

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, 2018, 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 Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with 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. 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, 2018, its loss, and its cash flows for the year ended on that date.



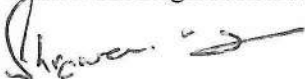
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("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 1 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 Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) 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/E300005

**per Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 30, 2018



Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Sonata Finance Private Limited as at and for the year ended March 31, 2018

- (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.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (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.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) 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 are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3 (vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, service tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.



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

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

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer, hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

Further, money raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/ surplus funds which were not required for immediate utilisation have been gainfully invested in fixed deposits/ liquid assets.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.



S.R. BATLIBOI & Co. LLP

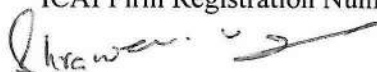
Chartered Accountants

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102



Place of Signature: Mumbai

Date: May 30, 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SONATA FINANCE PRIVATE LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Sonata Finance Private Limited ("the Company") as of March 31, 2018, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2018:

The Company had implemented a new IT System for recording the transactions done at its branches. As per the internal control designed, a periodic reconciliation of inter-branch control accounts and loans control accounts are required to be performed and any reconciling items noted have to be recorded in a timely manner. However, during the year reconciliation items noted were not cleared on a timely basis, resulting into accumulation of such items. The Company has undertaken a special exercise to resolve these reconciliation differences and recorded appropriate accounting entries in the financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these financial statements as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these financial statements were operating effectively as of March 31, 2018.

Explanatory paragraph

We also have audited, 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, the financial statements of Sonata Finance Private Limited, which comprise the Balance Sheet as at March 31, 2018, and the related 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. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 financial statements of Sonata Finance Private Limited and this report does not affect our report dated May 30, 2018, which expressed an unqualified opinion on those financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 30, 2018



Sonata Finance Private Limited
Balance Sheet as at March 31, 2018

	Notes	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
I. Equity and liabilities			
Shareholders' funds			
Share capital	3	18,98,62,690	18,98,62,690
Reserves and surplus	4	1,60,19,32,852	1,93,88,17,579
		1,79,17,95,542	2,12,86,80,259
Non-current liabilities			
Long-term borrowings	5	6,15,24,42,014	5,29,65,54,129
Long term provisions	6	14,63,32,193	8,28,29,412
		6,29,87,74,207	5,37,93,83,541
Current liabilities			
Short-term borrowings	7	97,50,00,000	41,50,00,000
Other current liabilities	8	4,57,80,94,610	5,33,78,71,062
Short-term provisions	6	1,14,33,222	10,89,62,604
		5,56,45,27,832	5,86,18,33,666
Total		13,65,50,97,581	13,36,98,97,476
II. Assets			
Non-current assets			
Fixed assets			
- Tangible Asset	9A	1,50,70,528	1,45,27,279
- Intangible Asset	9B	78,56,795	-
Non-current investments	10	5,00,000	5,00,000
Deferred tax assets	11	24,17,02,050	7,45,40,798
Long term loans and advances	12	4,12,55,53,511	1,83,21,30,812
Other non-current assets	13	28,42,41,917	47,71,15,528
		4,67,49,24,801	2,39,88,14,417
Current assets			
Current investments	10	10,00,000	1,08,936
Cash and bank balances	14	1,35,07,82,872	4,43,62,20,762
Short-term loans and advances	12	7,49,91,10,165	6,34,11,65,176
Other current assets	13	12,92,79,743	19,35,88,185
		8,98,01,72,780	10,97,10,83,059
Total		13,65,50,97,581	13,36,98,97,476

Summary of significant accounting policies 2.1

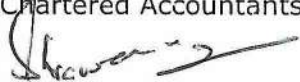
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R.Batliboi & Co. LLP

Firm Registration No.301003E/E300005

Chartered Accountants



per Shrawan Jalan

Partner

Membership No.: 102102



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


Managing Director


Company Secretary


Director


CFO



Place: Mumbai

Date: May 30th, 2018

Place: Mumbai

Date: May 30th, 2018

Sonata Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2018

	Notes	Year ended March 31, 2018 (Rs.)	Year ended March 31, 2017 (Rs.)
I. Income			
Revenue from operations	15	2,16,45,85,485	2,22,51,70,669
Other income	16	24,40,14,192	20,34,59,633
Total income		2,40,85,99,677	2,42,86,30,302
II. Expenses			
Employee benefit expenses	17	50,13,25,509	44,92,29,961
Finance costs	18	1,38,01,98,757	1,38,09,87,621
Depreciation expense	19	88,60,140	95,51,674
Other expenses	20	17,69,83,700	14,01,11,057
Provisions and write offs	21	84,23,71,152	42,56,58,781
Total expenses		2,90,97,39,258	2,40,55,39,094
Profit /(loss) before tax		(50,11,39,581)	2,30,91,208
Tax expense			
- Current tax		-	5,85,87,972
- Deferred tax credit		(16,71,61,251)	(4,86,87,219)
Total tax expenses/ (credit)		(16,71,61,251)	99,00,753
Profit/ (loss) for the year		(33,39,78,330)	1,31,90,455
Earning per share (EPS)	22		
Basic		(17.59)	0.49
Diluted		(17.59)	0.43
Nominal value of share		10	10

Summary of significant accounting policies 2.1

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/E300005
Chartered Accountants

Shrawan. S

per Shrawan Jalan

Partner

Membership No.: 102102



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

[Signature]

Managing Director

[Signature]

Company Secretary

[Signature]

Director

[Signature]

CFO

Place: Mumbai
Date: May 30th, 2018

Place: Mumbai
Date: May 30th, 2018



Sonata Finance Private Limited
Cash Flow Statement for the year ended March 31, 2018

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	(Rs.)	(Rs.)
A. Cash flow from operating activities :		
Net profit before taxation	(50,11,39,581)	2,30,91,208
Adjustments for :		
Depreciation	88,60,140	95,51,674
Provision for standard and non performing assets	1,42,23,355	2,85,61,483
Provision for portfolio loan securitised / managed portfolio	(3,39,35,938)	5,56,45,325
Portfolio loans written-off	68,05,82,920	32,90,95,866
Provision for interest on income tax	3,103	-
Provision for other receivables	20,11,063	1,23,56,107
Operating profit before working capital changes	17,06,05,062	45,83,01,663
Movements in working capital:		
(Increase)/Decrease in other current assets	6,43,08,442	(8,15,54,782)
Decrease in other non-current assets	1,00,62,532	1,10,57,419
Increase in short term loans & advances	(1,13,76,51,648)	(86,26,68,918)
(Increase)/Decrease in long term loans & advances	(2,97,96,05,841)	49,57,65,463
Decrease in long term provisions	(28,860)	(37,91,988)
Increase/(Decrease) in short term provisions	(1,33,69,065)	53,42,490
Decrease in other long term liabilities	-	(34,66,790)
Increase/(Decrease) in other current liabilities	7,47,11,720	(6,84,58,885)
Cash used in operations	(3,81,09,67,658)	(4,94,74,328)
Direct taxes paid	(2,11,58,996)	(11,76,05,416)
Net cash flow used in operating activities (A)	(3,83,21,26,654)	(16,70,79,744)
B. Cash flow from investing activities :		
Purchase of fixed assets	(1,30,24,926)	(1,59,40,422)
Increase in fixed deposits (net)	27,57,73,552	(2,50,81,168)
Sale of current investments (net)	(8,91,064)	20,11,097
Net cash flow from/ (used in) investing activities (B)	26,18,57,562	(3,90,10,493)
C. Cash flow from financing activities :		
Proceeds from issuance of share capital	-	64,84,59,197
Proceeds from issuance of debentures (net)	54,00,00,000	1,38,10,33,745
Payment of share/debenture issue expenses	(29,06,397)	(3,88,48,347)
Proceeds/(repayment) from long-term borrowings (net)	(51,86,03,390)	(17,14,42,745)
Proceeds/(repayment) from short-term borrowings (net)	56,00,00,000	(5,50,00,000)
Payment of dividend including dividend tax	(9,16,093)	(99,16,116)
Net Cash flow from financing activities (C)	57,75,74,120	1,75,42,85,734
Net increase/(decrease)in cash and cash equivalents (A+B+C)	(2,99,26,94,972)	1,54,81,95,497
Cash and cash equivalents at the beginning of the year	3,95,59,95,341	2,40,77,99,844
Cash and cash equivalents at the end of the year	96,33,00,369	3,95,59,95,341
Components of cash and cash equivalents:		
Cash on hand	1,54,53,014	60,34,866
With banks- on current account	94,78,47,355	1,16,49,18,397
- on deposit account	-	2,78,50,42,078
Total cash and cash equivalents (Refer Note 14)	96,33,00,369	3,95,59,95,341

Summary of significant accounting policies (refer note 2.1)

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

As per our report of even date

For S.R.Batlloi & Co. LLP

Firm Registration No.301003E/E300005

Chartered Accountants

per Shrawan Jalan

Partner

Membership No.: 102102



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

Managing Director

Company Secretary

Director

CFO



Place: Mumbai

Date: May 30th, 2018

Place: Mumbai

Date: May 30th, 2018

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 ('NBFC-ND') 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.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with the 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 with the Companies (Accounts) Rules, 2014 and the provisions of the RBI as applicable to a NBFC-MFI and Systemically Important NBFC-ND.

