



## SONATA Finance Pvt. Ltd.

II Floor, CP-1, PG Towers, Kursi Road, Vikas Nagar,  
Lucknow - 226026, Uttar Pradesh, India  
Email-info@sonataindia.com, Website-www.sonataindia.com  
Ph:91-522-2334900, Toll Free 18002100102  
C.I.No: U65921UP1995PTC035286  
NBFC MFI Regn No: B-12.00445

Date: June 28, 2017

To,  
Catalyst Trusteeship Limited  
Office No. 83-87, 8<sup>th</sup> Floor, B Wing,  
Mittal Tower, Nariman Point,  
Mumbai-400 021

**Subject: Statutory Compliance Report for the half year ended 31<sup>st</sup> March 2017 in accordance with the provisions of Regulation 52 (4) of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015**

Dear Sir,

With reference to the above, we submit herewith the information and documents as per the provisions of Regulation 52 (4) of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 hereunder, as mentioned below:

1. Credit Rating:

Following issues of outstanding Non-Convertible Debentures have been listed as on 31<sup>st</sup> March, 2017 with Bombay Stock Exchange Limited:

ISIN No.	Name of the Debenture holders	Credit Rating	Effective From	Changes in the Credit Rating (if any) during the half year	Effective date of Change
INE509M07014	Triodos SICAV II-Triodos Microfinance Fund Triodos Custody B.V.	ICRA BBB-	31-Jan-2014	-	-
INE509M07022	Microfinance Initiative for Asia (MIFA)	ICRA BBB-	26-May-2014	-	-

  
Paurvi Srivastava  
Company Secretary  
Membership No.- 34110

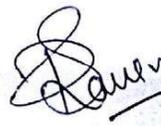
Regd. Office : II Floor, CP-1, PG Towers, Kursi Road, Vikas Nagar, Lucknow - 226026, Uttar Pradesh India

INE509M07030	Microfinance Enhancement Facility (MEF)	ICRA BBB-	24-July-2014	-	-
INE509M07089	Microvest Short Duration Fund, L.P.	ICRA BBB	25-Mar-2015	-	-
INE509M07105	Blue Orchard Micro Finance Fund	ICRA BBB	11-Jun-2015	-	-
INE509M08012	IFMR Flmpact Long term Multi Asset Class Fund	ICRA BBB-(SO)	01-March-16	-	-
INE509M07121	IFMR Flmpact Long term Multi Asset Class Fund	ICRA BBB	01-March-16	-	-
INE509M07139	UTI INTERNATIONAL WEALTH CREATOR 4	ICRA BBB/STABLE	15-June-2016	-	-
INE509M07147	Blue Orchard Micro Finance Fund	[ICRA]BBB Stable	15- Oct- 16	-	-
INE509M07154	Hinduja Layland Finance Limited	[ICRA] BBB/(Stable)	07-March-17	-	-

- We Confirm that the proceeds of the above said issue by the Company were utilized for the purpose as mentioned in the Information Memorandum of the respective issues.
- Debt-Equity Ratio is 5.07 times as per the Audited Financial Statements for the year ended March 31, 2017.
- The previous due date for the payment of principal and interest as per regulation 52(4)(d) of SEBI (LODR) Regulations 2015

**Details of redemption & payment of interest during the half year ended 31.03.2017**

Sr. No	Series / Tranche/ NCD Holders	Type (Principal / Interest)	Due Date of Payment	Actual date of payment	Amount (Rs.)	
					Principal	Interest
1.	Triodos SICAV II-Triods Microfinance Fund	Interest	Dec 31, 2016	Dec 30, 2016	-	1,17,57,347.95
	Triodos Custody B.V.	Interest	Dec 31, 2016	Dec 30, 2016	-	1,17,57,347.95
2.	Microfinance Initiative	Interest	Nov 26,	Nov 26,	-	1,77,84,986.30


**Paurvi Srivastava**  
 Company Secretary  
 Membership No.- 34110

	for Asia (MIFA)		2016	2016		
3.	Microfinance Enhancement Facility (MEF)	Interest	Jan 24, 2017	Jan 23, 2017	-	1,77,48,480.00
4.	The Ratnakar Bank Limited (CBO IV)	Principal + Interest	Oct 28, 2016	Oct 28, 2016	-	1,95,291.76
			Nov 28, 2016	Nov 11, 2016	99,99,90	2,01,834.22
			Dec 28, 2016	Dec 28, 2016	0	97,645.88
			Jan 28, 2017	Jan 23, 2017	-	1,00,917.11
					99,99,90	
					0	
					99,99,90	
					0	
6.	Mahindra and Mahindra Financial Services Limited (CBO VI)	Principal + Interest	Oct 23, 2016	Oct 23, 2016	62,50,05	2,56,985.46
			Nov 23, 2016	Nov 17, 2016	0	1,99,197.00
			Dec 23, 2016	Dec 23, 2016	62,49,90	1,28,493.50
			Jan 23, 2017	Jan 18, 2017	0	66,400.00
					62,50,05	
					0	
7.	Hinduja Layland Finance Limited (CBO VII)	Principal + Interest	Oct 24, 2016	Oct 24, 2016	62,49,90	4,05,492.97
			Nov 23, 2016	Nov 17, 2016	0	3,26,955.00
			Dec 23, 2016	Dec 23, 2016	62,50,05	2,61,563.43
			Jan 23, 2017	Jan 18, 2017	0	2,02,746.49
			Feb 23, 2017	Feb 18, 2017	62,50,05	1,35,165.40
			Mar 23, 2017	Mar 18, 2017	0	61,010.00
					62,49,90	
					0	
					62,50,05	
					0	
					62,50,05	
					0	
8.	Microvest Short Duration Fund, L.P.	Interest	Dec 15, 2016	Dec 13, 2016	-	1,36,52,795.46
			Mar 15, 2017	Mar 15, 2017	-	1,35,02,764.74
9.	Blue Orchard Mutual Fund	Interest	Dec 31, 2016	Dec 31, 2016	-	2,21,10,410.96
10.	IFMR CBO-IX	Principal	Oct 24,	Oct 24,	62,60,00	2,26,448.09

  
**Paurvi Srivastava**  
 Company Secretary  
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		+ Interest	2016 Nov 24, 2016	2016 Nov 17, 2016	0 62,40,00 0	1,87,932.50 1,29,398.91 58,700.45
			Dec 26, 2016	Dec 26, 2016	62,60,00 0	
			Jan 24, 2017	Jan 18, 2017	62,40,00 0	
11.	Responsibility	Interest	Dec 22, 2016	Dec 22, 2016	-	4,76,00,000

5. The next due date for the payment of principal and interest as per regulation 52(4)(e) of SEBI (LODR) Regulations 2015

**Details of redemption & interest due in the next half-year:**

S. No	Series / Tranche	Type (Principal / Interest)	Due date of payment	Amount (Rs.)	
				Principal	Interest
1.	Triodos SICAV II-Triodos Microfinance Fund	Interest	July 01, 2017	-	1,15,65,652
	Triodos Custody B.V.	Interest	July 01, 2017	-	1,15,65,652
2.	Microfinance Initiative for Asia (MIFA)	Principal + Interest	May 26, 2017	24,00,00,000	1,74,95,014
3.	Microfinance Enhancement Facility (MEF)	Interest	July 24, 2017	-	1,75,54,560
4.	Microvest Short Duration Fund, L.P.	Principal + Interest	June 15, 2017 Sep 15, 2017	- 12,33,33,333	1,38,02,826 1,38,02,826
5.	Blue Orchard Mutual Fund	Interest	June 30, 2017	-	2,21,10,411
6.	ResponsAbility	Interest	June 21, 2017	-	4,74,69,589
7.	Blue Orchard Microfinance Fund	Interest	April 26, 2017	-	4,50,56,409
8.	Hinduja Layland Finance limited	Interest	June 21, 2017	-	91,98,740 91,98,740

  
Paurvi Srivastava  
Company Secretary  
Membership No.- 34110

		Sep 21, 2017		
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8. Net Worth: 212.86 crores

9. Net Profit after Tax: 1.31 crores

10. EPS: Basic: 0.49  
Diluted: 0.43

However, Pursuant to Rule 18(7) of the Companies (Share Capital & Debentures) Rules, 2014 the Company is exempt from the requirement of creating Debenture Redemption Reserve in respect of privately placed Debentures.

We confirm that the information submitted as above is true and correct and the undersigned has authority to submit the same to you and that we are aware that above information is expected to be placed on the website of your Stock Exchange and that of Debenture Trustees.

Thanking You,

**Yours Faithfully,**  
**For Sonata Finance Pvt. Ltd.**



**Paurvi Srivastava**  
Company Secretary  
Membership No.- 34110

**Paurvi Srivastava**  
**(Company Secretary)**

**Sonata Finance Private Limited**  
**Balance Sheet as at March 31, 2017**

	Notes	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
<b>I. Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	18,98,62,690	19,31,91,540
Reserves and surplus	4	1,93,88,17,579	1,31,44,89,120
		<b>2,12,86,80,269</b>	<b>1,50,76,80,660</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	5,29,65,54,129	4,58,94,70,062
Other long-term liabilities	6	-	34,66,790
Long term provisions	7	2,39,45,962	3,20,96,770
		<b>5,32,05,00,091</b>	<b>4,62,50,33,622</b>
<b>Current liabilities</b>			
Short-term borrowings	8	41,50,00,000	47,00,00,000
Other current liabilities	9	5,33,78,71,062	4,90,38,23,014
Short-term provisions	7	16,78,46,054	11,32,59,720
		<b>5,92,07,17,116</b>	<b>5,48,70,82,734</b>
<b>Total</b>		<b>13,36,98,97,476</b>	<b>11,61,97,97,016</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
Fixed assets	10	1,45,27,279	1,02,48,669
Non-current investments	11	5,00,000	5,00,000
Deferred tax assets	12	7,45,40,798	2,58,53,580
Long term loans and advances	13	1,83,21,30,812	2,63,08,45,048
Other non-current assets	14	47,71,15,528	51,17,14,507
		<b>2,39,88,14,417</b>	<b>3,17,91,61,804</b>
<b>Current assets</b>			
Current investments	11	1,08,936	21,20,033
Cash and bank balances	15	4,43,62,20,762	2,83,91,76,839
Short-term loans and advances	13	6,34,11,65,176	5,48,73,04,937
Other current assets	14	19,35,88,185	11,20,33,403
		<b>10,97,10,83,059</b>	<b>8,44,06,35,212</b>
<b>Total</b>		<b>13,36,98,97,476</b>	<b>11,61,97,97,016</b>

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Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

