

Ref: SEBI/BSE/2023-24/046

Date: August 10, 2023

Scrip Code: 973590, 973619, 973643, 973670, 974084, 974110 & 974203

Company Code: 10494

To,
The Manager
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001

Subject: Disclosure pursuant to Regulation 54 (2), (3) & Regulation 51 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”)

Dear Sir/Madam,

Pursuant to Regulation 54 (2) & (3) of the LODR Regulations, read along with SEBI circular bearing reference number SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022; we hereby confirm that the company has maintained hundred percent or higher security cover as per the terms of offer document/Information Memorandum and/or Debenture Trust Deed, which is sufficient to discharge the principal amount and interest thereon, at all times for the non-convertible debt securities issued by the company. Along with the details as per Regulation 51 (2) -Para 26 of Part B of Schedule III of the LODR Regulations.

The details of security cover available as on June 30, 2023, on the non-convertible debentures issued by the company is enclosed as **Annexure-1**.

We request you to take the above information on record.

For Sonata Finance Private Limited

Anjali Manwani
Siddiqui

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Siddiqui
Date: 2023.08.10 15:37:17 +05'30'

Anjali Manwani Siddiqui
Company Secretary
Membership No. F12612

Date: August 10, 2023

To,
The Board of Directors
Sonata Finance Private Limited
2nd Floor, CP-1, PG Tower,
Kursi Road, Vikas Nagar, Lucknow,
Uttar Pradesh -226022

Independent Auditor's certificate as per Regulation 54 and 56(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (the "Regulations") as at June 30, 2023 in respect of Sonata Finance Private Limited (the "Company")

1. The management has requested us to certify the particulars contained in the accompanying Statement of Information for listed Non-Convertible Debentures ('NCDs') attached herewith (the 'Statement') of Sonata Finance Private Limited (the 'Company') as at June 30, 2023. This Statement has been prepared by the Company to comply with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended till date (referred to as the 'Regulations') and as per circular no. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 for the purpose of its onward submission to "Catalyst Trusteeship Limited" (referred to as the 'Company's Debenture Trustee').

Management's responsibility for the Statement

2. The preparation of the Statement is the responsibility of the Company's management including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
3. The Management is also responsible for ensuring the compliance with the requirements of the regulations and the Debenture Trust Deed ('DTD') for all listed NCDs issued and for providing all relevant information to the Debenture Trustee, including amongst others, maintaining Asset Coverage Ratio and for preparation and maintenance of covenants list and compliance with such covenants on a continuous basis as per the debenture trust deed

Auditor's responsibility for the Statement

4. It is our responsibility to obtain limited assurance and form an opinion as to whether the Statement is in agreement with the unaudited books of accounts and records furnished to us by the Company. We have relied on the said books of accounts and records furnished by the Company as on June 30, 2023. These books of accounts are unaudited and subject to limited review conducted by us in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by Independent Auditor of the Entity' issued by Institute of Chartered Accountants of India ('ICAI'). The procedures performed in limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
5. Pursuant to the request from management and as required by the Company's Debenture Trustee, it is our responsibility to examine the books and other records of the Company and provide limited assurance on whether the Company has maintained the required asset cover and complied with the covenants (as set out in the Statement) as per the requirements of DTDs for all outstanding listed NCDs and nothing has come to our attention that causes us to believe that the Statement and calculation thereof is not arithmetically accurate.

6. We have performed the following procedures in relation to the Statement:
 - (a) Obtained a list of receivables and other assets pledged as security against the outstanding listed NCDs;
 - (b) Read the information memorandum and debenture trust deed in relation the non-convertible debentures issued by the Company to assess the nature of the debentures i.e., secured or unsecured;
 - (c) Traced the amounts forming part of the Statement with the unaudited financial statements, underlying books of account and other relevant records and documents maintained by the Company as at June 30, 2023 and verified the arithmetical accuracy of the same;
 - (d) For the period ended June 30, 2023, we have verified Company's compliance with the debt covenants mentioned in Information Memorandums; and
 - (e) Recomputed the asset coverage ratio;
7. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the Guidance Note)' issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Basis of Qualified Opinion

9. The company has breached financial covenants as on June,30 2023 as mentioned in Annexure-3 of the statement.

Qualified Opinion

10. Based on the procedures performed as mentioned in paragraph 5 & 6 above, records, documents and unaudited financial information for the quarter and period ended June 30, 2023 of the Company produced to us and information, explanations and representation given to us, that causes us to believe that:
 - a. the company has not maintained the required security cover (as set out in the statement-Annexure-2) as per the requirements of DTDs in relation to all the outstanding listed NCDs as at June 30,2023.
 - b. the company has not complied with the financial covenants (as set out in the statement Annexure-3).
 - c. the particulars furnished in the Statement have been accurately extracted from the unaudited financial statements for the period ended June 30, 2023, records and other documents of the Company as at June 30, 2023;

Restriction on use

11. This certificate has been issued at the request of the Company to comply with the aforesaid Regulations. As a result, this certificate may not be suitable for any other purpose and is intended solely and entirely for the above-mentioned purpose. Accordingly, our certificate should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior consent in writing.

