

Registered Phones Nos.  
2408802 / 2408839 (Fax)

## Vinay kumar & co.

CHARTERED ACCOUNTANTS

ALLAHABAD-KANPUR-NEWDELHI-KOLKATA-LUCKNOW

Chandra Shekhar Azad Market Complex, 5 Sardar Patel Marg,

Civil Lines, Allahabad - 211 001, India

Phones Office hours : 91-0532- [REDACTED], [REDACTED], Fax : 91-0532- [REDACTED]

After Office hours : 91-0532-2610780, 2548088, 2400920

E-mail : vinaykumarandco@gmail.com; agvinay@hotmail.com

### AUDITOR'S REPORT

We have audited the attached Balance Sheet of **M/s SONATA FINANCE PVT. LTD.**, as at 31<sup>st</sup> MARCH, 2009 and the Profit and Loss Account of the company and also the Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

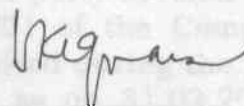
1. As required by the Companies (Auditors Report) Order 2003 as amended by Companies (Auditor's Report) Amendment Order 2004 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in Annexure a statement on the matter specified in paragraph 4 and 5 of the said order.
2. Subject to our observation in the Annexure referred to above we further report that :
  - a. We have 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 appears from our examination of the books of account of the company;
  - c. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account maintained by the company;



- d. In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section 3(C) of section 211 of the Companies Act, 1956;
- e. On the basis of written representation received from the company, none of the directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us the said accounts together with the statement of Accounting Policies and Notes on Accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
- (i) In the case of the Balance Sheet of the state of affairs, of the company as at 31<sup>st</sup> MARCH, 2009 and;
- (ii) In the case of Profit and Loss Account of the PROFIT for the year ended on that date;
- (iii) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

for VINAY KUMAR & CO.  
Chartered Accountants



  
(V.K. AGRAWAL)  
Partner  
M No. 013795

Place: Allahabad  
Date: 9<sup>th</sup> July 2009

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF AUDIT REPORT  
OF EVEN DATE**

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The company is in the process of updating the particulars of additions of fixed assets pertaining to the year under audit.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) As per the records of the company, it has not disposed off substantial part of fixed assets during the year so as to affect the going concern status of the company.
2. The company is in the business of financing and hence it does not hold any Finished Goods, Stores, Spare Parts and Raw materials, the relevant clause is not applicable.
3. (a) The company has not granted loans to parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. NIL (PY NIL) and the year-end balance of loans granted to such parties was Rs. NIL (PY NIL) and hence relevant sub clause (b), (c) and (d) in this respect are not applicable.
- (b) The company has taken loans from one party covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the period was Rs.400.00 lacs and the balance as on 31.03.2009 of loans taken from such party was Rs. NIL ;
- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company; and
- (d) The loan taken from parties as referred in Clause 3(b) has been repaid during the year.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, the existing system needs strengthening in the area of

verification of loan application at the time of appraisal and disbursement and post disbursement monitoring.

5. (a) In our opinion and according to the information and explanations given to us there are no contracts and arrangements referred to in section 301 of the Act which need to be entered in the Register required to be maintained under that section except the transactions as specified under clause 3.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs with such party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Sections 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. In our opinion, the internal audit system of the company is commensurate with its size the nature of its business, however, such audit needs to be strengthened in respect of collection of loan instalments and its timely banking.
8. According to the information and explanations given to us, the cost records under section 209 (1) (d) of the Companies Act, 1956 is not applicable to the company. Accordingly clause 4 (viii) of the order is not applicable.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been regular in depositing statutory dues with appropriate authorities although with slight delays, as at the year end there were no undisputed statutory dues including provident fund, income tax, cess.
- (b) According to the information and explanations given to us, no undisputed dues payable in respect of income-tax, wealth tax and cess were outstanding at 31<sup>st</sup> March 2009 for a period of more than six months from the date they became payable.

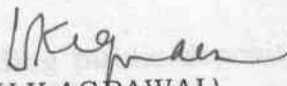


- (c) According to the information and explanations given to us, there are no dues in respect of income tax, wealth tax and cess that have not been deposited with the appropriate authorities on account of any dispute.
10. As at the end of the financial year, the previous year losses has been absorbed by the current years profit, hence, the relevant clause (x) of the order is not applicable.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank and has not issued any debentures.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the order is not applicable.
13. The company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4 (xiii) of the order is not applicable.
14. The Company has generally kept adequate records of its transactions in securities and other investments and timely entries have been made therein. The investments owned by the company are held in the Company's name.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.
16. In our opinion, the term loans have been applied for the purpose for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the funds raised for the relevant purpose has been utilized for the specific purposes.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

19. The company has not issued any debentures. Accordingly, clause 4 (xix) of the order is not applicable.
20. The company has not raised any money by public issues during the year. Accordingly, clause 4 (xx) of the order is not applicable.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.



for VINAY KUMAR & CO.  
Chartered Accountants

  
(V.K.AGRAWAL)  
Partner  
M No. 013795

Place: Allahabad  
Date: 9<sup>th</sup> July 2009



for VINAY KUMAR & CO.  
Chartered Accountants

  
(V.K. AGRAWAL)  
Partner  
M No. 013795

Place: Allahabad  
Date: 9<sup>th</sup> July 2009




**ANNEXURE B REFERRED TO IN PARAGRAPH 1 OF AUDIT  
REPORT OF EVEN DATE**

Pursuant to the Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998, under sub-section(1) of section 45MA of the Reserve Bank of India Act, 1934, we report the following;

1. On the basis of documents produced before us, we report that the company is registered under Section 45IA of the Reserve Bank Of India Act, 1934, and has obtained a certificate of registration from the Reserve Bank Of India, registration number being B-12.00445 dated: 6<sup>th</sup> October 2008 (earlier no: B-09-00329 dated: 10<sup>th</sup> April 2001)
2. The company has not been accepting / holding public deposit accordingly, clause (B) of the order is not applicable.
3. (a) As per the minutes produced before us, the board of directors had passed a resolution for non acceptance of public deposit in the company.  
(b) As per the records produced and explanations given to us, the company has not accepted any public deposit during the year under audit.  
(c) Upon an overall view and as per the records and documents produced before us, the norms for provisions, income recognition, accounting standard, asset classification have been complied with by the company.
4. The company has not been making any investment accordingly; clause (D) of the order is not applicable.