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

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

sdl/-  
per Sanjay Kumar Agarwal  
Partner  
Membership No.: 060352

sdl/-  
Managing Director

sdl/-  
Director

sdl/-  
Company Secretary

sdl/-  
CFO

Place: Kolkata  
Date: June 28, 2017

Place: New Delhi  
Date: June 28, 2017

  
**Paurvi Srivastava**  
Company Secretary  
Membership No.- 34110

**Sonata Finance Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2017**

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
		(Rs.)	(Rs.)
<b>I. Income</b>			
Revenue from operations	16	2,22,51,70,669	1,73,57,51,130
Other Income	17	20,34,59,633	16,32,32,275
<b>Total income</b>		<b>2,42,86,30,302</b>	<b>1,89,89,83,405</b>
<b>II. Expenses</b>			
Employee benefit expenses	18	44,92,29,961	33,04,52,853
Finance costs	19	1,38,09,87,621	1,00,03,62,631
Depreciation expense	20	95,51,674	74,69,936
Other expenses	21	14,01,11,057	10,25,91,052
Provisions and write offs	22	42,56,58,781	4,09,94,287
<b>Total expenses</b>		<b>2,40,55,39,094</b>	<b>1,48,18,70,759</b>
<b>Profit before tax</b>		<b>2,30,91,208</b>	<b>41,71,12,646</b>
<b>Tax expense</b>			
- Current tax		5,85,87,972	14,64,72,614
- Deferred tax credit		(4,86,87,219)	(13,89,103)
<b>Total tax expenses</b>		<b>99,00,753</b>	<b>14,50,83,511</b>
<b>Profit for the year</b>		<b>1,31,90,455</b>	<b>27,20,29,135</b>
<b>Earning per share (EPS)</b>			
Basic	23	0.49	21.36
Diluted		0.43	17.85
Nominal value of share		10	10

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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.Batlilol & Co. LLP**  
 Firm Registration No.301003E/E300005  
 Chartered Accountants

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

sdl-  
 per Sanjay Kumar Agarwal  
 Partner  
 Membership No.: 060352

sdl-  
 Managing Director

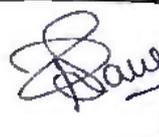
sdl-  
 Director

sdl-  
 Company Secretary

sdl-  
 CFO

Place: Kolkata  
 Date: June 28, 2017

Place: New Delhi  
 Date: June 28, 2017

  
 Paurvi Srivastava  
 Company Secretary  
 Membership No.- 34110

**Sonata Finance Private Limited**  
**Cash Flow Statement for the Year ended March 31, 2017**

Particulars	Year ended March	Year ended March
	31, 2017	31, 2016
	(Rs.)	(Rs.)
<b>A. Cash flow from operating activities :</b>		
Net Profit before taxation	2,30,91,208	41,71,12,646
<b>Adjustments for :</b>		
DePrecciation	95,51,674	74,69,936
Provision for standard and non performing assets	2,85,61,483	3,42,75,066
Provision for Portfolio loan securitised / managed portfolio	5,56,45,325	(44,81,302)
Portfolio loans written-off	32,90,95,866	60,19,038
Provision for other receivables	1,23,56,107	51,41,845
<b>Operating profit before working capital changes</b>	<b>45,83,01,663</b>	<b>46,55,37,229</b>
<b>Movements in working capital:</b>		
Increase in other current assets	(8,15,54,782)	(1,65,06,806)
(Increase)/ decrease in other non-current assets	1,10,57,419	(1,00,03,146)
Increase in short term loans & advances	(86,26,68,918)	(2,44,43,87,233)
(Increase)/ decrease in long term loans & advances	49,57,65,463	(1,40,31,95,817)
Increase/ (decrease) in long term Provisions	(37,91,988)	74,82,448
Increase in short term provisions	53,42,490	51,40,104
Decrease in other long term liabilities	(34,66,790)	(2,97,60,348)
Decrease in other current liabilities	(6,84,58,885)	(3,68,34,805)
<b>Cash used in operations</b>	<b>(4,94,74,328)</b>	<b>(3,46,25,28,374)</b>
Direct taxes paid	(11,76,05,416)	(15,49,67,014)
<b>Net cash flow used in operating activities (A)</b>	<b>(16,70,79,744)</b>	<b>(3,61,74,95,388)</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of fixed assets	(1,59,40,422)	(1,13,11,225)
Increase in fixed deposits (net)	(2,50,81,168)	(14,92,56,855)
Sale of current investments (net)	20,11,097	1,14,70,90,822
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(3,90,10,493)</b>	<b>98,65,22,742</b>
<b>C. Cash flow from financing activities :</b>		
Proceeds from issuance of share capital	64,84,59,197	25,49,20,200
Proceeds from issuance of debentures (net)	1,38,10,33,745	-
Payment of share/debenture issue expenses	(3,88,48,347)	(1,75,93,951)
Proceeds/(repayment) from long-term borrowings (net)	(17,14,42,745)	3,14,52,87,097
Proceeds/(repayment) from short-term borrowings (net)	(5,50,00,000)	9,38,22,564
Payment of dividend including dividend tax	(99,16,116)	(54,16,094)
<b>Net Cash flow from financing activities (C)</b>	<b>1,75,42,85,734</b>	<b>3,47,10,19,816</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,54,81,95,497</b>	<b>84,00,47,170</b>
Cash and cash equivalents at the beginning of the year	2,40,77,99,844	1,56,77,52,674
<b>Cash and cash equivalents at the end of the year</b>	<b>3,95,59,95,341</b>	<b>2,40,77,99,844</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	60,34,866	6,05,723
With banks- on current account	1,16,49,18,397	86,74,94,121
- on deposit account	2,78,50,42,078	1,53,97,00,000
<b>Total cash and cash equivalents (Refer Note 15)</b>	<b>3,95,59,95,341</b>	<b>2,40,77,99,844</b>

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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.Batliloi & Co. LLP**  
 Firm Registration No.301003E/E300005  
 Chartered Accountants

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

*sdl-*  
**per Sanjay Kumar Agarwal**  
 Partner  
 Membership No.: 060352

*sdl-*  
**Managing Director**

*sdl-*  
**Director**

*sdl-*  
**Company Secretary**

*sdl-*  
**CFO**

Place: Kolkata  
 Date: June 28, 2017

Place: New Delhi  
 Date: June 28, 2017

*Paurvi Srivastava*  
**Paurvi Srivastava**  
 Company Secretary  
 Membership No.- 34110

**Sonata Finance Private Limited**

**Notes to the Financial Statements as at and for the year ended March 31, 2017**

**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 ("the Act"), read together with Rule 7 of the Companies (Account) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016, provisions of the RBI applicable as per Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016, as amended from time to time ('the NBFC Master Directions, 2016') and specific direction given to the Company by RBI.

The financial statements have been prepared under the historical cost convention on an accrual basis except interest on non-performing loans that are recognised on realisation. The accounting policies applied by the Company are consistent with those applied in the previous year, unless specified otherwise.

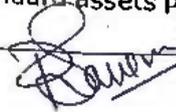
**2.1 Summary of significant accounting policies/ accounting estimate**

**(a)(i) Change in Prudential norms on Income recognition, Asset classification and provisioning pertaining to advances**

The RBI vide circular No.DBR.No.BP.BC.37/21.04.048/2016-17 dated November 21, 2016 and DBR.No.BP.BC.49/21.04.048/2016-17 dated December 28, 2016 has provided a dispensation whereby a short-term deferment of 90/60 days could be applied to dues payable between November 1, 2016 to December 28, 2016 for the purpose of classification of loan accounts as substandard. The Company has applied the dispensation as on March 31, 2017. As a result of the dispensation, portfolio loans ( net of write off) aggregate Rs. 6,238 lacs has been classified as standard which would otherwise have been considered as non-performing assets. Consequent to such re-estimation, year-end provision on portfolio loans is lower by Rs. 2,402 lacs and accrued interest on such loan is higher by Rs. 482 lacs. Management has also performed qualitative assessment of the Company's loan portfolio and written off portfolio loan aggregate Rs. 3,291 lacs, which in the opinion of the management are not recoverable. As a result of the above change, the profit before tax for the year is lower by Rs. 407 lacs (net of loan portfolio written off).

**(a)(ii) Change in provisioning on standard assets**

The RBI in its inspection report dated November 2, 2016, for the year ended March 31, 2015, directed the Company to provide for additional standard assets provision citing the requirement

  
Paurvi Silvastava  
Company Secretary  
Membership No.- 34110

**Sonata Finance Private Limited**

**Notes to the Financial Statements as at and for the year ended March 31, 2017**

of paragraph 10 of Master Circular "Systematically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2015. In response to clarification sought by the Company in this regard, the RBI has reiterated to recognise the incremental provision, which has been recognised in the financial statements. Consequently, provision on standard assets recognised @ 0.35% is higher by Rs. 282 lacs as on March 31, 2017 with a corresponding reduction on profit before tax by that amount.

**(a)(iii) Change in provisioning on Business Correspondence portfolio ( Managed Portfolio)**

Provision on managed portfolio is recognised as per the Company's provisioning policy for portfolio loans mentioned in q(c) below, as against the erstwhile practice of fully providing for shortfall in collection on managed portfolio. As a result of this change in estimate, the profit before tax for the year is higher by Rs. 701 lacs.

**(a)(iv) Change in accounting for processing fees**

Processing fees and other ancillary costs incurred on term loans obtained from banks and financial institutions are required to be charged off upfront in the statement of profit and loss, in line with the clarification provided by RBI for NBFC-MFI dated October 14, 2016. Hitherto, ancillary cost incurred in connection with borrowings from Banks and Financial institutions were amortised in the statement of profit and loss on straight line basis. The Company has complied with the aforesaid clarification provided by RBI and as a result of which such expenses have been charged off upfront in the statement of profit and loss. As a result of such change in accounting policy, other borrowing cost has increased by Rs. 342 lacs with a corresponding reduction on profit before tax by that amount.

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**(b) 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.

**(c) 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.

**(d) 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.

**(e) 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.

  
Paurvi Srivastava  
Company Secretary  
Membership No.- 34110

**Sonata Finance Private Limited**

**Notes to the Financial Statements as at and for the year ended March 31, 2017**

**(f) 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.

**(g) 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.

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**(h) Revenue recognition**

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

- i) Interest income on portfolio loans is recognized in the Statement of profit and loss on time proportion basis taking into account the amount outstanding and the rates applicable, except in the case of non-performing assets ("NPA's"), where it is recognized, upon realization, as per prudential norms of RBI. Any such income recognised before the assets become non-performing and remaining unrealised are reversed.
- ii) The profit / premium arising at the time of securitization of loan portfolio is recognised over the life of the underlying loan portfolio, in accordance with Guidelines on transfer of assets through securitization issued by Reserve Bank of India
- iii) Interest income on deposits with banks is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- iv) Processing fees are recognized as income upfront when it becomes due.
- v) Income from services rendered in connection with loans given on behalf of banks to joint liability groups organized / monitored by the Company are recognized on accrual basis as and when such services are rendered.
- vi) All other income is recognized on an accrual basis.

**(i) 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.

Paurvi Srivastava  
Company Secretary  
Membership No.- 34110



**(j) 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.

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**(k) 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.

