

INDEPENDENT AUDITOR'S REPORT

To the Members of Sonata Finance Private Limited

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of Sonata Finance Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2019, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
Credit risk and provisioning on loans and advances to customers (as described in note 2 (r) and 21 of the financial statements)	
For the year ended March 31, 2019 the Company's total loans and advances to	The audit procedures performed, among others, included:



Responsibilities of Management for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. 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 controls, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going



concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 purposes 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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;



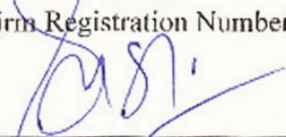
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position in its financial statements;
- 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: 301003F/E300005


per Sanjay Kumar Agarwal
Partner

Membership Number: 060352

Place of Signature: Kolkata

Date: May 30, 2019



Annexure 1 Referred to In Paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date on the financial statements of Sonata Finance Private Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Majority of the fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given by the management, there are no immovable properties, included in the fixed assets of the Company and accordingly, the requirement 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 is 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 provision 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, good 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, good 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, goods and service tax and cess which have not been deposited on account of any dispute.

(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 way of initial public offer or further public offer / debt instruments, 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 fund which were not required for immediate utilisation have been gainfully invested in fixed deposits / liquid assets.

(x) Based on the audit procedure performed for the purpose of reporting the true and fair view of the financial statement and according to the information and explanation 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) The Company being a private Company, hence the provisions of section 197 read with Schedule V of the Act is 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 the 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.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of preference shares issued during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.



S.R. BATLIBOI & CO. LLP

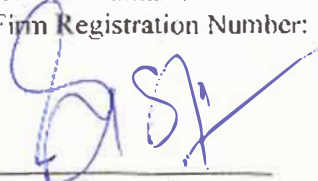
Chartered Accountants

- (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 **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

Place of Signature: Kolkata

Date: May 30, 2019



Annexure 2 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, 2019, 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.

Our 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 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.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, 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.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Sanjay Kumar Agarwal
Partner

Membership Number: 060352

Place of Signature: Kolkata

Date: May 30, 2019

Sonata Finance Private Limited
Balance Sheet as at March 31, 2019

	Notes	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
I. Equity and liabilities			
Shareholders' funds			
Share capital	3	24,04,18,650	18,98,62,690
Reserves and surplus	4	2,50,85,40,226	1,60,19,32,852
		2,74,89,58,876	1,79,17,95,542
Non-current liabilities			
Long-term borrowings	5	3,90,40,85,132	6,15,24,42,014
Long term provisions	6	13,57,83,679	14,63,32,193
		4,03,98,68,811	6,29,87,74,207
Current liabilities			
Short-term borrowings	7	1,03,37,75,397	97,50,00,000
Other current liabilities	8	5,16,39,54,270	4,57,80,94,610
Short-term provisions	6	4,79,50,146	1,14,33,222
		6,24,56,79,813	5,56,45,27,832
Total		13,03,45,07,500	13,65,50,97,581
II. Assets			
Non-current assets			
Property, plant and equipment			
- Tangible Asset	9A	1,69,12,700	1,50,70,528
- Intangible Asset	9B	44,73,991	78,56,795
Non-current investments	10	5,00,000	5,00,000
Deferred tax assets	11	14,56,23,666	24,17,02,050
Long term loans and advances	12	3,27,63,62,505	4,12,55,53,511
Other non-current assets	13	69,54,09,455	28,42,41,917
		4,13,92,82,317	4,67,49,24,801
Current assets			
Current investments	10	10,00,000	10,00,000
Cash and bank balances	14	2,18,52,33,722	1,35,07,82,872
Short-term loans and advances	12	6,59,63,36,331	7,49,91,10,165
Other current assets	13	11,26,55,130	12,92,79,743
		8,89,52,25,183	8,98,01,72,780
Total		13,03,45,07,500	13,65,50,97,581

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.Batlilbol & Co. LLP

Firm Registration No.301003E/E300005
Chartered Accountants

per Sanjay Kumar Agrawal

Partner

Membership No.: 060352

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

Managing Director

DIN: 00173413

Chief Financial Officer

Place: Lucknow

Date: May 30, 2019

Director

DIN: 02947368

Company Secretary

Place: Kolkata

Date: May 30, 2019

Sonata Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2019

	Notes	Year ended March 31, 2019 (Rs.)	Year ended March 31, 2018 (Rs.)
I. Income			
Revenue from operations	15	2,71,53,12,812	2,16,45,85,485
Other income	16	27,31,20,508	24,40,14,192
Total income		2,98,84,33,320	2,40,85,99,677
II. Expenses			
Employee benefit expenses	17	56,21,46,968	50,13,25,509
Finance costs	18	1,37,34,78,090	1,37,07,38,569
Depreciation and amortization expense	19	1,33,16,102	88,60,140
Other expenses	20	21,89,71,047	18,64,43,888
Provisions and write offs	21	53,67,73,468	84,23,71,152
Total expenses		2,70,46,85,675	2,90,97,39,258
Profit /(loss) before tax		28,37,47,645	(50,11,39,581)
Tax expense			
- Current tax (Minimum alternate tax)		5,70,82,866	-
- Less : Minimum alternate tax transferred to MAT Credit entitlement account)		(5,70,82,866)	-
- Deferred tax credit		9,60,78,384	(16,71,61,251)
Total tax expenses/ (credit)		9,60,78,384	(16,71,61,251)
Profit/ (loss) for the year		18,76,69,261	(33,39,78,330)
Earning per equity share (EPS)	22		
Basic		8.90	-15.83
Diluted		8.83	-15.83
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.Batlilboi & Co. LLP
Firm Registration No.301003E/E300005
Chartered Accountants


per Sanjay Kumar Agrawal
Partner
Membership No.: 060352

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


Managing Director
DIN: 00173413


Chief Financial Officer




Director
DIN: 02947368


Company Secretary

Place: Kolkata
Date: May 30, 2019

Place: Lucknow
Date: May 30, 2019

Sonata Finance Private Limited
Cash Flow Statement for the year ended March 31, 2019

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	(Rs.)	(Rs.)
A. Cash flow from operating activities :		
Net profit before taxation	28,37,47,645	(50,11,39,581)
Adjustments for :		
Finance Cost	1,37,34,78,090	1,37,07,38,569
Interest income of fixed deposit	(5,68,34,235)	(5,94,38,698)
Net gain on sale of current investments	(2,34,93,578)	(10,32,57,530)
Depreciation and amortization	1,33,16,102	88,60,140
Provision for standard and non performing assets	(2,76,10,283)	1,42,23,355
Provision for portfolio loan securitised / managed portfolio	4,69,89,732	(3,39,35,938)
Portfolio loans written-off	49,77,77,939	68,05,82,920
Provision for interest on income tax	3,08,575	3,103
Provision for other receivables	45,27,373	20,11,063
Operating profit before working capital changes	2,11,22,07,360	1,37,86,47,403
Movements in working capital:		
(Increase)/Decrease in other current assets	50,76,430	4,22,19,850
(Increase)/Decrease in other non-current assets	-	90,88,430
(Increase)/Decrease in short term loans & advances	87,41,98,763	(1,13,76,51,648)
(Increase)/Decrease in long term loans & advances	40,90,31,136	(2,97,96,05,841)
Increase/(Decrease) in long term provisions	-	(28,860)
Increase/(Decrease) in short term provisions	65,88,960	(1,33,69,065)
Increase/(Decrease) in other current liabilities	15,35,91,657	7,84,61,620
Cash generated/ (used) in operations	3,56,06,94,306	(2,62,22,38,111)
Direct taxes paid	(5,66,18,069)	(2,11,58,996)
Net cash flow generated/ (used) in operating activities (A)	3,50,40,76,237	(2,64,33,97,107)
B. Cash flow from investing activities :		
Interest income on fixed deposits with banks and financial institutions	6,25,74,118	8,25,01,393
Net gain on sale of current investments	2,34,93,578	10,32,57,530
Purchase of fixed assets	(1,17,75,470)	(1,30,24,926)
(Increase)/Decrease in fixed deposits (net)	(33,72,33,927)	27,57,73,552
Sale of current investments (net)	-	(8,91,064)
Net cash flow from/ (used in) investing activities (B)	(26,29,41,701)	44,76,16,485
C. Cash flow from financing activities :		
Payment of finance cost	(1,38,68,46,225)	(1,37,44,88,470)
Proceeds from issuance of share capital	77,25,30,534	-
Proceeds from issuance of debentures (net)	(41,00,00,000)	54,00,00,000
Payment of share/debenture issue expenses	(30,31,046)	(29,06,397)
Proceeds/(repayment) from long-term borrowings (net)	(1,39,30,29,318)	(51,86,03,390)
Proceeds/(repayment) from short-term borrowings (net)	5,87,75,397	56,00,00,000
Payment of dividend including dividend tax	(5,414)	(9,16,093)
Net Cash flow from financing activities (C)	(2,36,16,06,072)	(79,69,14,350)



