

REPORTS OF INDEPENDENT AUDITORS
&
FINANCIAL STATEMENTS

Year ended March 31st, 2016

SONATA FINANCE PRIVATE LIMITED

2nd Floor, CP 1, P.G. Towers, Vikas Nagar, Kursi Road, Lucknow - 226026 (UP)

INDEPENDENT AUDITOR'S REPORT

To the Members of Sonata Finance Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sonata Finance Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors



S.R. BATLIBOI & Co. LLP

Chartered Accountants

is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Bhaswar Sarkar

Partner

Membership Number: 55596



Place of Signature: Kolkata

Date: July 14, 2016

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Sonata Finance Private Limited as at and for the year ended March 31, 2016

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, excise duty, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in payment of TDS, ESI and service tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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

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

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

- (ix) According to the information and explanation given by the management, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.

Further, money raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/ surplus funds were gainfully invested in fixed deposits/ liquid assets, pending for the purpose for which they were raised/ utilised.

- (x) We have been informed that there were instances of misappropriation of cash aggregating Rs. 789,995 by the employees of the Company. As informed, services of the employees have been terminated and the Company has taken legal action against the employees concerned. The Company has withheld the terminal benefit of the employees involved in the fraud.

- (xi) The Company been a private Company, the provision of Section 197 read with schedule V of the Act is not applicable and hence not commented upon.

- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

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



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Bhaswar Sarkar

Partner

Membership Number: 55596



Place of Signature: Kolkata

Date: July 14, 2016

Annexure 2 referred to in paragraph 2 (f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Sonata Finance Private Limited as at and for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Sonata Finance Private Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included



obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

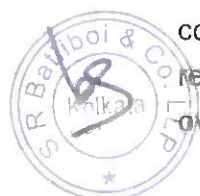
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company, considering the essential



S.R. BATLIBOI & Co. LLP

Chartered Accountants

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Bhaswar Sarkar**

Partner

Membership Number: 55596



Place of Signature: Kolkata

Date: July 14, 2016

Sonata Finance Private Limited
Balance Sheet as at March 31, 2016


	Notes	As at	As at
		March 31, 2016	March 31, 2015
		(Rs.)	(Rs.)
I. Equity and liabilities			
Shareholders' funds			
Share capital	3	19,31,91,540	16,87,50,780
Reserves and surplus	4	1,31,44,89,120	83,49,90,612
		1,50,76,80,660	1,00,37,41,392
Non-current liabilities			
Long-term borrowings	5	4,58,94,70,062	2,76,91,67,472
Other long-term liabilities	6	34,66,790	3,32,27,138
Long term provisions	7	4,00,77,075	3,18,04,591
		4,63,30,13,927	2,83,41,99,201
Current liabilities			
Short-term borrowings	8	47,00,00,000	37,61,77,436
Other current liabilities	9	4,90,38,23,014	3,61,56,73,312
Short-term provisions	7	10,52,79,415	7,51,48,657
		5,47,91,02,429	4,06,69,99,405
Total		11,61,97,97,016	7,90,49,39,998
II. Assets			
Non-current assets			
Fixed assets	10	1,02,48,669	85,32,500
Non-current investments	11	5,00,000	5,00,000
Deferred tax assets	12	2,58,53,580	2,26,09,001
Long term loans and advances	13	2,63,08,45,048	1,20,58,16,104
Other non-current assets	14	51,17,14,507	39,41,67,174
		3,17,91,61,804	1,63,16,24,779
Current assets			
Current investments	11	21,20,033	1,14,92,10,855
Cash and Bank Balances	15	2,83,91,76,839	1,95,79,09,950
Short-term loans and advances	13	5,48,73,04,937	3,07,06,67,817
Other current assets	14	11,20,33,403	9,55,26,597
		8,44,06,35,212	6,27,33,15,219
Total		11,61,97,97,016	7,90,49,39,998

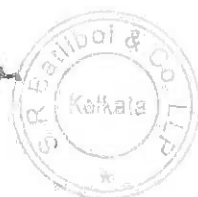
Summary of significant accounting policies 2.1

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

As per our report of even date

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


per Bhaswar Sarkar
 Partner
 Membership No.: 055596



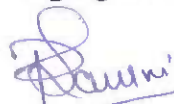
For and on behalf of the Board of Directors of
Sonata Finance Private Limited



Managing Director



Director



Company Secretary

Place: Kolkata
 Date: July 14, 2016

Place: Delhi
 Date: July 14, 2016

Sonata Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2016


	Notes	Year ended March 31, 2016	Year ended March 31, 2015
		(Rs.)	(Rs.)
I. Income			
Revenue from operations	16	1,65,55,42,903	1,00,46,77,643
Other income	17	24,34,40,502	12,93,93,147
Total Income		1,89,89,83,405	1,13,40,70,790
II. Expenses			
Employee benefit expenses	18	33,04,52,853	18,70,92,733
Finance costs	19	1,00,03,62,631	58,18,82,967
Depreciation expense	20	74,69,936	70,31,797
Other expenses	21	10,25,91,052	6,70,41,793
Provisions and write offs	22	4,09,94,287	2,90,60,924
Total Expenses		1,48,18,70,759	87,21,10,214
Profit before Tax		41,71,12,646	26,19,60,576
Tax expense			
- Current tax		14,64,72,614	10,24,00,000
- Deferred tax credit		(13,89,103)	(2,14,27,610)
Total Tax Expenses		14,50,83,511	8,09,72,390
Profit for the year		27,20,29,135	18,09,88,186
Earning per equity share (EPS)			
Basic	23	21.36	14.78
Diluted		17.85	12.13
Nominal value of share		10	10

Summary of significant accounting policies 2.1

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

As per our report of even date

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



per Bhaswar Sarkar
 Partner
 Membership No.: 055596



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


Managing Director


Director


Company Secretary

Place: Kolkata
 Date: July 14, 2016

Place: Delhi
 Date: July 14, 2016

Sonata Finance Private Limited
Cash Flow Statement for the year ended March 31, 2016

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
	(Rs.)	(Rs.)
A. Cash flow from Operating Activities :		
Net Profit Before Taxation :	41,71,12,646	26,19,60,576
Adjustments for :		
Depreciation	74,69,936	70,31,797
Provision for standard and non performing assets	3,42,75,066	1,90,05,504
Provision for portfolio loan securitised	(44,81,302)	77,19,428
Portfolio loans written-off	60,19,038	23,35,992
Provision for death claim receivable	51,41,845	-
Operating Profit Before Working Capital Changes	46,55,37,229	29,80,53,297
Movements in working capital:		
Increase in Other Current Assets	(1,65,06,806)	(4,37,47,804)
Increase in Other Non-Current Assets	(1,00,03,146)	(30,61,589)
Increase in Short Term Loans & Advances	(2,44,43,87,233)	(1,20,49,33,737)
Increase in Long Term Loans & Advances	(1,40,31,95,817)	(56,25,31,159)
Increase in Long Term Provisions	74,82,448	41,21,606
Increase in Short Term Provisions	51,40,104	77,19,428
Increase/(Decrease) in Other Long Term Liabilities	(2,97,60,348)	2,88,02,842
Increase/(Decrease) in Other Current Liabilities	(3,68,34,805)	7,36,43,878
Cash generated from / (used in) operations	(3,46,25,28,374)	(1,40,19,33,238)
Direct Taxes Paid	15,49,67,014	10,34,84,583
Net Cash flow generated from/(used in) Operating Activities (A)	(3,61,74,95,388)	(1,50,54,17,821)
B. Cash flow from Investing Activities :		
Purchase of Fixed Assets	(1,13,11,225)	(49,39,029)
Increase in fixed deposits (net)	(14,92,56,855)	(16,96,13,280)
Sale / (Purchase) of current investments (net)	1,14,70,90,822	(28,90,17,034)
Net Cash flow generated from/(used in) Investing Activities (B)	98,65,22,742	(46,35,69,343)
C. Cash flow from Financing Activities :		
Proceeds from Issuance of Share Capital	25,49,20,200	-
Payment of Share/Debenture Issue expenses	(1,75,93,951)	(1,65,18,848)
Proceeds from long-term borrowings (net)	3,14,52,87,097	1,32,41,66,555
Proceeds from short-term borrowings (net)	9,38,22,564	1,74,73,88,191
Payment of Dividend including dividend tax	(54,16,094)	(13,12,589)
Net Cash generated from/(used in) Financing Activities (C)	3,47,10,19,816	3,05,37,23,309
Net Increase In Cash And Cash Equivalents (A+B+C)	84,00,47,170	1,08,47,36,145
Cash And Cash Equivalents at the beginning of the year	1,56,77,52,674	48,30,16,529
Cash And Cash Equivalents at the end of the year (refer note 15)	2,40,77,99,844	1,56,77,52,674