**(l) Earnings Per Share**

  
Paurvi Srivastava  
Company Secretary  
Membership No.- 34110

**Sonata Finance Private Limited**

**Notes to the Financial Statements as at and for the year ended March 31, 2017**

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.

**(m) 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.

**(n) 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.

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**(o) 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.

**(p) 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 90 days and more

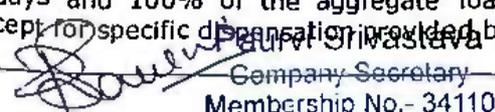
"Overdue" refers to interest and / or installment remaining unpaid from the day it became receivable.

The above classification is in accordance with the NBFC Master Directions, 2016 for Non-Banking Financial Company - Micro Finance Institutions (NBFC-MFIs).

The classification of non-performing assets is after providing dispensation of 60/90 days provided by RBI for dues payable between November 1, 2016 to December 28, 2016, for the purpose of classification of loan accounts as non-performing assets.

**(q) Provision for loan portfolio**

- (a) As per the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, 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 except for specific dispensation provided by

  
Anurag Prasad  
Company Secretary  
Membership No.- 34110

**Sonata Finance Private Limited**

**Notes to the Financial Statements as at and for the year ended March 31, 2017**

RBI vide circular No.DBR.No.BP.BC.37/21.04.048/2016-17 dated November 21, 2016 and DBR.No.BP.BC.49/21.04.048/2016-17 dated December 28, 2016.

- (b) 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.
- (c) Provision on managed portfolio is recognised on the same basis as the Company's own portfolio.

**(r) 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.

**(s) Corporate Social Responsibility (CSR) expenditure**

Expenditure incurred towards CSR is charged to the statement of profit and loss.

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**Paurvi Srivastava**  
Company Secretary  
Membership No.- 34110

3	Share capital	As at	As at
		March 31, 2017	March 31, 2016
		(Rs.)	(Rs.)
<b>Authorized shares</b>			
3,00,00,000 (March 31, 2016: 3,00,00,000) equity shares of Rs. 10/- each		30,00,00,000	30,00,00,000
1,00,00,000 (March 31, 2016: 1,00,00,000) preference shares of Rs. 10/- each		10,00,00,000	10,00,00,000
		<b>40,00,00,000</b>	<b>40,00,00,000</b>
<b>Issued, subscribed and fully paid-up shares</b>			
2,10,96,119 (March 31, 2016: 1,65,33,304) equity shares of Rs. 10/- each		21,09,61,190	16,53,33,040
Less: amount recoverable from Sonata Employee Welfare Trust #		2,10,98,500	2,21,41,500
		<b>18,98,62,690</b>	<b>14,31,91,540</b>
NIL (March 31, 2016: 50,00,000) 9% optionally convertible preference shares (OCPS) of Rs. 10/- each		-	5,00,00,000
<b>Total issued, subscribed and fully paid-up share capital</b>		<b>18,98,62,690</b>	<b>19,31,91,540</b>

# 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, 2017		As at March 31, 2016	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year #	1,43,19,154	14,31,91,540	1,18,75,078	11,87,50,780
Issued during the year	46,67,115	4,66,71,150	24,44,076	2,44,40,760
<b>Shares outstanding at the end of the year #</b>	<b>1,89,86,269</b>	<b>18,98,62,690</b>	<b>1,43,19,154</b>	<b>14,31,91,540</b>

# Net of 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.

9% Optionally Convertible Preference Shares (OCPS)	As at March 31, 2017		As at March 31, 2016	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued during the year	-	-	-	-
Less: converted into equity shares during the year	50,00,000	5,00,00,000	-	-
<b>Shares outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>50,00,000</b>	<b>5,00,00,000</b>

B. Terms/rights attached to equity shares

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

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Terms of conversion/redemption of OCPS

On February 06, 2014, the Company had issued 50,00,000 OCPS of Rs. 10/- each fully paid-up to Small Industries Development Bank of India (SIDBI) carrying a coupon of 9%, convertible into Equity Shares of Rs. 10/- each, at the option of the holder, at a price equal to the break up value (book value) of the Company's equity shares, based on the latest audited financial statements. The OCPS were converted into 7,07,214 number of equity shares at a premium of Rs. 60.70 per share.

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

Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares held	% of Holding in the class	No. of shares held	% of Holding in the class
<b>Equity Shares of Rs. 10/- each fully paid</b>				
Creation Investments Social Ventures Fund II LP	44,73,364	23.56%	44,73,364	31.24%
Societe De Promotion Et De Participation Pour La Cooperation Economique	23,48,654	12.37%	-	-
SIDBI Trustee Company Limited (A/c Samridhi Fund)	22,03,226	11.60%	22,03,226	15.39%
Sonata Employee Welfare Trust (under various ESOP schemes - refer note 28)	21,09,850	11.11%	22,14,150	15.46%
India Financial Inclusion Fund, LLC	14,80,634	7.80%	20,00,000	13.97%
Creation Investments Social Ventures Fund	14,91,121	7.85%	14,91,121	10.41%
Caspian Impact Investments Advisors Private Limited	10,71,871	5.65%	10,71,871	7.49%
Triodos Custody B.V. AS A Custodian of Triodos Fair Share Fund	11,74,327	6.19%	-	-
Triodos SICAV II- Triodos Microfinance Fund	11,74,326	6.19%	-	-
Michael and Susan Dell Foundation	9,18,945	4.84%	12,41,285	8.67%
Anup Kumar Singh	8,75,462	4.61%	8,75,462	6.11%
<b>Optionally Convertible Preference Shares of Rs. 10/- each fully paid</b>				
Small Industries Development Bank of India	-	0.00%	50,00,000	100.00%

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.

  
Parvi Srivastava  
Company Secretary  
Membership No.- 34110

Sonata Finance Private Limited  
Notes to the Financial Statements as at and for the year ended March 31, 2017

D. Shares reserved for issue under options

i) For details of shares reserved for issue under the employee stock option (ESOP) Plan of the company, please refer note 28.

Reserves and surplus		As at March 31, 2017	As at March 31, 2016
		(Rs.)	(Rs.)
A.	<b>Securities premium account</b>		
	Balance as per last financial statements	67,01,89,116	45,73,03,627
	Add: Addition during the year	65,17,88,047	23,04,79,440
	Less: Share / debenture issue expenses incurred during the year [net of tax adjustment of Rs. 36,14,398/- (Previous Year: Rs. 18,55,475/-)]	3,52,33,949	1,75,93,951
	Closing balance	1,28,67,43,214	67,01,89,116
B.	<b>Statutory reserve</b>		
	Balance as per last financial statements	13,36,85,629	7,92,79,802
	Add: Amount transferred from surplus balance in the statement of profit and loss during the year	26,38,091	5,44,05,827
	Closing balance	13,63,23,720	13,36,85,629
C.	<b>Capital reserve</b>	22,68,400	22,68,400
D.	<b>Surplus in the statement of profit and loss</b>		
	Balance as per last financial statements	50,83,45,975	29,61,38,783
	Profit for the year	1,31,90,455	27,20,29,135
	Less: Appropriations		
	Transferred to statutory reserve	26,38,091	5,44,05,827
	Preference dividend (including corporate dividend tax)	54,16,094	54,16,116
	Total appropriations	80,54,185	5,98,21,943
	Net surplus in the statement of profit and loss	51,34,82,245	50,83,45,975
	<b>Total</b>	<b>1,93,88,17,579</b>	<b>1,31,44,89,120</b>

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Long-term borrowings	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
A.	<b>Debentures</b>			
	<b>Secured</b>			
	Redeemable non-convertible debentures	2,05,00,00,000	92,00,00,000	1,33,20,00,000
	<b>Unsecured*</b>			
	Redeemable non-convertible debentures	15,00,00,000	15,00,00,000	-
B.	<b>Term loans</b>			
	<b>Secured</b>			
	- from banks	1,15,49,48,480	2,02,68,36,642	2,20,12,24,571
	- from financial institutions	70,16,66,673	48,85,20,002	64,33,46,662
	- from non banking finance companies	42,49,88,008	50,41,13,418	77,27,79,369
	<b>Unsecured*</b>			
	- from financial institutions	24,00,00,000	24,00,00,000	-
	- from non banking finance companies	57,49,50,968	26,00,00,000	13,18,22,508
	<b>Total</b>	<b>5,29,65,54,129</b>	<b>4,58,94,70,062</b>	<b>5,08,11,73,110</b>
	<b>The above amount includes</b>			
	Secured borrowings	4,33,16,03,161	3,93,94,70,062	4,94,93,50,602
	Amount disclosed under the head "other current liabilities" (Refer Note 9)	-	-	(5,08,11,73,110)
	<b>Total</b>	<b>5,29,65,54,129</b>	<b>4,58,94,70,062</b>	<b>4,53,86,66,177</b>

\* Includes subordinated debt of Rs. 69,00,00,000 (March 31, 2016 : Rs. 69,00,00,000)