for VINAY KUMAR & CO.  
Chartered Accountants



  
(V.K. AGRAWAL)  
Partner  
M No. 013795

Place: Allahabad  
Date: 9<sup>th</sup> July 2009

**SONATA FINANCE PRIVATE LIMITED**

**BALANCE SHEET AS ON 31st March 2009**

PARTICULARS	SCHEDULES	AS ON 31.03.09 Rs.	AS ON 31.03.08 Rs.
<b>I. SOURCE OF FUNDS:</b>			
<b>SHAREHOLDERS FUNDS:</b>			
Share Capital	A	47,271,660.00	47,271,660.00
Reserves & Surplus	B	34,521,512.19	16,063,384.00
<b>LOAN FUNDS:</b>			
Secured Loans	C	307,518,501.00	190,648,269.74
Unsecured Loans			16,545,448.00
<b>TOTAL</b>		<b>389,311,673.19</b>	<b>270,528,761.74</b>
<b>II. APPLICATION OF FUNDS:</b>			
<b>FIXED ASSETS</b>			
Gross Block	D	6,142,959.00	3,226,909.00
Less: Accumulated Depreciation		1,852,854.00	908,103.00
<b>NET BLOCK</b>		<b>4,290,105.00</b>	<b>2,318,806.00</b>
<b>INVESTMENTS IN FIXED DEPOSITS</b>			
	E	47,932,138.12	1,780,443.45
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
<b>A) Cash &amp; Bank Balances</b>	F	35,994,023.09	25,938,434.05
a) Loans to Poor Women in Self Help Groups (Owned)	G	313,784,985.00	231,063,895.00
b) Advances and Other Current Assets	H	9,579,947.52	2,853,129.26
<b>TOTAL</b>		<b>359,358,955.61</b>	<b>259,855,458.31</b>
<b>LESS: Current Liabilities &amp; Provisions</b>			
a) Current Liabilities	I	14,330,631.90	2,626,362.50
b) Provisions for Current Tax		10,664,400.00	0.00
		<b>24,995,031.90</b>	<b>2,626,362.50</b>
<b>NET CURRENT ASSETS</b>		<b>334,363,923.71</b>	<b>257,229,095.81</b>
<b>DEFERRED TAX ASSET (Net)</b>		1,530,068.00	1,713,470.00
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)	J	1,195,438.36	1,780,108.36
<b>Profit &amp; Loss A/c</b>			5,706,838.12
<b>TOTAL</b>		<b>389,311,673.19</b>	<b>270,528,761.74</b>
<b>NOTES ON ACCOUNTS</b>	K	-	-

As per our report of even date  
for **VINAY KUMAR & CO.,**  
Chartered Accountants

for **SONATA FINANCE PRIVATE LIMITED**

Allahabad  
Date:

9 JUL 2009

(V. K. AGRAWAL)  
Partner

Membership No. 13795

(ANUP KUMAR SINGH)  
Managing Director

(B. V. NARASIMHAM)  
Director





**SONATA FINANCE PRIVATE LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March-2009**

PARTICULARS	SCHEDULES	FOR THE	FOR THE
		YEAR ENDED 31.03.09 Rs.	YEAR ENDED 31.03.08 Rs.
<b>INCOME:</b>			
Interest Income from Micro Credit I	G(a)	95,530,181.00	33,514,151.00
Processing Fees		10,896,435.10	5,641,589.00
Interest on Fixed Deposits		719,582.66	199,609.59
Income from Portfolio Sale		7,575,816.00	
Other Income	L	2,128,182.00	834,861.50
<b>TOTAL</b>		<b>116,850,196.76</b>	<b>40,190,211.09</b>
<b>EXPENDITURE:</b>			
Salaries, benefits to personnel	M	30,973,524.50	17,467,333.00
Administrative Expenses	N	9,603,628.25	4,265,361.46
Finance Charges	O	38,238,018.70	16,636,259.26
Provision for Doubtful Debts		1,410,267.00	57,545.00
Preliminary Exp. written off		32,412.00	32,412.00
Operative Exp - written off		290,500.00	290,500.00
Business Infrastructure Acquisition Exp - written off		261,758.00	174,505.00
<b>TOTAL</b>		<b>80,810,108.45</b>	<b>38,923,915.72</b>
<b>PROFIT/(LOSS) BEFORE DEPRECIATION &amp; TAX</b>		<b>36,040,088.31</b>	<b>1,266,295.37</b>
LESS: DEPRECIATION		944,751.00	615,219.00
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>35,095,337.31</b>	<b>651,076.37</b>
LESS: PROVISION FOR TAXATION - Current		10,664,400.00	0.00
LESS: F B T Tax		82,569.00	66,868.00
LESS: DEFERRED TAX LIABILITY\ (ASSETS)		183,402.00	275,154.00
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>24,164,966.31</b>	<b>309,054.37</b>
LESS: Reserve Fund @ 20%		4,869,674.00	116,842.00
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>19,295,292.31</b>	<b>192,212.37</b>
ADD: PREVIOUS YEAR LOSS BALANCE BROUGHT FORWARD		(5,706,838.12)	(5,899,050.49)
<b>TOTAL PROFIT/(LOSS) CARRIED TO BALANCE SHEET</b>		<b>13,588,454.19</b>	<b>(5,706,838.12)</b>
NOTES ON ACCOUNTS	K		

As per our report of even date  
for **VINAY KUMAR & CO.,**  
Chartered Accountants

for **SONATA FINANCE PRIVATE LIMITED**

dated

Date:

JUL 2009

*V. K. Agrawal*

**(V. K. AGRAWAL)**

Partner

Membership No. 13795

*Anup Kumar Singh*

**(ANUP KUMAR SINGH)**

Managing Director

*B. V. Narasimham*

**(B. V. NARASIMHAM)**

Director



**SONATA FINANCE PRIVATE LIMITED**

**SCHEDULE - A**

**SHARE CAPITAL:**

	AS ON 31.03.09 Rs.	AS ON 31.03.08 Rs.
AUTHORISED		
5,000,000 Equity Shares of Rs. 10/- each	50,000,000.00	50,000,000.00
5,000,000 Preference Shares of Rs.10/- each	50,000,000.00	50,000,000.00
	<b>100,000,000.00</b>	<b>100,000,000.00</b>

