

Addressed to: STICHTING JURIDISCH EIGENAAR ACTIAM INSTITUTIONAL  
MICROFINANCE FUND III acting as Legal Owner of ACTIAM Financial Inclusion Fund

Serial No: \_\_\_\_\_

December 13, 2019

**FORM NO PAS-4 PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER**

[Pursuant to Section 42 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014]

**Issue of 210 (Two Hundred and Ten) Secured, Unrated, Unlisted, Redeemable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs.21,00,00,000/- (Rupees Twenty One Crores only) on a private placement basis (the "Issue").**

**1.1 General Information:**

**A. Name, address, website and other contact details of the Company, indicating both registered office and the corporate office:**

Issuer / Company: Sonata Finance Private Limited  
Registered Office: II Floor, CP-1, PG Tower,  
Vikas Nagar, Kursi Road,  
Lucknow - 226 026, Uttar Pradesh.  
Corporate Office: II Floor, CP-1, PG Tower,  
Vikas Nagar, Kursi Road,  
Lucknow - 226 026, Uttar Pradesh.  
Telephone No.: 91-522-4005729  
Website: [www.sonataindia.com](http://www.sonataindia.com)  
Fax: -  
Contact Person: Mr. Anup Kumar Singh  
Email: [anup@sonataindia.com](mailto:anup@sonataindia.com)

**B. Date of Incorporation of the Company:**

April 6, 1995.

**C. Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

Sonata Finance Pvt Ltd is a Non- Deposit taking NBFC-MFI registered with the Reserve Bank of India. The company started its operations in Jan 2006. Sonata's mission is to "Identify and motivate poor women in a cost effective way and provide them micro finance services in an honest, timely and efficient manner.

The organisation is promoted by Mr. Anup Kumar Singh who along Mr. Rakesh Dubey purchased an existing NBFC with the equity support of Caspian Impact Investments Private Limited (formerly known as Bellwether Microfinance Fund Private Limited) , to start Sonata's microfinance operations. The Caspian fund (formerly known as Bellwether Microfinance Fund) ([www.caspian.in](http://www.caspian.in)) is an Indian Investment fund (first fund in India dedicated to microfinance sector) that holds a portfolio of debt and equity investments in microfinance institutions. Caspian also supplements its investment activity with technical assistance to its MFI investments.





Anup Kumar Singh has worked in the microfinance sector for over 20+ years and was a part of the senior management team at Cashpor Micro Credit, and was responsible for setting up operations in Eastern Uttar Pradesh.

Sonata is engaged in Microfinance lending activities, granting loans to the rural poor. Sonata has operation across eight states covering Uttar Pradesh, Haryana, Uttarakhand, Bihar, Punjab, Maharashtra, Haryana and Madhya Pradesh where the level of competition from other MFIs is low and the area largely underpenetrated by microfinance institutions. Sonata primarily caters to the rural population, though it has some presence in semi-urban and urban areas as well. Sonata has been able to maintain strong portfolio quality since its inception.

**D. Brief particulars of the management of the Company:**

Management Details		
Name	Designation	Experience (Age, Educational Background, Experience, any other directorships* held, etc. to be covered)
Mr Anup Kumar Singh	Managing Director	Mr. Anup Kumar Singh is one of the pioneers in India's microfinance sector with more than 20years of experience to his credit. He is presently serving as the Managing Director of the company. Before starting the company, Mr. Anup underwent training with Grameen Bank in Bangladesh. Mr. Singh was associated more than 8 years with the Cashpor group of Companies, and was acting as an ex-officio chief executive. He holds a Master's degree in Economics & Sociology, a Postgraduate Diploma in Rural Development and Management, and a MBA in Finance.
Mr. Anil Kumar Singh	Chief Business Advisor	He is a specialist in Micro Finance with an extensive experience of more than 38 years in this field throughout his career till date. He Joined Sonata on 6th June 2019. Previously he was associated with UP Regional Office (RO) of NABARD as a Chief General Manager since quite a long time. He was involved with Policy framing and advocacy, development of new products and processes of Micro Finance and their implementation, including ambitious programme of digitization of SHGs. He also has considerable experience in promotion and linkage of SHGs, JLGs and other groups with credit agencies at the grass root level. He is a dignified person with masters in Science along with certification from CAIIB.
Mr Srikant Bhargava	Chief Financial Advisor	He has a rich experience of 40 years in Banking Industry. He was Ex-GM of Union Bank of India. He is contributing to Sonata in various verticals.
Mr. Akhilesh Singh	Chief Financial Officer	He has over 18 years of progressive experience in global Microfinance Industry, Supporting Financial Institutions in financial sustainability, budgeting, accounting, fund acquirement and management. In the Banking & Financing Sector encompassing functional areas of Retail Banking (SME Lending), Credit Administration, Marketing/ Business Development as well as Relationship Management. He has worked with more than 50 small to medium size MFIs and Banks in South Asia, South East Asia, and Africa, countries including India, Sri Lanka, Nepal, Bangladesh, The Philippines, Vietnam, Myanmar, and Mozambique. For the past 10 years (2007-2017) he has been working with MicroSave (Global consulting company) as Specialist and Group Leader – Microfinance. Before MicroSave