The financial statements have been prepared under the historical cost convention on an accrual basis except interest on Non-Performing Loans which is accounted for on realisation basis. The accounting policies applied by the Company are consistent with those applied in the previous year.

2.1 Summary of significant accounting policies

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

(c) Depreciation on tangible fixed assets

Depreciation on tangible 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) Amortization of intangible fixed assets

Intangible assets are amortized on straight line basis over a period of five years.

(e) 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.



(f) Borrowing Cost

Borrowing costs includes interests which are recognised on time proportion basis taking into account the amount outstanding and the rate applicable on the borrowings.

Processing fees and ancillary fees incurred for arrangement of borrowings from banks and financial institutions are charged off up-front to the statement of profit and loss

(g) Impairment of fixed assets

The carrying amounts 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 recognised 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.

(h) Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statement at lower of cost and fair 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. On disposal of investment, the difference between the carrying amount and net disposal proceeds are charged or credited to the statement of profit and loss.

(i) 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.

- i) 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. Any such income recognised before the assets become non-performing and remaining unrealised are reversed.
- ii) The profit / premium arising at the time of securitization of loan portfolio is recognised over the life of the underlying loan portfolio, in accordance with Guidelines on transfer of assets through securitization issued by Reserve Bank of India
- iii) Interest income on deposits with banks is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- iv) Processing fees are recognized as income upfront when it becomes due.
- v) Income from services rendered in connection with loans given on behalf of banks 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.



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(j) Foreign currency transactions

All transactions in foreign currency are recognized at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year. Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(k) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable under the scheme. 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 recognised 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 recognised as an asset.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Actuarial gains and losses for defined benefit plan are recognized in full in the year in which they occur in the statement of profit and loss.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Short term compensated absences are provided for based on estimates.

(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 recognised 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 realised. If the Company has carried forward unabsorbed depreciation or tax losses, all deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax assets can be realised. At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets 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 realised. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax assets 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 assets can be realised.



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realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be 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 short-term investments with an original maturity of three months or less.

(q) Classification of Portfolio loans

Loans are classified as follows:

Asset Classification	Period
Standard Assets	Current Loan and overdue upto 90 days
Non-Performing Assets	Overdue from 91 days and more

"Overdue" refers to interest and / or installment remaining unpaid from the day it became receivable.

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



(r) Provision for loan portfolio

Provisions on portfolio loans under microfinance loans are made as per minimum provision required as per Non-Banking Financial Company Micro Finance Institutions (Reserve Bank) Directions, 2011 as amended from time to time. The Management treats a loan overdue as soon as a scheduled installment is failed.

As per the Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011, the aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio 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.

Provision for losses arising under securitized portfolio is on the basis of incurred losses (shortfall in collection), subject to the maximum guarantee given in respect of securitisation arrangements.

Provision for losses arising under managed portfolio is on the basis of provisioning policy on Company's own portfolio, subject to any payment made towards shortfall in collections, which are fully provided for.

Non-performing loans are written off when the prospect of recovery is considered remote as per the management estimates.

In line with the Clarification on Contingent Provisions against Standard Assets for NBFC-MFIs issued by Microfinance Institutions Network (MFIN), the Company has not provided the additional provisioning of 0.40% in the current year on the qualifying assets. As a result of such change, provision on standard assets is lower by Rs. 4.30 crore, and the profit before tax is higher by the same amount.

Provision on portfolio loans other than qualifying assets are provided as per the minimum provisioning norms applicable to all NBFCs specified in Master Direction - Non-Banking Financial Company - Systemically Important Non-deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(s) Corporate Social Responsibility (CSR) expenditure

The provision made towards CSR expenses is charged to the Statement of Profit and Loss.



3 Share capital	As at March 31, 2018	As at March 31, 2017
	(Rs.)	(Rs.)
Authorized shares		
3,00,00,000 (March 31, 2017: 3,00,00,000) equity shares of Rs. 10/- each	30,00,00,000	30,00,00,000
1,00,00,000 (March 31, 2017: 1,00,00,000) preference shares of Rs. 10/- each	10,00,00,000	10,00,00,000
	40,00,00,000	40,00,00,000
Issued, subscribed and fully paid-up shares		
2,10,96,119 (March 31, 2017: 2,10,96,119) equity shares of Rs. 10/- each	21,09,61,190	21,09,61,190
Less: amount recoverable from Sonata Employee Welfare Trust #	2,10,98,500	2,10,98,500
Total issued, subscribed and fully paid-up share capital	18,98,62,690	18,98,62,690

Represents equity shares issued to the Sonata Employee Welfare Trust, which are yet to be 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	As at March 31, 2018		As at March 31, 2017	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year #	1,89,86,269	18,98,62,690	1,43,19,154	14,31,91,540
Issued during the year	-	-	46,67,115	4,66,71,150
Shares outstanding at the end of the year #	1,89,86,269	18,98,62,690	1,89,86,269	18,98,62,690

Net of equity shares issued to the Sonata Employee Welfare Trust.

9% Optionally Convertible Preference Shares (OCPS)	As at March 31, 2018		As at March 31, 2017	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year	-	-	50,00,000	5,00,00,000
Issued during the year	-	-	-	-
Less: converted into equity shares during the year	-	-	50,00,000	5,00,00,000
Shares outstanding at the end of the year	-	-	-	-

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.

The OCPS were converted into 7,07,214 number of equity shares at a premium of Rs. 60.70 per share in the previous year.



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

Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	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	44,73,364	21.20%	44,73,364	21.20%
Societe De Promotion Et De Participation Pour La Cooperation Economique	23,48,654	11.13%	23,48,654	11.13%
SIDBI Trustee Company Limited [A/c Samridhi Fund]	22,03,226	10.44%	22,03,226	10.44%
Sonata Employee Welfare Trust (under various ESOP schemes - refer note 27)	21,09,850	10.00%	21,09,850	10.00%
India Financial Inclusion Fund, LLC	14,80,634	7.02%	14,80,634	7.02%
Creation Investments Social Ventures Fund	14,91,121	7.07%	14,91,121	7.07%
Caspian Impact Investments Advisors Private Limited	10,71,871	5.08%	10,71,871	5.08%
Triodos Custody B.V. As A Custodian of Triodos Fair Share Fund	11,74,327	5.57%	11,74,327	5.57%
Triodos SICAV II- Triodos Microfinance Fund	11,74,326	5.57%	11,74,326	5.57%

As per the 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. 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	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
A.	Securities premium account		
	Balance as per last financial statements	1,28,67,43,214	67,01,89,116
	Add: Addition during the year	-	65,17,88,047
	Less: Share / debenture issue expenses incurred during the year (net of tax adjustment)	29,06,397	3,52,33,949
	Closing balance	1,28,38,36,817	1,28,67,43,214
B.	Statutory reserve		
	Balance as per last financial statements	13,63,23,720	13,36,85,629
	Add: Amount transferred from surplus balance in the statement of profit and loss during the year	-	26,38,091
	Closing balance	13,63,23,720	13,63,23,720
C.	Capital reserve	22,68,400	22,68,400
D.	Surplus in the statement of profit and loss		
	Balance as per last financial statements	51,34,82,244	50,83,45,975
	(Loss)/Profit for the year	(33,39,78,330)	1,31,90,455
	Less: Appropriations		
	Transferred to statutory reserve	-	26,38,091
	Preference dividend (including corporate dividend tax)	-	54,16,094
	Total appropriations	-	80,54,185
	Net surplus in the statement of profit and loss	17,95,03,914	51,34,82,244
	Total	1,60,19,32,852	1,93,88,17,579