* Represents cash and bank balances as indicated in Note No.15 and excludes Rs.91,48,07,900/- (Previous Year : Rs.76,60,43,994/-) being Fixed Deposits with restricted use and with original maturity of more than three months.


Summary of significant accounting policies (refer note 2.1)

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


As per our report of even date.


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



per Bhaswar Sarkar
 Partner
 Membership No.: 055596



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


Managing Director


Director


Company Secretary

Place: Kolkata
 Date: July 14, 2016

Place: Delhi
 Date: July 14, 2016

1. Corporate information

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

The Company is engaged in providing financial services to women in the rural areas of India who are organized as Joint Liability Groups.

2. Basis of preparation

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

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

2.1 Summary of significant accounting policies

(a) Use of estimates

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

(b) Tangible fixed assets

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

(c) Depreciation on tangible fixed assets

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

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

(d) 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.



Nishal Bhatnagar

[Signature]

[Signature]

Sonata Finance Private Limited

Notes to the Financial Statements as at and for the year ended March 31, 2016

(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.

Ancillary fees incurred for arrangement of borrowings from banks and financial institutions are amortized over the tenure of respective loans and those incurred in connection with securitization transaction are amortized over the tenure of the securitization deal.

(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.

(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.

All other income is recognized on an accrual basis.



Richard Khosla

[Signature]

[Signature]

Sonata Finance Private Limited

Notes to the Financial Statements as at and for the year ended March 31, 2016

(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.

(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.

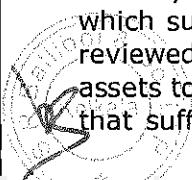
Short term compensated absences are provided for based on estimates.

(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



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Sonata Finance Private Limited

Notes to the Financial Statements as at and for the year ended March 31, 2016

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

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.

(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 91 days and more

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

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



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Sonata Finance Private Limited

Notes to the Financial Statements as at and for the year ended March 31, 2016

(q) Provision for loan portfolio

Provisions on portfolio loans (including other than microfinance loans) are made at the higher of management estimate or minimum provision required as per Non-Banking Financial Company Micro Finance Institutions (Reserve Bank) Directions, 2011 as amended from time to time. The Management treats a loan overdue as soon as a scheduled installment is failed.

As per the Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011, the aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more.

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

All overdue loans more than 180 days from the date of expiry of loan period and in the opinion of the management not recoverable are written off.

(r) Corporate Social Responsibility (CSR) expenditure

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

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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2016

3 Share capital	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)
Authorized Shares		
30,000,000 (March 31, 2015: 30,000,000) equity shares of Rs. 10/- each	30,00,00,000	30,00,00,000
10,000,000 (March 31, 2015: 10,000,000) preference shares of Rs. 10/- each	10,00,00,000	10,00,00,000
	40,00,00,000	40,00,00,000
Issued, subscribed and fully paid-up shares		
16,533,304 (March 31, 2015:14,330,078) equity shares of Rs. 10/- each	16,53,33,040	14,33,00,780
Less: Amount recoverable from Sonata Employee Welfare Trust #	2,21,41,500	2,45,50,000
	14,31,91,540	11,87,50,780
5,000,000 (March 31, 2015:5,000,000) 9% Optionality Convertible Preference Shares (OCPS) of Rs. 10/ each	5,00,00,000	5,00,00,000
Total issued, subscribed and fully paid-up share capital	19,31,91,540	16,87,50,780

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	March 31, 2016		March 31, 2015	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year #	1,43,30,078	14,33,00,780	1,43,30,078	14,33,00,780
Issued during the year	22,03,226	2,20,32,260	-	-
Shares outstanding at the end of the year #	1,65,33,304	16,53,33,040	1,43,30,078	14,33,00,780

includes shares issued to Sonata Employee Welfare Trust under the various ESOP Schemes (Refer Note 28)

9% Optionality Convertible Preference Shares (OCPS)	March 31, 2016		March 31, 2015	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year	50,00,000	5,00,00,000	-	-
Issued during the year	-	-	50,00,000	5,00,00,000
Shares outstanding at the end of the year	50,00,000	5,00,00,000	50,00,000	5,00,00,000

B. Terms/rights attached to equity shares

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

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

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

C. Terms of conversion/redemption of OCPS

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

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

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



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

Name of Shareholder	March 31, 2016		March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs. 10/- each fully paid				
Creation Investments Social Ventures Fund	44,73,364	27.06%	44,73,364	31.22%
Sonata Employee Welfare Trust (under various ESOP schemes - refer note 28)	22,14,150	13.39%	24,55,000	17.13%
India Financial Inclusion Fund	20,00,000	12.10%	20,00,000	13.96%
Creation Investments Social Ventures Fund	14,91,121	9.02%	14,91,121	10.41%
Michael and Susan Dell Foundation	12,41,285	7.51%	12,41,285	8.66%
SIDBI Trustee Company Limited [A/c Samridhi Fund]	22,03,226	13.33%	-	-
Caspian Impact Investments Advisors	10,71,871	6.48%	10,71,871	7.48%
Anup Kumar Singh	8,75,362	5.29%	-	-
Total	1,55,70,379	94.18%	1,27,32,641	88.86%
Optionally Convertible Preference Shares of Rs. 10/- each fully paid				
Small Industries Development Bank of India	50,00,000	100.00%	50,00,000	100.00%
Total	50,00,000	100.00%	50,00,000	100.00%

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

E. Shares reserved for issue under options

- For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 28.
- For details of shares reserved for issue on conversion of optionally convertible preference shares, refer note 3 (C) regarding terms of conversion / redemption of preference shares.

4 Reserves and surplus	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)
A. Securities premium account		
Balance as per last financial statements	45,73,03,627	47,38,22,475
Add: Addition during the year	23,04,79,440	-
Less: Share / debenture issue expenses adjusted during the year (net of deferred tax asset of Rs. 18,55,475/-) (Previous Year: Nil)	1,75,93,951	1,65,18,848
Closing Balance	67,01,89,116	45,73,03,627
B. Statutory reserve		
Balance as per last financial statements	7,92,79,802	4,30,82,165
Add: Amount transferred from surplus balance in the Statement of Profit and Loss during the year	5,44,05,827	3,61,97,637
Closing Balance	13,36,85,629	7,92,79,802
C. Capital Reserve	22,68,400	22,68,400
D. Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	29,61,38,783	15,67,64,329
Profit for the year	27,20,29,135	18,09,88,186
Less: Appropriations		
Transferred to Statutory Reserve	5,44,05,827	3,61,97,638
Proposed Preference Dividend (including Corporate Dividend Tax)	54,16,116	54,16,094
Total Appropriations	5,98,21,943	4,16,13,732
Net surplus in the Statement of profit and loss	50,83,45,975	29,61,38,783
Total	1,31,44,89,120	83,49,90,612