**ISSUED, SUBSCRIBED & PAID UP CAPITAL**

2,727,166 Equity Shares of Rs 10/- each fully paid up (Previous Year 2,727,166 Equity Shares of Rs 10/- each fully paid up)	27,271,660.00	27,271,660.00
2,000,000 0% Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up (Previous Year 2,000,000 0% Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up)	20,000,000.00	20,000,000.00
<b>TOTAL</b>	<b>47,271,660.00</b>	<b>47,271,660.00</b>

**SCHEDULE - B**

**RESERVE & SURPLUS**

Reserve Fund:		
Opening Balance	135,044	
Add : Transfer during the year	4,869,674	
Securities Premium		135,044.00
Profit and Loss Account		15,928,340.00
		13,588,454.19
<b>TOTAL</b>	<b>34,521,512.19</b>	<b>16,063,384.00</b>

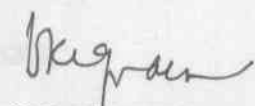
for VINAY KUMAR & CO.,  
Chartered Accountants

for SONATA FINANCE PRIVATE LIMITED

Allahabad

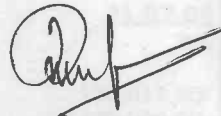
Date

9 JUL 2009

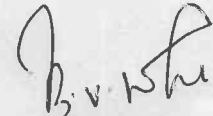


(V.K. AGRAWAL)  
Partner

Membership No. 13795



(ANUP KUMAR SINGH)  
Managing Director



(B. V. NARASIMHAM)  
Director



**SONATA FINANCE PRIVATE LIMITED**

<b>SCHEDULE - C</b>	<b>AS ON 31.03.09</b>	<b>AS ON 31.03.08</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Secured Loans</b>		
HDFC Bank (Secured against hypothecation of Book Debts)	84,687,500.00	49,151,785.74
Axis Bank (Secured against hypothecation of Book Debts)	56,785,716.00	43,214,286.00
Friends of Women World Banking (Secured against hypothecation of Book Debts)	66,944,397.00	55,852,198.00
A B N AMRO (Secured against hypothecation of Book Debts)	9,250,000.00	36,050,000.00
SIDBI (Secured against hypothecation of Book Debts & Pledge of FDR)	52,760,000.00	6,380,000.00
Yes Bank (Secured against hypothecation of Book Debts)	30,000,000.00	
ICICI Bank (Secured against hypothecation of Book Debts)	7,090,888.00	
	<b>307,518,501.00</b>	<b>190,648,269.74</b>

<b>SCHEDULE - E</b>	<b>AS ON 31.03.09</b>	<b>AS ON 31.03.08</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>- In Fixed Deposit</b>		
<b>- Pledged</b>		
SIDBI	5,250,000	
Axis Bank	500,000	
HDFC Bank	250,000	
ICICI Bank	16,432,138	
DCB	5,500,000	
	27,932,138.00	1750000.00
<b>- UnPledged Sweeping Fixed Deposit</b>	20,000,000.12	30,443.45
	<b>47,932,138.12</b>	<b>1,780,443.45</b>

<b>SCHEDULE - F</b>	<b>AS ON 31.03.09</b>	<b>AS ON 31.03.08</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>CASH AND BANK BALANCES</b>		
Cash in hand	186,017.00	307,558.00
Cheque/DD in Transit	400,000.00	30,000.00
<b>Sub Total</b>	<b>586,017.00</b>	<b>337,558.00</b>
<b>Balances with Scheduled Bank in Current Accounts</b>		
<b>At Head Office</b>	9,856,597.87	2,808,618.86
<b>At Branches in U. P. :</b>		
Allahabad Region	17,947,192.48	14,179,358.30
Bareilly & Kanpur Region	5,276,495.59	4,833,410.15
Sultanpur Region	51,462.00	153,609.00
<b>At Branches in M. P. :</b>		
Jabalpur Region	2,276,258.15	3,625,879.74
<b>Sub Total</b>	<b>35,408,006.09</b>	<b>25,600,876.05</b>
<b>Grand Total</b>	<b>35,994,023.09</b>	<b>25,938,434.05</b>

Allahabad  
Date  
for VINAY KUMAR & CO.,  
Chartered Accountants  
*(Signature)*  
**(V.K. AGRAWAL)**  
Partner  
Membership No. 13795

for SONATA FINANCE PRIVATE LIMITED  
*(Signature)*  
**(ANUP KUMAR SINGH)**  
Managing Director  
*(Signature)*  
**(B.V. NARASIMHAM)**  
Director



9 JUL 2009

SCHEDULE TO ACCOUNTS FOR THE HALF YEAR ENDED ON March 31, 2009

SCHEDULE D: FIXED ASSETS

PARTICULARS	GROSS BLOCK		Sales/ Transfer during the period	DEPRECIATION				WRITTEN DOWN VALUE		
	As on 01.04.2008	Additions during the period		As on 31.03.2009	As on 1.4.2008	For the Period		Total As on 31.03.2009	As on 31.03.09	As on 31.03.2008
						Additions during Period	Disposals			
Furniture and Fixtures	877,060	1,056,176	1,933,236	178,322	18.10%	213,326	-	391,648	1,541,588	698,738
Electrical Fittings	355,893	301,843	657,736	62,610	18.10%	75,305	-	137,915	519,821	293,283
Computers	1,307,780	740,940	2,048,720	598,593	40.00%	413,497	-	1,012,090	1,036,630	709,187
Generator	119,000	157,820	276,820	17,780	13.91%	23,899	-	41,679	235,141	101,220
Office Equipment	69,452	73,314	142,766	7,709	18.10%	16,798	-	24,507	118,259	61,743
Vehicle	29,724	-	29,724	3,597	25.89%	6,764	-	10,361	19,363	26,127
Computer Software	468,000	585,957	1,053,957	39,492	40.00%	195,162	-	234,654	819,303	428,508
<b>Total</b>	<b>3,226,909</b>	<b>2,916,050</b>	<b>6,142,959</b>	<b>908,103</b>	-	<b>944,751</b>	-	<b>1,852,854</b>	<b>4,290,105</b>	<b>2,318,806</b>
<b>Previous Year 31.03.08</b>	<b>1,302,136</b>	<b>1,924,773</b>	<b>3,226,909</b>	<b>292,884</b>	-	<b>615,219</b>	-	<b>908,103</b>	<b>2,318,806</b>	<b>1,009,252</b>