5	Long Term Borrowings	Non Current Portion		Current Maturities	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
A. Debentures					
	Secured				
	Redeemable non-convertible debentures	3,01,20,00,000	2,05,00,00,000	91,00,00,000	1,33,20,00,000
	Unsecured*				
	Redeemable non-convertible debentures	15,00,00,000	15,00,00,000	-	-
B. Term loans					
	Secured				
	- from banks	71,42,32,278	1,15,49,48,480	1,44,45,03,834	2,20,12,24,571
	- from financial institutions	12,50,00,000	70,16,66,673	57,66,66,674	64,33,46,662
	- from non banking finance companies	98,67,15,819	42,49,88,008	1,00,88,90,752	77,27,79,369
	Unsecured*				
	- from financial institutions	24,00,00,000	24,00,00,000	-	-
	- from non banking finance companies	92,44,93,917	57,49,50,968	30,66,20,575	13,18,22,508
	Total	6,15,24,42,014	5,29,65,54,129	4,24,66,81,835	5,08,11,73,110
	The above amount includes				
	Secured borrowings	4,83,79,48,097	4,33,16,03,161	3,94,00,61,260	4,94,93,50,602
	Unsecured borrowings	1,31,44,93,917	96,49,50,968	30,66,20,575	13,18,22,508
	Amount disclosed under the head "other current liabilities" (Refer Note 8)	-	-	(4,24,66,81,835)	(5,08,11,73,110)
	Total	6,15,24,42,014	5,29,65,54,129	-	-

* Includes subordinated debt of Rs. 89,00,00,000 (March 31, 2017 : Rs. 69,00,00,000)



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2018

5A Long-term borrowings
Terms of repayment of long term borrowings as on 31 March 2018

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.	-	-	1	30,00,00,000	-	-	-	-	-	-	12.17%	30,00,00,000
3-5 Yrs.	3	91,00,00,000	-	-	-	-	2	1,45,00,00,000	-	-	12.77% - 14.75%	2,36,00,00,000
Above 5 Yrs.	-	-	2	33,20,00,000	1	15,00,00,000	2	78,00,00,000	-	-	14.00% - 14.91%	1,26,20,00,000
	3	91,00,00,000	3	63,20,00,000	1	15,00,00,000	4	2,23,00,00,000	-	-		3,92,20,00,000
Unsecured												
Above 5 Yrs.	-	-	-	-	-	-	1	15,00,00,000	-	-	16.25%	15,00,00,000
Term Loans												
Secured												
Monthly repayment schedule												
From Banks:												
1-3 Yrs.	67	61,86,60,886	24	23,71,00,000							11.00% - 13.00%	85,57,60,886
3-5 Yrs.	12	2,28,60,000	12	2,28,60,000	6	1,14,19,056					12.50%	5,71,39,056
From Financial Institutions:												
1-3 Yrs.	12	16,00,00,006									12.50%	16,00,00,006
From NBFC:												
1-3 Yrs.	108	74,83,89,124	77	58,92,16,476	34	33,48,20,489					10.98% - 13.90%	1,67,24,26,089
Total (a)	199	1,54,99,10,016	113	84,91,76,476	40	34,62,39,545	-	-	-	-		2,74,53,26,037
Quarterly repayment schedule												
From Banks:												
1-3 Yrs.	32	77,78,04,095	10	15,76,07,075	3	1,04,25,000	-	-	-	-	11.70% - 13.65%	94,58,36,170
3 - 5 Yrs.	3	2,49,99,999	4	3,33,33,332	4	3,33,33,332	1	83,33,337			13.25%	10,00,00,000
From NBFC:												
1-3 Yrs.	17	24,40,13,814	4	6,25,00,000	-	-	-	-	-	-	13.50% - 14.50%	30,65,13,814
Total (b)	52	1,04,68,17,908	18	25,34,40,407	7	4,37,58,332	1	83,33,337	-	-		1,35,23,49,984
Half-yearly repayment schedule												
From NBFC:												
1-3 Yrs.	2	1,66,66,668	-	-	-	-	-	-	-	-	14.75%	1,66,66,668
From Financial Institutions:												
1-3 Years	2	26,66,66,668	-	-	-	-	-	-	-	-	11.50%	26,66,66,668
3-5 Years	2	15,00,00,000	2	8,75,00,000	2	2,50,00,000	1	1,25,00,000	-	-	11.50%	27,50,00,000
One-time repayment schedule												
From Banks:												
1-3 Yrs.			1	20,00,00,000							11.75%	20,00,00,000
From NBFC:												
More than 5 Years			-	-	-	-	-	-	-	-		-



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2018

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)		
Unsecured												
From NBFC:												
1-3 Years	60	30,66,20,575	52	30,14,61,453	25	12,30,32,464	-	-	-	-	13.70% - 13.95%	73,11,14,492
One-time repayment schedule												
From NBFC:												
More than 5 Years	-	-	-	-	-	-	2	30,00,00,000	1	20,00,00,000	14.25% - 17.00%	50,00,00,000
From Financial Institutions:												
More than 5 Years	-	-	-	-	2	5,00,00,000	5	19,00,00,000	-	-	15.50% - 15.70%	24,00,00,000
Grand Total	320	4,24,66,81,835	189	2,32,35,78,336	77	73,80,30,341	14	2,89,08,33,337	1	20,00,00,000		10,39,91,23,849

Note:

A. Debentures

a) The debentures are secured by way of exclusive charge on all receivable from underlying portfolio loans.

b) Debentures amounting to Rs. 30,00,00,000 (2016-2017: Rs 30,00,00,000) has a call / put option available with the Company / Debenture holder at the end of 36 months from the date of allotment (June 30, 2015)*.

c) Debentures amounting to Rs. 15,00,00,000 (2016-2017: Rs 15,00,00,000) has a call / put option available with the Company / Debenture holder at the end of 24 months from the date of allotment (July 17, 2015).

d) Debentures amounting to Rs. 68,00,00,000 (2016-2017: Rs 68,00,00,000) has a call / put option available with the Company / Debenture holder at the end of 36 months from the date of allotment (June 22, 2016).

e) Debentures amounting to Rs. 67,00,00,000 (2016-2017: Rs Nil) has a call / put option available with the Company / Debenture holder at the end of 36 months from the date of allotment (October 26, 2016).

f) Debentures amounting to Rs. 78,00,00,000 (2016-2017: Rs Nil) has a call / put option available with the Company / Debenture holder at the end of 36 months from the date of allotment (July 31, 2017).

* considered within one year as the holder have the right to exercise the redemption option within next one year.

B. Term Loans

a) The term loans are secured by hypothecation of portfolio loans covered by hypothecation loan agreement and margin money deposits.



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5 B Long-term borrowings (Contd.)
Terms of repayment of long term borrowings as on March 31, 2017

Original maturity of loan	Due within 1 year		Due between 1 and 2 years		Due between 2 and 3 years		Due between 3 and 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.	1	24,00,00,000	-	-	1	30,00,00,000	-	-	-	-	11.84% - 14.70%	54,00,00,000
3-5 Yrs.	4	61,00,00,000	-	-	-	-	2	97,00,00,000	-	-	13.50% - 14.75%	1,58,00,00,000
Above 5 Yrs.	3	48,20,00,000	-	-	-	-	-	-	2	78,00,00,000	14.00% - 14.91%	1,26,20,00,000
Total	8	1,33,20,00,000	-	-	1	30,00,00,000	2	97,00,00,000	2	78,00,00,000		3,38,20,00,000
Unsecured												
Above 5 Yrs.	-	-	-	-	-	-	-	-	1	15,00,00,000	16.25%	15,00,00,000
Total	-	-	-	-	-	-	-	-	1	15,00,00,000		15,00,00,000
Term Loans												
Secured												
Monthly repayment schedule												
From Banks:												
1-3 Yrs.	140	1,04,52,16,429	43	38,07,60,863							11.00% - 14.00%	1,42,59,77,292
3-5 Yrs.	12	2,28,60,000	12	2,28,60,000			6	1,14,20,000			12.50%	8,00,00,000
Total	152	1,06,80,76,429	55	40,36,20,863			6	1,14,20,000				1,42,59,77,292
From Financial Institutions:												
1-3 Yrs.	23	22,66,79,996	12	16,00,00,006							12.50% - 13.50%	38,66,80,002
Total	175	1,29,47,56,425	67	56,36,20,869			6	1,14,20,000				1,42,59,77,292
Unsecured												
From NBFC:												
1-3 Yrs.	85	50,18,65,609	24	21,44,43,845	1	1,23,63,682					10.25% - 16%	72,86,73,136
Total	260	1,79,66,22,034	91	77,80,64,714	13	3,52,23,682	6	1,14,20,000				2,62,13,30,430
Quarterly repayment schedule												
From Banks:												
1-3 Yrs.	48	1,13,31,48,143	20	64,83,20,341	3	6,87,27,275					11.50% - 14.05%	1,85,01,95,759
Total	18	25,42,47,093	12	18,15,13,814	3	6,87,27,275						43,57,60,907
From NBFC:												
1-3 Yrs.	66	1,38,73,95,236	32	82,98,34,155							13.50% - 15.00%	2,28,59,56,666
Total	114	1,64,16,43,329	44	1,01,13,58,000	3	6,87,27,275						2,28,59,56,666
Half-yearly repayment schedule												
From NBFC:												
1-3 Yrs.	2	1,66,66,666	2	1,66,66,668							14.75%	3,33,33,334
Total	2	1,66,66,666	2	1,66,66,668								3,33,33,334
From Financial Institutions:												
1-3 Yrs.	2	26,66,66,666	2	26,66,66,668							11.50%	53,33,33,334
3-5 Yrs.	2	15,00,00,000	2	15,00,00,000	2	8,75,00,000	3	3,75,00,000			11.50%	42,50,00,000
Total	6	43,33,33,332	6	43,33,33,336	2	8,75,00,000	3	3,75,00,000				99,16,66,668
Unsecured												
Monthly repayment schedule												
From Financial Institutions:												
Above 5 Yrs.	-	-	-	-	-	-	-	-	-	-	-	-
From NBFC:												
1-3 Yrs.	24	13,18,22,508	24	15,12,99,800	16	12,36,51,167					13.95%	40,67,73,475
Total	24	13,18,22,508	24	15,12,99,800	16	12,36,51,167						40,67,73,475
One-time repayment schedule												
From NBFC:												
Above 5 Yrs.	-	-	-	-	-	-	2	30,00,00,000			15.60% - 17.00%	30,00,00,000
From Financial Institutions:												
Above 5 Yrs.	-	-	-	-	-	-	6	15,00,00,000	1	9,00,00,000	15.50% - 15.70%	24,00,00,000
Total	-	-	-	-	-	-	8	45,00,00,000	1	9,00,00,000		54,00,00,000