		he has worked for Cashpor Micro Credit for more than 8 years. His Academic background include MDP programme from IIM Ahmedabad & and is a Certified Expert in SME Finance from Frankfurt School of Finance and Management, Germany. He holds an Advanced Diploma in Rural Technology Development & Management from Institute of Engineering and Rural Technology, India.
Mr. Sneh Deep Agnihotri	Chief Risk Advisor	<p>Ex GM – SBI: Mr. Sneh Deep Agnihotri has joined Sonata as Chief Risk Advisor from 16 Jan 2018 at Head Office, Lucknow.</p> <p>He has rich &amp; valuable experience of 35 years in banking industry. He has retired as General Manager-Risk Audit in credit &amp; Operational areas from State Bank of India, Lucknow. He has rich business insight &amp; achievements in the banking sector in diverse range of functions across various geographical locations. He will head Risk &amp; BDDepartment.</p> <p>He is post graduate in science stream in Inorganic Chemistry from Kanpur University. He also holds certifications in CAMS (Certified Anti Money Laundering from CAMS Specialist Association and Certification on KYC &amp; AML CFT from Indian Institute of Banking and Finance. He has also attended workshops on Ponzi scheme at Multi-disciplinary School of Economic Intelligence held by National Academy of customs, excise and Narcotics.</p>
Mr Bramha Nand	VP- Finance	He has more than 17+ years of experience in the microfinance and has been working with Sonata since its inception. He has a versatile experience spanning across managing Risk, Technology, Strategic leadership, Business Planning and Data Analysis, Treasury Planning, Fund mobilization and utilization, working capital management, Accounting, Taxation, and optimization of overall cost of the fund. He manages the entire resourcing for the company encompassing borrowings from Banks/DFIs/FIs, NCDs, ECB, Portfolio Securitization etc. He is a CA (Intermediate), M.Com, and LLB (Professional).
Mr. Devendra Singh	Chief Complinance Officer	He is a qualified F.C.S (Fellow Company Secretary) with more than 30 years of post-qualification experience. He is proficient in the areas of corporate laws, Account, Finance, legal documentation & IPO compliances & is well versed in handling the due diligence. His professional qualification includes FCS from I.C.S.I. & LLB Professional. He is graduate in Commerce from University of Lucknow.
Mr. Ankur Agarwal	Chief Officer- Legal & Corporate Affairs	He is a qualified F.C.S (Fellow Company Secretary) with more than 19 years of post-qualification experience. He has made valuable contributions in IFCI, Sahara India Group and has also played a pivotal role in establishing a propriety legal firm Talk Laws. His professional qualification include FCS from I.C.S.I, LLB, M.Com & B.Com from Kanpur University.
Mr. Ashutosh Chaturvedi	CIO	Mr. Ashutosh Chaturvedi has joined Sonata as a Head - Risk & Business Development from 1st June 2018 at Head Office, Lucknow. Mr. Ashutosh has done his Post Graduation from in Information Management from UPTRON. He has completed his graduation from Lucknow University. Prior to joining us, he was associated with Sahara Group since 1994 as Asst. Chief Manager





		IT. In his 25 Year of rich experience he also worked at BITS.(Bureau of Information Technology, Lucknow)
Mr. Manish Raj	Chief Accounts Controller	He has rich & valuable experience of 19 years in the areas of treasury management, finalization of accounts of several companies, filing of Income tax returns of the company, handling tax audit, Internal/Statutory Audit and migration analysis of Non-Performing Assets etc. He has ample experience in handling special assignments such as Identification, Acquisition and Due diligence of a listed housing finance company now known as Sahara Housing Finance Corporation Ltd. He successfully identify a fraud and managed to recover the entire amount. Prior to his joining us he was associated with M/s Sahara India Financial Corporation Limited as General Manager (Finance). He is M.B.A in Finance from Banaras Hindu University, and has done his graduation from Lucknow University in B.Sc. (Math's Statistics).
Mohd. Saif Khan	Head- Risk & Business Development	He is an MBA with specialization in Finance. He has more than 15 years experience in MFI sector.
Mr Vinay Singh	Head- JLG Operation	He has more than 15 years of experience with CASHPOR at senior operations level and has been with Sonata for last two years
Mr Ashish Singh	Head – IL Operation	Mr Ashish Singh has been working in the microfinance sector for more than 15+ years and has been associated with Sonata for the last 10 years. He was head of JLG Operation for last 7 years and now heading the Individual Loan operation. He holds an MBA degree in Finance & Banking.
Mr. Tarandeep Singh	Head- Housing and Utility Loan	Previously he was associated with HDFC Bank as a Branch Manager and handle the operation of both UP and Uttarakhand. He has more than 15 year of experience in sales, Strategy Planning, Channel Management, Relationship Management & Business Development work. He is graduate in Commerce from University of Lucknow.
Mr. Anil Gupta	Head - BC Operation	He is an MBA Finance, has been with the company since 13/10/2005 and has handled operations in various capacities.  Number of years of experience: 14+ years Past Organisations – None
Ms. Megha Goel	Chief Strategy Officer	She has more than 16 years of experience in Corporate Strategy, treasury, securitization, Merger & acquisitions. She has worked in prestigious organizations like Infosys, KPMG, HSBC, Bajaj Finance Ltd, Essel Finance Business Loans Limited and Indusind Bank. She worked with IndusInd Bank, Chennai as Regional Head for South Financial Services, Corporate & Investment Banking. She completed her MBA from Indian Institute of Management, Lucknow (IIM Lucknow) and B.Tech from Motilal Nehru NIT, Allahabad
Ms Paurvi Srivastava	Company Secretary	She has over 6 years working experience with Sonata. She is responsible for managing Investors & Board Relations and manages statutory compliances of Sonata.
Mr Shyam Kanhaiya	Head– Information Technology	He is one of the oldest employees at Sonata and has more than 10 years of experience with Sonata. He holds Master degree in Computer Application

21/3/20





Mr Tarun Srivastava	Head – Audit	He has more than 14+years of microfinance experience and has been working with Sonata since its inception. He has done his Masters in Social Welfare and is also a Law graduate (L.LB).
Ms. Richa Sharma	Accounts Head	She is a Chartered Accountant by profession with 9+ years of experience in Accounts, Taxation and Audit in micro finance industries. She is heading accounts in Sonata Finance Pvt Ltd. For more than six years.
Ms. Neha Singh	HR Head	She is heading the HR Department and has more than 6 years of experience in Sonata. She has done her Master of Business Administration in HR.