5 Long-term borrowings	Non Current Portion		Current Maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
A. Debentures				
Secured				
Redeemable Non-Convertible Debentures	92,00,00,000	1,14,86,66,255	1,08,09,66,255	50,75,00,300
Unsecured (subordinated)				
Redeemable Non-Convertible Debentures	15,00,00,000	-	-	-
B. Term loans				
Secured				
- from Banks	2,02,68,36,642	1,10,94,90,091	2,64,01,11,923	1,98,94,44,276
- from Financial Institutions	48,85,20,002	13,94,00,000	25,45,79,998	6,06,00,000
- from Non Banking Finance Companies	50,41,13,418	22,16,11,126	56,30,08,001	65,51,37,094
Unsecured (subordinated)				
- from Financial Institutions	24,00,00,000	15,00,00,000	-	4,10,00,000
- from Non Banking Finance Companies	26,00,00,000	-	4,00,00,000	-
Total	4,58,94,70,062	2,76,91,67,472	4,57,86,66,177	3,25,36,81,670
Amount disclosed under the head "other current liabilities" (Refer Note 9)	-	-	(4,57,86,66,177)	(3,25,36,81,670)
Total	4,58,94,70,062	2,76,91,67,472	-	-



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5A. 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 Instalments	Amount (In Rupees)	No. of Instalments	Amount (In Rupees)	No. of Instalments	Amount (In Rupees)	No. of Instalments	Amount (In Rupees)	No. of Instalments	Amount (In Rupees)		
Debentures:												
Secured:												
1-3 Yrs.	45	1,08,09,66,255	-	-	-	-	-	-	-	-	11.80% - 14.75%	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
Unsecured:												
Above 5 Yrs.	-	-	3	37,00,00,000	-	-	2	45,00,00,000	1	10,00,00,000	16.25%	2,00,09,66,255
Term Loans:												
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
Total (a)	280	1,92,24,21,859	135	93,12,64,319	27	23,27,16,006	-	-	-	-		3,08,64,02,184
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
Total (b)	83	1,23,19,44,731	59	82,97,44,546	10	15,90,78,523	-	-	-	-		2,22,07,67,800
Half-yearly repayment schedule												
From NBFCs:												
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 Banks:												
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
One-time repayment schedule												
From NBFCs:												
More than 5 Years	-	-	-	-	-	-	-	-	1	20,00,00,000	15.60%	20,00,00,000
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
From NBFC:												
More than 5 Years	-	-	-	-	-	-	-	-	1	10,00,00,000	17.00%	10,00,00,000
Quarterly repayment schedule												
From NBFC:												
1-3 Years	2	4,00,00,000	8	16,00,00,000	-	-	-	-	-	-	13.50%	20,00,00,000
Grand Total	416	4,57,86,66,177	213	2,67,43,42,197	41	67,51,27,865	4	50,00,00,000	9	74,00,00,000		9,16,81,36,239

Note:

- Debentures are secured by way of exclusive charge on all receivable from underlying portfolio loans.
- 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.
- 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)*.
- 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 24 months from the date of allotment (May 24, 2014)*.
- 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)*.
- 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).
- 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).

3. Term Loans

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



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Srividya Finance Private Limited
Notes to the Financial Statements as at and for the half year ended March 31, 2016

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

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 instalments	Amount (in Rupees)	No. of instalments	Amount (in Rupees)	No. of instalments	Amount (in Rupees)	No. of instalments	Amount (in Rupees)	No. of instalments	Amount (in Rupees)		
Debentures												
Secured												
1-3 Yrs.	43	50,75,00,300	31	20,66,66,255	1	24,00,00,000	-	-	-	-	13.25% - 14.70%	95,41,66,555
2-5 Yrs.	-	-	-	-	-	-	1	37,00,00,000	-	-	14.00% - 14.75%	37,00,00,000
Above 5 Yrs.	-	-	-	-	-	-	2	33,20,00,000	-	-	14.79%	33,20,00,000
	43	50,75,00,300	31	20,66,66,255	1	24,00,00,000	3	70,20,00,000	-	-		1,65,61,66,555
Term Loans												
Secured												
Monthly repayment schedule												
From Banks:												
1-3 Yrs.	160	1,11,83,34,342	57	47,24,68,328	11	6,11,25,000	-	-	-	-	12.30% - 14.00%	1,65,19,27,670
From Financial Institutions:												
1-3 Yrs.	10	6,06,00,000	12	7,27,20,000	11	6,66,80,000	-	-	-	-	13.50%	20,00,00,000
From NBFCs:												
1-3 Yrs.	73	50,18,19,092	28	9,18,69,898	10	97,22,228	-	-	-	-	15.12% - 16.00%	60,34,11,218
Total (a)	243	1,68,07,53,434	97	63,70,58,226	32	13,75,27,228	-	-	-	-		2,45,53,38,868
Quarterly repayment schedule												
From Banks:												
1-3 Yrs.	74	87,11,09,934	38	45,77,08,580	13	11,81,88,183	-	-	-	-	11.50% - 14.50%	1,44,70,06,697
From NBFCs:												
1-3 Yrs.	12	13,33,18,002	7	8,33,49,000	2	1,66,70,000	-	-	-	-	15.00%	23,33,37,002
Total (b)	86	1,00,44,27,936	45	54,10,57,580	15	13,48,58,183	-	-	-	-		1,68,03,43,699
Half-yearly repayment schedule												
From NBFCs:												
1-3 Yrs.	2	2,00,00,000	2	2,00,00,000	-	-	-	-	-	-	16.00%	4,00,00,000
Unsecured												
Monthly repayment schedule												
From Financial Institutions:												
1-3 Yrs.	3	4,10,00,000	-	-	-	-	-	-	-	-	4.00%	4,10,00,000
Above 5 Yrs.	-	-	-	-	-	-	-	-	6	15,00,00,000	15.50%	15,00,00,000
Grand Total	377	3,25,36,81,670	175	1,40,47,82,061	48	51,23,85,411	3	70,20,00,000	6	15,00,00,000		6,02,28,49,142

Note:

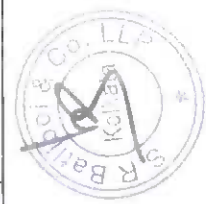
1. Debentures

- The debentures are secured by way of exclusive charge on all receivable from underlying portfolio loans.
- Debentures amounting to Rs. 47,41,66,555 are also proportionately guaranteed by third parties against a fixed guarantee fees.
- Debentures amounting to 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)*.
- Debentures amounting to Rs. 24,00,00,000 has a call / put option available with the Company / Debenture holder at the end of 24 months from the date of allotment (May 24, 2014).
- Debentures amounting to Rs. 33,20,00,000 has a call / put option available with the Company / Debenture holder at the end of 3 years from the date of allotment (January 30, 2014).
- Debentures amounting to Rs. 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).
- Debentures amounting to 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 within one year as the holder have the right to exercise the redemption option within next one year.