Original maturity of loan	Due within 1 year		Due between 1 and 2 years		Due between 2 and 3 Years		Due between 3 and 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)		
Quarterly repayment schedule												
From NBFC:												
1-3 Years	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	364	5,08,11,73,110	153	2,19,25,32,005	35	61,51,02,124	19	1,46,89,20,000	4	1,02,00,00,000		10,37,77,27,239

Note:

A. Debentures

a) The debentures are secured by way of exclusive charge on all receivable from underlying portfolio loans.

b) Debentures amounting to Rs. 33,20,00,000 (2015-2016: Rs 33,20,00,000) has a call / put option available with the Company / Debenture holder at the end of 3 years from the date of allotment (January 30, 2014)*.

c) Debentures amounting to Rs. 24,00,00,000 (2015-2016: Rs 24,00,00,000) has a call / put option available with the Company / Debenture holder at the end of 18 months from the date of allotment (June 24, 2014)*.

d) Debentures amounting to Rs. 37,00,00,000 (2015-2016: Rs 37,00,00,000) has a call / put option available with the Company / Debenture holder at the end of 30 months from the date of allotment (March 31, 2015)*.

e) Debentures amounting to Rs. 24,00,00,000 (2015-2016: Rs 24,00,00,000) has a call / put option available with the Company / Debenture holder at the end of 24 months from the date of allotment (May 24, 2014)*.

f) Debentures amounting to Rs. 30,00,00,000 (2015-2016: Rs 30,00,00,000) has a call / put option available with the Company / Debenture holder at the end of 36 months from the date of allotment (June 30, 2015).

g) Debentures amounting to Rs. 15,00,00,000 (2015-2016: Rs 15,00,00,000) has a call / put option available with the Company / Debenture holder at the end of 24 months from the date of allotment (July 17, 2015)*.

h) Debentures amounting to Rs. 68,00,00,000 (2015-2016: Rs Nil) has a call / put option available with the Company / Debenture holder at the end of 36 months from the date of allotment (June 22, 2016).

i) Debentures amounting to Rs. 67,00,00,000 (2015-2016: Rs Nil) has a call / put option available with the Company / Debenture holder at the end of 36 months from the date of allotment (October 26, 2016).

* considered due within one year as the holder have the right to exercise the redemption option within next one year.

B. Term Loans

a) The term loans are secured by hypothecation of portfolio loans covered by hypothecation loan agreement and margin money deposits.



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6 Provisions:	Non - Current Portion		Current Portion	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
A. Provision for employee benefits				
Provision for gratuity	-	28,860	16,56,961	1,60,88,079
Provision for leave	-	-	81,26,900	70,64,847
	-	28,860	97,83,861	2,31,52,926
B. Provision for portfolio loans				
On standard assets	10,66,513	1,49,53,884	16,49,361	8,48,93,585
On non performing assets	12,03,18,168	89,63,218	-	-
	12,13,84,681	2,39,17,102	16,49,361	8,48,93,585
C. Others				
Provision for dividend distribution tax	-	-	-	9,16,093
Provision for securitised/managed portfolio loans	2,49,47,512	5,88,83,450	-	-
	2,49,47,512	5,88,83,450	-	9,16,093
Total	14,63,32,193	8,28,29,412	1,14,33,222	10,89,62,604

7 Short-term borrowings	As at March 31, 2018	As at March 31, 2017
	(Rs.)	(Rs.)
Secured		
Short Term loan from a bank	97,50,00,000	41,50,00,000
Total	97,50,00,000	41,50,00,000

Short term loans are secured by hypothecation of underlying portfolio loans and margin money deposits, where applicable, in accordance with the respective loan agreements. The loans carry an interest rate ranging from 10.75% to 11.05% per annum.

8 Other current liabilities	As at March 31, 2018	As at March 31, 2017
	(Rs.)	(Rs.)
Current maturities of long-term borrowings (Refer Note 5)	4,24,66,81,835	5,08,11,73,110
Interest accrued but not due on borrowings	13,82,70,660	14,20,20,562
Deferred gain on portfolio loans securitised	-	29,47,460
Payable for portfolio loans securitised	4,72,41,457	1,86,13,036
Payable to bank against direct sale agreement (DSA)	4,40,78,007	1,99,80,060
Statutory dues payable	1,63,53,792	1,09,38,480
Temporary book overdraft	4,51,795	4,34,069
Other payables	8,50,17,064	6,17,64,285
Total	4,57,80,94,610	5,33,78,71,062

9 Fixed Assets (Rs.)					
A Tangible Assets					
Cost	Furniture & Fixtures	Computers	Office equipments	Vehicles	Total
At April 1, 2016	1,46,58,195	1,30,94,601	85,59,122	15,13,803	3,78,25,721
Additions	72,08,697	30,33,975	35,87,612	-	1,38,30,284
Disposals	-	-	-	-	-
At March 31, 2017	2,18,66,892	1,61,28,576	1,21,46,734	15,13,803	5,16,56,005
Additions	42,09,259	24,74,836	24,85,961	-	91,70,056
Disposals	-	-	-	-	-
At March 31, 2018	2,60,76,151	1,86,03,412	1,46,32,695	15,13,803	6,08,26,061
Depreciation					
At April 1, 2016	93,05,765	1,06,36,899	65,57,436	10,76,952	2,75,77,052
Charge for the year	46,58,188	26,81,561	20,77,546	1,34,379	95,51,674
Disposals	-	-	-	-	-
At March 31, 2017	1,39,63,953	1,33,18,460	86,34,982	12,11,331	3,71,28,726
Charge for the year	39,29,118	22,10,581	23,94,035	93,073	86,26,807
Disposals	-	-	-	-	-
At March 31, 2018	1,78,93,071	1,55,29,041	1,10,29,016	13,04,403	4,57,55,532
Net Block					
At March 31, 2017	79,02,939	28,10,116	35,11,752	3,02,472	1,45,27,279
At March 31, 2018	81,83,080	30,74,371	36,03,679	2,09,400	1,50,70,528



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B Intangible Assets	Licence Fees	Software	Total
At March 31, 2017	-	-	-
Additions	20,00,000	60,90,128	80,90,128
Disposals	-	-	-
At March 31, 2018	20,00,000	60,90,128	80,90,128
Amortization			
At March 31, 2017	-	-	-
Charge for the year	2,30,059	3,274	2,33,333
Disposals	-	-	-
At March 31, 2018	2,30,059	3,274	2,33,333
Net Block			
At March 31, 2017	-	-	-
At March 31, 2018	17,69,941	60,86,854	78,56,795

10 Investments	Non-current investment		Current investment	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Trade investment				
Investments in equity shares (unquoted) (valued at cost)	5,00,000	5,00,000	-	-
50,000 (March 31, 2017: 50,000) fully paid up shares of Alpha Micro Finance Consultants Private Limited at face value of Rs. 10 (March 31, 2017 : Rs. 10) per share	-	-	-	-
Non-trade investment (unquoted)				
Unquoted Mutual Funds (valued at lower of cost or fair value)				
1,00,000 units (March 31, 2017 : Nil) of SBI Dual Advantage - Series XXII - Regular Growth	-	-	10,00,000	-
Nil (March 31, 2017 : 0.003 units) of Reliance liquidity fund- Growth plan growth option	-	-	-	7
Nil (March 31, 2017 : 454.445 units) of ICICI Prudential Liquid Plan - Growth	-	-	-	1,08,929
Total	5,00,000	5,00,000	10,00,000	1,08,936