Rs.

for VINAY KUMAR & CO.,  
Chartered Accountants

Allahabad

19 JUL 2009



for SONATA FINANCE PRIVATE LIMITED

*(Signature)*  
(ANUP KUMAR SINGH) (B. V. NARASIMHAM)  
Managing Director Director

**SCHEDULE G: LOANS TO POOR WOMEN IN SELF HELP GROUPS**

**SCHEDULE G1: LOANS TO POOR WOMEN IN SELF HELP GROUPS (Owned)**

Age and category of Loan outstandings (Owned)	Standard loans			Non-Performing Loans			Total	
	No Overdues	Overdue upto 4 weeks	Sub-Standard	Doubtful	Lost	Where duration of loan period has expired	31-Mar-09	Total
			5 to 25 weeks	26 to 50 weeks				31-Mar-08
Encumbered / Unsecured Regular	309,353,804.00	3,094,591.00	2,533,042.00	352,446.00	646,958.00		315,980,841.00	231,131,915
Accumulated Intt. On Re-scheduled Loans	-	3,094,591.00	2,533,042.00	352,446.00	646,958.00		315,980,841.00	231,131,915
<b>Gross Book Value of the Portfolio of Loan Outstanding</b>	<b>309,353,804.00</b>	<b>3,094,591.00</b>	<b>2,533,042.00</b>	<b>352,446.00</b>	<b>646,958.00</b>		<b>315,980,841.00</b>	<b>231,131,915</b>
Less: Losses/Bad Debts Written Off	-	-	573,274.00	-	154,770.00		728,044.00	10,475
Less: Provisions for standard/doubtful loans	-	309,459.00	489,942.00	176,223.00	492,188.00		1,467,812.00	57,545
<b>Net book value of the Portfolio of Loan Assets as on 31-03-2009</b>	<b>309,353,804.00</b>	<b>2,785,132.00</b>	<b>1,469,826.00</b>	<b>176,223.00</b>	<b>-</b>		<b>313,784,985.00</b>	<b>231,063,895</b>
<b>Net book value of the Portfolio of Loan Assets as on 31-03-2008</b>	<b>231,063,895.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>231,063,895.00</b>	<b>-</b>

**SCHEDULE G(a): INTEREST ON LOANS TO POOR WOMEN IN SELF HELP GROUPS**

Age and category of Loan outstanding	Standard loans		Non-Performing Loans		Total	
	No Overdues	Overdue up to 4 weeks	Sub-Standard	Doubtful	Lost	Where duration of loan period has expired
			5 to 50 weeks	26 to 50 weeks		
Interest Received During the period	99,325,136.00	-	-	-	-	99,325,136.00
Less: Intt. Due but not collected (Previous F.Y.)	797,358.00	-	-	-	-	797,358.00
Add: Interest Due But Not Received (Previous F.Y.)	98,527,778.00	-	-	-	-	98,527,778.00
Interest Accrued	1,067,906.00	-	-	-	-	1,067,906.00
Less: Interest on Buy out Portfolio	4,065,503.00	-	-	-	-	4,065,503.00
<b>Total</b>	<b>95,530,181.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,530,181.00</b>

for VINAY KUMAR & CO.,  
Chartered Accountants

*V. K. Agrawal*  
(V. K. AGRAWAL)  
Partner  
Membership No. 13795



9 JUL 2009

Allahabad  
Date:

for SONATA FINANCE PRIVATE LIMITED

*Anup Kumar Singh*  
(ANUP KUMAR SINGH)  
Managing Director

(B. V. NARASIMHAM)  
Director



**SONATA FINANCE PRIVATE LIMITED**

**SCHEDULE - H**

**ADVANCES AND OTHER CURRENT ASSETS:**

	AS ON <u>31.03.09</u> Rs.	AS ON <u>31.03.08</u> Rs.
Advance to Personnel	70,211.00	92,706.00
Personal Advance	660,662.00	502,192.00
Accrued Interest on Micro credit lendings	1,067,906.00	797,358.00
Others Advances & Recoverables	2,244,901.53	929,144.58
Interest Accrued on Fixed Deposit with Banks	635,897.24	221,062.68
Other Income Accrued	116,071.00	247,400.00
Other Current Asset(Client Insurance Prem)	755,085.00	
Advance Income Tax	4,000,000.00	
Printing & Stationery Stock	29,213.75	63,266.00
<b>TOTAL</b>	<b>9,579,947.52</b>	<b>2,853,129.26</b>

**SCHEDULE - I**

**CURRENT LIABILITIES:**

Other Liabilities	1,111,358.00	1,200,644.50
Statutory Dues payable	479,272.90	202,008.00
Audit fees payable	40,000.00	28,090.00
Advance Collection from Center	2,986,555.00	1,195,620.00
Payable to Axis Bank (Buy Out)	4,790,120.00	
Payable to ICICI Bank (Buy Out)	4,923,326.00	
	<b>14,330,631.90</b>	<b>2,626,362.50</b>

**SCHEDULE - J**

**MISCELLANEOUS EXPENDITURE:**

(to the extent not written off or adjusted)

Preliminary Expenses	64,825.53	97,237.53
LESS : 1/5th p.a Written Off	32,412.00	32,412.00
Total ( A )	<b>32,413.53</b>	<b>64,825.53</b>
Pre-Operative Expenses	581,000.00	871,500.00
LESS : 1/5th p.a Written Off	290,500.00	290,500.00
Total( B )	<b>290,500.00</b>	<b>581,000.00</b>
Business Infrastructure Acquisition Exp	1,134,282.83	1,308,787.83
LESS : 1/5th p.a Written Off	261,758.00	174,505.00
Total( C )	<b>872,524.83</b>	<b>1,134,282.83</b>
TOTAL ( A + B+C )	<b>1,195,438.36</b>	<b>1,780,108.36</b>

for VINAY KUMAR & CO.,  
Chartered Accountants

for SONATA FINANCE PRIVATE LIMITED

Allahabad  
Date:

9 JUL 2009

(V.K. AGRAWAL)  
Partner

Membership No. 13795

(ANUP-KUMAR SINGH)

Managing Director

(B. V. NARASIMHAM)