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Net Increase/(decrease) In cash and cash equivalents (A+B+C)	87,95,28,464	(2,99,26,94,972)
Cash and cash equivalents at the beginning of the year	96,33,00,369	3,95,59,95,341
Cash and cash equivalents at the end of the year	1,84,28,28,833	96,33,00,369
Components of cash and cash equivalents:		
Cash on hand	2,64,63,168	1,54,53,014
With banks- on Current account	1,81,63,65,665	94,78,47,355
- on deposit account	-	-
Total cash and cash equivalents (Refer Note 14)	1,84,28,28,833	96,33,00,369

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.Batliboi & Co. LLP

Firm Registration No.301003E/E300005

Chartered Accountants

per Sanjay Kumar Agrawal

Partner

Membership No.: 060352



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

Managing Director

DIN: 00173413

Director

DIN: 02947368

Chief Financial Officer

Company Secretary

Place: Kolkata

Date: May 30, 2019

Place: Lucknow

Date: May 30, 2019



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.

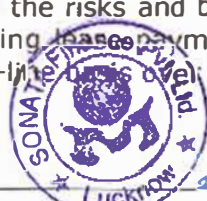
Fixed assets costing upto Rs. 5,000 individually are fully depreciated over a period of one year.

(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.


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(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 loan arrangement 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.



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- vi) All other income is recognized on an accrual basis.

(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. 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.

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.



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

3	Share capital	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)
	Authorized shares		
	3,00,00,000 (March 31, 2018: 3,00,00,000) equity shares of Rs. 10/- each	30,00,00,000	30,00,00,000
	1,00,00,000 (March 31, 2018: 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, 2018: 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 #	1,54,52,690	2,10,98,500
	Total issued, subscribed and fully paid-up share capital	19,55,08,500	18,98,62,690
	44,91,015 (March 31, 2018: NIL) Non-Cumulative 0.01% Compulsorily convertible preference shares (CCPS) of Rs. 10/- each	4,49,10,150	-
	Total issued, subscribed and fully paid-up share capital	24,04,18,650	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, 2019		As at March 31, 2018	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year #	1,89,86,269	18,98,62,690	1,89,86,269	18,98,62,690
Issued during the year	5,64,581	56,45,810	-	-
Shares outstanding at the end of the year #	1,95,50,850	19,55,08,500	1,89,86,269	18,98,62,690

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

Non-Cumulative 0.01% Compulsorily Convertible Preference Shares (CCPS)	As at March 31, 2019		As at March 31, 2018	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year	-	-	-	-
Issued during the year	44,91,015	4,49,10,150	-	-
Less: converted into equity shares during the year	-	-	-	-
Shares outstanding at the end of the year	44,91,015	4,49,10,150	-	-

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/rights attached to CCPS



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(i) The Series B CCPS shall confer on the holder of Series B CCPS a right to receive, a preference dividend equal to 0.01% on face value of each Series B CCPS ("Series B Preference Dividend") per annum, if declared by the Company.

(ii) The Series B CCPS shall be compulsorily converted into Equity Shares on trigger of either of (A) or (B) mentioned as below:

(A) Upon the next issuance and allotment of Equity Shares by the Company provided that such issuance and allotment is for an aggregate amount of INR 100,00,00,000 (Rupees one hundred crore) or more, and is undertaken by the Company within the Conversion Period*; or

(B) Upon the expiry of the Conversion period, if the Company fails to complete/undertake the Series B CCPS Conversion Round within such time period.

*Conversion Period shall mean a period of twelve months from the date which is the earlier of (i) the date of the last CCPS Effective Date; and (ii) the Long Stop Date i.e., September 30, 2018



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

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

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	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	25,48,443	12.08%	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)	15,45,269	7.32%	21,09,850	10.00%
Creation Investments Social Ventures Fund	14,91,121	7.07%	14,91,121	7.07%
India Financial Inclusion Fund, LLC	14,80,634	7.02%	14,80,634	7.02%
Triodos Custody B.V. As A Custodian of Triodos Fair Share Fund	12,74,222	6.04%	11,74,327	5.57%
Triodos SICAV II- Triodos Microfinance Fund	12,74,221	6.04%	11,74,326	5.57%
Anup Kumar Singh	11,25,462	5.33%	8,75,462	4.15%

Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid

Societe De Promotion Et De Participation Pour La Cooperation Economique	11,97,604	26.67%	-	-
Creation Investments Social Venture Fund II, L.P.	11,97,604	26.67%	-	-
SIDBI Trustee Company Limited [A/c Samridhi Fund]	8,98,203	20.00%	-	-
Triodos Custody B.V. As A Custodian of Triodos Fair Share Fund	5,98,802	13.33%	-	-
Triodos SICAV II- Triodos Microfinance Fund	5,98,802	13.33%	-	-

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 plan (ESOP) of the Company, please refer note 27.

4	Reserves and surplus	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)
A.	Securities premium account		
	Balance as at the beginning of the year	1,28,38,36,817	1,28,67,43,214
	Add: Addition during the year	72,19,74,574	-
	Less: Share / debenture issue expenses incurred during the year (net of tax adjustment)	30,31,046	29,06,396
	Balance as at the end of the year	2,00,27,80,345	1,28,38,36,818
B.	Statutory reserve		
	Balance as at the beginning of the year	13,63,23,720	13,63,23,720
	Add: Amount transferred from surplus balance in the statement of profit and loss during the year	3,75,33,852	-
	Balance as at the end of the year	17,38,57,572	13,63,23,720
C.	Capital reserve	22,68,400	22,68,400
D.	Surplus in the statement of profit and loss		
	Balance as at the beginning of the year	17,95,03,914	51,34,82,244
	Profit / (loss) for the year	18,76,69,261	(33,39,78,330)
	Less: Appropriations		
	Transferred to statutory reserve	3,75,33,852	-
	Preference dividend (including corporate dividend tax)	5,414	-
	Total appropriations	3,75,39,266	-
	Net surplus in the statement of profit and loss	32,96,33,909	17,95,03,914
	Total	2,50,85,40,226	1,60,19,32,852



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

5	Long Term Borrowings	Non Current Portion		Current Maturities	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
A. Debentures					
Secured					
Redeemable non-convertible debentures		1,53,00,00,000	3,01,20,00,000	1,98,20,00,000	91,00,00,000
Unsecured*					
Redeemable non-convertible debentures		15,00,00,000	15,00,00,000	-	-
B. Term loans					
Secured					
- from banks		69,19,19,817	71,42,32,278	1,26,93,03,612	1,44,45,03,834
- from financial institutions		3,75,00,000	12,50,00,000	8,75,00,000	57,66,66,674
- from non banking finance companies		62,87,98,336	98,67,15,819	1,05,40,73,315	1,00,88,90,752
Unsecured*					
- from banks		40,00,00,000	-	-	-
- from financial institutions		24,00,00,000	24,00,00,000	-	-
- from non banking finance companies		22,58,66,979	92,44,93,917	29,91,32,472	30,66,20,575
Total		3,90,40,85,132	6,15,24,42,014	4,69,20,09,399	4,24,66,81,835
The above amount includes					
Secured borrowings		2,88,82,18,153	4,83,79,48,097	4,39,28,76,927	3,94,00,61,260
Unsecured borrowings		1,01,58,66,979	1,31,44,93,917	29,91,32,472	30,66,20,575
Amount disclosed under the head "other current liabilities" (Refer Note 8)		-	-	(4,69,20,09,399)	(4,24,66,81,835)
Total		3,90,40,85,132	6,15,24,42,014	-	-