2. Term Loans

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



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6 Other long-term liabilities	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)
Deferred gain on portfolio loans securitised	34,66,790	3,32,27,138
Total	34,66,790	3,32,27,138

7 Provisions:	Long Term		Short Term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
A. Provision for employee benefits				
Provision for Gratuity	1,18,01,153	43,18,705	4,91,544	2,08,725
Provision for Leave	-	-	93,38,587	-
	1,18,01,153	43,18,705	98,30,131	2,08,725
B. Provision for portfolio loans				
On standard assets	-	1,33,38,257	5,19,73,282	1,84,88,251
On non performing assets	2,82,75,922	1,41,47,629	-	-
	2,82,75,922	2,74,85,886	5,19,73,282	1,84,88,251
C. Others				
Provision for taxation [Net of advance tax Rs. 13,16,73,787/-(March 31, 2015: 13,25,90,550/-)]	-	-	3,48,21,761	4,33,16,160
Provision for Preference Dividend	-	-	45,00,000	45,00,000
Provision for Dividend Distribution tax	-	-	9,16,115	9,16,093
Provision for Securitised / Managed Portfolio Loans	-	-	32,38,126	77,19,428
	-	-	4,34,76,002	5,64,51,681
Total	4,00,77,075	3,18,04,591	10,52,79,415	7,51,48,657

8 Short-term borrowings	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)
Secured		
Short Term loan from a bank	47,00,00,000	37,00,00,000
Bank Overdraft	-	18,66,646
Unsecured		
Bank Overdraft	-	43,10,790
Total	47,00,00,000	37,61,77,436

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

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

9 Other Current liabilities	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)
Current maturities of long-term borrowings (Refer Note 5)	4,57,86,66,177	3,25,36,81,670
Interest accrued but not due on borrowings	7,37,27,624	4,42,07,479
Deferred gain on portfolio loans securitised	3,77,74,865	6,76,00,577
Payable for portfolio loans securitised	12,97,83,832	16,34,74,887
Processing Fees Payable	10,55,609	1,50,34,072
Expenses Payable	2,78,82,576	1,30,52,392
Statutory Dues Payable	1,05,77,715	74,00,769
Advance received against portfolio loans	3,82,04,038	4,71,02,838
Temporary Book Overdraft	56,93,306	26,46,415
Other payables	4,57,272	14,72,213
Total	4,90,38,23,014	3,61,56,73,312

10 Fixed Assets	(Rs.)				
	Cost or Valuation	Furniture & Fixtures	Computers	Office Equipments	Vehicles
At April 1, 2014	84,57,368	84,79,185	52,50,231	15,13,803	2,37,00,587
Additions	18,55,956	17,79,102	13,03,971	-	49,39,029
At March 31, 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	-	-	-	-	-
At March 31, 2016	1,46,58,195	1,30,94,601	85,59,122	15,13,803	3,78,25,721
Depreciation					
At April 1, 2014	38,66,677	63,59,559	22,63,143	5,85,940	1,30,75,319
Charge For the Year	23,70,126	18,73,258	24,85,842	3,02,571	70,31,797
Disposals	-	-	-	-	-
At March 31, 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	18,08,451	1,88,441	74,69,936
At March 31, 2016	93,05,765	1,06,36,899	65,57,436	10,76,952	2,75,77,052
Net Block					
At March 31, 2015	40,76,521	20,25,470	18,05,217	6,25,292	85,32,500
At March 31, 2016	53,52,430	24,57,702	20,01,686	4,36,851	1,02,48,669

Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2016

11	Investments	Non-current investment		Current investment	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Trade Investment (Unquoted)				
	Investments in Equity Shares (valued at cost) 50,000 (March 31, 2015: 50,000) fully paid up shares of Alpha Micro Finance Consultants Private Limited at face value of Rs. 10 (March 31, 2015 : Rs. 10) per share	5,00,000	5,00,000	-	-
	Non-trade Investment				
	Unquoted Mutual Funds (valued at lower of cost and fair value)				
	517.027 units (March 31, 2015 : 548,516.881 units) of Reliance liquidity fund- Growth plan growth option at face value of Rs. 1,000 (March 31, 2015 : Rs. 1,000) per unit [Net Asset Value : Rs. 11,77,550 (March 31, 2015 : Rs. 1,15,47,04,717)]	-	-	11,74,476	1,14,92,10,855
	4,234.64 units (March 31, 2015 : Nil units) of ICICI Prudential Flexible Income - Growth at face value of Rs. 100 (March 31, 2015 : Rs. Nil) per unit [Net Asset Value : Rs. 12,15,319 (March 31, 2015 : Rs. Nil)]	-	-	9,45,557	-
	Total	5,00,000	5,00,000	21,20,033	1,14,92,10,855
12	Deferred tax assets / (liabilities) (net)			March 31, 2016	March 31, 2015
				(Rs.)	(Rs.)
	Deferred tax assets				
	Impact of difference between tax depreciation and depreciation charged for the financial reporting			31,48,742	19,22,783
	Impact of provision on portfolio and managed loans			3,06,72,785	1,85,82,269
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis			80,23,251	21,03,949
				4,18,44,778	2,26,09,001
	Deferred tax liabilities				
	Deferred tax liability on unamortised processing fees			(1,59,91,198)	-
	Net deferred tax assets			2,58,53,580	2,26,09,001
13	Loans and advances (Unsecured, considered good unless stated otherwise)	Long-term		Short-term	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
A.	Portfolio loans				
	Considered good	2,56,10,34,889	1,18,06,51,628	5,42,93,74,605	3,03,35,08,527
	Considered doubtful	3,45,10,850	1,64,29,444	-	-
		2,59,55,45,739	1,19,70,81,072	5,42,93,74,605	3,03,35,08,527
B.	Security Deposits				
	Considered good	16,39,723	3,21,698	10,12,540	12,12,400
		16,39,723	3,21,698	10,12,540	12,12,400
C.	Capital Advance				
	Considered good	21,25,120	-	-	-
		21,25,120	-	-	-
D.	Advances recoverable in cash or kind				
	Considered good	-	-	2,50,38,358	47,59,588
	Considered doubtful	15,51,943	15,51,943	-	-
	Less: Provision for doubtful advances	(15,51,943)	(15,51,943)	-	-
		-	-	2,50,38,358	47,59,588
E.	Others				
	Considered good				
	Prepaid expenses	-	-	70,75,313	23,12,074
	Loan to staff	12,37,381	12,17,468	27,49,939	28,25,587
	Cenvat Credit receivable	-	-	7,16,870	12,45,507
	Other receivable (Net of provision of Rs. 51,41,845/-) (Previous Year : Nil)*	-	-	1,91,41,446	-
	Margin money with Non-banking financial companies and financial institutions (marked as lien towards term loan availed)	3,02,97,085	71,95,866	21,95,866	2,48,04,134
		3,15,34,466	84,13,334	3,18,79,434	3,11,87,302
	Total	2,63,08,45,048	1,20,58,16,104	5,48,73,04,937	3,07,06,67,817

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

(Nishal Bharat)

14 Other assets (Unsecured, considered good unless stated otherwise)	Non-Current Portion		Current Portion	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Non current bank balances (Refer Note 15)	4834,30,905	3758,86,718	-	-
	4834,30,905	3758,86,718	-	-
Unamortised processing fees	106,31,630	85,40,893	355,75,023	303,72,236
	106,31,630	85,40,893	355,75,023	303,72,236
Others				
Interest accrued but not due on portfolio loans	-	-	272,66,121	227,44,707
Interest accrued but not due on deposits placed with banks and financial institutions	176,51,972	97,39,563	359,51,987	391,28,184
Service fees receivable (Refer Note 25 B)	-	-	132,40,272	32,81,470
	176,51,972	97,39,563	764,58,380	651,54,361
Total	5117,14,507	3941,67,174	1120,33,403	955,26,597

15 Cash and Bank Balances	Non-Current Portion		Current Portion	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Cash and cash equivalents				
Balances with banks				
-on current accounts	-	-	8674,94,121	13255,23,999
-deposit with original maturity of less than three months (*)	-	-	15397,00,000	2401,46,271
Cash on hand	-	-	6,05,723	20,82,404
	-	-	24077,99,844	15677,52,674
Other Bank Balances :				
Deposit with original maturity for more than 3 months but not more than 12 months (*)	68,21,570	501,84,139	944,87,008	248,43,792
Deposit with original maturity for more than 12 months (*)	4766,09,335	3257,02,579	3368,89,987	3653,13,484
	4834,30,905	3758,86,718	4313,76,995	3901,57,276
Amount disclosed under non-current assets (Refer Note 14)	(4834,30,905)	(3758,86,718)	-	-
Total	-	-	28391,76,839	19579,09,950