**Statement for Asset Coverage Ratio by Debenture Trustee in respect of Listed Debt Securities as at
June 30,2023**

- a) We (Sonata Finance Private Limited) vide its Board Resolutions and Information Memorandums / Offer Documents and under various Debenture Trust Deeds, have issued the following listed debt securities outstanding as at June 30,2023:

ISIN	Private Placement/ Public Issue	Secured/ Unsecured	Issued Amount (Rs.)
INE509M07337	Private Placement	Secured	20,00,00,000
INE509M07345	Private Placement	Secured	38,00,00,000
INE509M07311	Private Placement	Secured	38,00,00,000
INE509M07279	Private Placement	Secured	25,00,00,000
INE509M07287	Private Placement	Secured	80,00,00,000
INE509M07295	Private Placement	Secured	40,00,00,000
INE509M07303	Private Placement	Secured	75,00,00,000
Total			3,16,00,00,000

- b) Asset Cover for listed debt securities:

- i. The total assets of the listed entity provide coverage of 108.92% through exclusive charge creation on the interest and principal, which is not in accordance with the terms of debenture trust deed/information memorandum and through issue of listed debt securities and other borrowing arrangement (calculation as per statement of asset coverage ratio – Annexure-1 attached)

- c.) Compliance of all the covenants/terms of the issue in respect of listed debt securities of the listed entity:

We have examined the compliances made by the listed entity in respect of the covenants/terms of the issue of the listed debt securities (NCD's) and certify that the company has not complied with the financial covenants as set out in the statement (Annexure – 3).

For **B R Maheswari & Co LLP**

Chartered Accountants

Firm Registration Number: 001035N/N500050

AKSHAY

MAHESHWARI

Akshay Maheshwari

Partner

Membership Number: 504704

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AKSHAY MAHESHWARI

Date: 2023.08.10

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Place: New Delhi

Date: August 10, 2023

UDIN: 23504704BGQJBA3436

Sonata Finance Private Limited														Amount
Annexure-1_Statement of Security for Listed Debt securities as at 30th June 2023														(in lakhs)
Column A	Column B	Column C I Exclusive Charge	Column D II Exclusive Charge	Column E III Pari- Passu Charge	Column F IV Pari- Passu Charge	Column G V Pari- Passu Charge	Column H VI Assets not offered as Security	Column I VII Eliminatio n (amount in negative)	Column J (Total C to H)	Column K Related to only those items covered by this certificate	Column L Related to only those items covered by this certificate	Column M Related to only those items covered by this certificate	Column N Related to only those items covered by this certificate	Column O Related to only those items covered by this certificate
Particulars	Description of asset for which this certificate relate	Debt for which this certificate being issued Book Value	Other Secured Debt Book Value	Debt for which this certificat e being issued (YES/NO)	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & Book Value other debt with pari- passu charge)	Other assets on which there is pari- Passu charge (excludin g items covered in column F) Book Value		debt amount considere d more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying / book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance,DSRA market value is not applicable)	Market Value for Pari passu charge Assets ^{viii}	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (=K+L+M+ N)
ASSETS														
Property, Plant and Equipment	Property, Plant and Equipment at book value not offered as security						223.55		223.55					
Capital Work-in- Progress									-					
Right of Use Assets	Right to use asset less reserve on right to use on lease						202.30		202.30					
Goodwill									-					



SONATA Finance Private Limited

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Lucknow – 226026, Uttar Pradesh

CIN: U65921UP1995PTC035286

Contact No : 0522-4005729

Email: info@sonataindia.com

Website: www.sonataindia.com

Intangible Assets	Intangible assets containing software					10.98		10.98					
Intangible Assets under Development								-					
Investments	Investment in shares					5.65		5.65					
Loans	Portfolio Loans Net of ECL Provision	33,887.14	1,75,039.17			87.18		2,09,013.49		33,887.14			33,887.14
Inventories								-					
Trade Receivables	Service fees & processing fees receivables					625.63		625.63					
Cash and Cash Equivalents	Cash on hand, Balances with banks in current accounts, Fund in transit, Bank deposit with original maturity of less than 3 months		-			14,893.69		14,893.69					
Bank Balances other than Cash and Cash Equivalents	Fixed deposits with bank with original maturity for more than 3 months		10,133.55			1,800.42		11,933.97					
Others	Derivative financial instruments , Other financial assets- , Current & Deferred tax assets (net) - , Other non-financial assets		1,134.44			4,093.82		5,228.26					-
Total		33,887.14	1,86,307.16		-	21,943.22	-	2,42,137.52	-				
LIABILITIES													