Paurvi Srivastava  
Company Secretary  
Membership No.- 34110

5 A Long-term borrowings (Contd.)

Terms of repayment of long term borrowings as on March 31, 2017

Original maturity of loan	Due within 1 year		Due between 1 and 2 years		Due between 2 and 3 Years		Due between 3 and 5 Years		Above 5 Yrs		Interest Rate	Total
	No. of Instalments	Amount (in Rupees)	No. of Instalment	Amount (in Rupees)	No. of Instalment	Amount (in Rupees)	No. of Instalment	Amount (in Rupees)	No. of Instalment	Amount (in Rupees)		
<b>Debentures</b>												
<b>Secured</b>												
1-3 Yrs.	1	24,00,00,000	-	-	1	30,00,00,000	-	-	-	-	11.84% - 14.20%	54,00,00,000
3-5 Yrs.	4	61,00,00,000	-	-	-	-	2	97,00,00,000	-	-	13.50% - 14.75%	1,58,00,00,000
Above 5 Yrs.	3	48,20,00,000	-	-	-	-	-	-	2	78,00,00,000	14.00% - 14.91%	1,26,20,00,000
<b>Total</b>	<b>8</b>	<b>1,33,20,00,000</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>30,00,00,000</b>	<b>2</b>	<b>97,00,00,000</b>	<b>2</b>	<b>78,00,00,000</b>		<b>3,33,20,00,000</b>
<b>Unsecured</b>												
Above 5 Yrs.	-	-	-	-	-	-	-	-	1	15,00,00,000	16.25%	15,00,00,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>15,00,00,000</b>		<b>15,00,00,000</b>
<b>Term Loans</b>												
<b>Secured</b>												
<b>Monthly repayment schedule</b>												
<b>From Banks:</b>												
1-3 Yrs.	140	1,04,52,16,429	43	38,07,60,853	-	-	-	-	-	-	-	1,42,59,77,292
3-5 Yrs.	12	2,28,60,000	12	2,28,60,000	12	2,28,60,000	6	1,14,20,000	-	-	11.00% - 14.00%	8,00,00,000
<b>Total</b>	<b>152</b>	<b>1,06,80,76,429</b>	<b>55</b>	<b>40,36,20,853</b>	<b>12</b>	<b>2,28,60,000</b>	<b>6</b>	<b>1,14,20,000</b>	<b>-</b>	<b>-</b>	<b>12.50%</b>	<b>8,00,00,000</b>
<b>From Financial Institutions:</b>												
1-3 Yrs.	23	22,65,79,996	12	16,00,00,000	-	-	-	-	-	-	12.50% - 13.50%	38,66,80,002
<b>Total</b>	<b>175</b>	<b>1,29,46,566,425</b>	<b>67</b>	<b>56,36,20,853</b>	<b>12</b>	<b>2,28,60,000</b>	<b>6</b>	<b>1,14,20,000</b>	<b>-</b>	<b>-</b>	<b>10.25% - 16%</b>	<b>72,86,73,136</b>
<b>Quarterly repayment schedule</b>												
<b>From Banks:</b>												
1-3 Yrs.	48	1,13,31,48,143	20	84,83,20,341	3	6,87,27,275	-	-	-	-	11.50% - 14.05%	1,85,01,95,759
<b>Total</b>	<b>48</b>	<b>1,13,31,48,143</b>	<b>20</b>	<b>84,83,20,341</b>	<b>3</b>	<b>6,87,27,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.50% - 15.00%</b>	<b>43,57,60,907</b>
<b>From NBFC:</b>												
1-3 Yrs.	18	25,42,47,093	12	18,15,13,814	3	6,87,27,275	-	-	-	-	-	2,28,53,55,666
<b>Total</b>	<b>66</b>	<b>1,38,73,95,236</b>	<b>32</b>	<b>82,98,34,155</b>	<b>3</b>	<b>6,87,27,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,16,66,668</b>
<b>Half-yearly repayment schedule</b>												
<b>From NBFC:</b>												
1-3 Yrs.	2	1,66,66,666	2	1,66,66,666	-	-	-	-	-	-	14.75%	3,33,33,334
<b>Total</b>	<b>2</b>	<b>1,66,66,666</b>	<b>2</b>	<b>1,66,66,666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.50%</b>	<b>53,33,33,334</b>
<b>From Financial Institutions:</b>												
1-3 Years	2	15,00,00,000	2	15,00,00,000	2	8,75,00,000	3	3,75,00,000	-	-	11.50%	42,50,00,000
3-5 Years	2	15,00,00,000	2	15,00,00,000	2	8,75,00,000	3	3,75,00,000	-	-	11.50%	42,50,00,000
<b>Total</b>	<b>4</b>	<b>30,00,00,000</b>	<b>4</b>	<b>30,00,00,000</b>	<b>4</b>	<b>17,50,00,000</b>	<b>6</b>	<b>7,50,00,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,16,66,668</b>
<b>Unsecured</b>												
<b>Monthly repayment schedule</b>												
<b>From Financial Institutions:</b>												
Above 5 Yrs.	-	-	-	-	-	-	-	-	-	-	-	-
<b>From NBFC:</b>												
1-3 Years	24	13,18,22,508	24	15,12,99,800	16	12,36,51,167	-	-	-	-	13.95%	40,67,73,475
<b>Total</b>	<b>24</b>	<b>13,18,22,508</b>	<b>24</b>	<b>15,12,99,800</b>	<b>16</b>	<b>12,36,51,167</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,67,73,475</b>
<b>One-time repayment schedule</b>												
<b>From NBFC:</b>												
More than 5 Years	-	-	-	-	-	-	2	30,00,00,000	-	-	15.60% - 17.00%	30,00,00,000
<b>From Financial Institutions:</b>												
More than 5 Years	-	-	-	-	-	-	6	15,00,00,000	1	9,00,00,000	15.50% - 15.70%	24,00,00,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>45,00,00,000</b>	<b>1</b>	<b>9,00,00,000</b>	<b>-</b>	<b>54,00,00,000</b>

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*Pauvi*  
 Pauvi Srivastava  
 Company Secretary  
 Membership No.- 34110

Quarterly repayment schedule	From NBFC:	1-3 Years	Total	Grand Total
	364	5,08,11,73,110	153	2,19,25,32,005
			35	61,51,02,124
			19	1,46,89,20,000
			4	1,02,00,00,000
				10,37,77,27,239

- Note:**
- A. Debentures**
- a) The debentures are secured by way of exclusive charge on all receivable from underlying portfolio loans.
  - b) Debentures amounting to Rs. 33,20,00,000 ( 2015-2016 ) has a call / put option available with the Company / Debenture holder at the end of 3 years from the date of allotment (January 30, 2014)\*.
  - c) Debentures amounting to Rs. 24,00,00,000 ( 2015-2016 ) has a call / put option available with the Company / Debenture holder at the end of 18 months from the date of allotment (June 24, 2014)\*.
  - d) Debentures amounting to Rs. 37,00,00,000 ( 2015-2016 ) has a call / put option available with the Company / Debenture holder at the end of 30 months from the date of allotment (March 31, 2015)\*.
  - e) Debentures amounting to Rs. 24,00,00,000 ( 2015-2016 ) has a call / put option available with the Company / Debenture holder at the end of 24 months from the date of allotment (May 24, 2014)\*.
  - f) Debentures amounting to Rs. 30,00,00,000 ( 2015-2016 ) has a call / put option available with the Company / Debenture holder at the end of 24 months from the date of allotment (June 30, 2015)\*.
  - g) Debentures amounting to Rs. 15,00,00,000 ( 2015-2016 ) has a call / put option available with the Company / Debenture holder at the end of 24 months from the date of allotment (July 17, 2015)\*.
  - h) Debentures amounting to Rs. 68,00,00,000 ( 2015-2016 ) has a call / put option available with the Company / Debenture holder at the end of 36 months from the date of allotment (June 22, 2016).
  - i) Debentures amounting to Rs. 67,00,00,000 ( 2015-2016 ) 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).

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

- B. Term Loans**
- a) The term loans are secured by hypothecation of portfolio loans covered by hypothecation loan agreement and margin money deposits.



**Paurvi Srivastava**  
 Company Secretary  
 Membership No.- 34110

58 Long-term borrowings (Contd.)  
Terms of repayment of long term borrowings as on March 31, 2016

Description	Due within 1 year		Due between 1 to 2 years		Due between 2 to 3 years		Due between 3 to 5 years		Above 5 Yrs		Interest Rate	Total	
	No. of Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)			
<b>Debtors:</b>													
Secured:													
1-3 Yrs.	45	1,08,09,66,255	-	-	-	-	-	-	-	-	11.64% - 14.79%	1,08,09,66,255	
3-5 Yrs.	-	-	3	37,00,00,000	-	-	1	30,00,00,000	-	-	14.00% - 14.75%	67,00,00,000	
Above 5 Yrs.	-	-	-	-	-	-	1	15,00,00,000	1	10,00,00,000	14.00% - 14.75%	25,00,00,000	
<b>Total</b>	<b>45</b>	<b>1,08,09,66,255</b>	<b>3</b>	<b>37,00,00,000</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>45,00,00,000</b>	<b>1</b>	<b>10,00,00,000</b>		<b>2,00,09,66,255</b>	
Unsecured:													
Above 5 Yrs.	-	-	-	-	-	-	-	-	1	15,00,00,000	16.25%	15,00,00,000	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>15,00,00,000</b>	<b>1</b>	<b>15,00,00,000</b>		<b>15,00,00,000</b>	
<b>Term Loans:</b>													
Secured:													
Monthly repayment schedule													
From Banks:													
1-3 Yrs.	182	1,31,57,44,321	85	57,43,92,764	4	60,36,000	-	-	-	-	11.80% - 14.00%	1,89,61,73,085	
From Financial Institutions:													
1-3 Yrs.	30	25,45,79,998	23	26,18,39,996	23	22,66,80,006	-	-	-	-	11.50% - 13.50%	74,31,00,000	
From NBFCs:													
1-3 Yrs.	68	35,20,97,540	27	9,50,31,559	-	-	-	-	-	-	14.00% - 16.00%	44,71,29,099	
<b>Total</b>	<b>280</b>	<b>1,92,24,21,859</b>	<b>135</b>	<b>93,12,64,319</b>	<b>27</b>	<b>23,27,16,006</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>3,08,64,02,184</b>	
Quarterly repayment schedule													
From Banks:													
1-3 Yrs.	68	1,05,77,00,936	43	72,21,65,453	4	9,09,09,091	-	-	-	-	11.50% - 14.50%	1,87,07,75,480	
From NBFCs:													
1-3 Yrs.	15	17,42,43,795	16	10,75,79,093	6	6,81,69,432	-	-	-	-	14.00% - 15.00%	34,99,92,320	
<b>Total</b>	<b>83</b>	<b>1,23,19,44,731</b>	<b>59</b>	<b>82,97,44,546</b>	<b>10</b>	<b>15,90,78,523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>2,22,07,67,800</b>	
Half-yearly repayment schedule													
From Banks:													
1-3 Yrs.	4	3,66,66,666	4	1,66,66,666	2	1,66,66,668	-	-	-	-	14.75% - 16.00%	7,00,00,000	
From Financial Institutions:													
1-3 Years	2	26,66,66,666	4	36,66,66,666	2	26,66,66,668	-	-	-	-	11.50% - 13.00%	90,00,00,000	
<b>Total</b>	<b>6</b>	<b>30,33,33,332</b>	<b>8</b>	<b>38,33,33,332</b>	<b>4</b>	<b>26,33,33,336</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>97,00,00,000</b>	
One-time repayment schedule													
From NBFCs:													
More than 5 Years	-	-	-	-	-	-	-	-	1	20,00,00,000	15.60%	20,00,00,000	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>20,00,00,000</b>		<b>20,00,00,000</b>	
Unsecured:													
Monthly repayment schedule													
From Financial Institutions:													
Above 5 Yrs.	-	-	-	-	-	-	-	2	5,00,00,000	5	19,00,00,000	15.50% - 15.70%	24,00,00,000
One-time repayment schedule													
From NBFCs:													
More than 5 Years	-	-	-	-	-	-	-	-	2	5,00,00,000	17.00%	10,00,00,000	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>10,00,00,000</b>		<b>34,00,00,000</b>	
Quarterly repayment schedule													
From NBFCs:													
1-3 Years	2	4,00,00,000	6	16,00,00,000	-	-	-	-	-	-	13.50%	20,00,00,000	
<b>Total</b>	<b>2</b>	<b>4,00,00,000</b>	<b>6</b>	<b>16,00,00,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>20,00,00,000</b>	
<b>Grand Total</b>	<b>416</b>	<b>4,57,86,66,177</b>	<b>213</b>	<b>2,67,43,42,197</b>	<b>41</b>	<b>67,51,27,865</b>	<b>4</b>	<b>50,00,00,000</b>	<b>9</b>	<b>74,00,00,000</b>		<b>9,16,81,36,239</b>	

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**Notes:**

**A. Debentures**

- a) The debentures are secured by way of exclusive charge on all receivable from underlying portfolio loans.
- b) Debentures amounting to Rs. 26,89,66,255 ( 2014-2015; Rs 47,41,66,255 ) are also proportionately guaranteed by third parties against a fixed guarantee fees.
- c) Debentures amounting to Rs. 24,00,00,000 ( 2014-2015; Rs 24,00,00,000 ) has a call / put option available with the Company / Debenture holder at the end of 18 months from the date of allotment (June 24, 2014)\*.
- d) Debentures amounting to Rs. 24,00,00,000 ( 2014-2015; Rs 24,00,00,000 ) has a call / put option available with the Company / Debenture holder at the end of 21 months from the date of allotment (May 24, 2014)\*.
- e) Debentures amounting to Rs. 33,20,00,000 ( 2014-2015; 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)\*.
- f) Debentures amounting to Rs. 37,00,00,000 ( 2014-2015; Rs 37,00,00,000 ) has a call / put option available with the Company / Debenture holder at the end of 30 months from the date of allotment (March 31, 2015).
- g) Debentures amounting to Rs. 30,00,00,000 ( 2014-2015; 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).

