	Grant of Options	Options due for vesting	Exercise Price (Rs. 54) per share	Actual Vesting
1	ABHAY SINGH	DVP-II	6000	1500	81000	1,500
2	ANIL GUPTA	DVP-III	6000	1500	81000	1,500
3	ANIL KUMAR SINGH	AVP III	4000	1000	54000	1,000
4	ANSHUMAN TIWARI	Sr Manager-I	2000	500	27000	500
5	Ashish Singh	DVP-III	6000	1500	81000	1,500
6	ASHOK AGRAHARI	DVP-II	6000	1500	81000	1,500
7	AVADHESH KUMAR YADAV	SBM III	2000	500	27000	500
8	BRAMHANAND	VP	28000	7000	378000	7,000
9	Brij Bihari Singh	Sr Manager-II	2000	500	27000	500
10	DHARMENDRA SINGH	AVP-I	4000	1000	54000	1,000
11	DIGVIJAY SINGH	AVP-II	4000	1000	54000	1,000
12	Dinesh Singh	SBM-II	2000	500	27000	500
13	HANSIKA THAPLIAL	AVP III	4000	1000	54000	1,000
14	HARIMOHAN	SBM-II	2000	500	27000	500
15	JITENDRA YADAV	AVP-I	4000	1000	54000	1,000
16	LAXMAN SINGH	SBM III	2000	500	27000	500
17	LAXMI NARAYAN PATEL	SBM-I	2000	500	27000	500
18	MANISH KUMAR PAL	AVP-I	4000	1000	54000	1,000
19	MANOJ KUMAR SINGH	AVP III	4000	1000	54000	1,000
20	Mithun Bose	DVP-II	6000	1500	81000	1,500
21	MOHHMAD JAMA KHAN	SBM-II	2000	500	27000	500
22	MUKESH VERMA	Sr Manager-II	2000	500	27000	500
23	Niharika singh	Sr Manager-II	2000	500	27000	500
24	POONAM SONI	Sr Manager-I	2000	500	27000	500
25	Raj Kapoor Chaudhary	Sr Manager-II	2000	500	27000	500
26	Rajnath Yadav	SBM III	2000	500	27000	500
27	RAKESH CHAUDHARI	SBM-I	2000	500	27000	500
28	RAKESH KUMAR BURMAN	SBM-II	2000	500	27000	500
29	REEMA DAS	Sr Manager-II	2000	500	27000	500
30	Richa Sharma	DVP-III	6000	1500	81000	1,500
31	Rohit singh	AVP III	4000	1000	54000	1,000
32	SAIF KHAN	DVP-II	6000	1500	81000	1,500
33	SANDEEP SINGH	SBM-I	2000	500	27000	500
34	SANJAY SINGH	DVP-I	6000	1500	81000	1,500
35	Sanjeev Shukla	DVP-II	6000	1500	81000	1,500
36	SATENDRA DAS	SBM-I	2000	500	27000	500
37	SATYA PRAKASH YADAV	AVP-II	4000	1000	54000	1,000
38	SHABANA KHAN	Sr Manager-II	2000	500	27000	-
39	SHALINI BAGHEL	DVP-II	6000	1500	81000	1,500
40	SHASHI BHUSAN SINGH	SBM-I	2000	500	27000	500
41	SHYAM KANHAIYA	DVP-III	6000	1500	81000	1,500
42	SUJEET PATHAK	Sr Manager-II	2000	500	27000	500
43	Sunil Kumar Gupta	Sr Manager-II	2000	500	27000	500
44	SURESH SINGH	SBM-I	2000	500	27000	500
45	TARUN KUMAR SRIVASTAVA	DVP-III	6000	1500	81000	1,500
46	Umesh Dwivedi	Sr Manager-I	2000	500	27000	500
47	VINAY PRATAP SINGH	DVP-III	6000	1500	81000	1,500
48	VINOD SINGH	SBM-I	2000	500	27000	500
49	VINOD SINGH	AVP-II	4000	1000	54000	1,000
50	VISHWANATH PRATAP SINGH	AVP III	4000	1000	54000	1,000
	Total		200,000	50,000	2,700,000	49,500

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March, 2015**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65921UP1995PTC035286
2.	Registration Date	06-April-1995
3.	Name of the Company	Sonata Finance Private Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5.	Address of the Registered office & contact details	2 nd Floor, CP-1, PG Tower, Kursi Road, Vikas Nagar, Lucknow – 226026, Uttar Pradesh, India.
6.	Whether listed company	No. (NCD Listed)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited D-153 A 1st Floor Okhla Industrial Area, Phase - I New Delhi-110 020. Tel.: +91 11 64732681 - 88 Fax: +91 11 26812682 Web:www.skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Joint Liability Group Loans (JLG)	6492	95%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	% of shares held	Applicable Section
1				
2				
3				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	644,112	15,000	659,112	4.60%	659,112	-	659,112	4.60%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.			-	0.00%			-	0.00%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	644,112	15,000	659,112	4.60%	659,112	-	659,112	4.60%	0.00%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	644,112	15,000	659,112	4.60%	659,112	-	659,112	4.60%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs	3,241,285		3,241,285	22.62%	3,241,285		3,241,285	22.62%	0.00%
h) Foreign Venture Capital Funds	5,964,485		5,964,485	41.62%	5,964,485		5,964,485	41.62%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	9,205,770	-	9,205,770	64.24%	9,205,770	-	9,205,770	64.24%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	471,375		471,375	3.29%	471,375		471,375	3.29%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	0.00%
c) Others (specify)		100	100	0.00%	100		100	0.00%	0.00%
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts	-	2,455,000	2,455,000	17.13%	2,455,000		2,455,000	17.13%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Foreign owned Indian	1,538,721		1,538,721	10.74%	1,538,721		1,538,721	10.74%	0.00%
Sub-total (B)(2):-	2,010,096	2,455,100	4,465,196	31.16%	4,465,196	-	4,465,196	31.16%	0.00%
Total Public (B)	11,215,866	2,455,100	13,670,966	95.40%	13,670,966	-	13,670,966	95.40%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	11,859,978	2,470,100	14,330,078	100.00%	14,330,078	-	14,330,078	100.00%	0.00%



(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Anup Kumar Singh	659,112	4.6%		659,112	4.6%		Nil

(iii) Change in Promoters' Shareholding

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	659112	4.6%	659112	4.6%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	659112	4.6%	659112	4.6%

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	13,670,966	95.41%	13,670,966	95.41%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	13,670,966	95.41%	13,670,966	95.41%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the



			company		company
	At the beginning of the year	659,112	4.6%	659,112	4.6%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	659,112	4.6%	659,112	4.6%

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,286,471,833	41,000,000	0	3,327,471,833
ii) Interest due but not paid	0	0	0	-
iii) Interest accrued but not due	0	0	0	-
Total (i+ii+iii)	3,286,471,833	41,000,000	-	3,327,471,833
Indebtedness at the end of the financial year				
i) Principal Amount	6,203,715,788	195,310,790	0	6,399,026,578
ii) Interest due but not paid	0	0	0	-
iii) Interest accrued but not due	0	0	0	-
Total (i+ii+iii)	6,203,715,788	195,310,790	-	6,399,026,578

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	2,574,996	527,951		3,102,947
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,499,996	527,951		3,027,947
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	75,000	0		75,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0		-
2	Stock Option	0	0		-
3	Sweat Equity	0	0		-
4	Commission		0		-
	- as % of profit	2,500,000	0		2,500,000
	others, specify...		0		-
5	Others, please specify (Bonus)	699,996	0		699,996
	Total	5,774,992	527,951		6,302,943



B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Chandni Gupta Ohri	Anal Kumar Jain	----	---	
1	Independent Directors					
	Fee for attending board committee meetings	80,000	60,000			140,000
	Commission	-	-			-
	Others, please specify (Professional Fee)	120,000	152,360			272,360
	Total (1)	200,000	212,360			412,360
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	0	0			-
	Commission	0	0			-
	Others, please specify	0	0			-
	Total (2)	0	0	0	0	-
	Total (B)=(1+2)	200,000	212,360	-	-	412,360
	Total Managerial Remuneration					-
	Overall Ceiling as per the Act					-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Anup Kumar Singh	----	----	---	
1	Gross salary	2,574,996				2,574,996
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,499,996				2,499,996
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	75,000				75,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0				-
2	Stock Option	0				-
3	Sweat Equity	0				-
4	Commission	0				-
	- as % of profit	2,500,000				2,500,000
5	Others, please specify (Bonus)	699,996				699,996
	Total (A)	5,774,992				5,774,992
	Ceiling as per the Act					

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					



Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of Board of
Sonata Finance Pvt. Ltd.

Anup Kumar Singh
Managing Director

Date: 30-July-2015

Place: Lucknow

For and on behalf of Board of
Sonata Finance Pvt. Ltd.

Shalini Baghel
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Sonata Finance Private Limited

Report on the Financial Statements

We have audited the financial statements of Sonata Finance Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity, and the notes to the financial statements, in accordance with the provisions of the Companies Act, 2013 and the Companies (Auditors' Report) Rules, 2014. The financial statements have been prepared by the management of the Company and are the responsibility of the management.

Sonata Finance Private Limited**Financial Statements for the year ended March 31, 2015**

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(3) 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 accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, and the Rules 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for substantiation of the financial statements and for providing 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 are 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.

Auditor's 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 auditor's report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. These 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 these risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

INDEPENDENT AUDITOR'S REPORT

To the Members of Sonata Finance Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sonata Finance Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 stated 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 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 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 the 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.

Auditor's 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, issued by the Institute of Chartered Accountants of India, as 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on



whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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 of the state of affairs of the Company as at March 31, 2015, its profit, and its 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, 2015 ("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.
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 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 it 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 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 March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;



S.R. BATLIBOI & Co. LLP

Chartered Accountants

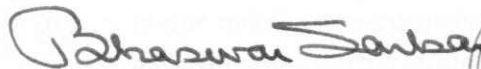
(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- 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 derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S. R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E



per **Bhaswar Sarkar**

Partner

Membership Number: 055596

Place of Signature: Kolkata

Date: **13 JUL 2015**



Annexure referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date on the financial statements of Sonata Finance Private Limited ('the Company') as at and for the year ended March 31, 2015

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3 (ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) 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, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposit from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services provided by the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax and other material statutory dues have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (c) According to the information and explanations given to us, there are no dues of income tax and service tax which have not been deposited on account of any dispute.

In respect of sub clause (vii) (a) to (vii) (c) above, the Company did not have any dues towards wealth-tax, sales-tax, customs duty, excise duty, value added tax and cess during the year.