(*) Includes deposit certificates of Rs. 85,87,03,830/- (March 31, 2015: Rs. 75,32,28,460/-) marked as lien towards term loans availed from banks and financial institutions, 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, 2016	Year ended March 31, 2015
	(Rs.)	(Rs.)
Interest income on portfolio loans	14483,16,790	8951,66,175
Processing fee on portfolio loans	812,22,423	577,84,911
Income from securitization of portfolio loans	1260,03,690	517,26,557
Total	16555,42,903	10046,77,643

17 Other income	Year ended March 31, 2016	Year ended March 31, 2015
	(Rs.)	(Rs.)
Interest Income on		
- Fixed deposits with banks and others	805,31,995	533,74,485
- Others	4,16,178	3,14,900
Net gain on sale of current investments	793,94,939	524,15,559
Service fees (Refer Note 25 B)	802,08,227	195,18,442
Miscellaneous Income	28,89,163	37,69,761
Total	2434,40,502	1293,93,147

18 Employee benefit expenses	Year ended March 31, 2016	Year ended March 31, 2015
	(Rs.)	(Rs.)
Salaries and bonus	2880,83,008	1673,01,455
Contributions to provident fund	232,30,768	122,08,793
Contribution to employees' state Insurance	15,56,226	2,69,156
Leave Expenses	98,17,584	14,62,342
Gratuity expenses (Refer Note 27)	77,65,267	58,50,987
Total	3304,52,853	1870,92,733



Nishal Bhasrat

Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2016

19	Finance Costs	Year ended	Year ended
		March 31, 2016	March 31, 2015
		(Rs.)	(Rs.)
	Interest expense	93,66,67,608	54,11,76,651
	Other borrowing costs	6,36,95,023	4,07,06,316
	Total	1,00,03,62,631	58,18,82,967

20	Depreciation expense	Year ended	Year ended
		March 31, 2016	March 31, 2015
		(Rs.)	(Rs.)
	Depreciation of fixed assets	74,69,936	70,31,797
	Total	74,69,936	70,31,797

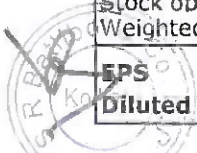
21	Other expenses	Year ended	Year ended
		March 31, 2016	March 31, 2015
		(Rs.)	(Rs.)
	Rent	2,06,95,632	1,37,08,101
	Rates and taxes	18,52,348	27,07,794
	Repairs & maintenance		
	- Office maintenance	95,27,352	51,68,383
	- Others	5,93,445	7,10,533
	Travelling and conveyance	1,18,39,043	76,02,962
	Communication expenses	65,63,281	47,69,906
	Printing & stationery	1,09,44,646	58,78,277
	Legal and professional fees	1,11,81,142	68,41,012
	Payment to auditor (refer details below)	32,31,077	27,80,360
	IT Support charges	14,27,470	16,83,223
	Bank charges	27,29,445	23,10,486
	Electricity charges	26,90,842	17,16,762
	Membership fees	18,46,199	12,33,698
	Miscellaneous Expenses	1,56,20,735	99,30,297
	CSR Expenditure	18,48,395	-
	Total	10,25,91,052	6,70,41,793

Payment to auditor:

Particulars	Year ended	Year ended	
	March 31, 2016	March 31, 2015	
		(Rs.)	(Rs.)
As auditor:			
Audit fee (excluding service tax)	23,50,000	18,50,000	
Other services (certification, etc.)	7,00,000	7,05,900	
Reimbursement of expenses	1,81,077	2,24,460	
Total	32,31,077	27,80,360	

22	Provision for standard and non performing assets	Year ended	Year ended
		March 31, 2016	March 31, 2015
		(Rs.)	(Rs.)
	Provision for standard and non performing assets	3,42,75,066	1,90,05,504
	Provision for portfolio loan securitised	(44,81,302)	77,19,428
	Portfolio loans written-off	60,19,038	23,35,992
	Provision for death claims receivable	51,81,485	-
	Total	4,09,94,287	2,90,60,924

23	Earnings per share (EPS)	Year ended	Year ended
		March 31, 2016	March 31, 2015
		(Rs.)	(Rs.)
	Profit for the year	27,20,29,135	18,09,88,186
	Less:		
	Dividend on 9% OCPS	54,16,116	54,16,094
	Net profit for calculation of basic EPS	26,66,13,019	17,55,72,092
	Net Profit as above	26,66,13,019	17,55,72,092
	Add:dividends on convertible preference shares & tax thereon	54,16,116	54,16,094
	Net profit for calculation of diluted EPS	27,20,29,135	18,09,88,186
	Weighted average number of equity shares in calculating basic EPS	1,24,79,361	1,18,75,078
	Effect of dilution:		
	Convertible Preference Shares	5,48,303	5,91,541
	Stock options granted under ESOP	22,14,150	24,55,000
	Weighted average number of equity shares in calculating diluted EPS	1,52,41,814	1,49,21,619
	EPS	21.36	14.78
	Diluted EPS	17.85	12.13



Aishwarya Bhatia

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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the period ended March 31, 2016

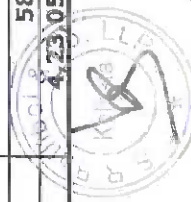
24 Classification of Loan Portfolio and Loan Loss Provision:

(Amount in Rs.)

A. Quality of Portfolio on age basis			As on March 31, 2016		As on March 31, 2015	
Sl. No.	Particulars	Arrear Period	Principal Outstanding	% of portfolio outstanding	Principal Outstanding	% of portfolio outstanding
A	Joint Liability Group					
i	Standard Assets	upto 30 days 31 to 89 days 90-179 days	7,33,22,84,599 95,74,396 73,79,643	91.37% 0.12% 0.09%	3,83,13,89,708 30,95,692 37,90,312	90.56% 0.07% 0.09%
ii	Non Performing Assets	180 days & above Overdue and duration of loans have expired	90,27,699 84,97,645	0.11% 0.11%	45,63,630 48,01,081	0.11% 0.11%
	Total (A)		7,37,20,02,212	0.07%	44,61,750	0.11%
B	Individual Lending					
	Standard Assets	upto 30 days 31 to 89 days 90-179 days	59,26,20,718 87,13,092 59,66,895	7.38% 0.11% 0.07%	35,30,88,422 1,59,98,170 9,66,193	8.35% 0.38% 0.02%
	Non Performing Assets	180 days & above Overdue and duration of loans have expired	34,42,158 52,11,115	0.04% 0.07%	8,61,208 12,17,194	0.02% 0.03%
	Total (B)		30,38,897	0.04%	5,24,581	0.01%
C	Utility Finance					
	Standard Assets	upto 30 days 31 to 89 days 90-179 days	3,38,27,410 22,652 20,089	0.42% 0.00% 0.00%	58,31,658	0.14%
	Non Performing Assets	180 days & above Overdue and duration of loans have expired	- 55,106	0.00% 0.00%	- -	- -
	Total (C)		3,39,25,257	0.00%	58,31,658	-
	Total (A+B+C)		8,02,49,20,344	100.00%	4,23,05,89,599	100.00%

B. Movement of Provisions on loan portfolio:

Particulars	As on March, 2016	As on March, 2015
Opening Provision for standard assets and non performing assets	4,59,74,137	2,69,68,633
Add: Additions during the year	3,42,75,066	1,90,05,504
Less: Write back during the year	-	-
Closing Provision for standard assets and non performing assets	8,02,49,203	4,59,74,137



Prakash Bhargava

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

During the year, the Company has sold loans through securitisation. The information regarding the securitisation activity as an originator is shown below:

Particulars	Year ended	Year ended
	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)
Number of Accounts (in numbers)	1,57,807	1,60,151
Total book value of the loan asset securitised during the year (A)	62,90,13,562	1,38,22,28,618
Sale consideration received for the loan asset securitised during the year (B)	63,98,57,189	1,46,15,54,140
Gain on securitisation (B-A)	1,08,43,627	7,93,25,522
Portfolio loan securitised and outstanding as at year end	85,63,77,235	1,37,83,52,456
Income from asset securitisation recognised in the statement of profit and loss	12,60,03,690	5,17,26,557
Credit enhancements provided and outstanding:		
Principal subordination	2,01,46,388	-
Cash collateral	11,72,08,301	13,88,55,255
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:

- amounts received from the bank are disbursed as loan to self-help groups organised / monitored by the Company and such self help groups are considered as banks borrowers
- the Company provides services in connection with recovery and monitoring of such loans
- the Company has provided collaterals in the form of Fixed Deposits & Corporate Guarantee which would be adjusted by the banks, to the extent of default made by borrower.