* Includes subordinated debt of Rs. 89,00,00,000 (March 31, 2018 : Rs. 89,00,00,000)

6	Provisions	Non - Current Portion		Current Portion	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
A. Provision for employee benefits					
Provision for gratuity		-	-	35,36,024	16,56,961
Provision for leave		-	-	1,28,36,797	81,26,900
		-	-	1,63,72,821	97,83,861
B. Provision for portfolio loans					
On standard assets		1,20,158	10,66,513	3,15,77,325	16,49,361
On non performing assets		6,37,26,277	12,03,18,168	-	-
		6,38,46,435	12,13,84,681	3,15,77,325	16,49,361
C. Others					
Provision for dividend distribution tax		-	-	-	-
Provision for securitised/managed portfolio loans		7,19,37,244	2,49,47,512	-	-
		7,19,37,244	2,49,47,512	-	-
Total		13,57,83,679	14,63,32,193	4,79,50,146	1,14,33,222

7	Short-term borrowings	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)
Secured			
Short Term loan from a bank		1,03,37,50,000	97,50,00,000
Bank Overdraft		25,397	-
Total		1,03,37,75,397	97,50,00,000

Short term loans were 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 10.25% to 11.50% per annum.

8	Other current liabilities	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)
Current maturities of long-term borrowings (Refer Note 5)		4,69,20,09,399	4,24,66,81,835
Interest accrued but not due on borrowings		12,49,02,523	13,82,70,660
Payable for portfolio loans securitised		22,73,93,325	4,72,41,457
Payable to bank against direct sale agreement (DSA)		10,33,737	4,40,78,007
Statutory dues payable		1,99,71,870	1,63,53,792
Temporary book overdraft		-	4,51,795
Other payables		9,86,43,416	8,50,17,064
Total		5,16,39,54,270	4,57,80,94,610



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

5A Long-term borrowings

Terms of repayment of long term borrowings as on 31 March 2019

Original Maturity of Loan	Due within 1 Year		Due between 1 and 2 Year		Due between 2 and 3 Year		Due between 3 and 6 Year		Above 6 Year		Interest Rate (%)	Total (INR)
	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 Years	1	30,00,00,000									0.12165	30,00,00,000
3-5 Years	1	87,00,00,000	3	1,28,00,00,000	-	-	-	-			12.77%-14.73%	1,95,00,00,000
Above 5 Years	3	1,01,20,00,000	1	15,00,00,000			1	10,00,00,000			14%-14.75%	1,26,20,00,000
Sub total (a)	5	1,98,20,00,000	4	1,43,00,00,000	-	-	1	10,00,00,000				3,51,20,00,000
Unsecured												
Above 5 Years							1	15,00,00,000			18.25%	15,00,00,000
Sub total (b)							1	15,00,00,000				15,00,00,000
Total (A)	6	1,93,20,00,000	4	1,43,00,00,000	-	-	2	25,00,00,000				3,66,20,00,000
Term Loans												
Secured												
Monthly Repayment Schedule												
From Banks												
1-3 Years	47	75,90,90,908	13	37,38,63,638							11.60%-13.50%	1,13,29,54,546
3-5 Years	12	2,28,60,000	6	1,14,19,058							12.50%	3,42,79,056
From Financial Institutions												
1-3 Years												
From NBFC												
1-3 Years	185	93,99,60,034	77	45,84,25,626	4	2,19,85,990					10.98%-14.00%	1,42,03,71,650
3-5 Years	22	5,16,13,280	24	6,52,86,799	24	7,54,48,591	2	76,71,330			13.75%-14.22%	20,00,00,000
Total (B)	276	1,77,35,24,223	120	90,89,75,119	28	9,74,34,581	2	76,71,330				2,78,76,05,253
Quarterly Repayment Schedule												
From Banks												
1-3 Years	13	25,30,41,369	7	13,76,97,727	4	12,72,72,727					11.35%-13.65%	51,80,11,824
3-5 Years	4	3,33,33,332	4	3,33,33,332	1	93,11,339					13.25%	7,59,78,000
From NBFC												
1-3 Years	4	6,25,00,000									13.50%	6,25,00,000
Total (C)	21	34,88,74,701	11	17,10,31,059	5	13,65,84,066						65,64,89,827
Half yearly Repayment Schedule												
From NBFC												
1-3 Years												
From Financial Institutions												
1-3 Years												
3-5 Years	2	9,75,00,000	2	2,50,00,000	1	1,25,00,000					11.50%	12,50,00,000
Total (D)	2	9,75,00,000	2	2,50,00,000	1	1,25,00,000						12,50,00,000



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

One time Repayment Schedule											
From Banks											
1-3 Years	27	1,23,37,50,000									
									10.50%-11.75%	1,23,37,50,000	
From NBFC											
More than 5 Years											
Total (E)	27	1,23,37,50,000									
Unsecured											1,23,37,60,000
Monthly Repayment Schedule											
From NBFC											
1-3 Years	52	29,91,32,472	25	12,58,86,979							
One time Repayment Schedule											
From Banks											
More than 5 Years									13.95%-14.70%	42,49,99,451	
From NBFC											
More than 5 Years					1	20,00,00,000			1	20,00,00,000	14.25%-15.60%
More than 5 Years					1	10,00,00,000					17.00%
More than 5 Years											15.50%-15.70%
Total (F)	52	29,91,32,472	25	12,68,86,878	1	15,00,00,000	1	9,00,00,000			24,00,00,000
					3	45,00,00,000		1	9,00,00,000	1	20,00,00,000
											1,18,49,99,451
GRAND TOTAL											
	383	6,72,47,81,396	162	2,66,08,73,167	37	69,65,18,647	5	34,76,71,330	1	20,00,00,000	8,62,98,44,531
Notes:											

Note:

A. Debentures

- The debentures are secured by way of exclusive charge on all receivable from underlying portfolio loans.
- Debentures amounting to Rs. 33,20,00,000 (2017-2018: 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).
- Debentures amounting to Rs. 30,00,00,000 (2017-2018: 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).
- Debentures amounting to Rs. 15,00,00,000 (2017-2018: 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).
- Debentures amounting to Rs. 68,00,00,000 (2017-2018: 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)*.
- Debentures amounting to Rs. 67,00,00,000 (2017-2018: Rs 67,00,00,000) has a call / put option available with the Company / Debenture holder at the end of 36 months from the date of allotment (October 26, 2016)*.
- Debentures amounting to Rs. 78,00,00,000 (2017-2018: Rs 78,00,00,000) has a call / put option available with the Company / Debenture holder at the end of 36 months from the date of allotment (July 31, 2017).
- Debentures amounting to Rs. 20,00,00,000 (2017-2018: Rs NIL) has a call / put option available with the Company / Debenture holder at the end of 27 months from the date of allotment (September 30, 2020).