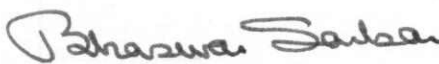
- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders in respect of term loans or debentures.
- (x) 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.
- (xi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, though idle / surplus funds have been gainfully invested in fixed deposits / mutual funds till disbursement.
- (xii) We have been informed that during the year there were instances of misappropriation of cash aggregating Rs. 677,241 by the employees of the Company. As informed, services of the employees involved have been terminated and the Company has taken legal action against the employees concerned.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E



per **Bhaswar Sarkar**

Partner

Membership Number: 055596

Place of Signature: Kolkata

Date: **13 JUL 2015**



Sonata Finance Private Limited
Balance Sheet as at March 31, 2015

	Notes	As at March 31, 2015 (Rs.)	As at March 31, 2014 (Rs.)
I. Equity and liabilities			
Shareholders' funds			
Share capital	3	168,750,780	168,750,780
Reserves and surplus	4	834,990,612	675,937,369
		1,003,741,392	844,688,149
Non-current liabilities			
Long-term borrowings	5	3,009,167,472	1,422,810,026
Other long-term liabilities	6	33,227,138	4,424,296
Long term provisions	7	17,865,687	7,674,314
		3,060,260,297	1,434,908,636
Current liabilities			
Short-term borrowings	8	376,177,436	30,000,000
Other current liabilities	9	3,375,673,312	2,163,009,570
Short-term provisions	7	89,087,561	65,413,474
		3,840,938,309	2,258,423,044
Total		7,904,939,998	4,538,019,830
II. Assets			
Non-current assets			
Fixed assets			
-Tangible assets	10	8,532,500	10,625,268
Non-current investments	11	500,000	500,000
Deferred tax assets	12	22,609,001	1,181,391
Long term loans and advances	13	1,200,816,104	646,144,499
Other non-current assets	14	399,167,174	329,195,326
		1,631,624,779	987,646,484
Current assets			
Current investments	11	1,149,210,855	860,193,821
Cash and Bank Balances	15	1,972,909,950	761,176,828
Short-term loans and advances	13	3,055,667,817	1,877,223,904
Other current assets	14	95,526,597	51,778,793
		6,273,315,219	3,550,373,346
Total		7,904,939,998	4,538,019,830

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm Registration No.301003E
Chartered Accountants

Bhaswar Sarkar
per Bhaswar Sarkar
Partner
Membership No.: 055596



**For and on behalf of the Board of Directors of
Sonata Finance Private Limited**

[Signature]
Managing Director

[Signature]
Company Secretary

Nishal Bhargava
Director

Place: Kolkata

Date: **13 JUL 2015**

Place: Lucknow

Date: **13 JUL 2015**

Sonata Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2015

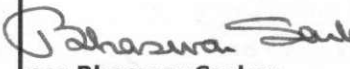
	Notes	Year ended March 31, 2015 (Rs.)	Year ended March 31, 2014 (Rs.)
I. Income			
Revenue from operations	16	1,004,677,643	581,071,924
Other income	17	129,393,147	66,462,693
Total Income		1,134,070,790	647,534,617
II. Expenses			
Employee benefit expenses	18	187,092,733	133,758,504
Finance Costs	19	581,882,967	315,496,869
Depreciation expense	20	7,031,797	3,431,934
Other expenses	21	96,102,718	72,821,602
Total Expenses		872,110,215	525,508,909
Profit before prior period expenses		261,960,575	122,025,708
Less: Prior Period Expenses (net of Income)		-	1,087,695
Profit before Tax		261,960,575	120,938,013
Tax expense			
- Current tax		102,400,000	48,600,000
- Deferred tax charge / (credit)		(21,427,610)	(23,574)
Total Tax Expenses		80,972,390	48,576,426
Profit for the year		180,988,185	72,361,587
Earning per equity share (EPS)	22		
Basic		14.78	6.04
Diluted		12.13	5.04
Nominal value of share		10	10

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

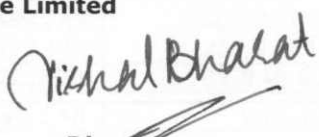
For S.R.Batliboi & Co. LLP
Firm Registration No.301003E
Chartered Accountants


per Bhaswar Sarkar
Partner
Membership No.: 055596



For and on behalf of the Board of Directors of Sonata Finance Private Limited


Managing Director


Director


Company Secretary

Place: Kolkata
Date: **13 JUL 2015**

Place: Lucknow
Date: **13 JUL 2015**

Sonata Finance Private Limited
Cash Flow Statement for the year ended March 31, 2015

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	(Rs.)	(Rs.)
A. Cash flow from Operating Activities :		
Net Profit Before Taxation :	261,960,575	120,938,013
Adjustments for :		
Depreciation	7,031,797	3,431,934
Provision for standard and non performing assets	19,005,504	11,896,881
Provision for portfolio loan securitized/ assigned	7,719,428	-
Portfolio loans written-off	2,335,992	2,401,222
Loans & advances written-off	-	4,710,085
Provision for doubtful advances	-	1,551,943
Provision for interest on income tax	3,700,000	2,850,000
Operating Profit Before Working Capital Changes	301,753,296	147,780,078
Movements in working capital:		
(Increase)/Decrease in Other Current Assets	(43,747,804)	(7,947,368)
(Increase)/Decrease in Other Non-Current Assets	(3,061,589)	(5,764,715)
(Increase)/Decrease in Short Term Loans & Advances	(1,204,933,737)	(669,661,999)
(Increase)/Decrease in Long Term Loans & Advances	(562,531,159)	(385,942,234)
Increase/(Decrease) in Long term Provisions	4,121,606	(641,182)
Increase/(Decrease) in Short Term Provisions	7,719,428	-
Increase/(Decrease) in Other Long term liabilities	28,802,842	4,424,296
Increase/(Decrease) in Other current liabilities	73,643,878	245,903,969
Cash generated from / (used in) operations	(1,398,233,239)	(671,849,154)
Direct Taxes Paid	107,184,583	18,274,469
Net Cash flow generated from/(used in) Operating Activities (A)	(1,505,417,822)	(690,123,624)
B. Cash flow from Investing Activities :		
Purchase of Fixed Assets	(4,939,029)	(6,011,949)
Encashment of Desposits with Banks	653,547,409	237,455,994
Encashment of Deposit with NBFC	36,293,958	59,761,847
Investment of Desposits with Banks	(847,454,647)	(500,083,982)
Investment of Deposit with NBFC	(12,000,000)	(41,062,500)
Purchase of Investments	(4,970,000,000)	(3,258,957,765)
Proceeds from sale of Investments	4,680,982,966	2,467,964,274
Net Cash flow generated from/(used in) Investing Activities (B)	(463,569,343)	(1,040,934,081)
C. Cash flow from Financing Activities :		
Proceeds form Issuance of Preference Shares	-	50,000,000
Share/Debenture Issue expenses	(16,518,848)	(22,914,080)
Proceeds from Issuance of Debentures	1,415,000,000	332,000,000
Repayment of Debentures	(90,833,445)	-
Proceeds from Short term Borrowings	376,177,436	30,000,000
Repayment of Short term Borrowings	(30,000,000)	(170,000,000)
Proceeds from Long term Borrowings	3,770,800,000	-
Repayment of Long term Borrowings	(2,369,589,245)	2,800,779,453
Payment of Dividend including dividend tax	(1,312,589)	(1,287,924,494)
Net Cash generated from/(used in) Financing Activities (C)	3,053,723,309	1,731,940,879
Net Increase In Cash And Cash Equivalents (A+B+C)	1,084,736,145	883,173
Cash And Cash Equivalents at the beginning of the year	483,016,529	482,133,356
Cash And Cash Equivalents at the end of the year (refer note 15)	1,567,752,674	483,016,529

Summary of significant accounting policies (refer note 2)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm Registration No.301003E
Chartered Accountants

Bhaswar Sarkar
per Bhaswar Sarkar

Partner
Membership No.: 055596



**For and on behalf of the Board of Directors of
Sonata Finance Private Limited**

[Signature]
Managing Director

Nishal Bhasat
Director

[Signature]
Company Secretary

Place: Kolkata

Date: 13 JUL 2015

Place: Lucknow

Date: 13 JUL 2015

Notes to the Financial Statements as at and for the year ended March 31, 2015

1. Corporate information

Sonata Finance Private Limited ("the Company") is a private company incorporated in India. The Company was registered as a non-deposit accepting Non-Banking Financial Company Systemically Important ('NBFC-ND-SI') with the Reserve Bank of India ('RBI') and has got classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from December 3, 2013.

The Company is engaged in providing financial services to women in the rural areas of India who are organized as Joint Liability Groups. It provides small value collateral free loans to Joint Liability groups and other loans to women in groups and most of the financial transactions are conducted in the group meetings organized near the habitats of these women directly and on behalf of banks / other financial institutions. In the initial stages of formation of Joint Liability groups, the Company makes efforts towards their mobilisation, training on financial discipline and advice for micro enterprises carried out by the individuals. Subsequently, the Company constantly monitors performance of individual borrowers through weekly meeting, provides financial support services at the doorstep of the borrowers and other mentoring support services to ensure high recoveries.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the provisions of RBI as applicable to a NBFC-MFI and NBFC-ND-SI.

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for interest on non-performing loans which is accounted for on realization basis. The accounting policies applied by the Company are consistent with those applied in the previous year, except for the change in accounting policy as explained below.

2.1 Summary of significant accounting policies

Change in Accounting Policy

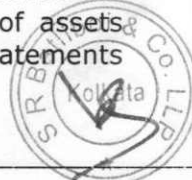
(i) Depreciation on Fixed Assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956 prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Effective from 1st April, 2014, the Company has provided depreciation on fixed assets based on useful lives as provided in Schedule II of the Companies Act, 2013. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of fixed assets.

Based on transitional provision given in Schedule II to the Companies Act, 2013, the carrying value of assets whose useful lives are already exhausted amounting to Rs. 4,83,439 has been charged to Statement of Profit & Loss. Had there been no change in useful lives of fixed assets, the charge to the Statement of Profit & Loss would have been lower by Rs. 24,90,972.

(ii) Depreciation on assets costing less than Rs. 5,000/-

Schedule XIV to the Companies Act, 1956, which was applicable till March 31, 2014, prescribed 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase whereas Schedule II to the Companies Act, 2013, applicable from the current year, does not prescribe the same. The Company has, however, continued its accounting policy for depreciation of assets costing less than Rs. 5,000/- which, did not have any material impact on the financial statements



Sonata Finance Private Limited

Notes to the Financial Statements as at and for the year ended March 31, 2015

of the Company for the current year.

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

All fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(c) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on the written down value method as per the useful life prescribed under Schedule II to the Companies Act, 2013, which is the useful lives of the underlying assets as estimated by the management.

Fixed assets costing upto Rs. 5,000 individually are fully depreciated over a period of one year.