Particulars	Year ended	Year ended
	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)
Amount received for disbursement of loan through DSA during the year	1,57,45,09,080	40,99,23,501
Total book value of the loan disbursed through DSA during the year	1,58,28,21,150	41,25,33,180
Outstanding Balance of Loan Disbursed through DSA as at year end	1,36,37,25,662	34,26,85,779
Amount disbursed on behalf of business correspondence partners and shown as receivable as on reporting date	86,08,000	-
Service Fee Income Recognised by the Service Provider in the books during the year	8,02,08,227	1,95,18,442
Credit enhancements provided and outstanding:		
Corporate Guarantee	12,33,46,927	3,42,68,577.90
Cash collateral	3,89,00,000	2,24,00,000
Under the agreement for DSA executed with Banks, the Company has transferred all the rights and obligations relating to the loan asset created out of amount received / receivable as service provider.		

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' specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rule, 2014. The Company operates in a single geographical segment i.e. domestic. Hence, no additional disclosures are required under Accounting Standard-17.

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	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)
i) Assumptions:		
Discount Rate	8.00%	8.00%
Salary Escalation	7.00%	7.00%
Withdrawal Rate	Varying between 8% per annum to 1% per annum depending on duration and age of employees	
Expected rate of return on assets	8.00%	9.00%
Expected average remaining working life of employees	30.86 years	30.75 years



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31, 2016

Particulars	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)
ii) Table Showing changes in present value of Defined Benefit obligation:		
Present value of defined benefit obligations as at beginning of the year	1,22,89,136	61,43,931
Interest cost	12,95,854	8,29,488
Current service cost	64,52,628	38,52,362
Benefit Paid	(6,32,132)	(3,17,770)
Actuarial loss on obligations	6,13,207	17,81,125
Present value of defined benefit obligations as at end of the year	2,00,18,693	1,22,89,136
iii) Table showing fair value of plan assets:		
Fair value of plan assets at beginning of the year	77,61,706	57,38,107
Expected return on plan assets	6,19,508	6,07,492
Contributions	-	17,29,381
Benefits Paid	(6,32,132)	(3,17,770)
Actuarial (gain)/ loss on plan assets	23,086	(4,496)
Fair value of plan assets at end of the year	77,25,996	77,61,706
iv) Actuarial (Gain)/Loss recognised:		
Actuarial (gain)/loss on obligations	6,13,207	17,81,125
Actuarial (gain)/ loss on plan assets	23,086	(4,496)
Actuarial loss recognised in the year	6,36,293	17,76,629
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	2,00,18,693	1,22,89,136
Fair value of plan assets at the end of the year	77,25,996	77,61,706
Net liability recognised in balance sheet	(1,22,92,697)	(45,27,430)
vi) Expenses Recognised in statement of Profit and Loss:		
Current Service Cost	64,52,628	38,52,362
Interest Cost	12,95,854	8,29,488
Expected return on Plan assets	(6,19,508)	(6,07,492)
Net Actuarial (gain)/loss recognised in the year	6,36,293	17,76,629
Expenses recognised in statement of profit and loss	77,65,267	58,50,987
Actual return on plan assets	5,96,422	6,11,988

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

Particulars	As on 31st March, 2016	As on 31st March, 2015	As on 31st March, 2014	As on 31st March, 2013
Defined Benefit Obligations	2,00,18,693	1,22,89,136	61,43,931	53,84,421
Plan Assets	77,25,996	77,61,706	57,38,107	48,40,192
Surplus/(Deficit)	(1,22,92,697)	(45,27,430)	(4,05,824)	(5,44,229)
Experience adjustments on plan liabilities [(Gain)/Loss]	6,13,207	17,81,125	(15,96,390)	(**)
Experience adjustments on plan assets [Gain]/(Loss)]	23,086	(4,496)	1,22,337	(**)
Actuarial (gain)/ loss due to change on assumptions	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:

LIC Fund	100%	100%
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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.

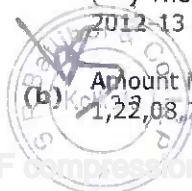
x) The company expects to contribute Rs. 84,71,849/- [March 31, 2015: Rs. 49,68,646/-] to gratuity fund in 2016-17.

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

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

(b) Amount incurred as expense for defined contribution to Provident Fund is Rs. 2,32,30,768/- (March 31, 2015: Rs. 1,22,08,793/-)



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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the year ended March 31st, 2016

26 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 during the Financial Year 2009-10. The Company has issued 14,70,000 equity shares to the Sonata Employee Welfare Trust in Financial Year 2012-2013. Out of the above mentioned shares issued to Sonata Employee Welfare Trust 3,96,300, 2,65,000 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 2015-16 few eligible employees have exercised their right and 24,600 shares 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	6-May-10	6-May-10	6-May-10	12-Jun-12	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	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	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	9-Jul-10	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	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	17-Sep-10	17-Sep-10	17-Sep-10	17-Sep-10	17-Sep-10			
Date of Modification of the scheme, if any	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.			
Number of Options granted	2,06,250	62,500	1,82,500	1,82,500	1,82,500	1,82,500	73,750	75,000	75,000	8,000	8,000	8,000	8,000	34,800	34,800	34,800	46,400				
Number of Options vested	2,06,250	62,500	1,82,500	1,82,500	1,82,500	1,82,500	73,750	75,000	75,000	8,000	8,000	8,000	8,000	34,800	34,800	34,800	44,000				
Exercise Price	Rs.18.56	Rs.18.56	Rs.18.56	Rs.18.56	Rs.18.56	Rs.18.56	Rs.18.56	Rs.18.56	Rs.18.56	Rs.26	Rs.26	Rs.26	Rs.26	Rs.26	Rs.26	Rs.26	Rs.26	Rs.26			
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity			
Vesting Period	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-13	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-16	31-Mar-16			
Exercise Period	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-18	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-21	31-Mar-21			
Vesting Conditions	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and performance milestones stipulated by Compensation committee	Linked to continued association with Company and performance 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	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal		
Name of the Plan	ESOP Plan 2009	ESOP Plan 2009	ESOP Plan 2009	ESOP Plan 2009	ESOP Plan 2009	ESOP Plan 2009	ESOP Plan 2009	ESOP Plan 2009	ESOP Plan 2009	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	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	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	1-Oct-13	1-Oct-13	1-Oct-13	1-Oct-13	1-Oct-13	1-Oct-13	1-Oct-13	
Date of Board Approval	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	9-Jul-10	6-Feb-14	6-Feb-14	6-Feb-14	6-Feb-14	6-Feb-14	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	17-Sep-10	17-Sep-10	17-Sep-10	17-Sep-10	17-Sep-10	17-Sep-10	17-Sep-10	20-Mar-14	20-Mar-14	20-Mar-14	20-Mar-14	20-Mar-14	20-Mar-14	20-Mar-14	
Date of Modification of the scheme, if any	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Number of Options granted	37,200	37,200	49,600	49,600	49,600	49,600	30,000	30,000	30,000	40,000	40,000	40,000	40,000	2,00,000	2,00,000	2,00,000	2,00,000	2,00,000	2,00,000	8,00,000	
Number of Options vested	32,400	27,600	27,600	27,600	27,600	27,600	12,000	12,000	12,000	26,000	26,000	26,000	26,000	1,91,000	1,95,500	1,95,500	1,95,500	1,95,500	1,95,500	2,66,667	
Exercise Price	Rs.26	Rs.26	Rs.26	Rs.26	Rs.26	Rs.26	Rs.26	Rs.26	Rs.26	Rs.26	Rs.26	Rs.26	Rs.26	Rs.54	Rs.59	Rs.59	Rs.59	Rs.59	Rs.59	Rs.67	
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	
Vesting Period	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-17	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	1/4 of total Grant to vest each year on 30th Sep over four years from the date of grant	1/4 of total Grant to vest each year on 30th Sep over four years from the date of grant	1/4 of total Grant to vest each year on 30th Sep over four years from the date of grant	1/4 of total Grant to vest each year on 30th Sep over four years from the date of grant	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-22	31-Mar-22	31-Mar-21	31-Mar-21	31-Mar-22	31-Mar-22	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	Five years from the date of vesting	Five years from the date of vesting	Five years from the date of vesting	Five years from the date of vesting	Five years from the date of vesting	Five years from the date of vesting	Five years from the date of vesting	
Vesting Conditions	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Linked to continued association with Company and subject to annual performance appraisal	Subject to the Terms of Share Holders' Agreement of the Company entered on September 05th 2012 and performance milestones as may be stipulated by Compensation committee or the Board and also linked to continued association with Company
Name of the Plan	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Plan 2011	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2013