11 Deferred tax assets / (liabilities) (net)	As at March 31, 2018	As at March 31, 2017
	(Rs.)	(Rs.)
Deferred tax assets		
Impact of difference between tax depreciation and depreciation charged for the financial reporting	75,94,481	45,87,728
Impact of provision on portfolio, managed loans and other receivables	4,65,67,851	6,19,30,319
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	33,85,999	80,22,751
Impact of taxable losses carried forward	18,41,53,719	-
Net deferred tax assets	24,17,02,050	7,45,40,798




12 Loans and advances (Unsecured, considered good unless stated otherwise)	Non Current Portion		Current Portion	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
A. Portfolio loans				
Considered good	3,57,41,17,969	1,75,37,10,759	7,37,50,43,920	6,28,84,13,655
Considered doubtful	49,59,59,404	1,79,26,435	-	-
	4,07,00,77,373	1,77,16,37,194	7,37,50,43,920	6,28,84,13,655
B. Security deposits				
Considered good	12,50,000	12,50,000	4,23,235	4,15,235
	12,50,000	12,50,000	4,23,235	4,15,235
C. Capital advance				
Considered good	-	42,35,258	-	-
	-	42,35,258	-	-
D. Advances recoverable in cash or kind				
Considered good	-	-	7,01,54,820	2,12,39,352
Considered doubtful	45,24,643	50,24,643	-	-
Less: Provision for doubtful advances	(45,24,643)	(50,24,643)	-	-
	-	-	7,01,54,820	2,12,39,352
E. Others				
Considered good				
Prepaid expenses	-	-	46,13,422	30,45,405
Loan to staff	12,57,062	6,74,320	63,97,191	46,20,664
Cenvat credit receivable	-	-	1,50,498	4,46,550
Advance income tax (net of provision for taxation Rs.5,41,00,000) (March 31,2017 : Rs. 5,41,00,000)	4,89,69,076	2,78,10,080	-	-
Other receivables(net of provision of Rs. 1,60,48,655/-) (March 31, 2017 : Rs. 1,40,37,592/-)*	-	-	1,42,79,381	1,72,41,021
Margin money with non-banking financial companies and financial institutions (marked as lien towards term loan availed)	40,00,000	2,65,23,960	2,80,47,698	57,43,294
	5,42,26,138	5,50,08,360	5,34,88,190	3,10,96,934
Total	4,12,55,53,511	1,83,21,30,812	7,49,91,10,165	6,34,11,65,176

*represents amount receivable in respect of dues of deceased borrowers / nominees of the borrowers.

13 Other assets (Unsecured, considered good unless stated otherwise)	Non-Current Portion		Current Portion	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Non current bank balances (Refer Note 14)	27,70,78,266	45,98,89,344	-	-
	27,70,78,266	45,98,89,344	-	-
Others				
Interest accrued but not due on portfolio loans	-	-	8,22,48,172	12,88,41,008
Interest accrued but not due on deposits placed with banks and financial institutions	71,63,651	1,72,26,184	2,63,14,614	3,93,14,776
Service fees receivable (Refer Note 24B)	-	-	2,07,16,957	2,54,32,401
	71,63,651	1,72,26,184	12,92,79,743	19,35,88,185
Total	28,42,41,917	47,71,15,528	12,92,79,743	19,35,88,185

14 Cash and bank balances	Non-Current Portion		Current Portion	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Cash and cash equivalents				
Balances with banks	-	-	94,78,47,355	1,16,49,18,397
-on current accounts	-	-	-	2,78,50,42,078
-deposit with original maturity of less than three months	-	-	1,54,53,014	60,34,866
Cash on hand	-	-	96,33,00,369	3,95,59,95,341
Other bank balances :				
-deposit with original maturity of less than three months (*)	-	-	9,37,500	-
Deposit with original maturity for more than 3 months but not more than 12 months (*)	-	1,77,39,704	14,18,88,674	14,04,64,617
Deposit with original maturity of not less than 12 months (*)	27,70,78,266	44,21,49,640	24,46,56,329	33,97,60,804
	27,70,78,266	45,98,89,344	38,74,82,503	48,02,25,421
Amount disclosed under non-current assets (Refer Note 13)	(27,70,78,266)	(45,98,89,344)	-	-
Total	-	-	1,35,07,82,872	4,43,62,20,762



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(*) Includes deposit certificates of Rs.66,45,60,770/- (March 31, 2017: Rs. 84,14,79,996/-) marked as lien towards term loans availed from banks, towards cash collateral placed in connection with portfolio loan securitisation and business correspondent activities entered with bank.

15 Revenue from operations	Year ended March 31, 2018	Year ended March 31, 2017
	(Rs.)	(Rs.)
Interest income on portfolio loans	1,86,80,45,455	1,92,17,90,738
Processing fee on portfolio loans	12,20,12,073	5,86,89,438
Service fees (Refer Note 24B)	14,92,94,528	17,13,81,406
Income from securitisation of portfolio loans	2,52,33,429	7,33,09,087
Total	2,16,45,85,485	2,22,51,70,669

16 Other income	Year ended March 31, 2018	Year ended March 31, 2017
	(Rs.)	(Rs.)
Interest income on fixed deposits with banks and financial institutions	5,94,38,698	7,96,49,153
Net gain on sale of current investments	10,32,57,530	11,33,11,063
Miscellaneous income*	8,13,17,964	1,04,99,417
Total	24,40,14,192	20,34,59,633

*includes bad debt recovery Rs 7,92,67,326 (Previous year Rs: 1,40,689)

17 Employee benefit expenses	Year ended March 31, 2018	Year ended March 31, 2017
	(Rs.)	(Rs.)
Salaries and bonus	45,63,47,420	39,65,73,646
Contributions to provident fund	3,58,95,993	3,29,91,231
Contribution to employees' state insurance	45,25,966	36,04,026
Gratuity expenses (Refer Note 26)	45,56,130	1,60,61,058
Total	50,13,25,509	44,92,29,961

18 Finance costs	Year ended March 31, 2018	Year ended March 31, 2017
	(Rs.)	(Rs.)
Interest expense	1,34,84,61,844	1,30,00,18,099
Other borrowing costs	3,17,36,913	8,09,69,522
Total	1,38,01,98,757	1,38,09,87,621

19 Depreciation and amortization expense	Year ended March 31, 2018	Year ended March 31, 2017
	(Rs.)	(Rs.)
Depreciation of fixed assets	86,26,807	95,51,674
Amortization of intangible Asset	2,33,333	-
Total	88,60,140	95,51,674



20 Other expenses	Year ended March 31, 2018	Year ended March 31, 2017
	(Rs.)	(Rs.)
Rent	3,89,84,474	3,14,01,433
Rates and taxes	15,26,653	12,19,244
Repairs & maintenance		
- Office maintenance	1,62,19,486	1,14,64,479
- Others	15,67,787	6,79,649
Travelling and conveyance	1,77,45,531	1,55,26,538
Communication expenses	1,07,65,365	96,86,543
Printing & stationery	1,06,77,154	1,11,69,683
Legal and professional fees	1,27,11,259	1,39,21,745
Payment to auditors (refer details below)	50,86,144	42,86,584
IT support charges	1,13,39,251	23,80,146
Bank charges	1,25,50,729	40,93,778
Electricity charges	53,28,492	41,72,689
Membership fees	41,57,205	84,32,825
CSR expenditure	24,31,272	5,37,426
Miscellaneous expenses	2,58,92,898	2,11,38,295
Total	17,69,83,700	14,01,11,057

Payment to auditors:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	(Rs.)	(Rs.)
As auditors:		
Audit fee (excluding taxes)	31,50,000	23,00,000
Other services (certification, etc.)	6,00,000	13,84,750
Reimbursement of expenses	13,36,144	6,01,834
Total	50,86,144	42,86,584

21 Provisions and write offs	Year ended March 31, 2018	Year ended March 31, 2017
	(Rs.)	(Rs.)
Provision for standard and non performing assets	1,42,23,355	2,85,61,483
Provision for portfolio loan securitised / managed portfolio	(3,39,35,938)	5,56,45,325
Portfolio loans written off	68,05,82,920	32,90,95,866
Loss on securitised/managed portfolio	17,94,89,752	-
Provision for other receivables	20,11,063	1,23,56,107
Total	84,23,71,152	42,56,58,781

22 Earnings per share (EPS)	Year ended March 31, 2018	Year ended March 31, 2017
	(Rs.)	(Rs.)
Profit/(loss) for the year	(33,39,78,330)	1,31,90,455
Less:		
Dividend on 9% optionally convertible preference shares (converted into 7,05,276/- equity shares on March 31, 2017)	-	54,16,094
Net profit/(loss) for calculation of basic EPS	(33,39,78,330)	77,74,361
Net Profit/(loss) as above	(33,39,78,330)	77,74,361
Add:dividends on convertible preference shares & tax thereon*	-	-
Net profit/(loss) for calculation of diluted EPS	(33,39,78,330)	77,74,361
Weighted average number of equity shares in calculating basic EPS	1,89,86,269	1,58,16,926
Effect of dilution:		
Equity shares attributable to convertible preference shares*	-	-
Stock options granted under ESOP**	-	21,09,850
Weighted average number of equity shares in calculating diluted EPS	1,89,86,269	1,79,26,776
Basic EPS	(17.59)	0.49
Diluted EPS	(17.59)	0.43

* Preference shares are anti-dilutive, hence not considered for computation of Dilutive EPS for the year ended March 31, 2017.