(d) Impairment

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset

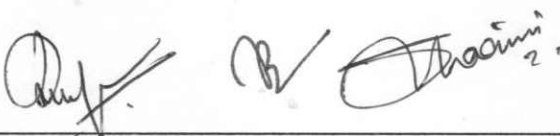
After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(e) Investments

Investments that are readily realizable and intended to be held for not more than one year from the date of purchase are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and market value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(f) Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings/ securitisation / assignment transactions. Interest on borrowings is recognized on time proportion basis taking into account the amount outstanding and the rate applicable on the borrowing.





(g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- Interest income on portfolio loans is recognized in the Statement of profit and loss on time proportion basis taking into account the amount outstanding and the rates applicable, except in the case of non-performing assets ("NPA's"), where it is recognized, upon realization, as per prudential norms of RBI.
- The Company enters into arrangements for sale of portfolio loans through assignment/securitization. The profit on assignment/ securitization is computed and recognized over the period of the assignment/ securitization contract as required by the Revised Guidelines on transfer of assets through securitization and direct assignment of cash flows issued by RBI.
- Interest income on deposits with banks is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- Processing fees are recognized as income at the time of collection from members.
- Income from services rendered in connection with loans given on behalf of banks / financial institutions to joint liability groups organized / monitored by the Company are recognized on accrual basis as and when such services are rendered.
- All other income is recognized on an accrual basis.

(h) Government Grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

(i) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(j) Retirement and other employee benefit and other fund:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contributions payable to the Regional Provident Fund Commissioner. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.



Notes to the Financial Statements as at and for the year ended March 31, 2015

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method at the end of each financial year.

Accumulated leave is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount on the year end that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The derived payable amount is paid on or before year end and no liability is carried forward on this account.

Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred.

(k) Foreign currency transactions

- All transactions in foreign currency are recognized at the exchange rate prevailing on the date of the transaction.
- Monetary items are money held and assets and liabilities to be received or paid in fixed or determinable amount of money. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.
- Foreign currency monetary items are reported using the exchange rate prevailing at the Balance sheet date.
- Exchange differences arising on the settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which the arise.

(l) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

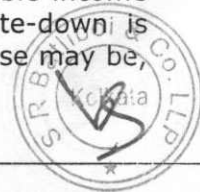
Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

If the Company has carried forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax assets can be realized.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be,





Notes to the Financial Statements as at and for the year ended March 31, 2015

that sufficient future taxable income will be available.

(m) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(n) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(p) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and deposits with an original maturity of three months or less.

(q) Classification of Portfolio loans

All microcredit loans are classified as follows:

S.N o.	Particulars	Asset Classification
1	Where installments of principal and interest remain overdue up to 30 days	Standard Asset
	Where installments of principal and interest remain overdue from 31 days and up to 89 days	
2	Where installments of principal and interest remain overdue from 90 days and up to 179 days	Non-Performing Asset
3	Where installments of principal and interest remain overdue from 180 days and above	
4	Where installments of principal and interest remain overdue and duration of loans have expired	

The above classification is in compliance with Non-Banking Financial Company- Micro Finance Institutions' (NBFC-MFIs)- Directions dated December 02, 2011, as amended from time to time.



(r) Provisioning on portfolio loans

Portfolio loans are provided for as per the management's estimates, subject to the minimum provision required as per Non-Banking Financial Company- Micro Finance Institutions' (NBFC-MFIs)- Directions dated December 02, 2011, as amended from time to time. These directions require the total provision for portfolio loans to be higher of (a) 1% of the total outstanding portfolio loan or (b) 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more.

The management treats the loan as overdue as soon as a scheduled installment is failed.

The provisioning norms of the Company are as follows:

Classification of portfolio loans		Percentage of provision on outstanding portfolio loans
Joint Liability Groups		
Standard Assets	Where installments of principal and interest remain overdue up to 30 days	10%
	Where installments of principal and interest remain overdue from 31 days and up to 89 days	50%
Non-Performing Assets	Where installments of principal and interest remain overdue from 90 days and up to 179 days	50%
	Where installments of principal and interest remain overdue from 180 days and above	100%
	Where installments of principal and interest remain overdue and duration of loans have expired	100%
Individual Lending		
On Total outstanding portfolio loans		2%

(s) Loan write-off policy

All micro credit loans where installments of principal and interest remain overdue for 180 days from the date of expiry of loan period and/or where possibility of recovery is remote in the assessment of the management are written off in the Statement of profit and loss account.



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2015

3 Share capital	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)
Authorized Shares		
30,000,000 (March 31, 2014: 15,000,000) equity shares of Rs. 10/- each	300,000,000	150,000,000
10,000,000 (March 31, 2014: 5,000,000) preference shares of Rs. 10/- each	100,000,000	50,000,000
	400,000,000	200,000,000
Issued, subscribed and fully paid-up shares		
14,330,078 (March 31, 2014: 14,330,078) equity shares of Rs. 10/- each	143,300,780	143,300,780
Less: Amount recoverable from Sonata Employee Welfare Trust (being face value of 2,455,000 equity shares allotted)#	24,550,000	24,550,000
	118,750,780	118,750,780
5,000,000 (March 31, 2014: 5,000,000) 9% Optionally Convertible Preference Shares (OCPS) of Rs. 10/ each	50,000,000	50,000,000
Total issued, subscribed and fully paid-up share capital	168,750,780	168,750,780

Represents equity shares issued to the Sonata Employee Welfare Trust vested or to be vested which have not yet been exercised by the beneficiaries under the terms of ESOP Plans Administered through a Trust

A Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	March 31, 2015		March 31, 2014	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year ##	14,330,078	143,300,780	14,330,078	143,300,780
Issued during the year	-	-	-	-
Shares outstanding at the end of the year ##	14,330,078	143,300,780	14,330,078	143,300,780

includes shares issued to Sonata Employee Welfare Trust under the various ESOP Schemes (Refer Note 27)

9% Optionally Convertible Preference Shares (OCPS)	March 31, 2015		March 31, 2014	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year	5,000,000	50,000,000	-	-
Issued during the year	-	-	5,000,000	50,000,000
Shares outstanding at the end of the year	5,000,000	50,000,000	5,000,000	50,000,000

B. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share for matters other than "Investor Reserved Matters".

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

C. Terms of conversion/redemption of OCPS

On February 06, 2014, the Company had issued 50,00,000 OCPS of Rs. 10/- each fully paid-up to Small Industries Development Bank of India (SIDBI) carrying a coupon of 9%, convertible into Equity Shares of Rs. 10/- each, at the option of the holder, at a price equal to the break up value (book value) of the company's equity shares based on the latest audited financial statements.

In the event of failure to convert the OCPS in full, the OCPS are redeemable at par in the following manner:-

- 50 % of outstanding OCPS at the end of 4 years and
- Remaining outstanding OCPS at the end of 5 years, commencing from the subscription date viz. December 31, 2013.



D. Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding in the class	No. of Shares held	% of Holding in the class
Equity Shares of Rs. 10/- each fully paid				
Creation Investments Social Ventures Fund II LP	4,473,364	31.22%	4,473,364	31.22%
Sonata Employee Welfare Trust (under various ESOP schemes - refer note 27)	2,455,000	17.13%	2,455,000	17.13%
India Financial Inclusion Fund	2,000,000	13.96%	2,000,000	13.96%
Creation Investments Social Ventures Fund I	1,491,121	10.41%	1,491,121	10.41%
Michael and Susan Dell Foundation	1,241,285	8.66%	1,241,285	8.66%
Bellwether Micro Finance Trust	1,071,871	7.48%	1,071,871	7.48%
Total	12,732,641	88.86%	12,732,641	88.86%
Optionally Convertible Preference Shares of Rs. 10/- each fully paid				
Small Industries Development Bank of India	5,000,000	100.00%	5,000,000	100.00%
Total	5,000,000	100.00%	5,000,000	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

E. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

For details of equity shares issued to Sonata Employee Welfare Trust, refer note 27.

F. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 27.

4 Reserves and surplus		March 31, 2015	March 31, 2014
		(Rs.)	(Rs.)
A. Securities premium account			
Balance as per last financial statements		473,822,475	496,736,555
Less: Share / debenture issue expenses adjusted during the year		16,518,848	22,914,080
Closing Balance		457,303,627	473,822,475
B. Statutory reserve (*)			
Balance as per last financial statements		43,082,165	28,609,848
Add: Amount transferred from surplus balance in the Statement of Profit and Loss during		36,197,637	14,472,317
Closing Balance		79,279,802	43,082,165
(*) Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934			
C Capital Reserve			
Balance as per last financial statements		2,268,400	-
Add: Addition on ESOPs Exercised in FY 2012-13		-	2,268,400
Closing Balance		2,268,400	2,268,400
D Surplus in the Statement of Profit and Loss			
Balance as per last financial statements		156,764,329	100,187,647
Profit for the year		180,988,185	72,361,587
Less: Appropriations			
Transferred to Statutory Reserve		36,197,637	14,472,317
Proposed Preference Dividend (including Corporate Dividend Tax)		5,416,094	1,312,588
Total Appropriations		41,613,731	15,784,905
Net surplus in the Statement of profit and loss		296,138,783	156,764,329
Total		834,990,612	675,937,369

5 Long-term borrowings		Non Current Portion		Current Maturities	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
I Debentures (Privately placed)					
Secured					
Redeemable Non-Convertible Debentures		1,388,666,255	332,000,000	267,500,300	-
II Term loans					
Secured					
- from Banks		1,109,490,091	856,473,690	1,989,444,276	1,240,431,090
- from Financial institutions		139,400,000	-	60,600,000	150,000,000
- from Non banking finance companies (NBFC)		221,611,126	193,336,336	655,137,094	484,230,717
Unsecured					
- from Financial institutions		150,000,000	41,000,000	41,000,000	-
Total		3,009,167,472	1,422,810,026	3,013,681,670	1,874,661,807
Amount disclosed under the head "other current liabilities" (Refer note 9)		-	-	(3,013,681,670)	(1,874,661,807)
Total		3,009,167,472	1,422,810,026	-	-

Sonata Finance Private Limited
Notes to the Financial Statements as at and for the half year ended March 31, 2015