**E. Name, addresses, Director Identification Number (DIN) and occupations of the directors:**

S.no	Name and Designation	Address	DIN	Occupation
1	Mr Anup Kumar Singh; Managing Director	House No. 624H/101 A.B., R.K. Puram, Chinhath Lucknow 227105 UP IN	00173413	Service
2	Mr Anal Kumar Jain; Independent Director	12, 3A Cross, Domlur second Stage, 'Bangalore, 560071, 'Karnataka, India	01239653	Professional
3	Mr. Sethuraman Ganesh; Independent Director	305, Vensa Lakeview, Kempapura Main Road, Near Srirampura Cross Dasarahalli, Op Amr Lke, Bangalore, 560024, Karnataka, India	07152185	Professional
4	Mr. Kenneth Dan Vander Weele; Nominee Director	445 E, North Water Street, APT 2101, Chicago Illinois 60611 US	02545813	Service
5	Chandni Gupta Ohri; Independent Director	112, Becon Street Framingham Framingham 01701 US	03613229	Professional
6	Mr. Ranganathan Varadarajan Dilip Kumar; Nominee Director	C-703, CTS-827, A/1C-1A, 7th Floor, Raheja Heights Arun Kumar Vaidya Rd, Malad East Mumbai 400097 MH India	01060651	Service
7	Mr. Pradip Kumar Saha; Independent Director	Pearl Apartment, Flat No. 5,459(498), Purbalok, Kalikapur Mukundapur, South 24 Parganas Kolkata 700099 WB IN	02947368	Professional
8	Mr. Benoit Marie Luc Monsaingeon, Nominee Director	107 Rue Bobillot Paris 75013 FR	07971713	Professional
9	Mr. Aditya Mohan, Nominee Director	Rolderdiephof 100 Utrecht Netherlands 3521 NL	08299455	Service
10	Mr. Sanjay Goyal, Nominee Director	505 SIDBI Officer Apartment 25 Veera Desai Road Azad Nagar Andheri ( WEST) Mumbai 400053 MH IN	07961517	Service
11	Mr. Saurabh Johri, Nominee Director	C-1102, Ajmera Green Acres, Bannerghatta Main Road, Nera Meenakshi Temple, Kalena, Agrahara, Bangalore-560076	08469704	Service





**F. MANAGEMENT PERCEPTION OF RISK FACTORS:**

**I. REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.**

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

**II. THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.**

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

**III. CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF DEBENTURES.**

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

**IV. TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS**

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

**V. ACCOUNTING CONSIDERATIONS**

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

**VI. SECURITY MAY BE INSUFFICIENT TO REDEEM THE DEBENTURES**

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

**VII. MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.**





The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

#### **VIII. LEGALITY OF PURCHASE**

Potential Investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

#### **IX. POLITICAL AND ECONOMIC RISK IN INDIA**

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

#### **X. RISKS RELATED TO THE BUSINESS OF THE ISSUER**

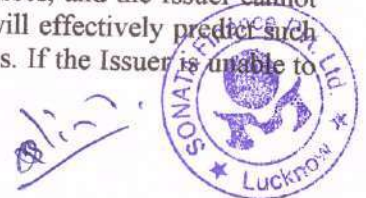
- A. *Majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high risk category and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.*

A majority of the Issuer's loans are unsecured, and the clients of these unsecured loans are of the high risk category. There is uncertainty on the client's ability to fulfil its loan obligations as MFI clients typically do not have income proof verification, so it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact our results of operations.

As on September 30, 2019, the provisional figures for gross NPA was Rs. 24.9 Cr. on a gross portfolio of Rs. 1488.1 Cr (including managed / securitized portfolio Rs. 488.1 Cr).

The Issuer cannot assure that the Issuer will be able to effectively control and reduce the level of the impaired loans in its total loan portfolio. The amount of the Issuer's reported non-performing loans may increase in the future as a result of growth in the total loan portfolio, and also due to factors beyond the Issuer's control, such as over-extended member credit that we are unaware of. Failure to manage NPAs or effect recoveries will result in operations being adversely affected.

The Issuer's current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. As a result, if the quality of the Issuer's total loan portfolio deteriorates the Issuer may be required to increase the loan loss reserves, which will adversely affect the Issuer's financial condition and results of operations. The Issuer's members largely belong to low-income segment and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that the Issuer's monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer is unable to





control or reduce the level of its NPAs or poor credit quality loans, the Issuer's financial condition and results of the Issuer's operations could be materially and adversely affected.

**B. *The Issuer's business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud***

The Issuer is exposed to operational risks, including fraud, petty theft and embezzlement, as it handles a large amount of cash due to high volume of small transactions. This could harm its operations and its financial position.

As of now all disbursements are made on-line by transferring funds directly into customer's account. Nevertheless, the Issuer handles a large amount of cash collection through a high volume of small transactions taking place in its network. As a result, the Issuer is exposed to the risk of fraud or other misconduct by its employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer's business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. In addition, the Issuer's dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

The Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a strong MIS system that has a wide range of data that can be used to monitor financial and operational performance.

To mitigate the above risk, the Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

**C. *Loans due within two years account for almost all of the Issuer's interest income, and a significant reduction in short term loans may result in a corresponding decrease in its interest income***

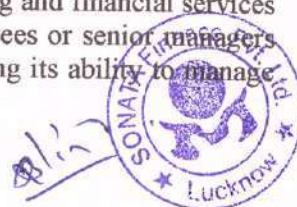
All of the loans the Issuer issues are due within approximately two years of disbursement. The relatively short-term nature of the Issuer's loans means that the Issuer's long-term interest income stream is less certain than if a portion of its loans were for a longer term. In addition, the Issuer's customers may not obtain new loans from the Issuer upon maturity of their existing loans, particularly if competition increases. The potential instability of the Issuer's interest income could materially and adversely affect the Issuer's results of operations and financial position.

**D. *The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigate to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the microfinance, banking and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage





its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

E. *The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees*

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

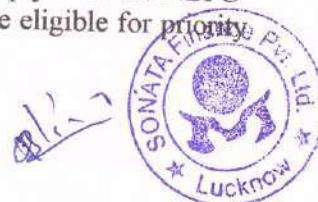
F. *The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position*

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

G. *Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.*

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to guidelines issued by the RBI (circular dated August 3, 2012 and NBFC-MFI Directions) the Issuer is required to maintain its status as a NBFC-MFI in order to be eligible for categorization as priority sector advance for bank loans. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC-MFI. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its members. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-MFI that is subject to numerous conditions. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled and it shall not be able to carry on such activities. If the Issuer fails to comply with the NBFC-MFI Directions and fails to maintain the status of NBFC-MFI, it will not be eligible for priority





sector loans from the Indian banking sector and may also attract penal provisions under the RBI Act, 1934 for non-compliance.