** ESOP are anti-dilutive, hence not considered for computation of Dilutive EPS for the year ended March 31, 2018.



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2018

23 Loan portfolio and provision for standard and non-performing assets as at March 31, 2018:

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets				Portfolio loans outstanding (Net)	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	Provision made during the year	Provision utilized for write-off	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
Standard assets	10,94,91,61,890	8,04,21,24,414	9,98,47,469	27,15,874	9,98,47,469	27,15,874	10,94,64,46,015	7,94,22,76,945
Non-Performing assets	49,59,59,404	1,79,26,435	89,63,218	11,29,46,142	15,91,192	12,03,18,167	37,56,41,237	89,63,217
Total	11,44,51,21,293	8,06,00,50,849	10,88,10,687	11,56,62,016	10,14,38,662	12,30,34,041	11,32,20,87,252	7,95,12,40,162

Loan portfolio and provision for standard and non-performing assets as at March 31, 2017:

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets				Portfolio loans outstanding (Net)	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2016	Provision made during the year	Provision utilized for write-off	As at March 31, 2017	As at March 31, 2016	As at March 31, 2016
Standard assets	8,04,21,24,414	7,99,04,09,494	5,19,73,282	4,78,74,187	-	9,98,47,469	7,94,22,76,945	7,93,84,36,212
Non-Performing assets	1,79,26,435	3,45,10,850	2,82,75,922	10,51,91,655	12,45,04,359	89,63,218	89,63,217	62,34,928
Total	8,06,00,50,849	8,02,49,20,344	8,02,49,204	15,30,65,842	12,45,04,359	10,88,10,687	7,95,12,40,162	7,94,46,71,140



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24 A Details of Securitised Portfolio and income arising out of the same :

The information regarding the securitisation activity as an originator is shown below:

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
Total book value of the loan asset securitised during the year	56,06,31,432	-
Sale consideration received for the loan asset securitised during the year	56,06,31,432	-
Portfolio loan securitised and outstanding as at the year end	45,13,47,338	19,12,30,009
Income from securitisation recognised in the statement of profit and loss	2,52,33,429	7,33,09,087
Credit enhancements provided and outstanding:		
Principal subordination	5,20,06,537	38,92,608
Cash collateral	4,33,39,166	3,33,71,340
The Company has transferred all the rights and obligations relating to above securitised loan assets to the buyers.		

24 B Details of Direct Sale Agreement (DSA) executed with banks:

The Company has entered into DSAs with banks under the following terms:

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
Total book value of the loan disbursed through DSA during the year	1,14,55,77,260	1,95,18,02,330
Outstanding Balance of Loan Disbursed through DSA as at year end	1,33,16,43,195	1,98,34,79,415
Amount disbursed on behalf of business correspondence partners and shown as receivable as at year end	2,47,02,084	80,93,960
Amount yet to be disbursed during the year	4,40,78,007	1,99,80,060
Service fee income recognised during the year	14,92,94,528	17,13,81,406
Credit enhancements provided and outstanding:		
Corporate guarantee	7,04,96,914	13,93,57,388
Cash collateral	8,36,99,285	8,36,99,285

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'. The Company operates in a single geographical segment i.e. domestic. Hence, no additional disclosures are required under Accounting Standard-17.

26 (a) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on departure and it is computed at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

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

Particulars	As at March 31, 2018	As at March 31, 2017
i) Assumptions:		
Discount rate	7.75%	7.50%
Salary escalation	7.50%	7.50%
Withdrawal rate	18.00%	18.00%
Expected rate of return on assets	7.75%	7.50%
Expected average remaining working life of employees	30.05 years	30.43 years



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Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
ii) Table Showing changes in present value of Defined Benefit obligation:		
Present value of defined benefit obligations as at beginning of the year	3,50,17,765	2,00,18,693
Interest cost	26,31,196	20,63,867
Current service cost	1,03,94,801	1,09,90,655
Benefit paid	(21,33,685)	(18,63,042)
Actuarial loss/(gain) on obligations	(56,51,089)	38,07,592
Present value of defined benefit obligations as at end of the year	4,02,58,988	3,50,17,765
iii) Table showing fair value of plan assets:		
Fair value of plan assets at beginning of the year	1,89,00,826	77,25,996
Expected return on plan assets	14,64,814	9,98,506
Contributions	1,90,16,066	1,22,00,273
Benefits paid	(21,33,685)	(18,63,042)
Actuarial gain/ (loss) on plan assets	13,54,006	(1,60,907)
Fair value of plan assets at end of the year	3,86,02,027	1,89,00,826
iv) Actuarial (gain)/loss recognised:		
Actuarial (gain)/loss on obligations	(56,51,089)	38,07,592
Actuarial (gain)/ loss on plan assets	(13,54,006)	1,60,907
Actuarial (gain)/loss recognised in the year	(70,05,095)	39,68,499
v) The amounts to be recognised in the balance sheet and statement of profit and loss:		
Present value of obligations at the end of the year	4,02,58,988	3,50,17,765
Fair value of plan assets at the end of the year	3,86,02,027	1,89,00,826
Net liability recognised in balance sheet	(16,56,961)	(1,61,16,939)
vi) Expenses Recognised in statement of profit and loss:		
Current service cost	1,03,94,801	1,09,90,655
Interest cost	26,31,196	20,63,867
Expected return on plan assets	(14,64,814)	(9,98,506)
Net Actuarial (gain)/loss recognised in the year	(70,05,095)	39,68,499
Expenses recognised in statement of profit and loss	45,56,130	1,60,24,515
Actual return on plan assets	28,18,820	8,37,599

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Defined benefit obligations	4,02,58,988	3,50,17,765	2,00,18,693	1,22,89,136	61,43,931
Plan assets	3,86,02,027	1,89,00,826	77,25,996	77,61,706	57,38,107
Surplus/(deficit)	(16,56,961)	(1,61,16,939)	(1,22,92,697)	(45,27,430)	(4,05,824)
Experience adjustments on plan liabilities [(gain)/loss]	(56,51,089)	38,07,592	6,13,207	17,81,125	(15,96,390)
Experience adjustments on plan assets [(gain)/loss]	(13,54,006)	1,60,907	23,086	(4,496)	1,22,337
Actuarial (gain)/ loss due to change on assumptions	(70,05,095)	39,68,499	6,36,293	17,76,629	(14,74,053)

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

	As at March 31, 2018	As at March 31, 2017
LIC Fund	100%	100%

ix) 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.

x) The company expects to contribute Rs. 16,56,961/- [March 31, 2017: Rs.1,60,88,079/-] to gratuity fund in 2018-19.

xi) 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.

(b) Amount incurred as expense for defined contribution to Provident Fund is Rs. 3,58,95,993 /- (March 31, 2017: Rs. 3,29,91,231/-)



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Sonata Finance Private Limited

Notes to the Financial Statements as at and for the year ended March 31, 2018

27

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 in the Financial Year 2009-10. Subsequently in the Financial Year 2012-13, 14,70,000 equity shares had been issued to the Sonata Employee Welfare Trust.

Out of the above mentioned shares issued to Sonata Employee Welfare Trust 3,96,300, 1,65,000 and 2,16,250 Equity Shares of INR 10 each were transferred to Mr Anup Kumar Singh (Managing Director) through the Trust route during the Financial Year 2009-10, 2012-13 and 2015-16 respectively under ESOP Plan 1 (c) (d) & 4.