5 Long-term borrowings (Contd.)
Terms of repayment of long term borrowings as on March 31, 2015

Original maturity of loan	Due within 1 year		Due between 1 to 2 years		Due between 2 to 3 Years		Due between 3 to 5 Years		Above 5 Yrs		Interest Rate	Total
	No. of instalments	Amount (in Rupees)	No. of instalments	Amount (in Rupees)	No. of instalments	Amount (in Rupees)	No. of instalments	Amount (in Rupees)	No. of instalments	Amount (in Rupees)		
Debentures												
Secured												
1-3 Yrs.	42	267,500,300	31	206,666,255	1	240,000,000	-	-	-	-	13.25% - 14.70%	714,166,555
3-5 Yrs.	-	-	-	-	-	-	2	610,000,000	-	-	14.00% - 14.75%	610,000,000
Above 5 Yrs.	-	-	-	-	-	-	2	332,000,000	-	-	14.79%	332,000,000
	42	267,500,300	31	206,666,255	1	240,000,000	4	942,000,000	-	-		1,656,166,555
Term Loans												
Secured												
Monthly repayment schedule												
From Banks:												
1-3 Yrs.	160	1,118,334,342	57	472,468,328	11	61,125,000	-	-	-	-	12.30% - 14.00%	1,651,927,670
From Financial Institutions:												
1-3 Yrs.	10	60,600,000	12	72,720,000	11	66,680,000	-	-	-	-	13.50%	200,000,000
From NBFC:												
1-3 Yrs.	73	501,819,092	28	91,869,898	10	9,722,228	-	-	-	-	15.12% - 16.00%	603,411,218
Total (a)	243	1,680,753,434	97	637,058,226	32	137,527,228	-	-	-	-		2,455,338,888
Quarterly repayment schedule												
From Banks:												
1-3 Yrs.	74	871,109,934	38	457,708,580	13	118,188,183	-	-	-	-	11.50% - 14.50%	1,447,006,697
From NBFC:												
1-3 Yrs.	12	133,318,002	7	83,349,000	2	16,670,000	-	-	-	-	15.00%	233,337,002
Total (b)	86	1,004,427,936	45	541,057,580	15	134,858,183	-	-	-	-		1,680,343,699
Half-yearly repayment schedule												
From NBFC:												
1-3 Yrs.	2	20,000,000	2	20,000,000	-	-	-	-	-	-	16.00%	40,000,000
Unsecured												
Monthly repayment schedule												
From Financial Institutions:												
1-3 Yrs.	3	41,000,000	-	-	-	-	-	-	-	-	4.00%	41,000,000
Above 5 Yrs.	-	-	-	-	-	-	-	-	6	150,000,000	15.50%	150,000,000
Grand Total	376	3,013,681,670	175	1,404,782,061	48	512,385,411	4	942,000,000	6	150,000,000		6,022,849,142



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Note:

A. Debentures

a 115 (March 31, 2014 : Nil) 12.51% Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each are redeemable at par in 24 monthly equal installments from August 28, 2014. The debentures are secured by hypothecation of unencumbered pool of portfolio loans aggregating 1.1 times of the the outstanding debentures. Further, the debentures have been guaranteed by third parties to the extent of 21% of the debenture amount.

b 150 (March 31, 2014 : Nil) 11.88% Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each are redeemable at par in 15 bi-monthly equal installments starting from September 28, 2014. The debentures are secured by hypothecation of unencumbered pool of portfolio loans aggregating 1.1 times of the the outstanding debentures. Further, the debentures have been guaranteed by third parties to the extent of 27.50% of the debenture amount.

c 150 (March 31, 2014 : Nil) 13.25% Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each are redeemable at par in 24 monthly equal installments starting from February 23, 2015. The debentures are secured by hypothecation of unencumbered pool of portfolio loans aggregating 1.1 times of the the outstanding debentures. Further, the debentures have been guaranteed by third parties to the extent of 18.75% of the debenture amount.

d 150 (March 31, 2014 : Nil) 13.50% Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each are redeemable at par in 24 monthly equal installments starting from April 23, 2015. The debentures are secured by hypothecation of unencumbered pool of portfolio loans aggregating 1.1 times of the the outstanding debentures. Further, the debentures have been guaranteed by third parties to the extent of 17.50% of the debenture amount.

e 240 (March 31, 2014 : Nil) 14.70% Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each are redeemable at par at the end of 3 years from the date of allotment i.e. May 26, 2014. There is a call / put option available with the Company / Debenture holder at the end of 18 months from the date of allotment. The debentures are secured by hypothecation of unencumbered pool of portfolio loans aggregating 1.1 times of the the outstanding debentures.

f 240 (March 31, 2014 : Nil) 14.75% Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each are redeemable at par at the end of 4 years from the date of allotment i.e. July 24, 2014. There is a call / put option available with the Company / Debenture holder at the end of 24 months from the date of allotment. The debentures are secured by hypothecation of unencumbered pool of portfolio loans aggregating 1.1 times of the the outstanding debentures.

g 332 (March 31, 2014 : 332) 14.79% Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each are redeemable at par at the end of 6 years from the date of allotment i.e. December 30, 2013. There is a call / put option available with the Company / Debenture holder at the end of 3 years from the date of allotment. The debentures are secured by hypothecation of unencumbered pool of portfolio loans that are in aggregate equivalent to the amount of outstanding debentures.

h 370 (March 31, 2014 : Nil) 14.00% Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each are redeemable at par at the end of 4 years from the date of allotment i.e. March 24, 2015. There is a call/ put option available with the Company / Debenture holder at the end of 30 months from the date of allotment. The debentures are secured by hypothecation of unencumbered pool of portfolio loans that are in aggregate equivalent to the amount of outstanding debentures.

B. Term Loans

Secured / to be secured by hypothecation of unencumbered pool of portfolio loans that are in aggregate equivalent to the amount of outstanding term loan and by lien over unencumbered fixed deposits and margin money.



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5 Long-term borrowings (Contd.)
Terms of repayment of long term borrowings as on March 31, 2014

Original maturity of loan	Due within 1 year		Due between 1 to 2 years		Due between 2 to 3 years		Above 5 Yrs		Interest Rate	Total
	No. of instalments	Amount (in Rupees)	No. of instalments	Amount (in Rupees)	No. of instalments	Amount (in Rupees)	No. of instalments	Amount (in Rupees)		
Secured										
Non-Convertible Debentures *										
Above 5 Yrs.	-	-	-	-	-	-	1	332,000,000	14.79%	332,000,000
Term Loans										
Monthly repayment schedule										
From Banks:										
1-3 Yrs.	147	644,454,468	57	261,447,826	11	49,995,000	-	-	12.30% - 14.00%	955,897,294
From Financial Institutions:										
1-3 Yrs.	11	150,000,000	-	-	-	-	-	-	13.50%	150,000,000
From NBFC:										
1-3 Yrs.	69	269,229,385	3	3,333,334	-	-	-	-	15.35% - 16.00%	272,562,719
Total (a)	227	1,063,683,853	60	264,781,160	11	49,995,000	-	-		1,378,460,013
Quarterly repayment schedule										
From Banks:										
1-3 Yrs.	60	595,976,622	44	449,576,319	12	95,454,545			12.40% - 14.50%	1,141,007,486
From NBFC:										
1-3 Yrs.	15	195,001,332	8	100,002,002	3	50,001,000	-	-	14.50% - 16.50%	345,004,334
Total (b)	75	790,977,954	52	549,578,321	15	145,455,545	-	-		1,486,011,820
Half-yearly repayment schedule										
From NBFC:										
1-3 Yrs.	2	20,000,000	2	20,000,000	2	20,000,000	-	-	16.00%	60,000,000
Unsecured										
Term Loans										
Monthly repayment schedule										
From Financial Institutions:										
1-3 Yrs.	-	-	3	41,000,000	-	-	-	-	4.00%	41,000,000
Grand Total	304	1,874,661,807	117	875,359,481	28	215,450,545	1	332,000,000		3,297,471,833

Note:

Term loans are secured / to be secured by hypothecation of unencumbered pool of portfolio loans that are in aggregate equivalent to the amount of outstanding term loan and by lien over unencumbered fixed deposits and margin money.

* 332 (March 31, 2013 : Nil) 14.79% Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each are redeemable at par at the end of 6 years from the date of allotment i.e. December 30, 2013. There is a call / put option available with the Company / Debenture holder at the end of 3 years from the date of allotment. The debentures are secured by hypothecation of unencumbered pool of portfolio loans that are in aggregate equivalent to the amount of outstanding debentures.



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2015

6 Other long-term liabilities	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
Deferred gain on portfolio loans assigned / securitised	33,227,138	4,424,296
Total	33,227,138	4,424,296

7 Provisions:	Long Term		Short Term	
	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
A. Provision for employee benefits				
Provision for Gratuity	4,527,430	405,824	-	-
	4,527,430	405,824	-	-
B. Provision for Portfolio loans (Refer Note 23)	13,338,257	7,268,490	32,635,880	19,700,143
	13,338,257	7,268,490	32,635,880	19,700,143
C. Others				
Provision for taxation [Net of advance tax Rs. 13,25,90,550/- (March 31, 2014: 25,569,102)]	-	-	43,316,160	44,400,743
Provision for Preference Dividend	-	-	4,500,000	1,121,918
Provision for Dividend Distribution tax	-	-	916,093	190,670
Provision for Securitised / Managed Portfolio loans	-	-	7,719,428	-
	-	-	56,451,681	45,713,331
Total	17,865,687	7,674,314	89,087,561	65,413,474

8 Short-term borrowings	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
Secured		
Short Term loan from a bank	370,000,000	30,000,000
Bank Overdraft	1,866,646	-
Unsecured		
Bank Overdraft	4,310,790	-
Total	376,177,436	30,000,000

The aforesaid term loan is secured by hypothecation of unencumbered pool of portfolio loans that are in aggregate equivalent to the amount of outstanding term loan and by lien over unencumbered fixed deposits and is repayable in 4 equal quarterly installments starting from June 30, 2015. The loan carries an interest of 13.50% per annum.

The aforesaid bank overdraft is secured by lien over unencumbered fixed deposits and is repayable on demand. The overdraft carries an interest rate of 10.30% per annum.

9 Other Current liabilities	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
Current maturities of long-term borrowings (Refer note 5)	3,013,681,670	1,874,661,807
Interest accrued but not due on borrowings	44,207,479	22,277,997
Advance from a Bank (Pending Disbursement)	690,042	3,299,721
Deferred gain on portfolio loans assigned / securitised	67,600,577	56,374,885
Payable for portfolio loans assigned / securitised	163,474,887	130,162,049
Processing Fees Payable	15,034,072	7,596,830
Expenses Payable	13,052,392	10,804,867
Statutory Dues Payable	7,400,769	3,882,581
Advance received against portfolio loans	47,102,838	32,671,962
Temporary Book Overdraft	2,646,415	-
Insurance Premium Payable	23,180	18,512,869
Payable to Sonata Employee Welfare Trust	544,600	544,600
Other payables	214,391	2,219,403
Total	3,375,673,312	2,163,009,571

10 FIXED ASSETS :	(Rs.)				
A. Tangible Assets					
Cost or Valuation	Furniture & Fixtures	Computers	Office Equipments	Vehicles	Total
At April 1, 2013	5,673,121	6,359,528	4,142,186	1,513,803	17,688,638
Additions	2,784,247	2,119,657	1,108,045	-	6,011,949
At March 31, 2014	8,457,368	8,479,185	5,250,231	1,513,803	23,700,587
Additions	1,855,956	1,779,102	1,303,971	-	4,939,029
At March 31, 2015	10,313,324	10,258,287	6,554,202	1,513,803	28,639,616
Depreciation					
At April 1, 2013	2,597,497	5,179,979	1,604,114	261,795	9,643,385
Charge For the Year	1,269,180	1,179,580	659,029	324,145	3,431,934
At March 31, 2014	3,866,677	6,359,559	2,263,143	585,940	13,075,319
Charge For the Year	2,370,126	1,873,258	2,485,842	302,571	7,031,797
At March 31, 2015	6,236,803	8,232,817	4,748,985	888,511	20,107,116
Net Block					
At March 31, 2014	4,590,691	2,119,626	2,987,088	927,863	10,625,268
At March 31, 2015	4,076,521	2,025,470	1,805,217	625,292	8,532,500