**H. Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:**

- (i) Statutory Dues: NIL
- (ii) Debenture and interest thereon: NIL
- (iii) Deposits and interest thereon: NIL
- (iv) Loans from any banks or financial institutions and interest thereon: NIL

**I. Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:**

Name: Ms. Paurvi Srivastava  
 Designation: Company Secretary  
 Address: II Floor, CP-1, PG Tower, Vikas Nagar, Kursi Road,  
 Lucknow - 226 026, Uttar Pradesh  
 Phone No.: +91-8400333464  
 Email: [cs@sonataindia.com](mailto:cs@sonataindia.com)

**J. Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:**

NIL

**1.2 Particulars of the Offer:**

<b>Financial position of the Company for the last 3 (three) financial years</b>	Please refer <b>Annexure II</b> .
<b>Date of passing of Board Resolution</b>	September 30, 2019
<b>Date of passing of resolution in general meeting, authorizing the offer of securities</b>	December 5, 2019
<b>Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued</b>	210 (Two Hundred and Ten) Secured, Unrated, Unlisted, Redeemable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 21,00,00,000/- (Rupees Twenty-One Crores only) on a private placement basis(the“ <b>Issue</b> ”).
<b>Price at which the security is being offered, including premium if any, along with justification of the price</b>	The Debentures are being offered at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture.
<b>Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived</b>	Not Applicable as the Debentures are being offered at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture.

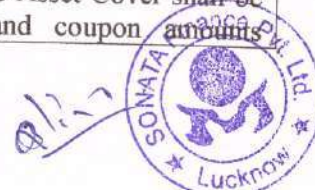


at along with report of the registered valuer	
Relevant date with reference to which the price has been arrived at [Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Company is scheduled to be held]	Not applicable.
The class or classes of persons to whom the allotment is proposed to be made	STICHTING JURIDISCH EIGENAAR ACTIAM INSTITUTIONAL MICROFINANCE FUND III acting as legal owner of ACTIAM Financial Inclusion Fund being a Foreign Portfolio Investor (FPI) duly registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019.
Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [Not required in case of issue of non-convertible debentures]	Not applicable.
The proposed time within which the allotment shall be completed	Issue Opening Date: December 13, 2019 Issue Closing Date: December 24, 2019 Pay-in Dates: December 13, 2019–December 24, 2019 Deemed Date of Allotment: December 24, 2019
The names of the proposed allottees and the percentage of post private placement capital that may be held by them [Not applicable in case of issue of non-convertible debentures]	Not applicable.
The change in control, if any, in the company that would occur consequent to the private placement	No change in control would occur consequent to this private placement.
The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price	Nil
The justification for the allotment proposed to be made for	N.A.





consideration other than cash together with valuation report of the registered valuer									
Amount, which the Company intends to raise by way of proposed offer of securities	Up to Rs. 21,00,00,000/- (Rupees Twenty One Crores only)								
Terms of raising of securities:	<table> <tr> <td>Duration, if applicable:</td><td>37 (Thirty Seven) months from the Deemed Date of Allotment being December 24, 2019.</td></tr> <tr> <td>Rate of Interest or Coupon:</td><td>13.50% (Thirteen Decimal Point Five Zero Percent) payable quarterly from the Deemed Date of Allotment (net of withholding taxes).</td></tr> <tr> <td>Mode of Payment</td><td>cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer</td></tr> <tr> <td>Mode of Repayment</td><td>cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer</td></tr> </table>	Duration, if applicable:	37 (Thirty Seven) months from the Deemed Date of Allotment being December 24, 2019.	Rate of Interest or Coupon:	13.50% (Thirteen Decimal Point Five Zero Percent) payable quarterly from the Deemed Date of Allotment (net of withholding taxes).	Mode of Payment	cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer	Mode of Repayment	cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer
Duration, if applicable:	37 (Thirty Seven) months from the Deemed Date of Allotment being December 24, 2019.								
Rate of Interest or Coupon:	13.50% (Thirteen Decimal Point Five Zero Percent) payable quarterly from the Deemed Date of Allotment (net of withholding taxes).								
Mode of Payment	cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer								
Mode of Repayment	cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer								
Proposed time schedule for which the Issue/Offer Letter is valid	December 13, 2019– December 24, 2019								
Purpose and objects of the Issue/Offer	<p>To raise debt to the extent of up to Rs. 21,00,00,000/- (Rupees Twenty One Crores only) for the expansion and lengthening of the Company's loan portfolio segment(s) related to the areas of micro and small business lending in India.</p> <p>We hereby confirm, declare and certify that the end use of the funds / subscription monies raised from the issuance of the Debentures by the Company shall not be used by the Company for any investments in real estate, capital markets, purchase of land or for any other restricted purposes as per the regulations / guidelines of the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI).</p>								
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	NIL								
Principal terms of assets charged as security, if applicable	<p>The Issue shall be secured by a charge created by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) being an exclusive first ranking charge by way of hypothecation comprising of the assets of the Issuer as follows:</p> <p>(a) On and from the Deemed Date of Allotment, the Issuer shall create a charge over the Secured Property in terms of the Deed of Hypothecation. The Asset Cover to be maintained by the Issuer shall be equal to 1 (One) time the outstanding principal amount and accrued Coupon of the Debentures ("Asset Cover"). It is clarified that the Asset Cover shall be sufficient to cover the principal and coupon amounts.</p>								





outstanding under the Debentures at all times.

(b) The Issuer undertakes:

- (i) to maintain the value of Asset Cover at all times till the obligations under the Issue are discharged;
- (ii) to create the charge over the Secured Property by executing a duly stamped Deed of hypothecation ("**Deed of Hypothecation**") and filing the relevant form immediately and no later than 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation;
- (iii) On and from the Deemed Date of Allotment, to provide a list, on a monthly basis, of specific loan receivables / identified book debt to the Debenture Trustee and Debenture Holders over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Asset Cover ("**Quarterly Secured Property Report**"); and
- (iv) Any substitution, addition and/or replacement of the Secured Property shall be made under the terms of the Deed of Hypothecation.