Further, the company has provided Employee Stock Option Scheme to its employee under Plan 2 (b) (c) (d) & 3. In the FY 2015-16 few eligible employees had exercised their right and 128900 shares had been transferred from Trust to the respective employees. The Plan wise detail of ESOP schemes are as given below:

Particulars	Plan 1 (c)(ii)	Plan 1 (c)(iii)	Plan 1 (d)	Plan 2 (b)(i)	Plan 2 (b)(ii)	Plan 2 (b)(iii)
Date of Grant	6-May-10	6-May-10	12-Jun-12	9-Jul-10	9-Jul-10	9-Jul-10
Date of Board Approval	6-May-10	6-May-10	12-Jun-12	9-Jul-10	9-Jul-10	9-Jul-10
Date of Shareholder's Approval	8-Feb-10	8-Feb-10	28-Aug-12	17-Sep-10	17-Sep-10	17-Sep-10
Date of Modification of the scheme, if any	N.A.	12-Jun-12	N.A.	N.A.	N.A.	N.A.
Number of Options granted	1,82,500	73,750	75,000	34,800	34,800	46,400
Number of Options vested	1,82,500	73,750	75,000	27,600	34,050	44,000
Exercise Price	Rs.18.56	Rs.18.56	Rs.18.56	Rs. 26	Rs. 26	Rs. 26
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting Period	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16
Exercise Period	31-Mar-18	31-Mar-19	31-Mar-18	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 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
Name of the Plan	ESOP Plan 2009	ESOP Plan 2009	ESOP Plan 2009	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011



Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2018

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 3 (ii)	Plan 3 (iii)	Plan 4
Date of Grant	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	1-Oct-13	1-Oct-14	1-Oct-15	1-Oct-16	1-Oct-13
Date of Board Approval	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	6-Feb-14	6-Feb-14	6-Feb-14	6-Feb-14	6-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	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.	N.A.	N.A.
Number of Options granted	37,200	37,200	49,600	30,000	30,000	40,000	2,00,000	2,00,000	2,00,000	2,00,000	8,00,000
Number of Options vested	32,400	27,600	28,000	12,000	10,800	11,200	1,87,000	1,43,000	1,00,000	50,000	5,33,333
Exercise Price	Rs. 26	Rs. 26	Rs. 26	Rs. 26	Rs. 26	Rs. 26	Rs. 54	Rs. 59	Rs. 67	Rs. 67	Rs. 67
Method of Settlement	Equity	Equity	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 30th Sep over four years from the date of grant	1/4 of total Grant to vest each year on 30th Sep over four years from the date of grant	1/4 of total Grant to vest each year on 30th Sep over four years from the date of grant	1/4 of total Grant to vest each year on 30th Sep 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	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	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	ESOP Scheme 2013	ESOP Scheme 2013

Plan 1 (c)(ii)

Particulars	As on March 31, 2018		As on March 31, 2017	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	70,000	18.56	70,000	18.56
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	70,000	18.56	70,000	18.56
Exercisable at the end of the year	70,000	18.56	70,000	18.56



Sonata Finance Private Limited**Notes to the Financial Statements as at and for the year ended March 31, 2018****Plan 1(c)(iii)**

	As on March 31, 2018		As on March 31, 2017	
Particulars	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)

	As on March 31, 2018		As on March 31, 2017	
Particulars	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(b)(i)

	As on March 31, 2018		As on March 31, 2017	
Particulars	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	12,000	26.00	24,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	12,000	26.00
Expired during the year	-	-	-	-
Outstanding at the end of the year	12,000	26.00	12,000	26.00
Exercisable at the end of the year	12,000	26.00	12,000	26.00

Plan 2(b)(ii)

	As on March 31, 2018		As on March 31, 2017	
Particulars	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	13,650	26.00	28,050	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	14,400	26.00
Expired during the year	-	-	-	-
Outstanding at the end of the year	13,650	26.00	13,650	26.00
Exercisable at the end of the year	13,650	26.00	13,650	26.00



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Sonata Finance Private Limited**Notes to the Financial Statements as at and for the year ended March 31, 2018****Plan 2(b)(iii)**

	As on March 31, 2018		As on March 31, 2017	
Particulars	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	44,000	26.00	44,000	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	44,000	26.00	44,000	26.00
Exercisable at the end of the year	44,000	26.00	44,000	26.00

Plan 2(c)(i)

	As on March 31, 2018		As on March 31, 2017	
Particulars	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	17,250	26.00	32,400	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	15,150	26.00
Expired during the year	-	-	-	-
Outstanding at the end of the year	17,250	26.00	17,250	26.00
Exercisable at the end of the year	17,250	26.00	17,250	26.00

Plan 2(c)(ii)

	As on March 31, 2018		As on March 31, 2017	
Particulars	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	27,600	26.00	27,600	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	27,600	26.00	27,600	26.00
Exercisable at the end of the year	27,600	26.00	27,600	26.00

Plan 2(c)(iii)

	As on March 31, 2018		As on March 31, 2017	
Particulars	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	28,000	26.00	49,600	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	21,600	-
Outstanding at the end of the year	28,000	26.00	28,000	26.00
Exercisable at the end of the year	28,000	26.00	28,000	26.00



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Sonata Finance Private Limited**Notes to the Financial Statements as at and for the year ended March 31, 2018****Plan 2(d)(i)**

	As on March 31, 2018		As on March 31, 2017	
Particulars	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	12,000	26.00	12,000	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	12,000	26.00	12,000	26.00
Exercisable at the end of the year	12,000	26.00	12,000	26.00

Plan 2(d)(ii)

	As on March 31, 2018		As on March 31, 2017	
Particulars	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	10,800	26.00	30,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	19,200	-
Outstanding at the end of the year	10,800	26.00	10,800	26.00
Exercisable at the end of the year	10,800	26.00	10,800	26.00

Plan 2(d)(iii)

	As on March 31, 2018		As on March 31, 2017	
Particulars	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	28,800	-	-	-
Outstanding at the end of the year	11,200	26.00	40,000	26.00
Exercisable at the end of the year	11,200	26.00	-	-

Plan 3

	As on March 31, 2018		As on March 31, 2017	
Particulars	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	1,44,750	54.00	1,91,500	54.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	41,750	-
Expired during the year	5,500	54.00	5,000	-
Outstanding at the end of the year	1,39,250	54.00	1,44,750	54.00
Exercisable at the end of the year	1,26,250	54.00	94,750	54.00



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Sonata Finance Private Limited**Notes to the Financial Statements as at and for the year ended March 31, 2018****Plan 3 (i)**

	As on March 31, 2018		As on March 31, 2017	
Particulars	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	1,72,500	59.00	1,95,500	59.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	21,000	-
Expired during the year	3,500	-	2,000	-
Outstanding at the end of the year	1,69,000	59.00	1,72,500	59.00
Exercisable at the end of the year	1,12,000	59.00	72,500	59.00

Plan 3 (ii)

	As on March 31, 2018		As on March 31, 2017	
Particulars	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	2,00,000	67.00	2,00,000	67.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,00,000	67.00	2,00,000	67.00
Exercisable at the end of the year	1,00,000	67.00	50,000	67.00

Plan 3 (iii)

	As on March 31, 2018		As on March 31, 2017	
Particulars	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,00,000	67.00	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,00,000	67.00	-	-
Exercisable at the end of the year	50,000	67.00	-	-

Plan 4

	As on March 31, 2018		As on March 31, 2017	
Particulars	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	8,00,000	67.00	8,00,000	67.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	8,00,000	67.00	8,00,000	67.00
Exercisable at the end of the year	5,33,333	67.00	4,00,000	67.00



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28 Related party disclosures**A. Names of related parties and related party relationship**

Key Management Personnel (KMP)	
Name	Designation
Mr. Anup Kumar Singh	Managing Director
Ms. Paurvi Srivastava	Company Secretary
Mr. Akhilesh Kumar Singh	Chief Financial Officer (wef April 3, 2017)

B. Nature of transactions

Particulars	March 31, 2018	March 31, 2017
	(Rs.)	(Rs.)
Key Management Personnel		
Salary, Bonus and other allowances**	1,28,42,802	97,32,925
Contribution to provident fund	1,76,802	1,51,857
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 Key Management Personnel are separately not ascertainable, and therefore not included above.

Shares issued under ESOP to KMP as on March 31, 2018 is 3,81,250 (P.Y.: 3,81,250). Refer note 27 for ESOP disclosure.