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11 Investment	Non-current investment		Current investment	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Trade Investment (Unquoted)				
Investments in Equity Shares (valued at cost) 50,000 (March 31, 2014: 50,000) fully paid up shares of Alpha Micro Finance Consultants Private Limited at face value of Rs. 10 (March 31, 2014 : Rs. 10) per share	500,000	500,000	-	-
Non-trade Investment				
Unquoted Mutual Funds (valued at lower of cost and fair value)				
548,516.881 units (March 31, 2014 : 448,778.261 units) of Reliance liquidity fund- Growth plan growth option at face value of Rs. 1,000 (March 31, 2014 : Rs. 1,000) per unit	-	-	1,149,210,855	860,193,821
[Net Asset Value : Rs. 1,15,47,04,717 (March 31, 2014 : Rs. 86,70,82,144)]				
Total	500,000	500,000	1,149,210,855	860,193,821

12 Deferred Tax Asset	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)
Impact of difference between tax depreciation and depreciation charged for the financial reporting	1,922,783	515,946
Impact of provision for standard and non performing asset	18,582,269	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	2,103,949	665,445
Total	22,609,001	1,181,391

13 Loans and advances (Unsecured, considered good unless stated otherwise)	Long-term		Short-term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
A. Portfolio loans (Refer Note 23)				
Considered good	1,180,651,628	641,749,563	3,033,508,527	1,833,724,026
Considered doubtful	16,429,444	3,792,673	-	2,368,319
	1,197,081,072	645,542,236	3,033,508,527	1,836,092,345
B. Security Deposits				
Considered good	321,698	297,948	1,212,400	-
	321,698	297,948	1,212,400	-
C. Advances recoverable in cash or kind				
Considered good	-	-	4,759,588	1,778,799
Considered doubtful	1,551,943	1,551,943	-	-
Less: Provision for doubtful advances	(1,551,943)	(1,551,943)	-	-
	-	-	4,759,588	1,778,799
D. Others				
Considered good				
Prepaid expenses	-	-	2,312,074	222,393
Loan to staff	1,217,468	304,315	2,825,587	2,599,054
Cenvat Credit receivable	-	-	1,245,507	237,355
Margin money with Non-banking financial companies (*)	2,195,866	-	9,804,134	36,293,958
	3,413,334	304,315	16,187,302	39,352,760
(*) marked as lien towards term loan availed from them				
Total	1,200,816,104	646,144,499	3,055,667,817	1,877,223,904



Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2015

14 Other assets (Unsecured, considered good unless stated otherwise)	Non-Current Portion		Current Portion	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Non current bank balances (Refer note 15)	380,886,718	313,976,459	-	-
	380,886,718	313,976,459	-	-
Unamortised Expenditure				
Ancillary Cost of arranging the borrowings	8,540,893	5,680,925	30,372,236	23,220,639
	8,540,893	5,680,925	30,372,236	23,220,639
Others				
Interest accrued but not due on portfolio loans	-	-	22,744,707	9,471,721
Interest accrued but not due on deposits placed with banks and financial institutions	9,739,563	9,537,942	39,128,184	17,883,596
Service fees receivable	-	-	3,281,470	1,154,377
Other assets & recoverable	-	-	-	48,460
	9,739,563	9,537,942	65,154,361	28,558,154
Total	399,167,174	329,195,326	95,526,597	51,778,793

15 Cash and Bank Balances	Non-Current Portion		Current Portion	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Cash and cash equivalents				
Balances with banks				
-on current accounts	-	-	1,325,523,999	482,627,698
-deposit with original maturity of less than three months	-	-	240,146,271	-
Cash on hand	-	-	2,082,404	388,833
	-	-	1,567,752,674	483,016,531
Other Bank Balances :				
Deposit with original maturity for more than 3 months but not more than 12 months (*)	55,184,139	47,383,026	24,843,792	70,615,297
Deposit with original maturity for more than 12 months (*)	325,702,579	266,593,433	380,313,484	207,545,000
	380,886,718	313,976,459	405,157,276	278,160,297
Amount disclosed under non-current assets (Refer note 14)	(380,886,718)	(313,976,459)	-	-
Total	-	-	1,972,909,950	761,176,828

(*) Includes deposit certificates of Rs. 75,32,28,460/- (March 31, 2014: Rs. 50,63,51,779/-) marked as lien towards bank overdraft, term loans availed from banks & financial institutions and towards cash collateral provided under term of assignment contracts.

16 Revenue from operations	Year ended March 31, 2015	Year ended March 31, 2014
	(Rs.)	(Rs.)
Interest income on portfolio loans	895,166,175	478,448,420
Processing fee on portfolio loans	57,784,911	39,776,151
Income from assignment/securitization of portfolio loans	51,726,557	62,847,353
Total	1,004,677,643	581,071,924

17 Other income	Year ended March 31, 2015	Year ended March 31, 2014
	(Rs.)	(Rs.)
Interest Income on		
- Fixed deposits with banks and financial institutions	53,374,485	42,068,933
- Others	314,900	231,112
Agency commission from insurance policies	3,601,620	6,100,764
Net gain on sale of current investments	52,415,559	11,984,751
Income from insurance product promotion	-	2,536,318
Grant receipts	-	613,248
Commission income on money transfer	20,503	34,959
Service fees	19,518,442	1,027,392
Miscellaneous Income	147,638	1,865,216
Total	129,393,147	66,462,693

18 Employee benefit expenses	Year ended March 31, 2015	Year ended March 31, 2014
	(Rs.)	(Rs.)
Salaries and bonus	168,763,797	125,406,335
Contributions to provident fund	12,208,793	7,735,576
Contribution to employees' state insurance	269,156	210,769
Gratuity expenses (Refer Note 26)	5,850,987	405,824
Total	187,092,733	133,758,504



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2015

19 Finance Costs	Year ended March 31, 2015 (Rs.)	Year ended March 31, 2014 (Rs.)
Interest expense	541,176,651	277,871,481
Loan processing fee on borrowings (amortised)	27,193,732	19,609,293
Other finance costs	9,812,584	15,166,095
Interest on Income Tax	3,700,000	2,850,000
Total	581,882,967	315,496,869

20 Depreciation expense	Year ended March 31, 2015 (Rs.)	Year ended March 31, 2014 (Rs.)
Depreciation of tangible assets	7,031,797	3,431,934
Total	7,031,797	3,431,934

21 Other expenses	Year ended March 31, 2015 (Rs.)	Year ended March 31, 2014 (Rs.)
Provision for standard and non performing assets	19,005,504	11,896,881
Provision for portfolio loan securitized/ assigned	7,719,428	-
Rent	13,708,101	10,511,539
Rates and taxes	2,707,794	4,021,296
Repairs & maintenance		
- Office maintenance	5,168,382	3,638,223
- Others	710,533	753,294
Travelling and conveyance	7,602,962	5,866,296
Communication expenses	4,769,906	3,211,338
Printing & stationery	5,878,277	5,478,610
Legal and professional fees	6,841,012	4,601,578
Payment to auditor (refer details below)	2,780,360	2,000,000
IT Support charges	1,683,223	2,605,039
Portfolio loans written-off	2,335,992	2,401,222
Loans & advances written off	-	4,710,085
Provision for doubtful advances	-	1,551,943
Bank charges	2,310,486	1,534,361
Electricity charges	1,716,762	1,236,089
Membership fees	1,233,699	1,353,021
Miscellaneous Expenses	9,930,297	5,450,787
Total	96,102,718	72,821,602

Payment to auditor:

Particulars	Year ended March 31, 2015 (Rs.)	Year ended March 31, 2014 (Rs.)
As auditor:		
Audit fee (excluding service tax)	1,850,000	1,850,000
Other services (certification, etc.)	705,900	150,000
Reimbursement of expenses	224,460	-
Total	2,780,360	2,000,000

22 Earnings per share (EPS)	Year ended March 31, 2015 (Rs.)	Year ended March 31, 2014 (Rs.)
Profit for the year	180,988,185	72,361,587
Add: Prior period item (net of tax)	-	687,695
Less:		
Dividend on 9% OCPS	5,416,094	1,312,588
Net profit / (loss) for calculation of basic EPS	175,572,091	71,736,694
Net Profit as above	175,572,091	71,736,694
Add:dividends on convertible preference shares & tax thereon	5,416,094	1,312,588
Net profit / (loss) for calculation of diluted EPS	180,988,185	73,049,282
Weighted average number of equity shares in calculating basic EPS	11,875,078	11,875,078
Effect of dilution:		
Convertible Preference Shares	591,541	175,250
Stock options granted under ESOP	2,455,000	2,455,000
Weighted average number of equity shares in calculating diluted EPS	14,921,619	14,505,328
EPS	14.78	6.04
Diluted EPS	12.13	5.04

23 Classification of Loan Portfolio and Loan loss provision:

A. Quality of Portfolio on age basis				As on March 31, 2015		As on March 31, 2014	
Sl. No.	Particulars	Arrear Period	Principal Outstanding	Share	Principal Outstanding	Share	
A	Joint Liability Group						
i	Standard Assets	-	3,831,389,708	90.56%	2,247,318,402	90.56%	
		upto 30 days	3,095,692	0.07%	2,107,230	0.08%	
		31 to 89 days	3,790,312	0.09%	1,921,835	0.08%	
		90-179 days	4,563,630	0.11%	1,249,619	0.05%	
ii	Non Performing Assets	180 days & above	4,801,081	0.11%	839,858	0.03%	
		Overdue and duration of loans have expired	4,461,750	0.11%	2,149,680	0.09%	
	Total (A)		3,852,102,173		2,255,586,624		
B	Individual Lending						
	Standard Assets	-	353,088,422	8.35%	220,638,350	8.89%	
		upto 30 days	15,998,170	0.38%	-	0.00%	
		31 to 89 days	966,193	0.02%	-	0.00%	
		90-179 days	861,208	0.02%	-	0.00%	
	Non Performing Assets	180 days & above	1,217,194	0.03%	-	0.00%	
		Overdue and duration of loans have expired	524,581	0.01%	-	0.00%	
	Total (B)		372,655,768		220,638,350		
C	Utility Finance						
	Standard Assets	-	5,831,658	0.14%	5,409,607	0.22%	
	Total (C)		5,831,658		5,409,607		
	Total (A+B+C)		4,230,589,999	100.00%	2,481,634,581	100.00%	