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

B. Term Loans

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



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

5B 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 and 2 years		Due between 2 and 3 Years		Due between 3 and 5 Years		Above 5 Years		Interest Rate	Total
	No. of instalments	Amount (in Rupees)	No. of instalment	Amount (in Rupees)	No. of instalment	Amount (in Rupees)	No. of instalment	Amount (in Rupees)	No. of instalment	Amount (in Rupees)		
Debentures												
Secured												
1-3 Years.	-	-	1	30,00,00,000	-	-	-	-	-	-	12.17%	30,00,00,000
3-5 Years.	3	91,00,00,000	-	-	-	-	-	-	-	-	12.77% - 14.75%	2,36,00,00,000
Above 5 Years.	-	-	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 Years.	-	-	-	-	-	-	1	15,00,00,000	-	-	16.25%	15,00,00,000
Term Loans												
Secured												
Monthly repayment schedule												
From Banks:												
1-3 Years.	67	61,86,60,886	24	23,71,00,000								
3-5 Years.	12	2,28,60,000	12	2,28,60,000	6	1,14,19,056						
From Financial Institutions:												
1-3 Years.	12	16,00,00,006									11.00% - 13.00%	85,57,60,886
											12.50%	5,71,39,056
From NBFCs:												
1-3 Years.	108	74,83,89,124	77	58,92,16,476	34	33,48,20,489					12.50%	16,00,00,006
Total (a)	199	1,54,99,10,016	113	84,91,76,476	40	34,62,39,545						
Quarterly repayment schedule												
From Banks:												
1-3 Years.	32	77,78,04,095	10	15,76,07,075	3	1,04,25,000						
3-5 Years.	3	2,49,99,999	4	3,33,33,332	4	3,33,33,332	1	83,33,337			11.70% - 13.65%	94,58,36,170
From NBFCs:												
1-3 Years.	17	24,40,13,814	4	6,25,00,000							13.25%	10,00,00,000
Total (b)	52	1,04,68,17,908	18	25,34,40,407	7	4,37,58,332	1	83,33,337			13.50% - 14.50%	30,65,13,814
Half-yearly repayment schedule												
From NBFCs:												
1-3 Years.	2	1,66,66,668										1,35,23,49,984
From Financial Institutions:												
1-3 Years	2	26,66,66,668									14.75%	1,66,66,668
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%	26,66,66,668
Total (c)	6	43,33,33,336	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 Years.			1	20,00,00,000								55,83,33,336
From NBFCs:												
Above 5 Years.	-	-	-	-	-	-	-	-			11.75%	20,00,00,000
Total (d)	-	-	1	20,00,00,000	-	-	-	-				20,00,00,000



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

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 Years		Interest Rate	Total
	No. of instalments	Amount (In Rupees)	No. of Instalment s	Amount (in Rupees)	No. of Instalment s	Amount (in Rupees)	No. of instalment s	Amount (in Rupees)	No. of instalment s	Amount (in Rupees)		
Unsecured												
From NBFCs:												
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
Total (e)	60	30,66,20,575	52	30,14,61,453	25	12,30,32,464	-	-	-	-		73,11,14,492
One-time repayment schedule												
From NBFCs:												
Above 5 Years.	-	-	-	-	-	-	2	30,00,00,000	1	20,00,00,000	14.25% - 17.00%	50,00,00,000
From Financial Institutions:												
Above 5 Years.	-	-	-	-	2	5,00,00,000	5	19,00,00,000	-	-	15.50% - 15.70%	24,00,00,000
Total (f)	-	-	-	-	2	5,00,00,000	7	49,00,00,000	1	20,00,00,000		74,00,00,000
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

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

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



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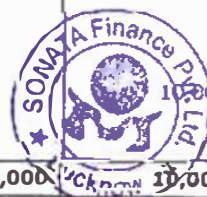
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9 Property, Plant and Equipment (Rs.)					
A Tangible Assets					
Cost	Furniture & Fixtures	Computers	Office equipments	Vehicles	Total
At April 1, 2017	2,18,66,892	1,61,28,576	1,21,46,734	15,13,803	5,16,56,005
Additions	42,09,259	24,74,836	24,85,961	-	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
Additions	29,79,384	46,67,714	36,57,932	-	1,13,05,030
Disposals	-	-	-	-	-
At March 31, 2019	2,90,55,535	2,32,71,126	1,82,90,627	15,13,803	7,21,31,091
Accumulated depreciation					
At April 1, 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	1,10,29,017	13,04,404	4,57,55,532
Charge for the year	38,12,598	27,43,799	28,42,466	63,995	94,62,858
Disposals	-	-	-	-	-
At March 31, 2019	2,17,05,669	1,82,72,840	1,38,71,483	13,68,399	5,52,18,390
Net Block					
At March 31, 2018	81,83,080	30,74,371	36,03,678	2,09,399	1,50,70,528
At March 31, 2019	73,49,866	49,98,286	44,19,144	1,45,404	1,69,12,700

B Intangible Assets (Rs.)			
Cost	Licence Fees	Software	Total
At April 1, 2017	-	-	-
Additions	-	-	-
Disposals	-	-	-
At March 31, 2018	20,00,000	60,90,128	80,90,128
Additions	-	4,70,440	4,70,440
Disposals	-	-	-
At March 31, 2019	20,00,000	65,60,568	85,60,568
Amortization			
At April 1, 2017	-	-	-
Charge for the year	-	-	-
Disposals	-	-	-
At March 31, 2018	2,30,059	3,274	2,33,333
Charge for the year	17,69,941	20,83,303	38,53,244
Disposals	-	-	-
At March 31, 2019	20,00,000	20,86,577	40,86,577
Net Block			
At March 31, 2018	17,69,941	60,86,854	78,56,795
At March 31, 2019	-	44,73,991	44,73,991

10 Investments	Non-current investment		Current investment	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Trade investment				
Investments in equity shares (unquoted) (valued at cost)	5,00,000	5,00,000	-	-
50,000 (March 31, 2018: 50,000) fully paid up shares of Alpha Micro Finance Consultants Private Limited at face value of Rs. 10 (March 31, 2018: 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, 2018 : 1,00,000 Units) of SBI Dual Advantage - Series XXII - Regular Growth	-	-	10,00,000	10,00,000
Total	5,00,000	5,00,000	10,00,000	10,00,000



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

11	Deferred tax assets	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)
	Deferred tax assets		
	Impact of difference between tax depreciation and depreciation charged for the financial reporting	64,72,750	75,94,481
	Impact of provision on portfolio, managed loans and other receivables	6,16,45,766	4,65,67,851
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	44,85,690	33,85,999
	Impact of taxable losses carried forward	7,30,19,460	18,41,53,719
	Net deferred tax assets	14,56,23,666	24,17,02,050

12	Loans and advances (Unsecured, considered good unless stated otherwise)	Non Current Portion		Current Portion	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
A. Portfolio loans					
	Considered good	2,83,97,37,368	3,57,41,17,969	6,49,31,49,114	7,37,50,43,920
	Considered doubtful	32,28,16,620	49,59,59,404	-	-
		3,16,25,53,988	4,07,00,77,373	6,49,31,49,114	7,37,50,43,920
B. Security deposits					
	Considered good	12,50,000	12,50,000	3,94,335	4,23,235
		12,50,000	12,50,000	3,94,335	4,23,235
C. Advances recoverable in cash or kind					
	Considered good	-	-	4,74,87,707	6,44,49,688
	Considered doubtful	90,52,016	45,24,643	-	-
	Less: Provision for doubtful advances	(90,52,016)	(45,24,643)	-	-
		-	-	4,74,87,707	6,44,49,688
D. Others					
	Considered good				
	Prepaid expenses	-	-	88,58,163	46,13,422
	Loan to staff	19,71,372	12,57,062	60,94,389	63,97,191
	Cenvat credit receivable	-	-	15,02,810	1,50,498
	EIS receivable	-	-	1,08,82,882	57,05,132
	MAT Credit Entitlement	5,70,82,866	-	-	-
	Advance income tax (net of provision for taxation)	4,85,04,279	4,89,69,076	-	-
	Other receivables (net of provision of NIL, March 31, 2018 : Rs. 1,60,48,655/-)*	-	-	2,39,66,931	1,42,79,381
	Margin money with non-banking financial companies and financial institutions	50,00,000	40,00,000	40,00,000	2,80,47,698
	(marked as lien towards term loan availed)	11,25,58,517	5,42,26,138	5,53,05,175	5,91,93,327
	Total	3,27,63,62,505	4,12,55,53,511	6,59,63,36,331	7,49,91,10,165