Director





**SONATA FINANCE PRIVATE LIMITED**

	<b>FOR THE YEAR ENDED 31.03.09 Rs.</b>	<b>FOR THE YEAR ENDED 31.03.08 Rs.</b>
<b>SCHEDULE - L</b>		
<b>OTHER INCOME:</b>		
Interest income from staff loan	115,854.00	72,722.00
Insurance Referral Fees	1,997,457.00	762,139.50
Other	14,871.00	
<b>TOTAL</b>	<b>2,128,182.00</b>	<b>834,861.50</b>
<b>SCHEDULE - M</b>		
<b>SALARIES &amp; BENEFITS TO PERSONNEL</b>		
Director's Remuneration	2,914,863.00	2,215,453.00
Salaries	11,848,965.00	5,538,783.00
Allowances	11,687,985.50	6,367,658.00
Bonus and Incentives	4,521,711.00	3,345,439.00
<b>TOTAL</b>	<b>30,973,524.50</b>	<b>17,467,333.00</b>
<b>SCHEDULE - N</b>		
<b>OTHER ADMINISTRATIVE EXPENDITURE:</b>		
Rent	1,833,396.00	757,169.00
Printing & Stationary	1,460,284.25	692,483.50
Travelling & Conveyance	1,292,954.00	721,712.00
Entertainment Exp.	262,534.00	126,120.50
Postage & Telegrams	22,287.00	13,214.00
Electricity Charges	91,567.00	51,262.00
Telephone Charges	115,081.00	102,947.00
Repair & Maintenance	442,982.00	169,836.00
Auditor's Fee	95,564.00	55,636.00
Professional Charges	85,029.00	75,713.00
Consultancy Fees	221,463.00	
Miscellaneous Expenditure	1,427,686.00	579,671.00
Legal & Filing Fee	535,849.00	117,126.00
Board Meeting Expenses	26,435.00	74,106.00
Statutory Expenses	249,402.00	574,444.00
Training and Recruitment Expenses	669,959.00	143,446.46
Staff Loan w/o	43,112.00	
Loss/Bad Debts w/o	728,044.00	10,475.00
<b>TOTAL</b>	<b>9,603,628.25</b>	<b>4,265,361.46</b>
<b>SCHEDULE - O</b>		
<b>FINANCE CHARGES</b>		
Interest on Borrowings	36,556,646.25	15,721,727.03
Bank Charges	1,681,372.45	914,532.23
<b>TOTAL</b>	<b>38,238,018.70</b>	<b>16,636,259.26</b>

for VINAY KUMAR & CO.,  
Chartered Accountants

for SONATA FINANCE PRIVATE LIMITED

Allahabad

Date:

9 JUL 2009

(V.K. AGRAWAL)  
Partner  
Membership No. 13795

(ANUP KUMAR SINGH)  
Managing Director

(B. V. NARASIMHAM)  
Director



**SONATA FINANCE PRIVATE LIMITED**

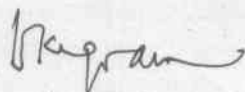
**Cash Flow Statement for the year ended March 31, 2009**

	31.03.2009 Rs.	31.03.2008 Rs.
<b>(A) OPENING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>		
Cash-in-Hand	337,558.00	44,158.00
Balance with Scheduled Banks:		
- In Current Account	25,600,876.05	10,483,917.22
- In Fixed Deposits	1,780,443.45	9,750,000.00
<b>TOTAL</b>	<b>27,718,877.50</b>	<b>20,278,075.22</b>
<b>(B) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Tax	35,095,337.31	651,076.37
<b>Add: Non-Cash Adjustment for Non Cash Expenditure</b>		
Depreciation & Amortisation	1,529,421.00	1,112,636.00
Bad Debts Written Off	728,044.00	10,475.00
Provision for Doubtful Debts	1,410,267.00	57,545.00
<b>Operating Profit Before Working Capital Changes</b>	<b>38,763,069.31</b>	<b>1,831,732.37</b>
<b>Adjustments for:</b>		
<b>(Increase)/Decrease in Operating Assets</b>		
Disbursement of loans to Womens in Self Help Groups	(84,859,401.00)	(181,301,325.00)
Other Advances and Current Assets	(6,726,818.26)	(1,221,720.42)
Increase/(Decrease) in Current Liabilities	11,704,269.40	1,441,709.50
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(41,118,880.55)</b>	<b>(179,249,603.55)</b>
Less: Taxes Paid	82,569.00	66,868.00
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (B)</b>	<b>(41,201,449.55)</b>	<b>(179,316,471.55)</b>
<b>(C) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,916,050.00)	(1,924,773.00)
Premium amount Paid on Acquisition		(1,308,787.83)
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES (C)</b>	<b>(2,916,050.00)</b>	<b>(3,233,560.83)</b>
<b>(D) CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>[ a ] Cash Flow From Change in Capital Base</b>		
- Proceeds from Issue of Equity Shares	-	12,271,660.00
- Proceeds from Issue of Preference Shares	-	15,000,000.00
- Premium on Issue of Equity Shares	-	15,928,340.00
- Increase/(Decrease) in Reserve Fund	-	-
<b>Net Cash Inflow/(Outflow) from Change in Capital Base (a)</b>	<b>-</b>	<b>43,200,000.00</b>
<b>[ b ] Cash Flow From Change in Debt Fund</b>		
Increase/(Decrease) in Secured Loan	100,324,783.26	146,790,834.66
<b>Net Cash Inflow/(Outflow) from Change in Debt Fund (b)</b>	<b>100,324,783.26</b>	<b>146,790,834.66</b>
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES (D) (a+b)</b>	<b>100,324,783.26</b>	<b>189,990,834.66</b>
<b>(E) Net Increase/(Decrease) in Cash &amp; Cash Equivalents (B+C+D)</b>	<b>56,207,283.71</b>	<b>7,440,802.28</b>
<b>(F) CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS (A+E)</b>	<b>83,926,161.21</b>	<b>27,718,877.50</b>
<b>CLOSING BALANCE</b>		
Cash-in-Hand	186,017.00	307,558.00
DD-in-Hand	400,000.00	30,000.00
Balance with Scheduled Banks:		
- In Current Account	35,408,006.09	25,600,876.05
- In Fixed Deposits	47,932,138.12	1,780,443.45
<b>TOTAL</b>	<b>83,926,161.21</b>	<b>27,718,877.50</b>

9 JUL 2009

As per our report of even date  
for VINAY KUMAR & CO.,  
Chartered Accountants

Allahabad



for SONATA FINANCE PRIVATE LIMITED

(ANIL KUMAR SINGH)

(B. V. NARASIMHAM)

---

## SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

---

### **SCHEDULE: J SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS:**

#### **1) NOTE ON BUSINESS ACTIVITIES:**

- a) The company is engaged in providing financial services to women in the rural areas of India who are organized as self help groups. It provides small value collateral free loans and other loans to women in groups and most of the financial transactions are conducted in the group meetings organized near the habitats of these women directly and on behalf of other financial institutions. The operations, in the initial stages of group formation, also involves efforts, for their mobilization, on development training on financial discipline, advice on the micro enterprises carried by the individual members, and later constant monitoring thorough weekly meetings and providing financial and support services at the doorsteps of the borrowers and other mentoring support services to ensure high rates of recovery.
- b) The company has obtained license from the Reserve Bank of India dated April 10, 2001 under section 45 IA of the Reserve Bank of India for carrying such financial services.