B. Provision for Portfolio loan : as on March 31, 2015				(Rs.)										
Sl. No.	Particulars	Loan Outstanding		Provision as per Compay Accounting Policy (refer Note 2.1.r)				Provision as per RBI Norms				Final Provision (higher of the two)		
		Non-Current	Current	Rate of Provision	Non-Current	Current	Total Provision	Rate of Provision	Non-Current	Current	Total Provision	Non-Current	Current	Total Provision
A.	Joint Liability Group													
	-	1,045,765,823	2,785,623,885	0%	-	-	-	1%	10,457,658	27,856,239	38,313,897			
	upto 30 days	532,068	2,563,624	10%	53,207	256,362	309,569	1%	5,321	25,636	30,957			
	31 to 89 days	212,080	3,578,232	50%	106,040	1,789,116	1,895,156	1%	2,121	35,782	37,903			
	90-179 days	4,563,630		50%	2,281,815	-	2,281,815	1%	45,636	-	45,636			
	180 days & above	4,801,081		100%	4,801,081	-	4,801,081	1%	48,011	-	48,011			
	Overdue and duration of loans have expired	4,461,750		100%	4,461,750	-	4,461,750	1%	44,618	-	44,618			
	Total Joint Liability Group	1,060,336,432	2,791,765,741		11,703,893	2,045,478	13,749,371		10,603,364	27,917,657	38,521,022	10,603,364	27,917,657	38,521,022
B.	Individual Lending													
	-	130,692,282	222,396,140	0%	-	-	-	1%	1,306,923	2,223,961	3,530,884			
	upto 30 days	3,227,383	12,770,787	10%	322,738	1,277,079	1,599,817	1%	32,274	127,708	159,982			
	31 to 89 days	221,992	744,201	50%	110,996	372,101	483,097	1%	2,220	7,442	9,662			
	90-179 days	861,208		50%	430,604	-	430,604	1%	8,612	-	8,612			
	180 days & above	1,217,194		100%	1,217,194	-	1,217,194	1%	12,172	-	12,172			
	Overdue and duration of loans have expired	524,581		100%	524,581	-	524,581	1%	5,246	-	5,246			
	Sub Total			OR	2,606,113	1,649,179	4,255,293							
				2% on Total Outstanding Provision	2,734,893	4,718,223	7,453,115							
	Total Individual Lending	136,744,640	235,911,128	Company's Provision - Higher of the two	2,734,893	4,718,223	7,453,115		1,367,446	2,359,111	3,726,558	2,734,893	4,718,223	7,453,115
C.	Utility Finance													
	-		5,831,658	0%	-	-	-	0%	-	-	-			
	Total	1,197,081,072	3,033,508,527		14,438,786	6,763,701	21,202,487		11,070,811	30,276,760	43,247,570	13,238,267	37,635,880	45,074,137

 
Dr. B. Jadhav

Provision for Portfolio loan I as on March 31, 2014										(Rs.)	
Particulars	Loan Outstanding		Provision as per Company Accounting Policy (refer Note 2.1.r)				Provision as per RBI Norms				Total Provision
	Non-Current	Current	Rate of Provision	Non-Current	Current	Total Provision	Rate of Provision	Non-Current	Current	Total Provision	
A. Self Help Group											
-	560,100,517	1,687,217,885									
upto 30 days	331,423	1,775,807	0%				1%	5,601,005	16,872,179	22,473,184	
31 to 89 days	579,427	1,342,408	10%	33,142	177,581	210,723	1%	3,314	17,758	21,072	
90-179 days	570,034	679,585	50%	289,714	671,204	960,918	1%	5,794	13,424	19,218	
180 days & above	493,532	346,326	50%	285,017	339,793	624,810	1%	5,700	6,796	12,496	
Overdue and duration of loans have expired	2,149,680	-	100%	493,532	346,326	839,858	1%	4,935	3,463	8,399	
Sub Total	564,224,613	1,691,362,011		3,251,085	1,534,903	4,785,988		5,642,246	16,913,620	22,555,866	22,555,866
B. Individual Lending	81,312,183	139,326,167	2%	1,626,244	2,786,523	4,412,767	1%	813,122	1,393,262	2,206,384	4,412,767
C. Utility Finance	5,440	5,404,167	0%				0%				
Total	645,542,236	1,836,092,345		4,877,328	4,321,427	9,198,755		6,455,368	18,306,882	24,762,250	26,968,633



Def.

R. D. Daini

Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2015
24 a Details of Assigned / Securitised Portfolio and income arising out of the same :

During the year, the Company has sold loans aggregating Rs. 1,382,228,618/- (March 31, 2014: Rs. 1,268,263,391/-) through assignment/ securitisation contracts. The portfolio loan assigned / securitised and outstanding as on March 31, 2015 is Rs. 1,378,352,456/- (March 31, 2014: Rs. 8,95,043,399/-) out of the total loan portfolio of Rs. 5,951,627,834/- (March 31, 2014: Rs. 3,465,068,318/-). The information regarding the assignment / securitisation activity as an originator is shown below.

Particulars	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)
Number of Accounts (in numbers)	160,133	87,792
Total book value of the loan asset assigned / securitised	1,382,228,618	1,268,263,391
Sale consideration received for the loan asset assigned / securitised	1,461,554,140	1,373,899,546
Total Gain on assigned / securitised	79,325,522	105,636,155
Income from asset assignment / securitisation recognised in the statement of profit and loss	51,726,557	62,847,353
Portfolio loan assigned / securitised and outstanding	1,378,352,456	895,043,399
Credit enhancements provided and outstanding:		
Cash collateral	138,855,255	112,522,693

Under the agreement for the assignment / securitisation of loans the Company has transferred all the rights and obligations relating to the loan asset assigned / securitised as shown above to various banks / non banking financial companies.

24 b Details of Direct Sale Agreement (DSA) executed with Indusind Bank under "Ganaseva Project" :

During the year, the Company has entered into a DSA with the bank under the following terms of the agreement:

- amounts received from the bank are disbursed as loan to self-help groups organised / monitored by the Company and such self help groups are considered as banks borrowers
- the Company provides services in connection with recovery and monitoring of such loans
- the Company has provided collaterals in the form of Fixed Deposits which may be adjusted by the bank in case aggregate default by borrowers exceeds certain thresholds.

Particulars	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)
Amount received for the Disbursement of loan through DSA	409,923,501	97,271,616
Total book value of the loan disbursed through DSA	412,533,180	93,971,895
Amount repaid/returned by Service Provider through DSA	163,819,296	5,581,557
Service Fee Income Recognised by the Service Provider in the books during the year	19,518,442	1,027,392
Outstanding Balance of Loan Disbursed through DSA as at the year end	342,685,779	88,390,338
Credit enhancements provided and outstanding:		
Cash collateral	22,400,000	34,134,248

Under the agreement for DSA executed with Indusind Bank Limited, the Company has transferred all the rights and obligations relating to the loan asset created out of amount received as service provider as shown above to Indusind Bank Limited.

25 Segment Reporting:

The Company operates in a single reportable segment i.e. giving loans and other related activities, which have similar risks and returns for the purpose of Accounting Standard-17 on 'Segment Reporting' specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rule, 2014. The Company operates in a single geographical segment i.e. domestic. Hence, no additional disclosures are required under Accounting Standard-17.

26 Employee Benefits:
Gratuity

The Company has a defined employee benefit plan in the form of gratuity on retirement / cessation. The Company has entrusted the administration of the gratuity plan to the Life Insurance Corporation of India (LIC) and contributions are made based on demands raised by the LIC.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Particulars	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)
i) Assumptions:		
Discount Rate	8.00%	8.25%
Salary Escalation	7.00%	7.00%
Withdrawal Rate	Varying between 8% per annum to 1% per annum depending on duration and age of employees	
Expected rate of return on assets	9.00%	9.00%
Expected average remaining working life of employees	30.75 years	30.76 years
ii) Table Showing changes in present value of Defined Benefit obligation:		
Present value of defined benefit obligations as at beginning of the year	6,143,931	5,384,421
Interest cost	829,488	518,776
Current service cost	3,852,362	1,837,124
Benefit Paid	(317,770)	-
Actuarial (gain)/ loss on obligations	1,781,125	(1,596,390)
Present value of defined benefit obligations as at end of the year	12,289,136	6,143,931

Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2015

Particulars	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)
iii) Table showing fair value of plan assets:		
Fair value of plan assets at beginning of the year	5,738,107	4,840,192
Expected return on plan assets	607,492	476,023
Contributions	1,729,381	544,229
Benefits Paid	(317,770)	
Actuarial (gain)/ loss on plan assets	(4,496)	122,337
Fair value of plan assets at end of the year	7,761,706	5,738,107
iv) Actuarial (Gain)/Loss recognised:		
Actuarial (gain)/loss on obligations	1,781,125	(1,596,390)
Actuarial (gain)/ loss on plan assets	(4,496)	122,337
Actuarial (gain)/loss recognised in the year	1,776,629	(1,474,053)
v) The amounts to be		
Present value of obligations at the end of the year	12,289,136	6,143,931
Fair value of plan assets at the end of the year	7,761,706	5,738,107
Net liability recognised in balance sheet	(4,527,430)	(405,824)
vi) Expenses Recognised in statement of Profit and Loss:		
Current Service Cost	3,852,362	1,837,124
Interest Cost	829,488	518,776
Expected return on Plan assets	(607,492)	(476,023)
Net Actuarial (gain)/loss recognised in the year	1,776,629	(1,474,053)
Expenses recognised in statement of profit and loss	5,850,987	405,824
Actual return on plan assets	611,988	353,686

vii) Amounts for the current and previous four years are as follows: ()**

Particulars	As on 31st March, 2015	As on 31st March, 2014	As on 31st March, 2013	As on 31st March, 2012	As on 31st March, 2011
Defined Benefit Obligations	12,289,136	6,143,931	5,384,421	(**)	(**)
Plan Assets	7,761,706	5,738,107	4,840,192	(**)	(**)
Surplus/(Deficit) #	(4,527,430)	(405,824)	(544,229)	(**)	(**)
Experience adjustments on plan liabilities [(Gain)/Loss]	1,781,125	(1,596,390)	(**)	(**)	(**)
Experience adjustments on plan assets [Gain/(Loss)]	(4,496)	122,337	(**)	(**)	(**)
Actuarial (gain)/ loss due to change on assumptions	1,776,629	(1,474,053)	(**)	(**)	(**)

viii) The Major categories of Plan Assets as a percentage of the fair value of Total Plan Asset are as follows:

LIC Fund	100%	100%
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- ix)** Amount incurred as expense for defined contribution to Provident Fund is Rs. 1,22,08,793/- (March 31, 2014: Rs. 77,35,576/-)
- x)** The estimates of future salary increases considered in actuarial valuation, takes account of inflation, seniority and other relevant factors, such as supply and demand in the employment market.
- xi)** The company expects to contribute Rs. 49,68,646/- [March 31, 2014: Rs. 14,00,000] to gratuity fund in 2015-16.
- xii)** The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The Company has started recording gratuity liability based on actuarial valuation from the financial year 2013-14 onwards.