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

**B. Term Loans**

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

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6	Other long-term liabilities	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
	Deferred gain on portfolio loans securitised		14,66,700
	<b>Total</b>		<b>14,66,700</b>

7	Provisions:	Non - Current Portion		Current Portion	
		As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
A.	Provision for employee benefits				
	Provision for gratuity	28,860	30,20,840	1,60,80,079	84,71,849
	Provision for leave	-	-	70,64,047	93,38,587
		<b>28,860</b>	<b>30,20,840</b>	<b>2,31,44,126</b>	<b>1,78,10,436</b>
B.	Provision for portfolio loans				
	On standard assets	1,49,53,804	-	8,48,93,585	5,19,73,282
	On non performing assets	89,63,218	2,82,75,922	-	-
		<b>2,39,17,022</b>	<b>2,82,75,922</b>	<b>8,48,93,585</b>	<b>5,19,73,282</b>
C.	Others				
	Provision for taxation [Net of advance tax Rs. Nil (March 31, 2016:Rs. 13,16,73,787/-)]	-	-	-	3,48,21,761
	Provision for preference dividend	-	-	-	45,00,000
	Provision for dividend distribution tax	-	-	9,16,093	9,16,115
	Provision for securitised / managed portfolio loans	-	-	5,08,83,450	32,38,126
	<b>Total</b>	<b>2,39,45,962</b>	<b>3,20,96,770</b>	<b>16,78,48,954</b>	<b>11,32,59,720</b>

8	Short-term borrowings	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
	Secured		
	Short Term loan from a bank	41,50,00,000	47,00,00,000
	<b>Total</b>	<b>41,50,00,000</b>	<b>47,00,00,000</b>

Short term loans are secured by hypothecation of underlying portfolio loans and margin money deposits, where applicable, in accordance with the respective loan agreements. The loans carry an interest rate ranging from 12.10% to 13.50% per annum.

9	Other current liabilities	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
	Current maturities of long term borrowings (Refer Note 5)	5,08,11,73,110	4,57,86,66,177
	Interest accrued but not due on borrowings	14,20,20,562	7,31,27,624
	Deferred gain on portfolio loans securitised	29,47,460	3,77,74,865
	Payable for portfolio loans securitised	1,86,13,036	12,97,83,832
	Payable to bank against direct sale agreement (DSA)	1,99,80,060	-
	Statutory dues payable	1,09,38,400	1,05,77,715
	Temporary book overdraft	4,34,069	56,93,306
	Other payables	6,17,64,285	6,75,99,495
	<b>Total</b>	<b>5,33,78,71,062</b>	<b>4,90,38,23,014</b>

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10	Fixed Assets	(Rs.)				
	Cost	Furniture & Fixtures	Computers	Office equipments	Vehicles	Total
	At April 1, 2015	1,03,13,324	1,02,58,287	65,54,202	15,13,803	2,86,39,616
	Additions	43,44,871	28,36,314	20,04,920	-	91,86,105
	Disposals	-	-	-	-	-
	<b>At March 31, 2016</b>	<b>1,46,58,195</b>	<b>1,30,94,601</b>	<b>85,59,122</b>	<b>15,13,803</b>	<b>3,78,25,721</b>
	Additions	72,08,697	30,33,975	35,87,612	-	1,38,30,284
	Disposals	-	-	-	-	-
	<b>At March 31, 2017</b>	<b>2,18,66,892</b>	<b>1,61,28,576</b>	<b>1,21,46,734</b>	<b>15,13,803</b>	<b>5,16,56,005</b>
	DePreclation					
	At April 1, 2015	62,36,803	82,32,817	47,48,985	8,88,511	2,01,07,116
	Charge for the Year	30,68,962	24,04,082	18,88,451	1,88,441	74,69,936
	Disposals	-	-	-	-	-
	<b>At March 31, 2016</b>	<b>93,05,765</b>	<b>1,06,36,899</b>	<b>65,57,436</b>	<b>10,76,952</b>	<b>2,75,77,052</b>
	Charge for the Year	46,58,188	26,81,561	20,77,546	1,34,379	95,51,674
	Disposals	-	-	-	-	-
	<b>At March 31, 2017</b>	<b>1,39,63,953</b>	<b>1,33,18,460</b>	<b>86,34,982</b>	<b>12,11,331</b>	<b>3,71,28,726</b>
	Net Block					
	At March 31, 2016	53,52,430	24,57,702	20,01,686	4,36,851	1,02,48,669
	At March 31, 2017	79,02,939	28,10,116	35,11,752	3,02,472	1,45,27,279



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Sonata Finance Private Limited

Notes to the Financial Statements as at and for the year ended March 31, 2017

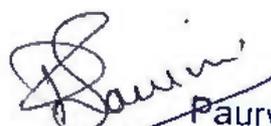
11 Investments	Non-current Investment		Current Investment	
	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
<b>Trade Investment</b>				
Investments in equity shares (unquoted) (valued at cost)	5,00,000	5,00,000	-	-
50,000 (March 31, 2016: 50,000) fully paid up shares of Alpha Micro Finance Consultants Private Limited at face value of Rs. 10 (March 31, 2016 : Rs. 10) per share				
<b>Non-trade Investment</b>				
Unquoted Mutual Funds (valued at lower of cost or fair value)				
0.003 units (March 31, 2016 : 517.027 units) of Reliance Liquidity fund- Growth plan growth option	-	-	7	11,74,476
454.445 units (March 31, 2016 : 4,234.64 units) of ICICI Prudential Liquid Plan - Growth	-	-	1,08,929	9,45,557
<b>Total</b>	<b>5,00,000</b>	<b>5,00,000</b>	<b>1,08,936</b>	<b>21,20,033</b>

12 Deferred tax assets / (liabilities) (net)	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
<b>Deferred tax assets</b>		
Impact of difference between tax depreciation and depreciation charged for the financial reporting	45,87,728	31,48,742
Impact of provision on portfolio, managed loans and other receivables	6,19,30,319	3,06,72,785
Impact of expenditure charged to the statement of Profit and loss in the current Year but allowed for tax purposes on payment basis	80,22,751	80,23,251
	7,45,40,798	4,18,44,778
<b>Deferred tax liabilities</b>		
Deferred tax liability on unamortised processing fees	-	(1,59,91,198)
<b>Net deferred tax assets</b>	<b>7,45,40,798</b>	<b>2,58,53,580</b>

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13 Loans and advances (Unsecured, considered good unless stated otherwise)	Non Current Portion		Current Portion	
	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
<b>A. Portfolio loans</b>				
Considered good	1,75,37,10,759	2,56,10,34,889	6,28,84,13,655	5,42,93,74,605
Considered doubtful	1,79,26,435	3,45,10,850	-	-
	<b>1,77,16,37,194</b>	<b>2,59,55,45,739</b>	<b>6,28,84,13,655</b>	<b>5,42,93,74,605</b>
<b>B. Security deposits</b>				
Considered good	12,50,000	16,39,723	4,15,235	10,12,540
	<b>12,50,000</b>	<b>16,39,723</b>	<b>4,15,235</b>	<b>10,12,540</b>
<b>C. Capital advance</b>				
Considered good	42,35,258	21,25,120	-	-
	<b>42,35,258</b>	<b>21,25,120</b>	-	-
<b>D. Advances recoverable in cash or kind</b>				
Considered good	-	-	2,12,39,352	2,50,38,358
Considered doubtful	50,24,643	15,51,943	-	-
Less: Provision for doubtful advances	(50,24,643)	(15,51,943)	-	-
	-	-	<b>2,12,39,352</b>	<b>2,50,38,358</b>
<b>E. Others</b>				
Considered good				
Prepaid expenses	-	-	30,45,405	70,75,313
Loan to staff	6,74,320	12,37,381	46,20,654	27,49,939
Cenvat credit receivable	-	-	4,46,550	7,16,870
Advance Income tax (net of provision for taxation Rs. 5,41,00,000/-)	2,78,10,080	-	-	-
Other receivables (net of provision of Rs.1,40,37,592/-) (March 31, 2016 : Rs. 51,81,485/-)*	-	-	1,72,41,021	1,91,41,446
Margin money with non-banking financial companies and financial institutions (marked as lien towards term loan availed)	2,65,23,960	3,02,97,085	57,43,294	21,95,866
	<b>5,50,08,360</b>	<b>3,15,34,466</b>	<b>3,10,96,934</b>	<b>3,18,79,434</b>
<b>Total</b>	<b>1,83,21,30,812</b>	<b>2,63,08,45,048</b>	<b>6,34,11,65,176</b>	<b>5,48,73,04,937</b>

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

  
Paurvi Srivastava  
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14 Other assets (Unsecured, considered good unless stated otherwise)	Non-Current Portion		Current Portion	
	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
Non current bank balances (Refer Note 15)	45,98,89,344	48,34,30,905	-	-
Unamortised Processing fees	-	1,06,31,630	-	3,55,75,023
Others				
Interest accrued but not due on portfolio loans	-	-	12,88,41,008	2,72,66,121
Interest accrued but not due on deposits placed with banks and financial institutions	1,72,26,184	1,76,51,972	3,93,14,776	3,59,51,987
Service fees receivable (Refer Note 25 B)	-	-	2,54,32,401	1,32,40,272
<b>Total</b>	<b>47,71,15,528</b>	<b>51,17,14,507</b>	<b>19,35,88,185</b>	<b>11,20,33,403</b>

15 Cash and bank balances	Non-Current Portion		Current Portion	
	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
Cash and cash equivalents				
Balances with banks				
-on current accounts	-	-	1,16,49,18,397	86,74,94,121
-deposit with original maturity of less than three months	-	-	2,78,50,42,078	1,53,97,00,000
Cash on hand	-	-	60,34,866	6,05,723
Other bank balances :			<b>3,95,59,95,341</b>	<b>2,40,77,99,844</b>
Deposit with original maturity for more than 3 months but not more than 12 months (*)	1,77,39,704	68,21,570	14,04,64,617	9,44,87,008
Deposit with original maturity of not less than 12 months (*)	44,21,49,640	47,66,09,335	33,97,60,804	33,68,89,987
	<b>45,98,89,344</b>	<b>48,34,30,905</b>	<b>48,02,25,421</b>	<b>43,13,76,995</b>
Amount disclosed under non-current assets (Refer Note 14)	(45,98,89,344)	(48,34,30,905)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,43,62,20,762</b>	<b>2,83,91,76,839</b>

(\*) Includes deposit certificates of Rs. 84,14,79,996/- (March 31, 2017) and Rs. 82,82,10,879/- marked as lien towards term loans availed from banks, towards cash collateral placed in connection with portfolio loan securitisation and business correspondent activities entered with bank.