Debt securities to which this certificate pertains	NCD Listed secured & accrued interest thereon,	31,111.48	-	-			31,111.48		31,111.48			31,111.48	
Other debt sharing pari-passu charge with above debt		not to be filled					-						
Other Debt			-				-						
<i>Subordinated debt</i>	Capital First Subordinate Loan , Accrued Interest on SD.		-			1,996.73		1,996.73					
<i>Borrowings</i>	Borrowings from ECB, NBFC, FI, Securitisation & Accrued Interest thereon		83,734.15					83,734.15					
<i>Bank</i>	Bank borrowings and accrued interest thereon		80,325.23					80,325.23					
<i>Debt Securities</i>			5,145.54					5,145.54					
<i>Others</i>								-					
<i>Trade payables</i>	Payable to vendor, expenses payable, professional fees payable, provision for expenses		-			278.06		278.06					
<i>Lease Liabilities</i>	Lease Liabilities		-			217.23		217.23					
<i>Provisions</i>	Provision for employee benefits -, Provision for direct sale		-			905.72		905.72					

	agreement – portfolio												
Others	Other financial liabilities - , Derivative financial instruments-, Other non-financial liabilities -		342.61				1,768.93			2,111.54			
Total		31,111.48	1,69,547.53	-	-	-	5,166.66	-		2,05,825.67			
Cover on Book Value													
Cover on Market Value^{ix}													
	Exclusive Security Cover Ratio	108.92%					Pari-Passu Security Cover Ratio						

ⁱ This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.

ⁱⁱ This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.

ⁱⁱⁱ This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else No.

^{iv} This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari- passu charge along with debt for which certificate is issued.

^v This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.

^{vi} This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.

^{vii} In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.

^{viii} Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value. Other assets having charge to be stated at book value/Carrying Value.

^{ix} The market value shall be calculated as per the total value of assets mentioned in Column O.

For Sonata Finance Private Limited

Anup Kumar Singh
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Anup Kumar Singh
Managing Director

For BR Maheshwari & Co. LLP

Chartered Accountants
AKSHAY MAHESHWARI
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Date: 2023.08.10 15:31:04 +05'30'

Akshay Maheshwari
Partner



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Website: www.sonataindia.com

Sonata Finance Private Limited

Date: 10-08-2023

Annexure 2: Asset Coverage as per listed debt securities as on 30-06-2023

S. No.	ISIN	Particulars	Trustee	Date of Trust Deed	Types	Nature	Accrued Interest as on 30-06-2023	Principal as on 30-06-2023	Closing Balance as on 30-06-2023	Required Cover(%) (2)	Principal	Interest	Assets Receivable required Col(1*2)	Assets /Receivable hypotheticated
1	INE509M07337	12.50%Sonata 2023 Listed NCD- Northern Arc MMAT	Catalyst Trusteeship Limited	17-08-2022	Secured	NCD	4,66,405	5,00,00,000	5,04,66,405	110%	5,50,00,000	5,13,045.50	5,55,13,046	5,59,92,139
2	INE509M07345	12.2902% SFPL 2027-JAWEF SICAV Listed NCD A/c	Catalyst Trusteeship Limited	09-09-2022	Secured	NCD	1,31,79,135	38,00,00,000	39,31,79,135	110%	41,80,00,000	1,44,97,049	43,24,97,049	43,26,43,505
3	INE509M07311	12.99% Blue Orchard Covid-19 Support Fund-NCD	Catalyst Trusteeship Limited	15-07-2022	Secured	NCD	1,95,25,752	38,00,00,000	39,95,25,752	115%	43,70,00,000	2,24,54,615	45,94,54,615	45,98,59,742
4	INE509M07279	Series-B 13.25% Sonata 2024	Catalyst Trusteeship Limited	22-11-2021	Secured	NCD	5,53,00,589	25,00,00,000	30,53,00,589	115%	28,75,00,000	5,53,00,589	34,28,00,589	34,31,29,014
5	INE509M07287	11.7702% SFPL 2024 NCD Subscribed by BOMF	Catalyst Trusteeship Limited	18-11-2021	Secured	NCD	39,98,643	40,00,00,000	40,39,98,643	110%	44,00,00,000	43,98,507	44,43,98,507	88,88,02,150
		Secured			NCD	39,98,643	40,00,00,000	40,39,98,643	110%	44,00,00,000	43,98,507	44,43,98,507	-	
6	INE509M07295	11.7702% SFPL 2024 NCD Subscribed by BOMF	Catalyst Trusteeship Limited	02-12-2021	Secured	NCD	25,79,770	40,00,00,000	40,25,79,770	110%	44,00,00,000	28,37,747	44,28,37,747	45,58,42,295