The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations

NIL

The pre-issue and post-issue shareholding pattern of the Company in the following format:

S. No.	Category	Pre-issue		Post-issue	
		No. of shares held	Percentage (%) of shareholding	No. of shares held	Percentage (%) of shareholding
A	Promoters' holding				
	Indian				
1	Individual	11,25,462	4.25	11,25,462	4.25
	Bodies Corporate	-	-	-	-
	Sub-total	11,25,462	4.25	11,25,462	4.25
2	Foreign promoters	-	-	-	-
	Sub-total (A)	-	-	-	-
B	Non-promoters' holding				
1	Institutional Investors	1,44,76,861	54.73	1,44,76,861	54.73
2	Non-Institutional Investors				
	Private Corporate Bodies	83,90,808	31.72	83,90,808	31.72
	Directors and relatives	-	-	-	-
	Indian public	-	-	-	-
	Trust	15,08,319	5.70	15,08,319	5.70
	Others (including Non-resident Indians) - Only resident	9,51,806	3.60	9,51,806	3.60





	<b>individuals</b>				
	Sub-total (B)	25,327,794	95.75	25,327,794	95.75
	<b>GRAND TOTAL</b>	26,453,256	100	26,453,256	100

1.3 Mode of payment for subscription (Cheque/ Demand Draft/ other banking channels): Other banking channels - RTGS

1.4 Disclosure with regard to interest of directors, litigation, etc:

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons	The directors, promoters or key managerial personnel do not have any financial or other material interest in the offer/ Issue.				
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the issue of this Offer Letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	There is no such litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the circulation of this Offer Letter.				
Remuneration of directors (during the current year and last 3 (three) financial years)	Name of the Director	Remuneration (in Rs)			
		Sept-2019	Mar-19	Mar-18	Mar-17
		(Prov.)	(Audited)	(Audited)	(Audited)
	Mr. Anup Kumar Singh, Managing Director	61,00,000	98,50,000	84,85,547	94,80,306
Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this Offer Letter including with regard to loans made or, guarantees given or securities provided	Please refer Annexure I				





Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this Offer Letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	Nil
Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of the Offer Letter in the case of the Company and all of its subsidiaries. Also if there were any were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this Offer Letter and if so, section-wise details thereof for the Company and all of its subsidiaries	Nil
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company	Nil

#### 1.5 Financial Position of the Company:

The capital structure of the company in the following manner in a tabular form:





The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)

Share Capital	Rs.
<b>Authorised</b>	
30,000,000 Equity Shares of Rs. 10/- each	300,000,000.00
10,000,000 Preference Shares of Rs. 10/- each	100,000,000.00
<b>TOTAL</b>	<b>400,000,000.00</b>
<b>Issued, Subscribed and Fully Paid-up</b>	
Equity Shares of Rs. 10/- each fully paid up	264,532,560.00
Less: Amount recoverable from Sonata Employee Welfare Trust (being face value of 2,109,850 equity shares allotted)#	15,083,190.00
<b>TOTAL</b>	<b>249,449,370.00</b>

Size of the Present Offer

INR 21,00,00,000/- (Rupees Twenty One Crores only)

Paid-up Capital:

a. After the offer:

249,449,370.00

b. After the conversion of Convertible Instruments (if applicable)

N.A.

Share Premium Account:

a. Before the offer:

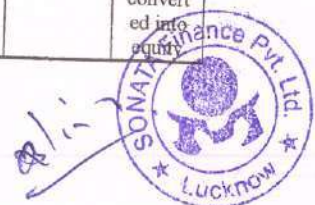
INR 1,99,57,31,793

b. After the offer:

INR -1,99,57,31,793

Details of the existing share capital of the Issuer, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:

Date of allotment	Name of shareholder	No. of equity shares	Face Value (Rs.)	Issue price	Consideration	Nature of Allotment	Cumulative paid-up capital (Rs.)		Equity Share Premium	Remarks
							No. of equity shares	Equity share Capital		
13.08.2019	Societe de Promotion et de Participation Pour la Cooperation Economique	14,28,570	10	140	19,99,99,800	Non-Cumulative, 1.01% Compulsorily Convertible Preference Shares (CCPS) converted into equity	2,64,53,256	26,45,32,560	18,57,14,100	Non-Cumulative, 1.01% Compulsorily Convertible Preference Shares (CCPS) converted into equity





13.08.2019	Triodos Custody BV in its capacity as custodian of Triodos Fair Share Fund	7,14,285	10	140	9,99,99,900	Non-Cumulative, 1.01% Compulsorily Convertible Preference Shares (CCPS) converted into equity	2,50,24,686	25,02,46,860	928,57,050	Shares Non-Cumulative, 1.01% Compulsorily Convertible Preference Shares (CCPS) converted into equity
13.08.2019	Triodos SICA V II- Triodos Micro Finance Fund	7,14,285	10	140	9,99,99,900	Non-Cumulative, 1.01% Compulsorily Convertible Preference Shares (CCPS) converted into equity	2,43,10,401	24,31,04,010	928,57,050	Non-Cumulative, 1.01% Compulsorily Convertible Preference Shares (CCPS) converted into equity
13.08.2019	SIDBI Trustee Company Limited A/c Samridhi Fund	10,71,427	10	140	14,99,99,780	Non-Cumulative, 1.01% Compulsorily Convertible Preference Shares (CCPS) converted into equity	2,35,96,116	23,59,61,160	13,92,85,510	Non-Cumulative, 1.01% Compulsorily Convertible Preference Shares (CCPS) converted into equity
13.08.2019	Creation Investments Social Venture Fund II, L.P.	14,28,570	10	140	19,99,99,800	Non-Cumulative, 1.01% Compulsorily Convertible Preference Shares (CCPS) converted into equity	2,25,24,689	22,52,46,890	18,57,14,100	Non-Cumulative, 1.01% Compulsorily Convertible Preference Shares (CCPS) converted into equity
31.03.2017	SIDBI	707214	10	70.7	7072140	OCPS Converted into equity	2,10,96,119	21,09,61,190.00	4,29,27,889.80	SIDBI OCPS Converted into equity