*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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
	Non current bank balances (Refer Note 14)	68,24,37,504	27,70,78,266	-	-
		68,24,37,504	27,70,78,266	-	-
	Others				
	Interest accrued on portfolio loans	-	-	8,11,89,494	8,22,48,172
	Interest accrued but not due on deposits placed with banks and financial institutions	1,29,71,951	71,63,651	1,47,66,431	2,63,14,614
	Service fees receivable (Refer Note 24B)	-	-	1,66,99,205	2,07,16,957
		1,29,71,951	71,63,651	11,26,55,130	12,92,79,743
	Total	69,54,09,455	28,42,41,917	11,26,55,130	12,92,79,743



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

14	Cash and bank balances	Non-Current Portion		Current Portion	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
	Cash and cash equivalents				
	Balances with banks				
	-on current accounts	-	-	1,81,63,65,665	94,78,47,355
	-deposit with original maturity of less than three months	-	-	-	-
	Cash on hand	-	-	2,64,63,168	1,54,53,014
		-	-	1,84,28,28,833	96,33,00,369
	Other bank balances :				
	-deposit with original maturity of less than three months (*)			3,74,15,172	9,37,500.00
	Deposit with original maturity for more than 3 months but not more than 12 months (*)	1,85,88,056	-	1,11,52,891	14,18,88,674
	Deposit with original maturity of not less than 12 months (*)	66,38,49,448	27,70,78,266	29,38,36,826	24,46,56,329
		68,24,37,504	27,70,78,266	34,24,04,889	38,74,82,503
	Amount disclosed under non-current assets (Refer Note 13)	(68,24,37,504)	(27,70,78,266)	-	-
	Total	-	-	2,18,52,33,722	1,35,07,82,872

(*) Includes deposit certificates of Rs. 94,76,53,609/- (March 31, 2018: Rs. 66,45,60,770/-) marked as lien towards term loans availed from banks, towards cash collateral placed in connection with portfolio loan securitised and business correspondent activities entered with bank.

15	Revenue from operations	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Interest income on portfolio loans	2,33,92,57,279	1,86,80,45,455
	Processing fee on portfolio loans	11,26,52,561	12,20,12,073
	Service fees (Refer Note 24B)	12,61,25,628	14,92,94,528
	Income from securitisation of portfolio loans	13,72,77,344	2,52,33,429
	Total	2,71,53,12,812	2,16,45,85,485

16	Other income	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Interest income on fixed deposits with banks and financial institutions	5,68,34,235	5,94,38,698
	Net gain on sale of current investments	2,34,93,578	10,32,57,530
	Bad debt recovery	18,52,11,563	7,92,67,326
	Miscellaneous income	75,81,133	20,50,638
	Total	27,31,20,508	24,40,14,192

17	Employee benefit expenses	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Salaries and bonus	52,38,47,790	45,63,47,420
	Contributions to provident fund	3,01,41,544	3,58,95,993
	Contribution to employees' state insurance	46,21,610	45,25,966
	Gratuity expenses (Refer Note 26)	35,36,024	45,56,130
	Total	56,21,46,968	50,13,25,509

18	Finance costs	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Interest expense	1,34,83,22,509	1,34,84,61,844
	Other borrowing costs	2,51,55,581	2,22,76,725
	Total	1,37,34,78,090	1,37,07,38,569

19	Depreciation and amortization expense	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Depreciation of fixed assets	94,62,858	86,26,807
	Amortization of intangible asset	38,53,244	2,33,333
	Total	1,33,16,102	88,60,140



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

20	Other expenses	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Rent	4,57,69,635	3,89,84,474
	Rates and taxes	12,31,557	15,26,653
	Repairs & maintenance		
	- Office maintenance	1,82,90,539	1,62,19,486
	- Others	16,99,781	15,67,787
	Travelling and conveyance	1,92,19,049	1,77,45,531
	Communication expenses	78,52,259	1,07,65,365
	Printing & stationery	1,11,40,937	1,06,77,154
	Legal and professional fees	4,84,78,216	2,21,71,447
	Payment to auditors (refer details below)	50,25,062	50,86,144
	IT support charges	1,38,65,510	1,13,39,251
	Bank charges	80,45,205	1,25,50,729
	Electricity charges	57,66,873	53,28,492
	Membership fees	49,29,954	41,57,205
	CSR expenditure	18,50,064	24,31,272
	Miscellaneous expenses	2,58,06,406	2,58,92,898
	Total	21,89,71,047	18,64,43,888

Payment to auditors:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	(Rs.)	(Rs.)
As auditors:		
Audit fee (excluding taxes)	35,00,000	31,50,000
Other services (certification, etc.)	6,00,000	6,00,000
Reimbursement of expenses	5,97,847	10,78,690
Goods and service tax	3,27,215	2,57,454
Total	50,25,062	50,86,144

21	Provisions and write offs	Year ended March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)	(Rs.)
	Provision for standard and non performing assets		(2,76,10,283)	1,42,23,355
	Provision for portfolio loan securitised / managed portfolio		4,69,89,732	(3,39,35,938)
	Portfolio loans written off		49,77,77,939	68,05,82,920
	Other receivable written off	2,06,37,740		
	Less: Provision no longer required	(1,60,48,655)	45,89,085	-
	Loss on securitised/managed portfolio		1,04,99,622	17,94,89,752
	Provision for other receivables		45,27,373	20,11,063
	Total		53,67,73,468	84,23,71,152

22	Earnings per equity share (EPS)	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Profit/(loss) for the year	18,76,69,261	(33,39,78,330)
	Less:		
	Dividend on Non cumulative 0.01% compulsorily convertible preference shares	5,414	-
	Net profit/(loss) for calculation of basic EPS	18,76,63,847	(33,39,78,330)
	Net Profit/(loss) as above	18,76,63,847	(33,39,78,330)
	Add: Non cumulative 0.01% compulsorily convertible preference shares & tax thereon	5,414	-
	Net profit/(loss) for calculation of diluted EPS	18,76,69,261	(33,39,78,330)
	Weighted average number of equity shares in calculating basic EPS	2,10,96,119	2,10,96,119
	Effect of dilution:		
	Equity shares attributable to convertible preference shares	1,63,469	-
	Weighted average number of equity shares in calculating diluted EPS	2,12,59,588	2,10,96,119
	Basic EPS	8.90	(15.83)
	Diluted EPS	8.83	(15.83)



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Sonata Finance Private Limited

Notes to the Financial Statements as at and for the year ended March 31, 2019

23 Loan portfolio and provision for standard and non-performing assets as at March 31, 2019:

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets				Portfolio loans outstanding (Net)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018	Provision made during the year	Provision utilized for write-off	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Standard assets	9,33,28,86,482	10,94,91,61,889	27,15,874	2,89,81,608	-	3,16,97,482	9,30,11,89,000	10,94,64,46,015
Non-Performing assets	32,28,16,620	49,59,59,404	12,03,18,168	-	5,65,91,891	6,37,26,277	25,90,90,343	37,56,41,236
Total	9,65,57,03,102	11,44,51,21,293	12,30,34,042	2,89,81,608	5,65,91,891	9,54,23,759	9,56,02,79,343	11,32,20,87,251

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, 2018	As at March 31, 2017
Standard assets	10,94,91,61,889	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	12,03,18,168	37,56,41,236	89,63,217
Total	11,44,51,21,293	8,06,00,50,849	10,88,10,687	11,56,62,016	10,14,38,661	12,30,34,042	11,32,20,87,251	7,95,12,40,162



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24 A Details of Securitised and Assigned 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, 2019 (Rs.)	As at March 31, 2018 (Rs.)
Total book value of the loan asset securitised during the year	3,08,66,08,011	56,06,31,432
Sale consideration received for the loan asset securitised during the year	3,08,66,08,011	56,06,31,432
Portfolio loan securitised and outstanding as at the year end	2,33,13,75,230	45,13,47,338
Income from securitisation recognised in the statement of profit and loss	11,84,43,109	2,52,33,429
Credit enhancements provided and outstanding:		
Principal subordination	36,89,63,660	5,20,06,537
Cash collateral	29,01,75,708	4,33,39,166
The Company has transferred all the rights and obligations relating to above securitised loan assets to the buyers.		