16 Revenue from operations	Year ended March 31, 2017	Year ended March 31, 2016
	(Rs.)	(Rs.)
Interest income on portfolio loans	1,92,17,90,738	1,44,83,16,790
Processing fee on portfolio loans	5,86,89,438	8,12,22,423
Service fees (Refer Note 25 B)	17,13,81,406	8,02,08,227
Income from securitisation of portfolio loans	7,33,09,087	12,60,03,690
<b>Total</b>	<b>2,22,51,70,669</b>	<b>1,73,57,51,130</b>

17 Other Income	Year ended March 31, 2017	Year ended March 31, 2016
	(Rs.)	(Rs.)
Interest income on fixed deposits with banks and financial institutions	7,96,49,153	8,05,31,995
Net gain on sale of current investments	11,33,11,063	7,93,94,939
Miscellaneous Income	1,04,99,417	33,05,341
<b>Total</b>	<b>20,34,59,633</b>	<b>16,32,32,275</b>

18 Employee benefit expenses	Year ended March 31, 2017	Year ended March 31, 2016
	(Rs.)	(Rs.)
Salaries and bonus	39,65,73,646	29,79,00,592
Contributions to provident fund	3,29,91,231	2,32,30,768
Contribution to employees' state insurance	36,04,026	15,56,226
Gratuity expenses (Refer Note 27)	1,60,61,058	77,65,267
<b>Total</b>	<b>44,92,29,961</b>	<b>33,04,52,853</b>



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Sonata Finance Private Limited  
Notes to the Financial Statements as at and for the year ended March 31, 2017

19	Finance costs	Year ended March 31, 2017	Year ended March 31, 2016	
		(Rs.)	(Rs.)	
	Interest expense	1,30,00,18,099	93,66,67,608	
	Other borrowing costs	8,09,69,522	6,36,95,023	
	<b>Total</b>	<b>1,38,09,87,621</b>	<b>1,00,03,62,631</b>	
20	Depreciation expense	Year ended March 31, 2017	Year ended March 31, 2016	
		(Rs.)	(Rs.)	
	Depreciation of fixed assets	95,51,674	74,69,936	
	<b>Total</b>	<b>95,51,674</b>	<b>74,69,936</b>	
21	Other expenses	Year ended March 31, 2017	Year ended March 31, 2016	
		(Rs.)	(Rs.)	
	Rent	3,14,01,433	2,06,95,632	
	Rates and taxes	12,19,244	18,52,348	
	Repairs & maintenance			
	- Office maintenance	1,14,64,479	95,27,352	
	- Others	6,79,649	5,93,445	
	Travelling and conveyance	1,55,26,538	1,18,39,043	
	Communication expenses	96,86,543	65,63,281	
	Printing & stationery	1,11,69,683	1,09,44,646	
	Legal and Professional fees	1,39,21,745	1,11,81,142	
	Payment to auditors (refer details below)	42,86,584	32,31,077	
	IT support charges	23,80,146	14,27,470	
	Bank charges	40,93,778	27,29,445	
	Electricity charges	41,72,689	26,90,842	
	Membership fees	84,32,825	18,46,199	
	CSR expenditure	5,37,426	18,48,395	
	Miscellaneous expenses	2,11,38,295	1,56,20,735	
	<b>Total</b>	<b>14,01,11,057</b>	<b>10,25,91,052</b>	
	<b>Payment to auditors:</b>			
	<b>Particulars</b>			
	Year ended March 31, 2017	Year ended March 31, 2016		
	(Rs.)	(Rs.)		
As auditors:				
Audit fee (excluding service tax)	23,00,000	23,00,000		
Other services (certification, etc.)	13,84,750	7,50,000		
Reimbursement of expenses	6,01,834	1,81,077		
<b>Total</b>	<b>42,86,584</b>	<b>32,31,077</b>		
22	Provisions and write offs	Year ended March 31, 2017	Year ended March 31, 2016	
		(Rs.)	(Rs.)	
	Provision for standard and non performing assets [Refer Note 2.1 (a)]	2,85,61,483	3,42,75,066	
	Provision for portfolio loan securitised / managed portfolio	5,56,45,325	(44,81,302)	
	Portfolio loans written-off [Refer Note 2.1 (a)]	32,90,95,866	60,19,038	
Provision for other receivables	1,23,56,107	51,81,485		
<b>Total</b>	<b>42,56,58,781</b>	<b>4,09,94,287</b>		
23	Earnings per share (EPS)	Year ended March 31, 2017	Year ended March 31, 2016	
		(Rs.)	(Rs.)	
	Profit for the period	1,31,90,455	27,20,29,135	
	Less:			
	Dividend on 9% optionally convertible preference shares (converted into 7,05,276/- equity shares on March 31, 2017)	54,16,094	54,16,116	
	Net Profit for calculation of basic EPS	77,74,361	26,66,13,019	
	Net Profit as above	77,74,361	26,66,13,019	
	Add: dividends on convertible preference shares & tax thereon*	-	54,16,116	
	Net Profit for calculation of diluted EPS	77,74,361	27,20,29,135	
	Weighted average number of equity shares in calculating basic EPS	1,58,16,926	1,24,79,361	
	Effect of dilution:			
	Equity shares attributable to convertible Preference shares*	-	5,48,303	
	Stock options granted under ESOP	21,09,850	22,14,150	
	Weighted average number of equity shares in calculating diluted EPS	1,79,26,776	1,52,41,814	
<b>Basic EPS</b>	<b>0.49</b>	<b>21.36</b>		
<b>Diluted EPS</b>	<b>0.43</b>	<b>17.85</b>		

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

  
Anurvi Srivastava  
Company Secretary  
Membership No.- 34110

Sonata Finance Private Limited  
Notes to the Financial Statements as at and for the year ended March 31, 2017

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

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets			Portfolio loans outstanding (Net)	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	Provision made during the year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Standard assets	8,04,21,24,414	7,99,04,09,494	5,19,73,282	4,78,74,187	9,98,47,469	7,94,22,76,945	7,93,84,36,212
Non-Performing assets	1,79,26,435	3,45,10,850	2,82,75,922	10,51,91,555	12,45,04,359	89,63,217	62,34,928
Total	8,06,00,50,849	8,02,49,20,344	8,02,49,204	15,30,65,742	10,88,10,687	7,95,12,40,162	7,94,46,71,140

Loan portfolio and provision for standard and non-performing assets as at March 31, 2016:

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets			Portfolio loans outstanding (Net)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	Provision made during the year	As at March 31, 2016	As at March 31, 2015	As at March 31, 2015
Standard assets	7,99,04,09,494	4,21,41,60,155	3,18,26,508	2,01,46,774	5,19,73,282	7,93,84,36,212	4,18,23,33,647
Non-Performing assets	3,45,10,850	1,64,29,444	1,41,47,629	2,01,47,331	2,82,75,922	62,34,928	22,81,815
Total	8,02,49,20,344	4,23,05,89,599	4,59,74,137	4,02,94,105	8,02,49,204	7,94,46,71,140	4,18,46,15,462



Paurvi Srivastava  
Company Secretary  
Membership No.- 34110

**25 A Details of Securitised Portfolio and income arising out of the same :**  
The information regarding the securitisation activity as an originator is shown below:

Particulars	As at March 31, 2017	As at March 31, 2016
	(Rs.)	(Rs.)
Total book value of the loan asset securitised during the year	-	62,90,13,562
Sale consideration received for the loan asset securitised during the Year	-	63,98,57,189
Portfolio loan securitised and outstanding as at the year end	19,12,30,009	85,63,77,235
Income from securitisation recognised in the statement of profit and loss	7,33,09,087	12,60,03,690
<b>Credit enhancements provided and outstanding:</b>		
Principal subordination	38,92,608	2,01,46,388
Cash collateral	3,33,71,340	11,72,08,301

The Company has transferred all the rights and obligations relating to above securitised loan assets to the buyers.

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

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

- i. 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
- ii. The Company provides services in connection with recovery and monitoring of such loans
- iii. 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, 2017	As at March 31, 2016
	(Rs.)	(Rs.)
Total book value of the loan disbursed through DSA during the year	1,95,18,02,330	1,58,28,21,150
Outstanding Balance of Loan Disbursed through DSA as at year end	1,98,34,79,415	1,36,37,25,662
Amount disbursed on behalf of business correspondence partners and shown as receivable as on reporting date	80,93,960	86,08,000
Amount Yet to be disbursed during the Period / year	1,99,80,060	-
Service fee income recognised during the year	17,13,81,406	8,02,08,227
<b>Credit enhancements Provided and outstanding:</b>		
Corporate guarantee	13,93,57,388	12,33,46,927
Cash collateral	8,36,99,285	3,89,00,000

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**26 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

**27 (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, 2017	As at March 31, 2016
	(Rs.)	(Rs.)
<b>Assumptions:</b>		
Discount rate	7.50%	8.00%
Salary escalation	7.50%	7.00%
Withdrawal rate	18.00%	Varying between 8% per annum to 1% per annum depending on duration and age of employees
Expected rate of return on assets	7.50%	8.00%
Expected average remaining working life of employees	30.43 years	30.86 years

  
Ravi Srivastava  
Company Secretary  
Membership No.- 34110

ii) Table Showing changes in Present value of Defined Benefit obligation:		
Present value of defined benefit obligations as at beginning of the year		2,00,18,693
Interest cost		1,22,89,136
Current service cost		20,63,867
Benefit paid		12,95,854
Actuarial loss on obligations		1,09,90,655
Present value of defined benefit obligations as at end of the year		64,52,628
		(18,63,042)
		38,07,592
		6,13,207
		3,50,17,765
		2,00,18,693
iii) Table showing fair value of plan assets:		
Fair value of plan assets at beginning of the year		77,25,996
Expected return on plan assets		77,61,706
Contributions		9,98,506
Benefits paid		1,22,00,273
Actuarial gain/ (loss) on Plan assets		(18,63,042)
Fair value of plan assets at end of the year		(6,32,132)
		(1,60,907)
		23,086
		1,89,00,826
		77,25,996
iv) Actuarial (gain)/loss recognised:		
Actuarial (gain)/loss on obligations		38,07,592
Actuarial (gain)/ loss on Plan assets		1,60,907
Actuarial loss recognised in the year		39,68,499
		6,13,207
		23,086
		6,36,293
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		3,50,17,765
Fair value of plan assets at the end of the year		1,89,00,826
Net liability recognised in balance sheet		(1,61,16,939)
		2,00,18,693
		77,25,996
		(1,22,92,697)
vi) Expenses Recognised in statement of profit and loss:		
Current service cost		1,09,90,655
Interest cost		20,63,867
Expected return on plan assets		(9,98,506)
Net Actuarial (gain)/loss recognised in the year		39,68,499
Expenses recognised in statement of profit and loss		1,60,24,515
Actual return on Plan assets		8,37,599
		64,52,628
		12,95,854
		(6,19,508)
		6,36,293
		77,65,267
		5,96,422