18.11.2016	Societe de Promoti on et de Particip ation pour le Coopera tion Econom ique (Proparc o)	19,27,801	10		32194 2767	Equity			30,26,64 ,757.00	
18.11.2016	Triodos Custody B.V acting in its capacity as a custodia n of Triodos Share Fair Fund	9,63,900	10	167	16097 1300	Equity	2,03,88,905	20,38,89,050.00	15,13,32 ,300.00	Allotm ent on Pvt placem ent basis
18.11.2016	Triodos SICAV II- Triodos Microfi nance Fund	9,63,900	10		16097 1300	Equity			15,13,32 ,300.00	
23.12.2015	SIDBI Trustee Compan y Limited	22,03,226	10	113.4 7	25000 0054.2	Equity	1,65,33,304	16,53,33,040.00	2279677 94.2	Allotm ent on Pvt placem ent basis
06.02.2014	SIDBI	5000000	10	10	5,00,0 0,000. 00	OCPS	5000000	5,00,00,000.00	Nil	
11.09.2012	Michael & Susan Dell Foundat ion	3,79,747	10	79	3,00,0 0,013. 00	Equity	1,43,30,078	14,33,00,780.00	2,62,02, 543.00	
07.09.2012	Creation Investm ents Social Venture s Fund I	14,91,121	10	79	11,77, 98,559 .00	Equity	1,39,50,331	13,95,03,310.00	10,28,87 ,349.00	
	Creation Investm ents Social Venture s Fund II LP.	21,79,765	10	79	17,22, 01,435 .00	Equity	1,24,59,210	12,45,92,100.00	15,04,03 ,785.00	
	Sonata Employ ee Welfare Trust	14,70,000	10	10	1,47,0 0,000. 00	Equity	1,02,79,445	10,27,94,450.00	Nil	
05.09.2012	Anup Kumar Singh	2,34,375	10	32	75,00, 000.00	Equity	88,09,445	8,80,94,450.00	51,56,25 0.00	CCPS convert ed into equity
	Swamin athan Shankar Aiyar	2,34,375	10	32	75,00, 000.00	Equity	85,75,070	8,57,50,700.00	51,56,25 0.00	

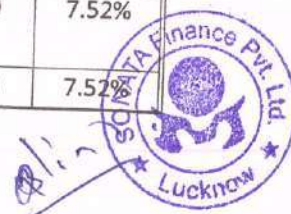




08.01.2010	Swaminathan Shankar Aiyar	2,15,000	10	45.5	97,82,500	Equity	83,40,695	8,34,06,950.00	76,32,500.00	
	Rakesh Dubey	2,55,950	10	10	25,59,500	Equity	81,25,695	8,12,56,950.00	Nil	
	Ashish Kumar Gupta	97,750	10	10	9,77,500	Equity	78,69,745	7,86,97,450.00	Nil	
	Bellwether Micro Finance Trust	3,61,991	10	55.25	2,00,00,000	Equity	77,71,995	7,77,19,950.00	1,63,80,092.75	Conversion into equity
09.12.2009	Anup Kumar Singh	1,75,000	10	45.5	79,62,500.00	Equity	74,10,004	7,41,00,040.00	62,12,500.00	
	Indian Financial Inclusion Fund (IFIF)	20,00,000	10	65	13,00,00,000.00	Equity	72,35,004	7,23,50,040.00	11,00,00,000.00	
	Michael & Susan Dell Foundation (MSDF)	8,61,538	10	65	5,59,99,970.00	Equity	52,35,004	5,23,50,040.00	4,73,84,590.00	
06.11.2009	Sonata Employee Welfare Trust	16,46,300	10	10	1,64,63,000.00	Equity	43,73,466	4,37,34,660.00	Nil	

Shareholding pattern of the Company as on last quarter end, i.e. September 30, 2019

Resident Shareholding				
Sr. No.	Name of the Shareholder	No. of Equity Shares	Paid-up Value (in INR)	% of Holding
1	Anup Kumar Singh	11,25,462	1,12,54,620	4.25%
2	Caspian Impact Investment Adviser Private Limited, Trustee of Bellwether Microfinance Trust	6,72,292	67,22,920	2.54%
3	Caspian Impact Investments Private Limited	4,66,850	46,68,500	1.76%
4	Swaminathan Shankar Aiyar	4,71,375	47,13,750	1.78%
5	Sonata Employee Welfare Trust	15,08,319	1,50,83,190	5.70%
6	SIDBI Trustee Company Limited [A/c Samridhi Fund]	32,74,653	3,27,46,530	12.38%
7	Shares held by Employees via ESOP	4,80,431	48,04,310	1.82%
8	Small Industries Development Bank of India	7,07,214	70,72,140	2.67%
<b>Total Resident Equity Shareholding (A)</b>		<b>87,06,596</b>	<b>8,70,65,960</b>	<b>32.91%</b>
Non Resident Shareholding				
8	India Financial Inclusion Fund, LLC	14,80,634	1,48,06,340	5.60%
9	Michael & Susan Dell Foundation	9,18,945	91,89,450	3.47%
10	Creation Investments Social Ventures Fund I	14,91,121	1,49,11,210	5.64%
11	Creation Investments Social Ventures Fund II, LP.	59,01,934	5,90,19,340	22.31%
12	Societe De Promotion Et De Participation Pour La Cooperation Economique	39,77,013	3,97,70,130	15.03%
13	Triodos Custody B.V. As A Custodian of Triodos Fair Share Fund	19,88,507	1,98,85,070	7.52%
14	Triodos SICAV II- Triodos Microfinance Fund	19,88,506	1,98,85,060	7.52%