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, 2018	March 31, 2017
	(Rs.)	(Rs.)
Operating lease payments recognised during the year	3,89,84,474	3,14,01,433

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

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises. For the year ended March 31, 2018 and March 31, 2017, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

31 Corporate Social Responsibility

- A. Gross amount required to be spent by the Company during the year ended 31st March, 2018 is Rs. 46,81,096/- (Previous year ended 31st March, 2017 : Rs. 53,33,408/-)

- B. The following table sets forth, for the periods indicated, the amount spent by the Company on CSR related activities;

Particulars	Year ended 31st March 2018			Year ended 31st March 2017		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
	(Rs.)					
i Construction / acquisition of any new asset	24,31,272	-	24,31,272	5,37,426	-	5,37,426
ii On purpose other than (i) above	-	-	-	-	-	-



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2018
32 Additional disclosures required by the Reserve Bank of India
A. Capital to Risk-Assets ratio (CRAR)

Particulars	March 31, 2018	March 31, 2017
CRAR (%)	17.41	29.74
CRAR - Tier I capital (%)	12.26	21.89
CRAR - Tier II capital (%)	5.14	7.26
Amount of subordinate debt raised as Tier II Capital (Rs.)	89,00,00,000	69,00,00,000
Amount raised by issue of Perpetual Debt Instrument (Rs.)	-	-

B. Exposures:

The Company has no exposures to Real Estate Sector, gold loan and capital market directly or indirectly in the current and previous year except for investment in 50,000 (March 31, 2017: 50,000) fully paid up equity shares of Alpha Micro Finance Consultants Private Limited at face value of Rs. 10 (March 31, 2017 : Rs. 10) per share, as disclosed in Note 10.

C. Asset liability management

Maturity pattern of certain assets and liabilities as on March 31, 2018:

Amount (Rs. in Lacs)

Particulars	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 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Advances	6,883	7,671	6,898	23,795	28,503	40,701	-	-	1,14,451
Investments*	160	167	32	442	3,364	2,761	50	5	6,981
Borrowings	2,972	2,045	3,797	17,093	23,308	33,118	29,408	2,000	1,13,741

Maturity pattern of certain assets and liabilities as on March 31, 2017:

Amount (Rs. in Lacs)

Particulars	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 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Advances	4,954	6,091	5,754	18,389	27,696	17,716	-	-	80,600
Investments*	28,000	386	405	795	4,161	3,748	80	5	37,580
Borrowings	3,020	2,572	3,481	14,545	31,343	28,077	14,689	10,200	1,07,927

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 14, other assets under note 13 and other loans and advances under note 12

D. Investments

Particulars	Amount Rs.(in crores)	
	March 31, 2018	March 31, 2017
1 Value of investments		
Gross Value of investments		
In India	0.15	0.06
Outside India	-	-
Provision for depreciation		
In India	-	-
Outside India	-	-
Net Value of investments		
In India	0.15	0.06
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.



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the period ended March 31, 2018
F. Disclosures relating to securitisation
Amount Rs.(in crores)

Particulars	March 31, 2018	March 31, 2017
1 No of SPVs sponsored by the NBFC for securitisation transactions during the year	2.00	-
2 Total amount of securitised assets as per books of the SPVs sponsored as on the date of balance sheet	45.13	19.12
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	9.53	3.73
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 parent company.

J. Unsecured advances - Refer Note 12
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, 2018	March 31, 2017
Average interest (a)*	19.73%	22.39%
Average effective cost of borrowing (b)	12.91%	13.19%
Net Interest Margin (a-b)	6.82%	9.19%

* The average interest charged is computed on the monthly average of the on-book loan portfolio (including non performing assets)




Sonata Finance Private Limited
Notes to the Financial Statements as at and for the period ended March 31, 2018
M. Customer Complaints *

Particulars	March 31, 2018	March 31, 2017
1 No. of complaints pending at the beginning of the year	21	15
2 No. of complaints received during the year	666	731
3 Provision for portfolio loan securitised / managed portfolio	590	725
4 No. of complaints pending at the end of the year	97	21

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

The above information is as certified by the management and relied upon by the auditors.

N. Provisions & contingencies
Amount Rs.(in crores)

Particulars	March 31, 2018	March 31, 2017
Break up of 'Provisions and Contingencies' shown under the head expenditure in profit and loss account:		
Provision made towards income tax	-	5.86
Provision for gratuity	0.46	1.61
Provision for leave benefit	0.64	0.58
Provision for death claims receivable	0.20	1.24
Provision for standard and non performing assets	1.42	2.86
Provision for portfolio loan securitised / managed	(3.39)	5.56

O. Sector wise NPAs

Sector	Percentage of NPA to Total Advances in that Sector as on 31 March 2018	Percentage of NPA to Total Advances in that Sector as on 31 March 2017
Agriculture & allied activities	8.29%	0.23%
MSME	7.66%	0.23%
Corporate borrowers	-	-
Services	5.05%	0.14%
Unsecured personal loans	3.67%	0.00%
Other personal loans	-	-

P. Movement of NPA
Amount Rs.(in crores)

Particulars	March 31, 2018	March 31, 2017
Net NPAs to net advances (%)	3.43%	0.11%
Movement of NPAs (Gross)		
Opening balance	1.79	3.45
Additions during the year	47.96	11.10
Reductions during the year	0.16	12.76
Closing balance	49.60	1.79
Movement of Net NPAs		
Opening balance	0.90	0.62
Additions during the year	36.67	0.58
Reductions during the year	-	0.31
Closing balance	37.56	0.89
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	0.90	2.83
Provisions made during the year	11.30	10.52
Write-off / write-back of excess provisions	0.16	12.45
Closing balance	12.03	0.90




Sonata Finance Private Limited
Notes to the Financial Statements as at and for the period ended March 31, 2018
Q. Details of Registration with Financial Regulators

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

R. Ratings assigned by Credit Rating Agencies

Particulars	As at 31 March 2018	As at 31 March 2017
Long term bank facilities	ICRA BBB-	ICRA BBB
Long term non convertible debentures		
Triodos 2020	ICRA BBB-	ICRA BBB-
Microfinance enhancement facility	ICRA BBB-	ICRA BBB-
Microvest Short Duration Fund, L.P	ICRA BBB-	-
Blue orchard micro finance fund	ICRA BBB-	ICRA BBB
IFMR FIMPACT Investment	ICRA BBB-	ICRA BBB
IFMR FIMPACT TIER II (Secured)	ICRA BBB-	ICRA BBB
IFMR FIMPACT TIER II (Unsecured)	ICRA BBB-	ICRA BBB- (SO)
Responsibility	ICRA BBB-	ICRA BBB
IFMR_HLF	ICRA BBB-	ICRA BBB
Blue orchard micro finance fund	ICRA BBB-	-
MFI grading	ICRA M2+	ICRA M2+
Securitisation/assignment :		
IFMR MOSEC CAVITINA 2015 PTC Series A1	-	ICRA AA-(SO)
IFMR MOSEC MITHRAS 2015 PTC Series A1	-	ICRA A+(SO)
PTC Series A2		ICRA A-(SO)
PTC Series A3		ICRA BB+(SO)
IFMR MOSEC CIMBER 2016 PTC Series A1	-	ICRA A-(SO)
PTC Series A2		ICRA BBB(SO)
ARUVI IFMR Capital 2017 PTC Series A1	ICRA A (SO)	-
PTC Series A2	ICRA BBB(SO)	
Ellaria Northern Arc 2018 PTC Series A1	ICRA A (SO)	-
PTC Series A2	ICRA BBB- (SO)	
IFMR Mahindra PLI	ICRA A-(SO)	-
IFMR HLF PLI	ICRA A-(SO)	-

S. Concentration of advances, exposures and NPA's

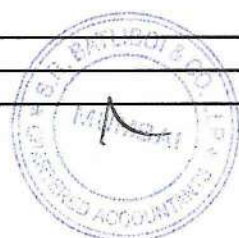
Particulars	As at 31 March 2018	As at 31 March 2017
Concentration of advances		
Total advances to twenty largest borrowers	34,15,187	19,88,000
(%) of advances to twenty largest borrowers to total advances	0.03%	0.02%
Concentration of Exposures		
Total exposures to twenty largest borrowers	34,15,187	19,88,000
(%) of exposure to twenty largest borrowers to total exposure	0.03%	0.02%
Concentration of NPAs		
Total Exposure to top four NPA accounts	7,80,128	2,98,661

T. Disclosure of penalties imposed by RBI and other regulator:

No penalties were imposed by RBI and other regulators during current and previous year.

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Expenditure in foreign currency	Year ended March 31, 2018 (Rs.)	Year ended March 31, 2017 (Rs.)
Description		
Travelling Expenses	9,68,602	6,41,618
Total	9,68,602	6,41,618



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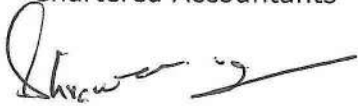
Previous year figures

- 34 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/E300005

Chartered Accountants



per Shrawan Jalan

Partner

Membership No.: 102102

Place: Mumbai

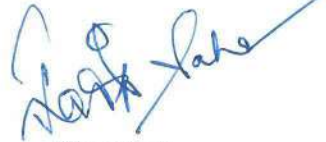
Date: May 30th, 2018



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



Managing Director



Director



Company Secretary



CFO

Place: Mumbai

Date: May 30th, 2018