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined benefit obligations	3,50,17,765	2,00,18,693	1,22,89,136	61,43,931	53,84,421
Plan assets	1,89,00,826	77,25,996	77,61,706	57,38,107	48,40,192
Surplus/(deficit)	(1,61,16,939)	(1,22,92,697)	(45,27,430)	(4,05,824)	(5,44,229)
Experience adjustments on plan liabilities [(gain)/loss]	38,07,592	6,13,207	17,81,125	(15,96,390)	(*)
Experience adjustments on plan assets [(gain)/loss]	1,60,907	23,086	(4,496)	1,22,337	(*)
Actuarial (gain)/ loss due to change in assumptions	39,68,499	6,36,293	17,76,629	(14,74,053)	(*)

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

	As at March 31, 2017	As at March 31, 2016
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 1,60,88,079 /- [March 31, 2016: Rs. 84,71,849/-] to gratuity fund in 2017-18.
- 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.
- \* The experience adjustments on plan assets and plan liabilities are not readily available for the financial year 2012-13 and hence not disclosed.
- (b) Amount incurred as expense for defined contribution to Provident Fund is Rs. 3,29,91,231 /- (March 31, 2016: Rs. 2,32,30,768/-)



Paurvi Srivastava  
Company Secretary  
Membership No.- 34110

28 Employee Stock option Plans (ESOP)

The Company has issued 16,46,300 equity shares of INR 10 each to Sonata Employee Welfare Trust for the purpose of issuing shares under ESOPs to the employee of the company during the Financial Year 2009-10. Subsequently in the Financial Year 2012-13, 14,70,000 equity shares had been issued to the Sonata Employee Welfare Trust. Out of the above mentioned shares issued to Sonata Employee Welfare Trust 3,96,300, 1,65,000 and 2,16,250 Equity Shares of INR 10 each were transferred to Mr Anup Kumar Singh (Managing Director) through the Trust route during the Financial year 2009-10, 2012-13 and 2015-16 respectively under ESOP Plan 1(a) (b) (c) (d) & 4. Further, the company has provided Employee Stock Option Scheme to its employee under Plan 2(a) (b) (c) (d) & 3. In the FY 2016-17 and FY 2015-16 few eligible employees have exercised their right and 1,04,300 and 24,600 shares respectively have been transferred from Trust to the respective employees. The Plan wise detail of ESOP schemes are as given below:

Particulars	Plan 1(b)	Plan 1(c)(i)	Plan 1(c)(ii)	Plan 1(c)(iii)	Plan 1(d)	Plan 2(a)	Plan 2(b)(i)	Plan 2(b)(ii)	Plan 2(b)(iii)
Date of Grant	6-May-10	6-May-10	6-May-10	6-May-10	12-Jun-12	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10
Date of Board Approval	6-May-10	6-May-10	6-May-10	6-May-10	12-Jun-12	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10
Date of Shareholder's Approval	8-Feb-10	8-Feb-10	8-Feb-10	8-Feb-10	28-Aug-12	17-Sep-10	17-Sep-10	17-Sep-10	17-Sep-10
Date of Modification of the scheme, if any	N.A.	N.A.	N.A.	12-Jun-12	N.A.	N.A.	N.A.	N.A.	N.A.
Number of Options granted	2,06,250	62,500	1,82,500	73,750	75,000	8,000	34,800	34,800	46,400
Number of Options vested	2,06,250	62,500	1,82,500	73,750	75,000	8,000	34,800	34,800	46,400
Exercise Price	Rs. 18.55	Rs. 18.56	Rs. 18.56	Rs. 18.56	Rs. 18.56	Rs. 26	Rs. 26	Rs. 26	Rs. 26
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting Period	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-11	31-Mar-14	31-Mar-15	31-Mar-16
Exercise Period	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-16	31-Mar-19	31-Mar-20	31-Mar-21
Vesting Conditions	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and 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 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011				

Particulars	Plan 2(c)(i)	Plan 2(c)(ii)	Plan 2(c)(iii)	Plan 2(d)(i)	Plan 2(d)(ii)	Plan 2(d)(iii)	Plan 3	Plan 3 (i)	Plan 3 (ii)	Plan 4
Date of Grant	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	1-Oct-13	1-Oct-14	1-Oct-15	1-Oct-17
Date of Board Approval	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	6-Feb-14	6-Feb-14	6-Feb-14	6-Feb-14
Date of Shareholder's Approval	17-Sep-10	17-Sep-10	17-Sep-10	17-Sep-10	17-Sep-10	17-Sep-10	20-Mar-14	20-Mar-14	20-Mar-14	20-Mar-14
Date of Modification of the scheme, if any	N.A.									
Number of Options granted	37,200	37,200	49,600	30,000	30,000	30,000	2,00,000	2,00,000	2,00,000	8,00,000
Number of Options vested	32,400	27,600	28,000	12,000	10,800	10,800	1,42,500	88,500	50,000	4,00,000
Exercise Price	Rs. 26	Rs. 54	Rs. 54	Rs. 54	Rs. 57					
Method of Settlement	Equity									
Vesting Period	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-18	1/4 of total Grant to vest each year on 30th Sep over four years from the date of grant	1/4 of total Grant to vest each year on 30th Sep over four years from the date of grant	1/4 of total Grant to vest each year on 30th Sep over four years from the date of grant	The Options will vest in equal amounts over 6 years from the date of grant
Exercise Period	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-23	Five years from the date of each vesting	Five years from the date of each vesting	Five years from the date of each vesting	Five years from the date of each vesting
Vesting Conditions	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Subject to the Terms of Shareholders' Agreement of the Company entered on September 25th 2012 and performance milestones as may be stipulated by Compensation committee or the Board and also linked to continued association with
Name of the Plan	ESOP Plan 2011	ESOP Plan 2013	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2013				

Member Secretary  
Membership No.- 34110

Sonata Finance Private Limited  
Notes to the Financial Statements as at and for the Year ended March 31, 2017

Plan 1(b)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	-	-	41,250	18.56
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	41,250	18.56
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	0.00
Exercisable at the end of the year	-	-	-	0.00

Plan 1(c)(i)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	-	-	62,500	18.56
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	62,500	18.56
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

Plan 1(c)(ii)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	70,000	18.56	1,82,500	18.56
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	1,12,500	18.56
Expired during the year	-	-	-	-
Outstanding at the end of the year	70,000	18.56	70,000	18.56
Exercisable at the end of the year	70,000	18.56	70,000	18.56

Plan 1(c)(iii)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	73,750	18.56	73,750	18.56
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	73,750	18.56	73,750	18.56
Exercisable at the end of the year	73,750	18.56	73,750	18.56

Plan 1(d)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	75,000	18.56	75,000	18.56
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	75,000	18.56	75,000	18.56
Exercisable at the end of the year	75,000	18.56	75,000	18.56

Plan 2(a)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	-	-	8,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	6,000	26.00
Expired during the year	-	-	2,000	26.00
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-



Paurvi Srivastava  
Company Secretary  
Membership No.- 34110

Plan 2(b)(i)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the Year	24,000	26.00	34,800	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	12,000	26.00	3,600	26.00
Expired during the year	-	-	7,200	26.00
Outstanding at the end of the year	12,000	26.00	24,000	26.00
Exercisable at the end of the year	12,000	26.00	24,000	26.00

Plan 2(b)(ii)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the Year	28,050	26.00	34,800	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	14,400	26.00	6,000	26.00
Expired during the year	-	-	750	26.00
Outstanding at the end of the year	13,650	26.00	28,050	26.00
Exercisable at the end of the year	13,650	26.00	28,050	26.00

Plan 2(b)(iii)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	44,000	26.00	46,400	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	2,400	26.00
Outstanding at the end of the year	44,000	26.00	44,000	26.00
Exercisable at the end of the year	44,000	26.00	44,000	26.00

  
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Company Secretary  
Membership No.- 34110

Plan 2( c)(i)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	32,400	26.00	37,200	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	15,150	26.00	-	-
Expired during the year	-	-	4,800	26.00
Outstanding at the end of the year	17,250	26.00	32,400	26.00
Exercisable at the end of the year	17,250	26.00	32,400	26.00

Plan 2( c)(ii)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	27,600	26.00	37,200	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	9,600	26.00
Outstanding at the end of the year	27,600	26.00	27,600	26.00
Exercisable at the end of the year	27,600	26.00	27,600	26.00

Plan 2( c)(iii)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	49,600	26.00	49,600	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	21,600	26.00	-	-
Outstanding at the end of the year	28,000	26.00	49,600	26.00
Exercisable at the end of the year	28,000	26.00	-	-

Plan 2(d)(i)

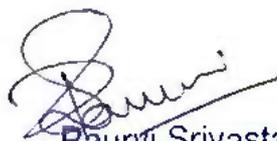
Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	12,000	26.00	30,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	26.00	18,000	26.00
Outstanding at the end of the year	12,000	26.00	12,000	26.00
Exercisable at the end of the year	12,000	26.00	12,000	26.00

Plan 2(d)(ii)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	30,000	26.00	30,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	19,200	-	-	-
Outstanding at the end of the year	10,800	26.00	30,000	26.00
Exercisable at the end of the year	10,800	26.00	-	-

Plan 2(d)(iii)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	40,000	26.00	40,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	40,000	26.00	40,000	26.00
Exercisable at the end of the year	-	-	-	-



Paurvi Srivastava  
Company Secretary  
Membership No.- 34110

Sonata Finance Private Limited  
Notes to the Financial Statements as at and for the year ended March 31, 2017

Plan 3

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	1,91,500	54.00	1,99,500	54.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	41,750	-	6,000	-
Expired during the year	5,000	-	2,000	-
Outstanding at the end of the year	1,44,750	54.00	1,91,500	54.00
Exercisable at the end of the year	94,750	54.00	91,500	54.00

Plan 3 (i)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	1,95,500	59.00	2,00,000	59.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	21,000	-	3,000	-
Expired during the year	2,000	-	1,500	-
Outstanding at the end of the year	1,72,500	59.00	1,95,500	59.00
Exercisable at the end of the year	72,500	59.00	45,500	59.00

Plan 3 (ii)

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	2,00,000	67.00	2,00,000	67.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,00,000	67.00	2,00,000	67.00
Exercisable at the end of the year	50,000	67.00	-	-



Paurvi Srivastava  
Company Secretary  
Membership No.: 34110

**Sonata Finance Private Limited**  
**Notes to the Financial Statements as at and for the Year ended March 31, 2017**

**Plan 4**

Particulars	As on March 31, 2017		As on March 31, 2016	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	8,00,000	67.00	8,00,000	67.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	8,00,000	67.00	8,00,000	67.00
Exercisable at the end of the year	4,00,000	67.00	2,66,667	67.00



**Paurvi Srivastava**  
 Company Secretary  
 Membership No.- 34110

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29 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 (w.e.f. October 24, 2015)	Company Secretary
Ms. Shalini Baghel (till October 24, 2015)	Company Secretary

B. Nature of transactions

Particulars	March 31, 2017	March 31, 2016
	(Rs.)	(Rs.)
Key Management Personnel Salary, Bonus and other allowances**	99,36,448	98,47,753
Contribution to provident fund	1,51,857	1,02,146
Perquisites	75,000	75,000

\*\*As the future liability for gratuity and leave has been provided for the Company as a whole, the amount pertaining to the Key Management Personnel are separately not ascertainable, and therefore not included above.