Total Non-Resident Equity Shareholding (B)		1,77,46,660	17,74,66,600	67.09%												
Total Equity Shareholding (A) + (B)		2,64,53,256	26,45,32,560	100.00%												
Details of allotments made by the Company in the last one year prior to the date of this Offer Letter for consideration other than cash and details of the consideration in each case.	NIL															
Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this Offer Letter	<table><tr><th>FY</th><th>PBT (in INR Cr)</th><th>PAT (in INR Cr)</th></tr><tr><td>Mar -19 (Audited)</td><td>28.37</td><td>18.76</td></tr><tr><td>Mar-18 (Audited)</td><td>(50.11)</td><td>(33.39)</td></tr><tr><td>Mar-17 (Audited)</td><td>2.31</td><td>1.32</td></tr></table>				FY	PBT (in INR Cr)	PAT (in INR Cr)	Mar -19 (Audited)	28.37	18.76	Mar-18 (Audited)	(50.11)	(33.39)	Mar-17 (Audited)	2.31	1.32
FY	PBT (in INR Cr)	PAT (in INR Cr)														
Mar -19 (Audited)	28.37	18.76														
Mar-18 (Audited)	(50.11)	(33.39)														
Mar-17 (Audited)	2.31	1.32														
Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)	<table><tr><th>(In Rs.)</th><th>Mar-19 (Audited)</th><th>Mar-18 (Audited)</th><th>Mar-17 (Audited)</th></tr><tr><td>Dividend on Equity Shares</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>Interest Coverage Ratio</td><td>1.21</td><td>0.63</td><td>1.02</td></tr></table>				(In Rs.)	Mar-19 (Audited)	Mar-18 (Audited)	Mar-17 (Audited)	Dividend on Equity Shares	Nil	Nil	Nil	Interest Coverage Ratio	1.21	0.63	1.02
(In Rs.)	Mar-19 (Audited)	Mar-18 (Audited)	Mar-17 (Audited)													
Dividend on Equity Shares	Nil	Nil	Nil													
Interest Coverage Ratio	1.21	0.63	1.02													
A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter	Please refer Annexure II.															
Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter	Please refer Annexure III.															
Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company	NIL															

**1.6 PART B (To be filed by the Applicant)**

- (i) Name:
- (ii) **STICHTING JURIDISCH EIGENAAR ACTIAM INSTITUTIONAL MICROFINANCE FUND III** acting as legal owner of ACTIAM Financial Inclusion Fund;
- (iii) Father's name: N/A;
- (iv) Complete Address including Flat / House Number, Street, Locality, Pin Code:

**ACTIAM N.V. for ACTIAM Financial Inclusion Fund,**





Postbus 679  
3500 AR Utrecht  
The Netherlands  
Attention: Theo Brouwers  
E-mail: [theo.brouwers@actiam.nl](mailto:theo.brouwers@actiam.nl)

- (v) Phone number; if any: +31-20-5436061;
- (vi) Email ID, if any: [theo.brouwers@actiam.nl](mailto:theo.brouwers@actiam.nl);
- (vii) PAN Number: N.A.; and
- (viii) Bank Account details:

Bank:	ABN AMRO Bank N.V.
Bank address:	Rotterdam
Bank account number:	USD: 497980843
BIC/SWIFT code:	ABNANL2A
IBAN Code:	USD:NL52ABNA0497980843

In the name of:	Stichting Juridisch Eigenaar ACTIAM Institutional Microfinance Fund III
Address:	Graadt van Roggenweg 250, 3531 AH Utrecht, the Netherlands

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Initial of the Officer of the Company designated to keep the record**

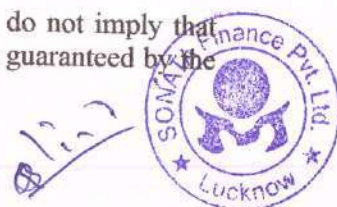
## 1.7 PAYMENT INSTRUCTIONS

The account details of the Issuer are as under:

Beneficiary Name:	Sonata Finance Private Limited
Bank Account No.	10037167157
IFSC CODE:	IDFB0020102
Bank Name	IDFC First Bank
Branch Address:	New Friends Colony Branch, Bhalla Sadan, South Delhi - 110025

## 1.8 DECLARATION (To be provided by the Directors)

- A. The Company has complied with the provisions of the Companies Act, 2013 and the rules made hereunder;
- B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government;





- C. the monies received under the offer shall be used only for the purposes and objects indicated in this Offer Letter;

I am authorized by the Board of Directors of the Company *vide* resolution dated 30.09.2019 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of the Offer Letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For Sonata Finance Private Limited

  
\_\_\_\_\_  
Authorised Signatory

Name: BRAMHANAND

Title: FINANCE HEAD

Date: December 13, 2019

Place: New Delhi



**Enclosed**

Copy of Board Resolution

Copy of Shareholders Resolution

Copy of \_\_\_\_\_

*Annexure I – Related Party Transactions*

*Annexure II - Summary of Financial Position*

*Annexure III - Audited Cash Flow Statement*

*Annexure IV – Application Form*

Optional Attachments, if any



**ANNEXURE I: RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST 3  
(THREE) FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION  
OF THIS OFFER LETTER**

**Details of material contracts or arrangement or transactions at arm's length basis during the Financial Year 2016-17:**

- (a) Name(s) of the related party and nature of relationship: *Ms. Chandni Gupta Ohri*
- (b) Nature of contracts/arrangements/transactions: *In the Ordinary Course of business*
- (c) Duration of the contracts / arrangements/transactions: *1 year*
- (d) Salient terms of the contracts or arrangements or transactions including the value:

*The training program is for the development of behavioral, leadership and management skills to be called as "Transition to Excellence". The said program was in two series. Series one did focus on the core behavioral skills and the second one focus on Leadership and Management skills. The contract was for the period of One Year and the total consideration payable to Grameen Foundation being INR 15 lacs (plus taxes). The price for the contract has been on fair market value as per the industry standard prevalent in similar companies.*

- (e) Date(s) of approval by the Board: *August 12, 2016*

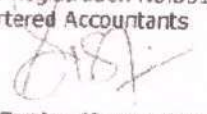


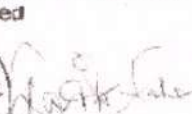

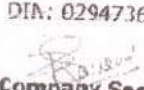
- (f) Amount paid as advances: *None*

*During the year ended March 31, 2018 & 2019, no related party transactions were entered..*





**ANNEXURE II: FINANCIAL POSITION OF THE COMPANY AS IN THE 3 (THREE) AUDITED BALANCE SHEETS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS OFFER LETTER**