#### **2) SIGNIFICANT ACCOUNTING POLICIES:**

##### **a) Basis or preparation of financial statements**

The financial statements are prepared under historical cost convention on accrual basis of accounting and in accordance with the provisions of Companies Act, 1956 and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable, except otherwise stated and stipulated in the directions issued by Reserve Bank of India (RBI) for Non Banking Financial (Non – Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 from time to time.

##### **b) Revenue Recognition:**

- (a) Interest on micro finance loans is recognized on accrual basis, calculated on a flat rate basis on the loans disbursed, as per the contract with the borrowers, following RBI Prudential norms for income recognition.
- (b) Income on **Non-performing assets, sub-standard** and **loss assets**, owned by the Company -
  - (1) is recognized only when realized and any interest already recognized, but not received is de-recognized totally by reversing the interest income already recognized.
  - (2) Interest accruing on such assets is derecognized in the same manner in which provision for doubtful debt is made as per the norms specified by RBI Prudential Norms.
- (c) In respect of other income such as Income on the management of loan assets on behalf of other financial institutions, the same is taken on accrual basis, based on the lapse of time period and de-recognised when such asset turn into Non Performing Assets.



**c) Fixed assets:**

- (a) All fixed assets have been valued at cost inclusive of direct and incidental expenses related to acquisition.
- (b) Software purchased along with data processing equipment or software that are integral part for operating data processing equipments are capitalized, whereas other miscellaneous software acquired are charged to Profit & Loss account for the year during which they are acquired.
- (c) Software is amortized at the same rate at which data processing equipments are depreciated.
- (d) Depreciation is provided on the assets based on Written Down Value method at the rate specified in the Schedule XIV to the Companies Act, 1956.
- (e) In respect of additions the depreciation is provided on proportionate basis for the period during which the assets are put to use.

**d) Classification of loan portfolio**

Loans and Advances are classified as performing asset and non-performing asset based on following guidelines:

- (a) All micro credit loans where installments of principal and interest remain overdue up to 4 weeks are classified as **Standard loans**,
- (b) All micro credit loans where installments of principal and interest remain overdue beyond 4 weeks and up to 25 weeks are classified as **Sub Standard Loans**,
- (c) All micro credit loans where installments of principal and interest remain overdue beyond 25 weeks and up to 50 weeks are classified as **Doubtful loans** .
- (d) All micro credit loans where installments of principal and interest remain overdue and duration of loans have expired , are classified as **Loss Assets** .

**e) Provision for Loan losses:**

- (a) Provision for doubtful debts and advances is being provided as stated below

On all the portfolio, owned by the company, at risk, when the first default happens and when the default continues:

Classification of portfolio		% of provision on loan outstanding
Standard Loan	(Overdue between 1-4 Instalments)	10
Sub-Standard Loan		25
Doubtful Loan		50
Loss Assets		100

**f) Write off of loans**

All micro credit loans where installments of principal and interest remain overdue for 25 weeks from the date of expiry of loan period and/or where possibility of recovery is remote in



the assessment of the management are written off in profit and loss account, subject to its approval by the board.

**f) Employee Benefits:**

- (a) Contribution to Provident Fund is accounted on actual liability basis and paid.
- (b) Leave Cash Encashment liability arising for the year is provided.

**g) Infrastructure acquisition expense:** This represents fees for acquisition of infrastructure paid to Jeevika Lively Hood Which is being amortized on straight-line basis over 5 years.

**h) Preliminary and pre-operative expenditure:**

- (a) Preliminary and pre-operative expenditure: The same is being amortized over a period of five year beginning from the financial year in which they are being incurred.

**i) Deferred Tax**

- (a) In accordance with the Accounting Standard-22, Accounting for Taxes on Income, the company has provided for deferred tax assets/liability for all temporary differences that arise in one accounting year and are capable of reversal in subsequent accounting year.
- (b) As a prudent policy, any deferred tax asset/liability as considered above is accounted for in the books.

**3) NOTES TO BALANCE SHEET, PROFIT AND LOSS ACCOUNT**

**a) Shareholders' Details**

The shareholding pattern of the Company is as given below:

Shareholders	% Ownership as On March 31, 09	% Ownership as On March 31, 08
Promoters & Directors	6.63%	6.63%
Individual ( Swaminathan Aiyar)	6.60%	6.60%
Bellwether Micro Finance Fund	86.77%	86.77%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**b) Preference Share Capital**

The company has issued 0% Compulsorily Convertible Preference Shares of Rs 10 each to Caspian Advisors Pvt Ltd trustee of "Bellwether Micro Finance Fund". These Preference Shares are convertible into equity shares within 3 years from the date of its issue at a discount of 15% on the price at which equity shares will be issued. During the year the option for such conversion has not been exercised.





**c) Reserve and Surplus:**

Statutory Reserve Fund: This represent 20% of the profit after tax as on date of balance sheet set apart in compliance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934.

**d) Deferred Tax Assets**

	Mar 31, 2009	Mar 31, 2008
Opening Balance Deferred Tax Asset	17,13,470	19,88,624
(i) Deferred Tax Assets	-	
(ii) Deferred Tax Liability	183,402	2,75,154
Closing Balance of Deferred Tax Assets	1,530,068	17,13,470

**e) Micro Loans and Provision thereon**

**1. Analysis of Portfolio:**

<b>Business Pattern:</b>				<i>Rs. In lacs</i>
<i>S.No.</i>	<i>Particulars</i>	<i>March 31, 2009</i>	<i>March 31, 2008</i>	<i>Growth %</i>
1	Advances Outstanding (Owned) *	3147.38	2317.53	35.76%
2	Advances outstanding (managed on behalf of other financial institutions)*	1338.49	NIL	100.00%
	Total Business*	4485.87	2317.53	93.52%
3	Security Deposits against loans	N.A.	N.A.	N.A.