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Plan 1(b)

Particulars	As on March 31, 2016		As as March 31, 2015	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	41,250	18.56	41,250	18.56
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	41,250	18.56	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	41,250	18.56
Exercisable at the end of the year	-	-	41,250	18.56

Plan 1(c)(i)

Particulars	As on March 31, 2016		As as March 31, 2015	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	62,500	18.56	62,500	18.56
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	62,500	18.56	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	62,500	18.56
Exercisable at the end of the year	-	-	62,500	18.56

Plan 1(c)(ii)

Particulars	As on March 31, 2016		As as March 31, 2015	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	1,82,500	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	1,82,500	18.56
Exercisable at the end of the year	70,000	18.56	1,82,500	18.56

Plan 1(c)(iii)

Particulars	As on March 31, 2016		As as March 31, 2015	
	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, 2016		As as March 31, 2015	
	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



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Plan 2(a)

Particulars	As on March 31, 2016		As as March 31, 2015	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	8,000	26.00	8,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	6,000	26.00	-	-
Expired during the year	2,000	26.00	-	-
Outstanding at the end of the year	-	-	8,000	26.00
Exercisable at the end of the year	-	-	8,000	26.00

Plan 2(b)(i)

Particulars	As on March 31, 2016		As as March 31, 2015	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	34,800	26.00	34,800	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	3,600	26.00	-	-
Expired during the year	7,200	26.00	-	-
Outstanding at the end of the year	24,000	26.00	34,800	26.00
Exercisable at the end of the year	24,000	26.00	27,600	26.00

Plan 2(b)(ii)

Particulars	As on March 31, 2016		As as March 31, 2015	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	34,800	26.00	34,800	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	6,000	26.00	-	-
Expired during the year	750	26.00	-	-
Outstanding at the end of the year	28,050	26.00	34,800	26.00
Exercisable at the end of the year	28,050	26.00	34,050	26.00

Plan 2(b)(iii)

Particulars	As on March 31, 2016		As as March 31, 2015	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	46,400	26.00	46,400	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	2,400	26.00	-	-
Outstanding at the end of the year	44,000	26.00	46,400	26.00
Exercisable at the end of the year	44,000	26.00	-	-

Plan 2(c)(i)

Particulars	As on March 31, 2016		As as March 31, 2015	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	37,200	26.00	37,200	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	4,800	26.00	-	-
Outstanding at the end of the year	32,400	26.00	37,200	26.00
Exercisable at the end of the year	32,400	26.00	32,400	26.00



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Plan 2(c)(ii)

Particulars	As on March 31, 2016		As as March 31, 2015	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	37,200	26.00	37,200	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	9,600	26.00	-	-
Outstanding at the end of the year	27,600	26.00	37,200	26.00
Exercisable at the end of the year	27,600	26.00	-	-

Plan 2(c)(iii)

Particulars	As on March 31, 2016		As as March 31, 2015	
	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	-	-	-	-
Vested for the year	49,600	26.00	49,600	26.00
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	49,600	26.00	49,600	26.00
Exercisable at the end of the year	-	-	-	-

Plan 2(d)(i)

Particulars	As on March 31, 2016		As as March 31, 2015	
	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	18,000	26.00	-	-
Outstanding at the end of the year	12,000	26.00	30,000	26.00
Exercisable at the end of the year	12,000	26.00	-	-

Plan 2(d)(ii)

Particulars	As on March 31, 2016		As as March 31, 2015	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	30,000	26.00	30,000	26.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	30,000	26.00	30,000	26.00
Exercisable at the end of the year	-	-	-	-

Plan 2(d)(iii)

Particulars	As on March 31, 2016		As as March 31, 2015	
	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	-	-	-	-



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Plan 3

Particulars	As on March 31, 2016		As as March 31, 2015	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	1,99,500	54.00	2,00,000	54.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	6,000	-	-	-
Expired during the year	2,500	-	500	54.00
Outstanding at the end of the year	1,91,000	54.00	1,99,500	54.00
Exercisable at the end of the year	1,91,000	54.00	1,99,500	54.00

Plan 3 (i)

Particulars	As on March 31, 2016		As as March 31, 2015	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	2,00,000	59.00	-	-
Granted during the year	-	-	2,00,000	59.00
Forfeited during the year	-	-	-	-
Exercised during the year	3,000	-	-	-
Expired during the year	1,500	-	-	-
Outstanding at the end of the year	1,95,500	59.00	2,00,000	59.00
Exercisable at the end of the year	1,95,500	59.00	-	-

Plan 3 (ii)

Particulars	As on March 31, 2016		As as March 31, 2015	
	No. of Options	Exercise Price	No. of Options	Exercise Price
Outstanding at the beginning of the year	2,00,000	67.00	-	-
Granted during the year	-	-	2,00,000	67.00
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	2,00,000	67.00
Exercisable at the end of the year.	-	67.00	-	-

Plan 4

Particulars	As on March 31, 2016		As as March 31, 2015	
	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	2,66,667	67.00	1,33,333	67.00



Nishal Bhalat

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29 Related party disclosures

A. Names of related parties and related party relationship

Key Management Personnel	
Name	Designation
Mr. Anup Kumar Singh	Managing Director
Ms. Paurvi Srivastava (w.e.f. 24th October, 2015)	Company Secretary
Ms. Shalini Baghel (till 24th October, 2015)	Company Secretary

B. Nature of transactions

Particulars	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
Key Management Personnel		
Salary, Bonus and other allowances**	98,47,753	61,44,658
Contribution to provident fund	1,02,146	99,825
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.