Shares issued under ESOP to KMP as on March 31, 2017 is 3,81,250 (P.Y.: 2,16,250). Refer note 28 for ESOP disclosure.

30 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, 2017	March 31, 2016
	(Rs.)	(Rs.)
Operating lease payments recognised during the year	3,14,01,433	2,06,95,632

31 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, 2017 and March 31, 2016, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

32 Capital commitments

Description	March 31, 2017	March 31, 2016
	(Rs.)	(Rs.)
Commitment for acquisition of intangible asset	-	36,71,304

33 Additional disclosures required by the Reserve Bank of India

A. Capital to Risk-Assets ratio (CRAR)

Particulars	March 31, 2017	March 31, 2016
CRAR (%)	29.05	24.67
CRAR - Tier I capital (%)	21.81	15.90
CRAR - Tier II capital (%)	7.24	8.77
Amount of subordinate debt raised as Tier II Capital (Rs.)	69,00,00,000	69,00,00,000
Amount raised by issue of Perpetual Debt Instrument (Rs.)	-	-

B. Exposures:

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

C. Asset liability management

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

Amount (Rs. In Lacs)

Particulars	Upto 1 month	Over 1 month to 2 months	Over 2 month to 3 months	Over 3 month to 6 months	Over 6 month to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Advances	4,954	6,091	5,754	16,389	27,698	17,716	-	-	80,600
Investments *	28,000	386	405	795	4,161	3,748	80	5	37,580
Borrowings	3,020	2,572	3,481	14,545	31,343	28,077	14,689	10,200	1,07,927

Maturity pattern of certain assets and liabilities as on March 31, 2016:

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	5,102	4,805	4,875	13,878	25,633	25,956	-	-	80,249
Investments *	15,553	109	-	642	3,451	4,983	100	59	24,897
Borrowings	2,595	2,759	4,373	12,604	28,155	33,495	5,000	7,400	96,381

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

\* Investments includes deposit certificate and cash collateral held with banks and financial institution and shown under cash and bank balances under note 15, other assets under note 14 and other loans and advances under note 13

  
Paurvi Srivastava  
Company Secretary  
Membership No.- 34110

**Sonata Finance Private Limited**

**Notes to the Financial Statements as at and for the period ended March 31, 2017**

**D. Investments**

Particulars	Amount Rs.(in crores)	
	March 31, 2017	March 31, 2016
1 Value of investments		
Gross Value of investments		
In India		
Outside India	0.06	0.26
Provision for depreciation		
In India	-	-
Outside India	-	-
Net Value of investments		
In India	0.06	0.26
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	-	-

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**E. Derivatives**

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

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

**F. Disclosures relating to securitisation**

Particulars	Amount Rs.(in crores)	
	March 31, 2017	March 31, 2016
1 No of SPVs sponsored by the NBFC for securitisation transactions during the year	-	3
2 Total amount of securitised assets as per books of the SPVs sponsored as on the date of balance sheet	19.12	85.64
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	3.73	13.74
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	-	-



Paurvi Srivastava  
Company Secretary  
Membership No.- 34110

**Sonata Finance Private Limited**

**Notes to the Financial Statements as at and for the period ended March 31, 2017**

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

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

**H. Details of non performing financial assets purchased / sold**

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

**I. Details of financing of parent Company products**

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

**J. Unsecured advances - Refer Note 13**

**K. Draw down from reserves**

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

**L. Information on Net Interest Margin**

Particulars	March 31, 2017	March 31, 2016
Average Interest (a)	22.39%	23.94%
Average effective cost of borrowing (b)	13.19%	14.62%
Net Interest Margin (a-b)	9.19%	9.32%

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**M. Customer Complaints \***

Particulars	March 31, 2017	March 31, 2016
1 No. of complaints pending at the beginning of the year	15	2
2 No. of complaints received during the year	731	864
3 No. of complaints redressed during the year	725	851
4 No. of complaints pending at the end of the year	21	15

\* 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, 2017	March 31, 2016
Break up of 'Provisions and Contingencies' shown under the head expenditure in profit and loss account:		
1 Provision made towards Income tax	5.86	14.64
2 Other Provision and contingencies	-	-
a Provision for gratuity	1.61	0.78
b Provision for leave benefit	0.58	0.98
3 Provision for death claims receivable	1.24	0.52
4 Provision for standard and non performing assets	2.86	3.41

  
Anurvi Srivastava  
Company Secretary  
Membership No.- 34110

**Sonata Finance Private Limited**  
**Notes to the Financial Statements as at and for the period ended March 31, 2017**

**O. Sector wise NPAs**

Sector	Percentage of NPA to Total Advances in that Sector as on 31 March 2017	Percentage of NPA to Total Advances in that Sector as on 31 March 2016
1 Agriculture & allied activities	0.23%	0.57%
2 MSME	0.23%	0.50%
3 Corporate borrowers	-	-
4 Services	0.14%	-
5 Unsecured personal loans	0.00%	-
6 Other personal loans	-	-

**P. Movement of NPA**

Particulars	Amount Rs.(in crores)	
	March 31, 2017	March 31, 2016
i) Net NPAs to net advances (%)	0.11%	0.08%
ii) <b>Movement of NPAs (Gross)</b>		
Opening balance	3.45	1.64
Additions during the year	11.10	2.41
Reductions during the year	12.76	0.60
Closing balance	1.79	3.45
iii) <b>Movement of Net NPAs</b>		
Opening balance	0.62	0.23
Additions during the year	0.58	0.40
Reductions during the year	0.31	-
Closing balance	0.89	0.62
iv) <b>Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
Opening balance	2.83	1.41
Provisions made during the year	10.52	2.01
Write-off / write-back of excess provisions	12.45	0.60
Closing balance	0.90	2.83

**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 2017	As at 31 March 2016
1 Long term bank facilities	ICRA BBB	ICRA BBB
2 Long term non convertible debentures		
Triodos 2020	ICRA BBB-	ICRA BBB-
Microfinance enhancement facility	ICRA BBB-	ICRA BBB-
IFMR CBO II	-	ICRA BBB+ (SO)
IFMR CBO IV	-	ICRA A- (SO)
IFMR CBO VI	-	ICRA A- (SO)
IFMR CBO VII	-	ICRS BBB+ (SO)
IFMR CBO - IX	-	ICRA A (SO)
Blue orchard micro finance fund	ICRA BBB	ICRA BBB

*Paurvi Srivastava*  
**Paurvi Srivastava**  
 Company Secretary  
 Membership No. - 34110

**Sonata Finance Private Limited**
**Notes to the Financial Statements as at and for the period ended March 31, 2017**

	IFMR FIMPACT Investment	ICRA BBB	ICRA BBB
	IFMR FIMPACT TIER II (Secured)	ICRA BBB	ICRA BBB
	IFMR FIMPACT TIER II (Unsecured)	ICRA BBB- (SO)	ICRA BBB- (SO)
	Responsibility	ICRA BBB	-
	IFMR_HLF	ICRA BBB	-
3	MFI grading	ICRA M2+	ICRA M2+
4	Securitisation/assignment :		
	IFMR MOSEC CAVITINA 2015 PTC Series A1	ICRA AA-(SO)	ICRA AA-(SO)
	IFMR MOSEC MITHRAS 2015 PTC Series A1 PTC Series A2 PTC Series A3	ICRA A+(SO) ICRA A-(SO) ICRA BB+(SO)	ICRA AA-(SO) ICRA A+(SO) ICRA A- (SO)
	IFMR MOSEC CIMBER 2016 PTC Series A1 PTC Series A2	ICRA A-(SO) ICRA BBB(SO)	ICRA A-(SO) ICRA BBB(SO)

**S. Concentration of advances, exposures and NPAs**

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Concentration of advances</b>		
Total advances to twenty largest borrowers	19,88,000	4,40,991
(%) of advances to twenty largest borrowers to total advances	2.47%	0.55%
<b>Concentration of Exposures</b>		
Total exposures to twenty largest borrowers	19,88,000	4,40,991
(%) of exposure to twenty largest borrowers to total exposure	2.47%	0.55%
<b>Concentration of NPAs</b>		
Total Exposure to top four NPA accounts	2,98,661	1,93,916

**T. Disclosure of penalties imposed by RBI and other regulators:**

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

**34 Details of Specified Bank Notes (SBNs) held and transacted by the Company during the period November 08, 2016 to December 30, 2016**

Particulars	SBN (in Rs)	Other denomination notes (in Rs.)	Total (in Rs)
Closing cash in hand as on November 08, 2016.	62,97,500	29,09,407	92,06,907
(+) Permitted receipts	3,26,000	1,39,75,77,420	1,39,79,03,420
(-) Permitted Payments	-	68,83,48,188	68,83,48,188
(-) Amount deposited in Banks	66,23,500	70,23,80,354	70,90,03,854
Closing cash in hand as on December 30, 2016	-	97,58,285	97,58,285

Under the technology and processes operated by the Company, details of the denomination of notes are not available for all types of cash receipts and payments made by the Company. However, the Company has established a process to monitor the denomination of the notes for the end of day cash balance through daily cash reports submitted by the branches.

  
**Ravi Srivastava**  
 Company Secretary  
 Membership No.- 34110

**Sonata Finance Private Limited**  
**Notes to the Financial Statements as at and for the period ended March 31, 2017**

**35 Previous year figures**

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

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

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

**sdl-**  
per **Sanjay Kumar Agarwal**  
Partner  
Membership No.: 060352

**sdl-**  
Managing Director

**sdl-**  
Director

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**sdl-**  
Company Secretary

**sdl-**  
CFO

Place: Kolkata  
Date: June 28, 2017

Place: New Delhi  
Date: June 28, 2017

  
**Paurvi Srivastava**  
Company Secretary  
Membership No.- 34110