\*Lending has not been made to sensitive sectors like, Capital Market, Investment in Shares and Real Estate.

<b>2. Sector wise Classification of Advances (only owned Loans):</b>				<i>Rs Lacs</i>	
<i>Product</i>	<i>Mar 31, 2009</i>		<i>March 31, 2008</i>		
		<i>%</i>		<i>%</i>	
<b>Priority Sector:</b>					
Self-Help Groups – General Purpose	3137.85	99.70%	2310.64	99.71%	
Micro-entrepreneur Loans	0	0%	0	0%	
<b>Total (a)</b>	<b>3137.85</b>	<b>99.70%</b>	<b>2310.64</b>	<b>99.71%</b>	
<b>Non-Priority Sector:</b>					
Vehicles (Staff)	3.51	0.11%	3.80	0.16%	
Personal Loans to staff	6.01	0.19%	3.09	0.13%	
<b>Total (b)</b>	<b>9.53</b>	<b>0.30%</b>	<b>6.89</b>	<b>0.29%</b>	
<b>Total (a+b)</b>	<b>3147.38</b>	<b>100%</b>	<b>2317.53</b>	<b>100%</b>	

The above classification is based on the norms prescribed by the Reserve Bank of India through Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.





**f) Bad Debts Written Off:**

- (a) During the period bad debts amounting to Rs 728,044 have been written off.

**g) Non Performing Assets:**

Status of Movement of Non Performing Loans :

Particulars	March 31, 2009	Additions	March 31, 2008
Gross NPAs	2,804,402	26,95,947	1,08,455
Provision on NPAs	1,158,353	1,105,073	53,280
Net NPAs	1,646,049	1,590,874	55,175

- h) Other than the above in respect of all other assets, in the opinion of the Board of Directors, the loans and advances including loans in arrears have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Financial Statements after adjustment for loan loss provision provided during the year.

**i) Auditors' Remuneration and Other Expenses**

Particulars	Rs	
	March 31, 2009	March 31, 2008
a. Audit Fees	95,564	56,180
b. Company Law matters, taxation and other services		5,636
Total fee		
c. Service Tax	Nil	Nil
d. Travel and out of Pocket Expenses	Nil	Nil
Total	<b>95,564</b>	<b>61,816</b>

**j) Related Party Disclosure**

- (i) During the Financial year the company obtained loan from Holding Company Bellwether Microfinance Fund Ltd amounting to Rs 40,000,000 which was entirely repaid during the financial year. The interest amounting to Rs 1,913,411 was paid during the year on such loan.



## SONATA FINANCE PRIVATE LIMITED

### (ii) Managerial Remuneration

Particulars	Year ended	
	March 31, 2009	March 31, 2008
a) Managerial Remuneration	1,610,313	1,145,078
b) Directors' Sitting fees	30,000	22,500
c) Directors Traveling and Other Expenses	1,274,550	1,047,875

### k) Earning and Outgo in Foreign Currency:

Rs

Particulars	Year ended	
	March 31, 2009	March 31, 2008
<i>Expenditure:</i>		
Travel and Related expenses	Nil	Nil
Interest and Other Financial Charges	Nil	Nil
Principal repayment of Loans	Nil	Nil

**l) Segment Reporting:** The Company's sole business segment is micro financial services and the principal geographical segment is India. Accordingly, no separate disclosure is required to be made under Accounting Standard 17, Segment Reporting as issued by the Institute of Chartered Accountants of India.

### 4) MISCELLANEOUS:

- a) Additional information pursuant to paragraph 4-C and 4-D of Part B to Schedule VI of the Companies Act, 1956 – None other than stated above.
- b) No amount is due to any small-scale industrial undertaking by the Company.
- c) Balance sheet abstract and Company's general business profile, pursuant to Part IV to Schedule VI is separately attached.
- d) Previous period figures have been regrouped and rearranged wherever necessary for appropriate and better presentation of the financial statements.

for VINAY KUMAR & CO.,  
Chartered Accountants

for SONATA FINANCE PRIVATE LIMITED

Allahabad

Date:

9 JUL 2009

(V. K. AGRAWAL)

Partner 13795  
Membership No. 40254

(ANUP KUMAR SINGH)

Managing Director

(B. V. NARASIMHAM)

Director

## SONATA FINANCE PRIVATE LIMITED

## GROUPINGS TO ACCOUNTS FOR THE Year ENDED ON March 31, 2009

No.	PARTICULARS	March 31, 2009	March 31, 2008
GA1	<b>Others Advances &amp; Recoverables</b>		
	Loan for Motorcycle	350,730.00	379,554.00
	Personal Loan	582,758.00	260,286.00
	Mobile Loan	18,500.00	49,250.00
	Recoverable from Center Leader	-	6,000.00
	Security and Other Deposits	137,900.00	20,000.00
	Office Rent Advance	77,200.00	32,200.00
	Advance Against Salary	20,550.00	8,150.00
	Service Tax Recoverable	-	3,090.00
	TDS on sweeping FDR	675,427.53	109,228.58
	Recoverable from ICICI Bank	-	15,180.00
	Recoverable from Jeevika	371,737.00	-
	Recoverable from Sa Dhan	-	21,207.00
	Advance to Professional & Other	10,099.00	24,999.00
	<b>Total</b>	<b>2,244,901.53</b>	<b>929,144.58</b>
GL1/	<b>Other Liabilities</b>		
	Unpaid Salary	221,465.00	271,688.00
	Expenses Payable	232,021.00	351,620.00
	Bonus Payable	429,872.00	442,646.00
	Staff Incentive Corpus	-	26,088.00
	Director Bonus Payable	-	-
	Director Remuneration Payable	228,000.00	-
	Employee Welfare Contribution	-	108,227.50
	Surplus Collections	-	375.00
	<b>Total</b>	<b>1,111,358.00</b>	<b>1,200,644.50</b>
GL2	<b>Statutory Dues Payable</b>		
	P. F. Payable	384,574.00	192,286.00
	Service Tax Payable	51,357.00	-
	FBT Payable	-	-
	T.D.S. Payable	43,341.90	9,722.00
	<b>Total</b>	<b>479,272.90</b>	<b>202,008.00</b>