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

Particulars	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
Total book value of the loan asset assigned during the year	1,05,00,05,011	-
Sale consideration received for the loan asset assigned during the year	1,05,00,05,011	-
Portfolio loan assigned and outstanding as at the year end	92,30,41,851	-
Income from direct assignment recognised in the statement of profit and loss	1,88,34,235	-
Credit enhancements provided and outstanding:		
Principal subordination	14,29,91,765	-
Cash collateral	-	-
The Company has transferred all the rights and obligations relating to above assigned 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:

- Amounts received from the bank are disbursed as loan to joint-liability groups organised / monitored by the Company and such joint-liability groups are considered as banks borrowers
- The Company provides services in connection with recovery and monitoring of such loans
- The Company has provided collaterals in the form of fixed deposits & corporate guarantee which would be adjusted by banks, to the extent of default made by borrowers.

Particulars	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
Total book value of the loan disbursed through DSA during the year	1,49,48,73,750	1,14,55,77,260
Outstanding Balance of Loan Disbursed through DSA as at year end	1,50,07,17,743	1,33,16,43,195
Amount disbursed on behalf of business correspondence partners and shown as receivable as at year end	2,32,88,828	2,47,02,084
Amount yet to be disbursed during the year	10,33,737	4,40,78,007
Service fee income recognised during the year	12,61,25,628	14,92,94,528
Credit enhancements provided and outstanding:		
Corporate guarantee	12,04,50,369	7,04,96,914
Cash collateral	9,64,74,443	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.



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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, 2019	As at March 31, 2018
i)	Assumptions:		
	Discount rate	7.70%	7.75%
	Salary escalation	7.50%	7.50%
	Withdrawal rate	18.00%	18.00%
	Expected rate of return on assets	7.70%	7.75%
	Expected average remaining working life of employees	29.73 years	30.05 years
ii)	Table Showing changes in present value of Defined Benefit obligation:		
	Present value of defined benefit obligations as at beginning of the year	4,02,58,988	3,50,17,765
	Interest cost	30,18,151	26,31,196
	Current service cost	95,41,721	1,03,94,801
	Benefit paid	(21,24,456)	(21,33,685)
	Actuarial loss/(gain) on obligations	(59,36,530)	(56,51,089)
	Present value of defined benefit obligations as at end of the year	4,47,57,874	4,02,58,988
iii)	Table showing fair value of plan assets:		
	Fair value of plan assets at beginning of the year	3,86,02,027	1,89,00,826
	Expected return on plan assets	29,72,356	14,64,814
	Contributions	16,56,961	1,90,16,066
	Benefits paid	(21,24,456)	(21,33,685)
	Actuarial gain/ (loss) on plan assets	1,14,962	13,54,006
	Fair value of plan assets at end of the year	4,12,21,850	3,86,02,027
iv)	Actuarial (gain)/loss recognised:		
	Actuarial (gain)/loss on obligations	(59,36,530)	(56,51,089)
	Actuarial (gain)/ loss on plan assets	(1,14,962)	(13,54,006)
	Actuarial (gain)/loss recognised in the year	(60,51,492)	(70,05,095)
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	4,47,57,874	4,02,58,988
	Fair value of plan assets at the end of the year	4,12,21,850	3,86,02,027
	Net liability recognised in balance sheet	(35,36,024)	(16,56,961)
vi)	Expenses Recognised in statement of profit and loss:		
	Current service cost	95,41,721	1,03,94,801
	Interest cost	30,18,151	26,31,196
	Expected return on plan assets	(29,72,356)	(14,64,814)
	Net Actuarial (gain)/loss recognised in the year	(60,51,492)	(70,05,095)
	Expenses recognised in statement of profit and loss	35,36,024	45,56,130
	Actual return on plan assets	30,87,318	28,18,820

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

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Defined benefit obligations	4,47,57,874	4,02,58,988	3,50,17,765	2,00,18,693	1,22,89,136
Plan assets	4,12,21,850	3,86,02,027	1,89,00,826	77,25,996	77,61,706
Surplus/(deficit)	(35,36,024)	(16,56,961)	(1,61,16,939)	(1,22,92,697)	(45,27,430)
Experience adjustments on plan liabilities [(gain)/loss]	(59,36,530)	(56,51,089)	38,07,592	6,13,207	17,81,125
Experience adjustments on plan assets [(gain)/loss]	(1,14,962)	(13,54,006)	1,60,907	23,086	(4,496)
Actuarial (gain)/ loss due to change on assumptions	(60,51,492)	(70,05,095)	39,68,499	6,36,293	6,629

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, 2019	As at March 31, 2018
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. 1,57,03,250/- [March 31, 2018: Rs.16,56,961 /-] to gratuity fund in 2019-20.

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. 3,014,1,544 /- (March 31, 2018: Rs.3,58,95,993 /-)



Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

- 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, 2,65,000, 2,16,250 and 2,50,000 Equity Shares were transferred to Mr Anup Kumar Singh (Managing Director) through the Trust route during the Financial Year 2009-10, 2012-13, 2015-16 and 2018-19 respectively.

Further, the company has provided Employee Stock Option Scheme to its employee under Plan 2 (b) (c) (d) & 3. Till FY 2018-19 few eligible employees had exercised their right and 4,43,481 equity 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)	Plan 2(c)(i)	Plan 2(c)(ii)	Plan 2(c)(iii)
Date of Grant	06-May-10	06-May-10	12-Jun-12	09-Jul-10	09-Jul-10	09-Jul-10	09-Jul-10	09-Jul-10	09-Jul-10
Date of Board Approval	06-May-10	06-May-10	12-Jun-12	09-Jul-10	09-Jul-10	09-Jul-10	09-Jul-10	09-Jul-10	09-Jul-10
Date of Shareholder's Approval	08-Feb-10	08-Feb-10	28-Aug-12	17-Sep-10	17-Sep-10	17-Sep-10	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.	N.A.	N.A.	N.A.
Number of Options granted	1,82,500	73,750	75,000	34,800	39,600	57,600	34,800	34,800	46,400
Number of Options vested	1,82,500	73,750	75,000	30,600	34,650	48,000	32,400	27,600	28,000
Exercise Price	Rs. 18.56	Rs. 18.56	Rs. 18.56	Rs. 26	Rs. 26	Rs. 26	Rs. 26	Rs. 26	Rs. 26
Method of Settlement	Equity	Equity	Equity	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	31-Mar-15	31-Mar-16	31-Mar-17
Exercise Period	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-22
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	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	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011



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Particulars	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	09-Jul-10	09-Jul-10	09-Jul-10	01-Oct-13	01-Oct-14	01-Oct-15	01-Oct-16	01-Oct-13
Date of Board Approval	09-Jul-10	09-Jul-10	09-Jul-10	06-Feb-14	06-Feb-14	06-Feb-14	06-Feb-14	06-Feb-14
Date of Shareholder's Approval	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.
Number of Options granted	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	12,000	10,800	14,400	1,87,000	1,88,500	1,48,000	97,500	6,66,667
Exercise Price	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
Vesting Period	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-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	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 Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2013



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Plan 1(c)(ii)

Particulars	As on March 31, 2019		As on March 31, 2018	
	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	-	-	-	-
Exercised during the year	70,000	18.56	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	70,000	18.56
Exercisable at the end of the year	-	-	70,000	18.56

Plan 1(c)(iii)

Particulars	As on March 31, 2019		As on March 31, 2018	
	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	73,750	18.56	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	73,750	18.56
Exercisable at the end of the year	-	-	73,750	18.56

Plan 1(d)

Particulars	As on March 31, 2019		As on March 31, 2018	
	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	75,000	18.56	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	75,000	18.56
Exercisable at the end of the year	-	-	75,000	18.56

Plan 2(b)(i)