(**) The experience adjustments on plan assets and plan liabilities are not readily available for the year financial years 2010-11, 2011-12 and 2012-13 and hence not disclosed.



27 Employee Stock option plans (ESOP)

The Company had issued 16,46,300 equity shares of INR 10 each to Sonata Employee Welfare Trust for the purpose of issuing shares under ESOPs to the employee of the company during the Financial Year 2009-10. The Company had issued 14,70,000 equity shares to the Sonata Employee Welfare Trust in Financial Year 2012-2013. Out of the above mentioned shares issued to Sonata Employee Welfare Trust, 3,96,300 Equity Shares of INR 10 each were issued to Mr Anup Kumar Singh (Managing Director) through the Trust route during the Financial Year 2009-10 and 2,65,000 shares had been exercised by Managing Director through the Trust route during the financial year 2012-13. Further, the company has provided Employee Stock Option Scheme to its director under Plan 1 & 4 and to its employee under Plan 2(a), (b), (c) (d) & 3. The detail of these schemes are as given below

Particulars	Plan 1 (b)	Plan 1 (c)(i)	Plan 1 (c)(ii)	Plan 1 (c)(iii)	Plan 1 (d)	Plan 2(a)	Plan 2(b)(i)	Plan 2(b)(ii)	Plan 2(b)(iii)
Date of Grant	06-May-10	06-May-10	06-May-10	06-May-10	12-Jun-12	09-Jul-10	09-Jul-10	09-Jul-10	09-Jul-10
Date of Board Approval	06-May-10	06-May-10	06-May-10	06-May-10	12-Jun-12	09-Jul-10	09-Jul-10	09-Jul-10	09-Jul-10
Date of Shareholder's Approval	08-Feb-10	08-Feb-10	08-Feb-10	08-Feb-10	28-Aug-12	17-Sep-10	17-Sep-10	17-Sep-10	17-Sep-10
Date of Modification of the scheme, if any	N.A.	N.A.	N.A.	12-Jun-12	N.A.	N.A.	N.A.	N.A.	N.A.
Number of Options granted	206,250	62,500	182,500	73,750	75,000	8,000	34,800	34,800	46,400
Number of Options vested	206,250	62,500	182,500	73,750	75,000	8,000	27,600	34,050	-
Exercise Price	Rs.18.56	Rs.18.56	Rs.18.56	Rs.18.56	Rs.18.56	Rs.26	Rs.26	Rs.26	Rs.26
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting Period	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-11	31-Mar-14	31-Mar-15	31-Mar-16
Exercise Period	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-16	31-Mar-19	31-Mar-20	31-Mar-21
Vesting Conditions	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and performance appraisal	Linked to continued association with Company and performance appraisal	Linked to continued association with Company and performance appraisal	Linked to continued association with Company and performance appraisal
Name of the Plan	ESOP Plan 2009	ESOP Plan 2009	ESOP Plan 2009	ESOP Plan 2009	ESOP Plan 2009	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011

Particulars	Plan 2 (c)(i)	Plan 2 (c)(ii)	Plan 2 (c)(iii)	Plan 2 (d)(i)	Plan 2 (d)(ii)	Plan 2 (d)(iii)	Plan 3	Plan 3 (i)	Plan 4
Date of Grant	09-Jul-10	09-Jul-10	09-Jul-10	09-Jul-10	09-Jul-10	09-Jul-10	01-Oct-13	01-Oct-14	01-Oct-13
Date of Board Approval	09-Jul-10	09-Jul-10	09-Jul-10	09-Jul-10	09-Jul-10	09-Jul-10	06-Feb-14	06-Feb-14	06-Feb-14
Date of Shareholder's Approval	17-Sep-10	17-Sep-10	17-Sep-10	17-Sep-10	17-Sep-10	17-Sep-10	20-Mar-14	20-Mar-14	20-Mar-14
Date of Modification of the scheme, if any	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Number of Options granted	37,200	37,200	49,600	30,000	30,000	40,000	200,000	200,000	800,000
Number of Options vested	32,400	-	-	-	-	-	49,500	-	133,333
Exercise Price	Rs. 26	Rs. 26	Rs. 26	Rs. 26	Rs. 26	Rs. 26	Rs. 54	Rs. 59	Rs. 67
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting Period	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-18	1/4 of total Grant to vest each year on 01st Oct over four years from the date of grant	1/4 of total Grant to vest each year on 01st Oct over four years from the date of grant	The Options will vest in equal amounts over 6 years from the date of grant
Exercise Period	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-23	Five years from the date of each vesting	Five years from the date of each vesting	Five years from the date of each vesting
Vesting Conditions	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Subject to the Terms of Share Holders' Agreement of the Company entered on September 05th 2012 and performance milestones as may be stipulated by Compensation committee or the Board and also linked to continued association with Company
Name of the Plan	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2013



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Plan 1(b)

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	41,250	18.56	41,250	18.56
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	41,250	18.56	41,250	18.56
Exercisable at the end of the year	41,250	18.56	41,250	18.56

Plan 1(c)(i)

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	62,500	18.56	62,500	18.56
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	62,500	18.56	62,500	18.56
Exercisable at the end of the year	62,500	18.56	62,500	18.56

Plan 1(c)(ii)

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	182,500	18.56	182,500	18.56
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	182,500	18.56	182,500	18.56
Exercisable at the end of the year	182,500	18.56	182,500	18.56

Plan 1(c)(iii)

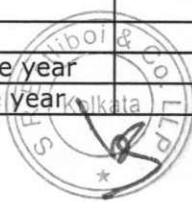
Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	73,750	18.56	73,750	18.56
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	73,750	18.56	73,750	18.56
Exercisable at the end of the year	73,750	18.56	73,750	18.56

Plan 1(d)

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	75,000	18.56	75,000	18.56
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	75,000	18.56	75,000	18.56
Exercisable at the end of the year	75,000	18.56	75,000	18.56

Plan 2(a)

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	8,000	26.00	8,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	8,000	26.00	8,000	26.00
Exercisable at the end of the year	8,000	26.00	8,000	26.00



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Plan 2(b)(i)

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	34,800	26.00	34,800	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	34,800	26.00	34,800	26.00
Exercisable at the end of the year	27,600	26.00	27,600	26.00

Plan 2(b)(ii)

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	34,800	26.00	34,800	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	34,800	26.00	34,800	26.00
Exercisable at the end of the year	34,050	26.00	-	-

Plan 2(b)(iii)

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	46,400	26.00	46,400	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	46,400	26.00	46,400	26.00
Exercisable at the end of the year	-	-	-	-

Plan 2(c)(i)

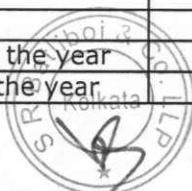
Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	37,200	26.00	37,200	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	37,200	26.00	37,200	26.00
Exercisable at the end of the year	32,400	26.00	-	-

Plan 2(c)(ii)

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	37,200	26.00	37,200	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	37,200	26.00	37,200	26.00
Exercisable at the end of the year	-	-	-	-

Plan 2(c)(iii)

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	49,600	26.00	49,600	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	49,600	26.00	49,600	26.00
Exercisable at the end of the year	-	-	-	-



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Plan 2(d)(i)

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	30,000	26.00	30,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	30,000	26.00	30,000	26.00
Exercisable at the end of the year	-	-	-	-

Plan 2(d)(ii)

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	30,000	26.00	30,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	30,000	26.00	30,000	26.00
Exercisable at the end of the year	-	-	-	-

Plan 2(d)(iii)

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	40,000	26.00	40,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	40,000	26.00	40,000	26.00
Exercisable at the end of the year	-	-	-	-

Plan 3

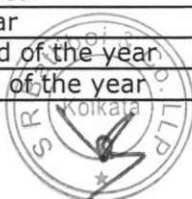
Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	200,000	54.00	-	-
Granted during the year	-	-	200,000	54.00
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	200,000	54.00	200,000	54.00
Exercisable at the end of the year	49,500	54.00	-	-

Plan 3 (i)

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	200,000	59.00	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	200,000	59.00	-	-
Exercisable at the end of the year	-	-	-	-

Plan 4

Particulars	As as March 31, 2015		As as March 31, 2014	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	800,000	67.00	-	-
Granted during the year	-	-	800,000	67.00
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	800,000	67.00	800,000	67.00
Exercisable at the end of the year	133,333	67.00	-	-



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28 Related party disclosures

As per Accounting Standard (AS 18) on related party disclosure specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rule, 2014, related parties of the company are as follows:

A. Names of related parties and nature of relationship

Particulars	Nature of relationship
Key Management Personnel	
Mr. Anup Kumar Singh	Managing Director

B. Nature of transactions

Particulars	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
Key Management Personnel		
Salary, Bonus and other allowances*	5,618,332	5,289,184
Contribution to provident fund	81,660	81,660
Perquisites	75,000	75,000

*As the future liability for gratuity and leave has been provided for the Company as a whole, the amount pertaining to the Managing Director is separately not ascertainable, and therefore not included above.

29 Leases**Operating lease: Company as lessee**

Certain office premises are obtained on operating lease. The lease term is for one to three years and renewable for further periods either mutually or at the option of the Company. There are no restrictions imposed by lease agreements. There are no subleases and the leases are cancellable.

Description	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
Operating lease payments recognised during the year	13,708,101	10,511,539

30 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on the information / documents available with the Company, no delayed payments has been made during the year and no delayed payments were outstanding as on the Balance Sheet date to any suppliers being covered under Micro, Small and Medium Enterprises Development Act, 2006. As a result no disclosures as required under section 22 of the aforesaid Act has been made in these accounts.

31 Additional disclosures required by the Reserve Bank of India**A. Capital to Risk-Assets ratio (CRAR)**

Particulars	March 31, 2015	March 31, 2014
CRAR (%)	17.83	20.86
CRAR - Tier I capital (%)	14.82	20.45
CRAR - Tier II capital (%)	3.02	0.41
Amount of subordinate debt raised as Tier II Capital (Rs.)	150,000,000	-
Amount received on issue of Perpetual Debt Instrument (Rs.)	-	-

B. Exposures:

The Company has no exposures to Real Estate Sector and capital market directly or indirectly in the current and previous year.

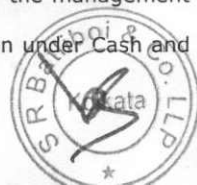
C. Asset liability management

figures (in Lacs)

	Upto 1 month	Over 1 month to 2 months	Over 2 month to 3 months	Over 3 month to 6 months	Over 6 month to 1 yr	Over 1 yr to 3 yrs	Over 3 yr to 5 yrs	Over 5 yrs	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	3,199.21	2,913.23	2,963.79	8,398.13	13,022.02	11,809.38	-	-	42,305.76
Investments #	1,894.00	1,100.00	175.00	834.55	1,762.62	4,615.73	-	-	10,381.90
Borrowings	3,519.96	2,007.66	4,272.85	8,623.09	15,475.03	22,871.67	5,720.00	-	63,990.27
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

The above asset liability management has been prepared on the basis of certain assumptions and estimates by the management and relied upon by the auditors.