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, 2016 (Rs.)	March 31, 2015 (Rs.)
Operating lease payments recognised during the year	206,95,632	137,08,101

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, 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, 2016 (Rs.)	March 31, 2015 (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, 2016	March 31, 2015
CRAR (%)	24.67	17.84
CRAR - Tier I capital (%)	15.90	14.82
CRAR - Tier II capital (%)	8.77	3.02
Amount of subordinate debt raised as Tier II Capital (Rs.)	6900,00,000	1500,00,000
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, 2016:

Amount (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	25,955	-	-	80,249
Investments *	15,553	109	-	642	3,451	4,983	100	59	24,896
Borrowings	2,595	2,760	4,373	12,605	28,155	33,495	5,000	7,400	96,381

Maturity pattern of certain Assets and Liabilities as on March 31, 2015:

Amount (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	3,199	2,913	2,964	8,398	12,861	11,971	-	-	42,306
Investments *	13,386	1,100	175	835	2,548	3,831	-	5	21,879
Borrowings	3,520	2,008	4,273	8,623	17,875	21,972	5,720	-	63,990

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

* Investments includes deposit certificate and cash collateral held with banks and financial institution and shown under Cash and Bank Balances under Note 15 and Other Assets under Note 14.



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D. Investments

Amount Rs.(in crores)

Particulars		March 31, 2016	March 31, 2015
1	Value of Investments		
	Gross Value of Investments		
	In India	0.26	114.97
	Outside India	-	-
	Provision for depreciation		
	In India	-	-
	Outside India	-	-
	Net Value of Investments		
	In India	0.26	114.97
	Outside India	-	-
2	Movement of provision held towards depreciation on investments		
	Opening Balance	-	-
	Add: Provision made during the year	-	-
	Less: Write off / write back of excess provision during the year	-	-
	Closing Balance	-	-

E. Derivatives

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

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

F. Disclosures relating to securitisation

Amount Rs.(in crores)

Particulars		March 31, 2016	March 31, 2015
1	No of SPVs sponsored by the NBFC for securitisation transactions	11	8
2	Total amount of securitised assets as per books of the SPVs sponsored	62.90	138.22
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
a)	Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
b)	On-balance sheet exposures		
	First loss	13.74	13.89
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
a)	Off-balance sheet exposures		
i)	Exposure to own securitizations		
	First loss	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
b)	On-balance sheet exposures		
i)	Exposure to own securitizations		
	First loss	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

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

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

H. Details of non performing financial assets purchased / sold

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



Nishal Shah

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Sonata Finance Private Limited

Notes to the Financial Statements as at and for the period ended March 31, 2016

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, 2016	March 31, 2015
Average interest (a)	23.94%	24.66%
Average effective cost of borrowing (b)	14.62%	15.07%
Net Interest Margin (a-b)	9.32%	9.59%

M. Customer Complaints *

(Number)

Particulars	March 31, 2016	March 31, 2015
1 No. of complaints pending at the beginning of the year	2	3
2 No. of complaints received during the year	864	418
3 No. of complaints redressed during the year	851	419
4 No. of complaints pending at the end of the year	15	2

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

N. Provisions & Contingencies

Amount Rs.(in crores)

Particulars	March 31, 2016	March 31, 2015
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account:		
1 Provision made towards Income tax	14.64	10.24
2 Other Provision and Contingencies (with details)	-	-
a Provision for gratuity	0.78	0.59
b Provision for leave benefit	0.98	0.15
3 Provision for death claims receivable	0.52	-
4 Provision for standard and non performing assets	3.41	1.89

O. Sector wise NPAs

Sector	Percentage of NPA to Total Advances in that Sector as on 31 March 2016	Percentage of NPA to Total Advances in that Sector as on 31 March 2015
1 Agriculture & allied activities	0.57%	0.35%
2 MSME	0.50%	0.42%
3 Corporate borrowers	-	-
4 Services	-	-
5 Unsecured personal loans	-	-
6 Other personal loans	-	-



Nishal Bhargat

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P. Movement of NPA

Particulars	Amount Rs.(in crores)	
	March 31, 2016	March 31, 2015
i) Net NPAs to Net Advances (%)	0.08%	0.05%
ii) Movement of NPAs (Gross)		
Opening balance	1.64	0.62
Additions during the year	2.41	1.25
Reductions during the year	0.60	0.23
Closing balance	3.45	1.64
iii) Movement of Net NPAs		
Opening balance	0.23	0.32
Additions during the year	0.40	(0.09)
Reductions during the year	-	-
Closing balance	0.62	0.23
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	1.41	0.30
Provisions made during the year	2.01	1.34
Write-off / write-back of excess provisions	0.60	0.23
Closing balance	2.83	1.41

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 2016	As at 31 March 2015
1 Long Term Bank Facilities	ICRA BBB	CRISIL BBB-/(Stable)
2 Long Term Non Convertible Debentures	-	ICRA BBB-/(Stable), ICRA BBB, ICRA BBB+ (SO), and ICRA A- (SO)
IFMR CBO - IX	ICRA A (SO)	-
Blue Orchard Micro Finance Fund	ICRA BBB	-
IFMR FIMPACT Investment	ICRA BBB	-
IFMR FIMPACT TIER II (Secured)	ICRA BBB	-
IFMR FIMPACT TIER II (Unsecured)	ICRA BBB- (SO)	-
3 MFI Grading	ICRA M2+	ICRA M2+
4 Securitisation/Assignment :		
IFMR MOSEC CAVITINA 2015 PTC Series A1	ICRA AA-(SO)	-
IFMR MOSEC MITHRAS 2015 PTC Series A1	ICRA AA-(SO)	-
PTC Series A2	ICRA A+(SO)	-
PTC Series A3	ICRA A- (SO)	-
IFMR MOSEC CIMBER 2016 PTC Series A1	ICRA A-(SO)	-
PTC Series A2	ICRA BBB(SO)	-
IFMR MOSEC AETHON	-	[ICRA] BBB (SO) / [ICRA] B- (SO)
IFMR MOSEC AGON	-	[ICRA] BBB (SO) / [ICRA] C+ (SO)
IFMR MOSEC ATLAS	-	[ICRA] BBB+ (SO) / [ICRA] B- (SO)
IFMR MOSEC BOREAS	-	[ICRA] A- (SO) / [ICRA] BBB - (SO) / [ICRA] C+ (SO)
IFMR MOSEC HERCULES	-	[ICRA] BBB (SO) / [ICRA] C+ (SO)
IFMR MOSEC MUSE	-	[ICRA] A- (SO)
IFMR MOSEC AMPHITRITE	-	[ICRA] A(SO) / [ICRA] BBB (SO)
IFMR MOSEC CAVATINA	-	[ICRA] A- (SO)



Arshad Bhat

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Sonata Finance Private Limited
Notes to the Financial Statements as at and for the period ended March 31, 2016

S. Concentration of Advances, Exposures and NPA's

Particulars	As at 31 March 2016	As at 31 March 2015
Concentration of Advances		
Total advances to twenty largest borrowers	4,40,991	5,40,145
(%) of advances to twenty largest borrowers to total advances	0.55%	1.28%
Concentration of Exposures		
Total exposures to twenty largest borrowers	4,40,991	5,40,145
(%) of exposure to twenty largest borrowers to total exposure	0.55%	1.28%
Concentration of NPAs		
Total Exposure to top four NPA accounts	1,93,916	1,42,000

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

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

34 Provision on loan portfolio (including other than microfinance loans) aggregates Rs. 8,02,49,203/- (March 31, 2015 Rs. 4,59,74,137/-), recognised in accordance with NBFC-MFI regulations as stated in Note 2.1 (q). Provision for previous year includes Rs. 36,68,241/- on individual lending as per management estimate, which is higher than the minimum provision requirement of RBI.

35 Previous year figures:

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

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

Bhaswar Sarkar

per Bhaswar Sarkar
 Partner
 Membership No.: 055596



Place: Kolkata
 Date: July 14, 2016

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

[Signature]

Managing Director

Nishal Bharat

Director

[Signature]

Company Secretary

Place: Delhi
 Date: July 14, 2016