Particulars	As on March 31, 2019		As on March 31, 2018	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	15,000	26.00	15,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	2,100	26.00	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	12,900	26.00	15,000	26.00
Exercisable at the end of the year	12,900	26.00	12,000	26.00

Plan 2(b)(ii)

Particulars	As on March 31, 2019		As on March 31, 2018	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	18,450	26.00	18,450	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	1,200.00	26.00	-	-
Expired during the year	4,200.00	26.00	-	-
Outstanding at the end of the year	13,050.00	26.00	18,450	26.00
Exercisable at the end of the year	13,050.00	26.00	18,450	26.00



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Plan 2(b)(iii)

Particulars	As on March 31, 2019		As on March 31, 2018	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	55,200	26.00	55,200	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	29,600	26.00	-	-
Expired during the year	7,200	26.00	-	-
Outstanding at the end of the year	18,400	26.00	55,200	26.00
Exercisable at the end of the year	18,400	26.00	55,200	26.00

Plan 2(c)(i)

Particulars	As on March 31, 2019		As on March 31, 2018	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	17,250	26.00	17,250	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	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)

Particulars	As on March 31, 2019		As on March 31, 2018	
	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	15,000	26.00	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	12,600	26.00	27,600	26.00
Exercisable at the end of the year	12,600	26.00	27,600	26.00

Plan 2(c)(lii)

Particulars	As on March 31, 2019		As on March 31, 2018	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	28,000	26.00	28,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	20,000	26.00	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	8,000	26.00	28,000	26.00
Exercisable at the end of the year	8,000	26.00	28,000	26.00



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Plan 2(d)(i)

Particulars	As on March 31, 2019		As on March 31, 2018	
	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	4,800	26.00	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	7,200	26.00	12,000	26.00
Exercisable at the end of the year	7,200	26.00	12,000	26.00

Plan 2(d)(ii)

Particulars	As on March 31, 2019		As on March 31, 2018	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	10,800	26.00	10,800	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	4,800	26.00	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	6,000	26.00	10,800	26.00
Exercisable at the end of the year	6,000	26.00	10,800	26.00

Plan 2(d)(iii)

Particulars	As on March 31, 2019		As on March 31, 2018	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	14,400	26.00	40,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	6,400	26.00	-	-
Expired during the year	-	-	25,600	-
Outstanding at the end of the year	8,000	26.00	14,400	26.00
Exercisable at the end of the year	8,000	26.00	14,400	26.00

Plan 3

Particulars	As on March 31, 2019		As on March 31, 2018	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	1,39,250	54.00	1,44,750	54.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	52,300.00	54.00	-	-
Expired during the year	-	-	5,500	54.00
Outstanding at the end of the year	86,950.00	54.00	1,39,250	54.00
Exercisable at the end of the year	86,950.00	54.00	1,26,250	54.00



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Plan 3 (i)

Particulars	As on March 31, 2019		As on March 31, 2018	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	1,69,000	59.00	1,72,500	59.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	72,481	59.00	-	-
Expired during the year	4,500	59.00	3,500	-
Outstanding at the end of the year	92,019	59.00	1,69,000	59.00
Exercisable at the end of the year	92,019	59.00	1,12,000	59.00

Plan 3 (ii)

Particulars	As on March 31, 2019		As on March 31, 2018	
	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	65,000	67.00	-	-
Expired during the year	2,000	67.00	-	-
Outstanding at the end of the year	1,33,000	67.00	2,00,000	67.00
Exercisable at the end of the year	83,000	67.00	1,00,000	67.00

Plan 3 (iii)

Particulars	As on March 31, 2019		As on March 31, 2018	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	2,00,000	67.00	-	-
Granted during the year	-	-	2,00,000	67.00
Forfeited during the year	-	-	-	-
Exercised during the year	40,900	67.00	-	-
Expired during the year	2,500	67.00	-	-
Outstanding at the end of the year	1,56,600	67.00	2,00,000	67.00
Exercisable at the end of the year	56,600	67.00	50,000	67.00

Plan 4

Particulars	As on March 31, 2019		As on March 31, 2018	
	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	31,250	67.00	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	7,68,750	67.00	8,00,000	67.00
Exercisable at the end of the year	6,35,417	67.00	5,33,333	67.00



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

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

B. Nature of transactions

Particulars	March 31, 2019	March 31, 2018
	(Rs.)	(Rs.)
Key Management Personnel		
Salary, Bonus and other allowances**	1,47,77,853	1,28,42,802
Contribution to provident fund	1,78,056	1,76,802
Perquisites	75,000	75,000
Shares issued under ESOP	61,53,750	

**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, 2019 is 11,27,550 (P.Y.: 8,77,550). 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, 2019	March 31, 2018
	(Rs.)	(Rs.)
Operating lease payments recognised during the year	4,57,69,635	3,89,84,474

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 March 31, 2019 is Nil (Previous year ended March 31, 2018 : Rs. 46,81,096/-)

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 2019			Year ended 31st March 2018		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
i Construction / acquisition of any new asset	18,50,064	3,99,760	22,49,824	24,31,272	22,49,824	46,81,096
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, 2019

32 Additional disclosures required by the Reserve Bank of India

A. Capital to Risk-Assets ratio (CRAR)

Particulars	March 31, 2019	March 31, 2018
CRAR (%)	25.95	17.41
CRAR - Tier I capital (%)	22.51	12.26
CRAR - Tier II capital (%)	3.44	5.14
Amount of subordinate debt raised as Tier II Capital (Rs.)	89,00,00,000	89,00,00,000
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, 2018: 50,000) fully paid up equity shares of Alpha Micro Finance Consultants Private Limited at face value of Rs. 10 (March 31, 2018 : Rs. 10) per share, as disclosed in Note 10.

C. Asset liability management

Maturity pattern of certain assets and liabilities as on March 31, 2019:

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	6,102	6,615	5,983	18,752	27,479	30,505	1,171	-	96,557
Investments*	417	175	321	100	3,531	5,552	242	5	10,353
Borrowings	4,002	1,761	2,682	11,039	24,263	30,454	20,087	2,000	96,298

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	5,898	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

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, 2019	March 31, 2018
1 Value of investments		
Gross Value of investments		
In India	0.15	0.15
Outside India	-	-
Provision for depreciation		
In India	-	-
Outside India	-	-
Net Value of investments		
In India	0.15	0.15
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, 2019

F. Disclosures relating to securitisation

Amount Rs.(in crores)

Particulars	March 31, 2019	March 31, 2018
1 No of SPVs sponsored by the NBFC for securitisation transactions during the year	10.00	2.00
2 Total amount of securitised assets as per books of the SPVs sponsored as on the date of balance sheet	233.14	45.13
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	65.91	9.53
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, 2019	March 31, 2018
Average Interest (a)*	21.39%	19.73%
Average effective cost of borrowing (b)	13.22%	12.91%
Net Interest Margin (a-b)	8.17%	6.82%

* 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, 2019

M. Customer Complaints *

Particulars	March 31, 2019	March 31, 2018
1 No. of complaints pending at the beginning of the year	97	21
2 No. of complaints received during the year	354	666
3 No. of complaints redressed during the year	381	590
4 No. of complaints pending at the end of the year	70	97

* 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, 2019	March 31, 2018
Break up of 'Provisions and Contingencies' shown under the head expenditure in profit and loss account:		
Provision made towards income tax	5.71	-
Provision for gratuity	0.35	0.46
Provision for leave benefit	0.55	0.64
Provision for death claims/ other receivable	0.45	0.20
Provision for standard and non performing assets	(2.76)	1.42
Provision for portfolio loan securitised / managed	4.70	(3.39)

O. Sector wise NPAs

Sector	Percentage of NPA to Total Advances in that Sector as on 31 March 2019	Percentage of NPA to Total Advances in that Sector as on 31 March 2018
Agriculture & allied activities	3.63%	8.29%
MSME	2.81%	7.66%
Corporate borrowers	-	-
Services	3.69%	5.05%
Unsecured personal loans	2.12%	3.67%
Other personal loans	-	-