Investments includes deposit certificate and cash collateral held with banks and financial institution and shown under Cash and bank balances under Note 15 and other assets under Note 13



Sonata Finance Private Limited
Notes to the Financial Statements as at and for the period ended March 31, 2015
D. INVESTMENTS

Amount Rs. (in crores)

Particulars	March 31, 2015	March 31, 2014
1 Value of Investments		
Gross Value of Investments		
In India	114.97	86.07
Outside India	-	-
Provision for depreciation		
In India	-	-
Outside India	-	-
Net Value of Investments		
In India	114.97	86.07
Outside India	-	-
2 Movement of provision held towards depreciation on investments		
Opening Balance	-	-
Add: Provision made during the year	-	-
Less: Write off / write back of excess provision during the year	-	-
Closing Balance	-	-

E. Derivatives

The Company has no transaction / exposure in derivatives in the current and previous year

The Company has no unhedged foreign currency exposure as at the current and previous year end.

F. Disclosures relating to securitisation

Amount Rs. (in crores)

Particulars	March 31, 2015	March 31, 2014
1 No of SPVs sponsored by the NBFC for securitisation transactions	8	13
2 Total amount of securitised assets as per books of the SPVs sponsored	138.22	126.83
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	13.89	11.25
Others	-	-
4 Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitizations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitizations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

G. Details of financial assets sold to securitisation / reconstruction company for asset reconstruction

The Company has not sold financial assets to securitisation / reconstruction company for asset reconstruction in the current and previous year.

H. Details of non performing financial assets purchased / sold

The Company has not purchased / sold non performing financial assets in the current and previous year.



I. Details of financing of parent Company products

The disclosure is not applicable as the Company does not have any holding / parent Company.

J. Unsecured Advances - Refer Note 13**K. Draw down from Reserves**

There has been no draw down from reserves during the current and previous year end.

L. Information on Net Interest Margin

Particulars	March 31, 2015	March 31, 2014
Average interest (a)	24.66%	24.45%
Average effective cost of borrowing (b)	15.07%	15.67%
Net Interest Margin (a-b)	9.59%	8.77%

M.	Particulars	Amount Outstanding (Rs. In Crores)	Amount Overdue
	Liabilities Side :		
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
a)	Debtentures : Secured	165.62	-
	: Unsecured (other than falling within the meaning of public deposits)	-	-
b)	Deferred Credits	-	-
c)	Term Loans	473.67	-
d)	Inter-corporate loans and borrowing	-	-
e)	Commercial Paper	-	-
f)	Other Loan	-	-
	Assets Side :		
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] : Net of NPAs		
a)	Secured		
b)	Unsecured	421.96	
	(Including Advance Income Tax /TDS)		
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 :		
	Current Investments :		
1	Quoted :		
i)	Shares : (a) Equity	-	
	(b) Preference	-	
ii)	Debtentures and Bonds	-	
iii)	Units of mutual funds	-	
iv)	Government Securities	-	
v)	Others (please specify)	-	
2	Unquoted :		
i)	Shares : (a) Equity	-	
	(b) Preference	-	
ii)	Debtentures and Bonds	-	
iii)	Units of mutual funds	-	
iv)	Government Securities	-	
v)	Others (please specify)	114.92	



Long Term investments : Net of NPAs		
1 Quoted :	-	
i) Shares : (a) Equity	-	
(b) Preference	-	
ii) Debentures and Bonds	-	
iii) Units of mutual funds	-	
iv) Government Securities	-	
v) Others (please specify)	-	
2 Unquoted :		
i) Shares : (a) Equity	0.05	
(b) Preference	-	
ii) Debentures and Bonds	-	
iii) Units of mutual funds	-	
iv) Government Securities	-	
v) Others (please specify)	-	

5 Borrower group-wise classification of assets financed as in (2) and (3) above :

Amount Rs.(in crores)

Category	Secured	Unsecured	Total
(Amount net of provisions)			
1 Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	421.96	421.96
Total		421.96	421.96

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

Amount Rs.(in crores)

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other related parties	-	-
2 Other than related parties	115.52	114.97
Total	115.52	114.97

7 Other information

Amount Rs.(in crores)

Particulars	Amount
i) Gross Non-Performing	-
(a) Related parties	-
(b) Other than related parties	1.64
ii) Net Non-Performing Assets	-
(a) Related parties	-
(b) Other than related parties	1.62
iii) Assets acquired in satisfaction of debt	-

N. Customer Complaints *

Particulars	Number
1 No. of complaints pending at the beginning of the year	3
2 No. of complaints received during the year	418
3 No. of complaints redressed during the year	419
4 No. of complaints pending at the end of the year	2

* excluding general enquiry from customers on loans products and insurance related matters.

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O. Provisions & Contingencies

Amount Rs.(in crores)

Particulars	March 31, 2015	March 31, 2014
1 Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	-	-
2 Provisions for depreciation on Investment	0.01	0.00
3 Provision towards NPA	0.77	-
4 Provision for portfolio loan securitized/ assigned	10.24	4.86
5 Provision made towards Income tax	0.59	0.04
6 Other Provision and Contingencies (with details)	0.54	0.13
a Provision for gratuity	-	0.16
b Provision for dividends and tax	1.89	1.19
c Provision for doubtful advances	(2.14)	(0.00)
7 Provision for Standard Assets		
8 Provision for Deferred tax charge / (credit)		

P. Sector wise NPAs

Sector	Percentage of NPA to Total Advances in that Sector as on 31 March 2015	Percentage of NPA to Total Advances in that Sector as on 31 March 2014
1 Agriculture & allied activities #	0.35%	0.23%
2 MSME #	0.42%	0.30%
3 Corporate borrowers	-	-
4 Services	-	-
5 Unsecured personal loans	-	-
6 Other personal loans	-	-

NPA of Own portfolio considered

Q. Movement of NPA

Amount Rs.(in crores)

Particulars	March 31, 2015	March 31, 2014
i) Net NPAs to Net Advances (%)	0.38%	0.25%
ii) Movement of NPAs (Gross)		
Opening balance	0.62	0.51
Additions during the year	1.25	0.35
Reductions during the year	0.23	0.24
Closing balance	1.64	0.62
iii) Movement of Net NPAs		
Opening balance	0.61	0.50
Additions during the year	1.01	0.11
Reductions during the year	-	(0.11)
Closing balance	1.62	0.61
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	0.01	0.01
Provisions made during the year	0.24	0.24
Write-off / write-back of excess provisions	0.23	0.24
Closing balance	0.02	0.01

R. Details of Registration with Financial Regulators

Regulator	Registration No.
Ministry of Company Affairs	U65921UP1995PTC035286
Reserve Bank of India	B-12.00445

No penalties have been levied by the above Regulators during the current and previous year.



S. Ratings assigned by Credit Rating Agencies

Ratings assigned by Credit Rating Agencies			
Particulars		As at 31 March 2015	As at 31 March 2014
1	Long Term Bank Facilities	CRISIL BBB-/(Stable)	CRISIL BB+/(Stable)
2	Long Term Non Convertible Debentures	ICRA BBB-/(Stable), ICRA BBB, ICRA BBB+ (SO), and ICRA A- (SO)	ICRA BBB-/(Stable)
3	MFI Grading	ICRA M2+	CRISIL mfr3
4	Securitisation/Assignment :		
	IFMR MOSEC APOLLONIS		[ICRA] BBB+ (SO) / [ICRA] B- (SO)
	IFMR MOSEC ASTERIA		[CRISIL] BBB+ (SO) / [CRISIL] B- (SO)
	IFMR MOSEC AUXO		[ICRA] A- (SO) / [ICRA] B- (SO)
	IFMR MOSEC CALLIES		[CRISIL] A- (SO) / [CRISIL] B- (SO)
	IFMR MOSEC EOS		[ICRA] BBB (SO) / [ICRA] BB (SO)
	IFMR MOSEC HORKOS		[CRISIL] A- (SO) / [CRISIL] B- (SO)
	IFMR MOSEC HYPNOS		[ICRA] BBB+ (SO) / [ICRA] BB (SO)
	IFMR MOSEC TELESTO		[ICRA] BBB+ (SO) / [ICRA] BBB- (SO) / [ICRA] B (SO)
	IFMR MOSEC ZELUS		[ICRA] A (SO) / [ICRA] C (SO)
	IFMR MOSEC DIONE		[ICRA] A (SO) / [ICRA] B+ (SO)
	IFMR MOSEC EIRENE		[CRISIL] A- (SO) / [CRISIL] B- (SO)
	IFMR MOSEC GANYMADE		[ICRA] A- (SO) / [ICRA] B (SO)
	IFMR MOSEC HERA		[ICRA] BBB+ (SO) / [ICRA] BB+ (SO)
	IFMR MOSEC AETHON	[ICRA] BBB (SO) / [ICRA] B- (SO)	
	IFMR MOSEC AGON	[ICRA] BBB (SO) / [ICRA] C+ (SO)	
	IFMR MOSEC ATLAS	[ICRA] BBB+ (SO) / [ICRA] B- (SO)	
	IFMR MOSEC BOREAS	[ICRA] A- (SO) / [ICRA] BBB - (SO) / [ICRA] C+ (SO)	
	IFMR MOSEC HERCULES	[ICRA] BBB (SO) / [ICRA] C+ (SO)	
	IFMR MOSEC MUSE	[ICRA] A- (SO)	
	IFMR MOSEC AMPHITRITE	[ICRA] A(SO) / [ICRA] BBB (SO)	
	IFMR MOSEC CAVATINA	[ICRA] A- (SO)	

T. Concentration of Advances, Exposures and NPA's

Particulars	As at 31 March 2015	As at 31 March 2014
Total Advances and Exposures to twenty largest borrowers	*	*
Total Exposure to top four NPA accounts	*	*
Percentage of Advances and Exposures to twenty largest borrowers to Advances of the NBFC	*	*

* The Company operates in the business of microfinance providing collateral free loans for fixed amounts ranging from Rs. 7,000 to Rs. 80,000 to women engaged in various income generating activities. The Company has provided loans to more than 4.00 lakhs women and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company.

34 Previous year figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

For S.R.Batliboi & Co. LLP

Firm Registration No.301003E
Chartered Accountants

per Bhaswar Sarkar
Partner

Membership No.: 055596



**For and on behalf of the Board of Directors of
Sonata Finance Private Limited**

Managing Director

Company Secretary

Nishal Bhargat
Director

Director

Place: Kolkata

Date: 13 JUL 2015

Place: Lucknow

Date: 13 JUL 2015