## SONATA FINANCE PRIVATE LIMITED

## GROUPINGS TO ACCOUNTS FOR THE Year ENDED ON March 31, 2009

No.	PARTICULARS	March 31,2009	March 31,2008
GE1	<b>Interest on Borrowings from Financial Institutions</b>		
	Interest Exp. on Bell Wether Loan	1,913,411.00	1,575,616.00
	Interest Exp. on HDFC Loan	7,632,980.15	2,783,596.78
	Interest Exp. on ABN-AMRO Loan	2,869,296.66	2,745,905.44
	Interest Exp. on FWWB Loan	8,757,492.00	4,064,719.00
	Interest Exp. on ICICI Loan	1,487,955.49	1,806,963.01
	Interest Exp. on AXIS Loan	8,038,269.00	1,934,674.80
	Interest Exp. on SIDBI Loan	3,307,578.00	810,252.00
	Interest Exp. on Yes Bank Loan	1,231,648.95	
	Interest Exp. on DCB Loan	1,318,015.00	
	<b>Total</b>	<b>36,556,646.25</b>	<b>15,721,727.03</b>
GE2	<b>Computer Consumable, Printing and Stationary</b>		
	Printing & Stationery	693,521.75	410,548.00
	Photocopy	94,573.50	38,649.50
	Office Stationery	521,153.00	173,601.00
	Computer Stationery	151,036.00	69,685.00
	<b>Total</b>	<b>1,460,284.25</b>	<b>692,483.50</b>
GE3	<b>Statutory Expenses</b>		
	Service Tax	31,406.00	211,105.00
	P.F. Admin. Exp.	210,996.00	102,539.00
	ROC Fees	7,000.00	260,800.00
	TDS	-	-
	<b>Total</b>	<b>249,402.00</b>	<b>574,444.00</b>
GE4	<b>Repairs &amp; Maintenance</b>		
	Computer Hardware Repair	59,193.00	30,511.00
	Furniture & Fittings Repair	150.00	7,794.00
	Electric Equipment Repair	17,004.00	6,838.00
	Generator Maintenance Exp.	7,130.00	17,030.00
	Office Maintenance Exp.	359,505.00	107,663.00
	<b>Total</b>	<b>442,982.00</b>	<b>169,836.00</b>
GE5	<b>Legal Expenses</b>		
	Legal & Filing Expenses	534,478.00	116,487.00
	Interest on late payment of TDS	1,371.00	639.00
	<b>Total</b>	<b>535,849.00</b>	<b>117,126.00</b>
GE6	<b>Miscellaneous Expenses</b>		
	News Paper & Periodicals	28,544.00	12,314.50
	Fuel Expenses	103,943.00	92,413.00
	Generator Hiring & Running Expenses	50,322.00	10,373.00
	Other Expenses	719,555.00	244,457.50
	Books & Journal Expenses	3,221.00	1,374.00
	Fooding & Lodging Expenses	275,428.00	78,032.00
	Photograph & Film	615.00	1,100.00
	Freight and Transportation Cost	40,342.00	7,140.00
	Micro Credit Rating Expenses	-	37,584.00
	Membership Fees	9,100.00	4,500.00
	Meeting Expenses	-	14,116.00
	Annual Function Expenses	29,634.00	24,200.00
	Other Assets Insurance	149,961.00	23,717.00
	Website Expenses	3,500.00	25,350.00
	Internet Expenses	13,521.00	-
	Conference Expenses	-	3,000.00
	<b>Total</b>	<b>1,427,686.00</b>	<b>579,671.00</b>

## SONATA FINANCE PRIVATE LIMITED

## GROUPINGS TO ACCOUNTS FOR THE Year ENDED ON March 31, 2009

No.	PARTICULARS	March 31,2009	March 31,2008
GE7	<b>Personnel Expenses</b>		
	<b>Salary</b>		
	Confirmed Officer Salary	1,207,038.00	932,675.00
	Confirmed Staff Salary	4,325,297.00	2,404,542.00
	Probationary Staff Salary	5,556,623.00	2,068,065.00
	Probationary Officer Salary	760,007.00	133,501.00
	<b>Total</b>	<b>11,848,965.00</b>	<b>5,538,783.00</b>
	<b>Allowances</b>		
	Retainership Allowance	3,682,080.00	2,431,754.00
	Personal Pay Allowance	989,308.00	13,517.00
	Mobile Allowance	275,656.00	109,774.00
	PF Contribution	1,565,479.00	780,757.00
	Travel Allowance	2,875,873.00	1,822,148.00
	Acting Allowances	4,154.00	20,455.00
	Food Allowance	37,892.00	20,781.00
	Vehicle Maintenance Allowance	816,641.00	292,095.00
	Earn Leave Encashment	308,957.00	191,459.00
	Training Allowance	22,000.00	17,000.00
	Additional Allowance	139,190.00	55,147.00
	Staff Welfare	140,490.50	
	Staff Insurance	749,824.00	
	Medical Allowance	80,441.00	612,771.00
	<b>Total</b>	<b>11,687,985.50</b>	<b>6,367,658.00</b>
GE8	<b>Bonus</b>		
	Performance Linked Bonus	105,952.00	58,026
	Active Loan Client Bonus	4,206,802.00	2,973,275
	Average Bonus	208,957.00	314,138
	<b>Total</b>	<b>4,521,711.00</b>	<b>3,345,439.00</b>
GE9	<b>Travelling Expenditure</b>		
	Travelling Exp	1,286,143.00	721,712
	Auditors Travel & Other	6,811.00	
	<b>Total</b>	<b>1,292,954.00</b>	<b>721,712.00</b>
GE10	<b>Director Remuneration</b>		
	Director Remuneration	1,452,600.00	991,450
	Director DSA	265,300.00	565,416
	Directors Travel	763,443.00	301,273
	Director EL Encashment	19,140.00	11,600
	Director HRA	122,460.00	99,145
	Director Fooding & Lodging Expenses	245,807.00	181,186
	Director Bonus	16,113.00	42,883
	Director Sitting Fees	30,000.00	22,500
	<b>Total</b>	<b>2,914,863.00</b>	<b>2,215,453.00</b>