P. Movement of NPA

Amount Rs.(in crores)

Particulars	March 31, 2019	March 31, 2018
Net NPAs to net advances (%)	2.70%	3.32%
Movement of NPAs (Gross)		
Opening balance	49.60	1.79
Additions during the year	30.88	47.96
Reductions during the year	48.20	0.16
Closing balance	32.28	49.60
Movement of Net NPAs		
Opening balance	37.56	0.90
Additions during the year	30.88	36.67
Reductions during the year	42.54	-
Closing balance	25.91	37.56



Sonata Finance Private Limited
Notes to the Financial Statements as at and for the period ended March 31, 2019

Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	12.03	0.90
Provisions made during the year	0.00	11.30
Write-off / write-back of excess provisions	5.66	0.16
Closing balance	6.37	12.03

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 2019	As at 31 March 2018
Long term bank facilities	ICRA BBB (Stable)	ICRA BBB-
Long term non convertible debentures		
Triodos 2020	ICRA BBB (Stable)	ICRA BBB-
Microfinance enhancement facility	ICRA BBB (Stable)	ICRA BBB-
Microvest Short Duration Fund, L.P	ICRA BBB (Stable)	ICRA BBB-
Blue orchard micro finance fund	ICRA BBB (Stable)	ICRA BBB-
IFMR FIMPACT Investment	ICRA BBB (Stable)	ICRA BBB-
IFMR FIMPACT TIER II (Secured)	ICRA BBB (Stable)	ICRA BBB-
IFMR FIMPACT TIER II (Unsecured)	ICRA BBB (Stable)	ICRA BBB-
Responsibility	ICRA BBB (Stable)	ICRA BBB-
IFMR_HLF	ICRA BBB (Stable)	ICRA BBB-
Blue orchard micro finance fund	ICRA BBB (Stable)	ICRA BBB-
MFI grading	ICRA M2+	ICRA M2+
Securitisation :		
IFMR Capital Aruvi 2017		
PTC Series A1	ICRA A(SO)	ICRA A (SO)
PTC Series A2	ICRA BBB(SO)	ICRA BBB(SO)
Ellaria Northern Arc 2018		
PTC Series A1	ICRA A+(SO)	[ICRA]A(SO)
PTC Series A2	ICRA BBB(SO)	[ICRA] BBB-(SO)
Northern Arc 2018 MFI Pariyerum		
PTC Series A1	ICRA A(SO)	-
PTC Series A2	ICRA BBB+(SO)	-
Vivriti Delph 2018		
Series A1 PTC	ICRA A-(SO)	-
Vivriti Casemiro 2018		
PTC Series A1	ICRA A-(SO)	-
PTC Series A2	ICRA BBB(SO)	-
Northern Arc 2018 MFI Aryaman		
Series A1 PTC	CARE A (SO)	-
Series A2 PTC	CARE BBB+ (SO)	-
Northern Arc 2019 MFI Bedin		
Series A1 PTC	ICRA A-(SO)	-
Series A2 PTC	ICRA BBB+(SO)	-



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the period ended March 31, 2019

Northern Arc 2019 Mosec Elbrus		
Series A1 PTC	ICRR A+(SO)	-
Vivriti Cabsec 001 2019	-	
Series A1 PTC	ICRA A-(SO)	-
Series A2 PTC	ICRA BBB-(SO)	-
Vivriti Liam 03 2019		
Series A1 PTC	CARE A (SO)	-
Series A2 PTC	CARE BBB+(SO)	-
Vivriti Robben 01 2019		
Series A1 PTC	ICRA A(SO)	-
Series A2 PTC	ICRA BBB+(SO)	-
Vivriti Samwise 02 2019		
Series A1 PTC	ICRA A-(SO)	-
Series A2 PTC	ICRA BBB(SO)	-
IFMR Mahindra PLI	ICRA A-(SO)	ICRA A-(SO)
IFMR HLF PLI	ICRA A-(SO)	ICRA A-(SO)

S. Concentration of advances, exposures and NPA's

Amount Rs.(in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Concentration of advances		
Total advances to twenty largest borrowers	0.44	0.34
(%) of advances to twenty largest borrowers to total advances	0.05%	0.03%
Concentration of Exposures		
Total exposures to twenty largest borrowers	0.44	0.34
(%) of exposure to twenty largest borrowers to total exposure	0.05%	0.03%
Concentration of NPAs		
Total Exposure to top four NPA accounts	0.04	0.08

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

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

33 Expenditure in foreign currency	Year ended March 31, 2019	Year ended March 31, 2018
Description	(Rs.)	(Rs.)
Travelling Expenses	-	9,68,602
Total	-	9,68,602

34 During the year, the company had entered into one securitization deal " Vivriti Samwise 02 2019", wherein the company was required to maintain minimum retention ratio (MRR) of 5% as per securitization guidelines. Following this the company had transferred amount to the bank towards collateral of fixed deposit. However, after continuous follow up with the bank, the fixed deposit was created on April 05, 2019, effective from March 26, 2019, the date of transfer of funds to the bank. Thus the company had complied with the MRR guideline as per securitization norms.

35 Income tax assessments of the company have been completed upto A.Y. 2016-17 and there is no outstanding demand on the company.



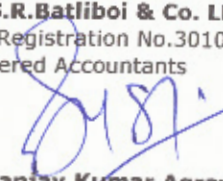
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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the period ended March 31, 2019

36 Previous year figures

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

For S.R.Batliboi & Co. LLP
Firm Registration No.301003E/E300005
Chartered Accountants


per Sanjay Kumar Agrawal
Partner
Membership No.: 060352

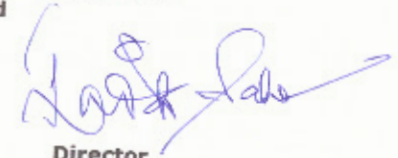
Place: Kolkata
Date: May 30, 2019

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


Managing Director
DIN: 00173413


Chief Financial Officer

Place: Lucknow
Date: May 30, 2019


Director
DIN: 02947368


Company Secretary



Sonata Finance Private Limited
Schedule to the Balance Sheet of a NBFC

(Rs. in lakhs)

	Particulars	Amount Outstanding	Amount Overdue
	Liabilities Side :		
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	36117	-
	: Unsecured (other than falling within the meaning of public deposits*)	1501	-
	(b) Deferred Credits	-	-
	(c) Term Loans	34091	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits*	-	-
	(f) Other Loan (From NBFC and FI)	25838	-
2	Break-up of (1)(f) above (outstanding) public deposits inclusive of interest accrued thereon but not paid) :		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	-	-
	(c) Other public Deposits	-	-
	Assets Side :	Amount Outstanding	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] : Net of NPAs		
	(a) Secured	-	-
	(b) Unsecured	97443	-
4	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
5	Break-up of Investments :		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	10	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-



Long Term Investments :**1. Quoted :**

- (i) Shares : (a) Equity
(b) Preference
(ii) Debentures and Bonds
(iii) Units of mutual funds
(iv) Government Securities
(v) Others (please specify)

-
-
-
-
-

2. Unquoted :

- (i) Shares : (a) Equity
(b) Preference
(ii) Debentures and Bonds
(iii) Units of mutual funds
(iv) Government Securities
(v) Others (please specify)

5
-
-
-
-

Total**97458**

-

6

Borrower group-wise classification of assets financed as in (3) and (4) above :

Category	Secured	Unsecured	Total
(Amount net of provisions)			
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	96715	96715
Total	-	96715	96715

7

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

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	15.97	15
Total	15.97	15

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Other information

Particulars	Amount
(i) Gross Non-Performing Assets	-
(a) Related parties	-
(b) Other than related parties	3319
(ii) Net Non-Performing Assets	-
(a) Related parties	-
(b) Other than related parties	2591
(iii) Assets acquired in satisfaction of debt	-

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

DIN: 00178413

Chief Financial Officer**Company Secretary**

Place: Lucknow

Date: May 30, 2019