SONATA Finance Private Limited

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7	INE509M07303	12.3% SFPL Dec2024 NCD Subscribed by Northern Arc	Catalyst Trusteeship Limited	22-12-2021	Secured	NCD	10,23,596	37,50,00,000	37,60,23,596	100%	37,50,00,000	10,23,596	37,60,23,596	75,24,45,598
		12.3% SFPL Dec2024 NCD Subscribed by DWM			Secured	NCD	10,75,231	37,50,00,000	37,60,75,231	100%	37,50,00,000	10,75,231	37,60,75,231	-
TOTAL						10,11,47,764	3,01,00,00,000	3,11,11,47,764		3,26,75,00,000	10,64,98,886	3,37,39,98,886	3,38,87,14,443	

For Sonata Finance Private Limited

Anup Kumar
Singh

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Anup Kumar Singh
Managing Director

For BR Maheswari & Co. LLP
Chartered Accountants

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MAHESHWARI

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Akshay Maheswari
Partner

Annexure 3: Compliance with financial covenants for listed debt securities as at 30 June 2023

S. No.	ISIN	Particulars	Date of Trust Deed	Covenant Description	Compliance status
1	INE509M07337	12.50% Sonata 2023 Listed NCD- Northern Arc MMAT	17-08-2022	Covenants as per term sheet	Complied except the following- (b) Capital Adequacy (Tier 1 Capital + Tier 2 Capital)/ Risk Weighted Assets > 17% as per the regulatory requirement prescribed by Reserve Bank of India, whichever is higher. (D) Trailing twelve months write-offs (on the issuers entire portfolio including receivables sold or discounted on a non - recourse basis) at 2.5% of Gross Loan Portfolio.
2	INE509M07345	12.2902% SFPL 2027- JAWEF SICAV Listed NCD A/c	09-09-2022	Covenants as per term sheet	Complied except the following- (i) At all times maintain a ratio of the (x) Loan loss reserves divided by (Y) Portfolio at risk over 90 days plus restructured loan of no less than 100%.
3	INE509M07311	12.99% Blue Orchard Covid-19 Support Fund-NCD	15-07-2022	Covenants as per clause 2.6 Debenture Trust deed	Complied except the following- (i) At all times maintain a ratio of the (x) Loan loss reserves divided by (Y) Portfolio at risk over 90 days plus restructured loan of no less than 100%.
4	INE509M07279	Series-B 13.25% Sonata 2024	22-11-2021	Covenants as per Debenture Trust deed	Complied except the following (b) Capital Adequacy (Tier 1 Capital + Tier 2 Capital)/ Risk Weighted Assets > 17% as per the regulatory requirement prescribed by Reserve Bank of India, whichever is higher.
5	INE509M07287	11.7702% SFPL 2024 NCD Subscribed by BOMF 11.7702% SFPL 2024 NCD Subscribed by JAWEF	18-11-2021	Covenants as per Article II of clause 2.6 of the Debenture Trust deed	Complied except the following- Clause 2.6 (i) At all times maintain a ratio of the (x) Loan loss reserves divided by (Y) Portfolio at risk over 90 days plus non covid restructured loan of no less than 100%.
6	INE509M07295	11.7702% SFPL 2024 NCD Subscribed by BOMF	02-12-2021	Covenants as per Article II of clause 2.6 of the Debenture Trust deed	Complied except the following- Clause 2.6 (i) At all times maintain a ratio of the (x) Loan loss reserves divided by (Y) Portfolio at risk over 90 days plus non covid restructured loan of no less than 100%.
7	INE509M07303	12.3% SFPL Dec 2024 NCD Subscribed by Northern Arc 12.3% SFPL Dec 2024 NCD Subscribed by DWM	22-12-2021	Covenants as per clause 2.5.4 of the Debenture Trust deed	Complied except the following- Clause 2.5.4 (b) Maintain a Regulatory Capital Adequacy Ratio in excess of 17%. (d) At all times maintain a ratio of the (x) Loan loss reserves divided by (Y) Portfolio at risk over 90 days plus non covid restructured loan of no less than 100%.

For Sonata Finance Private Limited
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Anup Kumar Singh
Date: 2023.08.10
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Anup Kumar Singh
Managing Director

For BR Maheswari & Co. LLP
Chartered Accountants
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Akshay Maheswari
Partner