Sonata Finance Private Limited Balance Sheet as at March 31, 2019			
	Notes	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
<b>I. Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	24,04,18,550	18,98,62,690
Reserves and surplus	4	2,50,85,40,226	1,60,19,32,852
		<b>2,74,89,58,876</b>	<b>1,79,17,95,542</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	3,90,40,85,132	6,15,24,42,014
Long term provisions	6	13,57,80,679	14,63,32,193
		<b>4,03,98,68,811</b>	<b>6,29,87,74,207</b>
<b>Current liabilities</b>			
Short-term borrowings	7	1,03,37,75,397	97,50,00,000
Other current liabilities	8	5,16,39,54,270	4,57,80,94,510
Short-term provisions	6	4,79,50,146	1,14,33,222
		<b>6,24,56,79,813</b>	<b>5,56,45,27,832</b>
<b>Total</b>		<b>13,03,45,07,500</b>	<b>13,65,50,97,581</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
- Tangible Asset	9A	1,69,12,700	1,50,70,528
- Intangible Asset	9B	44,73,991	78,56,795
Non-current investments	10	5,00,000	5,00,000
Deferred tax assets	11	14,56,23,666	24,17,02,050
Long term loans and advances	12	3,27,63,62,505	4,12,55,53,511
Other non-current assets	13	69,54,09,455	28,42,41,917
		<b>4,13,92,82,317</b>	<b>4,67,49,24,801</b>
<b>Current assets</b>			
Current investments	10	10,00,000	10,00,000
Cash and bank balances	14	2,18,52,33,722	1,35,07,82,872
Short-term loans and advances	12	6,59,03,36,331	7,49,91,10,163
Other current assets	13	11,26,55,130	12,92,79,743
		<b>8,89,52,25,183</b>	<b>8,98,01,72,780</b>
<b>Total</b>		<b>13,03,45,07,500</b>	<b>13,65,50,97,581</b>
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.Batilboi & Co. LLP Firm Registration No.391003C/E300005 Chartered Accountants		For and on behalf of the Board of Directors of Sonata Finance Private Limited	
			
per Sanjay Kumar Agrawal Partner Membership No.: 060352		 Managing Director DIN: 00173413	
		 Director DIN: 02947368	
		 Chief Financial Officer	
		 Company Secretary	
Place: Kolkata Date: May 30, 2019		Place: Lucknow Date: May 30, 2019	



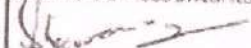
**Sonata Finance Private Limited**  
**Balance Sheet as at March 31, 2018**

	Notes	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
<b>I. Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	18,98,62,690	18,98,62,690
Reserves and surplus	4	1,60,19,32,852	1,93,88,17,579
		<b>1,79,17,95,542</b>	<b>2,12,86,80,269</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	6,15,24,42,014	5,29,65,54,129
Long term provisions	6	14,63,32,193	8,28,29,412
		<b>6,29,87,74,207</b>	<b>5,37,93,83,541</b>
<b>Current liabilities</b>			
Short-term borrowings	7	97,50,00,000	41,50,00,000
Other current liabilities	8	4,57,80,94,610	5,33,78,71,062
Short-term provisions	6	1,14,33,222	10,89,62,604
		<b>5,56,45,27,832</b>	<b>5,86,18,33,666</b>
<b>Total</b>		<b>13,65,50,97,581</b>	<b>13,36,98,97,476</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible Asset	9A	1,50,70,528	1,45,27,279
- Intangible Asset	9B	78,56,795	-
Non-current investments	10	5,00,000	5,00,000
Deferred tax assets	11	24,17,02,050	7,45,40,798
Long term loans and advances	12	4,12,55,53,511	1,83,21,30,812
Other non-current assets	13	28,42,41,917	47,71,15,528
		<b>4,67,49,24,801</b>	<b>2,39,88,14,417</b>
<b>Current assets</b>			
Current investments	10	10,00,000	1,08,936
Cash and bank balances	14	1,35,07,82,872	4,43,62,20,762
Short-term loans and advances	12	7,49,91,10,165	6,34,11,65,176
Other current assets	13	12,92,79,743	19,35,89,185
		<b>8,98,01,72,780</b>	<b>10,97,10,83,059</b>
<b>Total</b>		<b>13,65,50,97,581</b>	<b>13,36,98,97,476</b>

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



per Shrawan Jalan  
Partner  
Membership No.: 102102



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

  
Managing Director

  
Company Secretary

Place: Mumbai  
Date: May 30th, 2018

  
Director

  
CFO





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

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

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 Sanjay Kumar Agarwal

Partner

Membership No.: 060352

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

Managing Director

Director

Company Secretary

CFO

Place: Kolkata

Date: June 28, 2017

Place: New Delhi

Date: June 28, 2017



**ANNEXURE III: AUDITED CASH FLOW STATEMENT FOR THE 3 (Three) YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS OFFER LETTER**

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

4



Signature

9/12/19



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

Particulars	Year ended March 31, 2018 (Rs.)	Year ended March 31, 2017 (Rs.)
<b>A. Cash flow from operating activities :</b>		
Net profit before taxation	(50,11,39,581)	2,30,91,208
<b>Adjustments for :</b>		
Depreciation	88,60,140	95,51,674
Provision for standard and non performing assets	1,42,23,355	2,85,61,483
Provision for portfolio loan securitised / managed portfolio	(3,39,35,938)	5,56,45,325
Portfolio loans written-off	68,05,82,920	32,90,95,866
Provision for interest on income tax	3,103	-
Provision for other receivables	20,11,063	1,23,56,107
<b>Operating profit before working capital changes</b>	<b>17,06,05,062</b>	<b>45,83,01,663</b>
<b>Movements in working capital:</b>		
(Increase)/Decrease in other current assets	6,43,08,442	(8,15,54,782)
Decrease in other non-current assets	1,00,62,532	1,10,57,419
Increase in short term loans & advances	(1,13,76,51,648)	(86,26,68,918)
(Increase)/Decrease in long term loans & advances	(2,97,96,05,841)	49,57,65,463
Decrease in long term provisions	(28,660)	(37,91,999)
Increase/(Decrease) in short term provisions	(1,33,69,055)	53,42,490
Decrease in other long term liabilities	-	(34,66,790)
Increase/(Decrease) in other current liabilities	7,47,11,720	(6,84,58,885)
<b>Cash used in operations</b>	<b>(3,81,09,67,658)</b>	<b>(4,94,74,328)</b>
Direct taxes paid	(2,11,58,996)	(11,76,05,416)
<b>Net cash flow used in operating activities (A)</b>	<b>(3,83,21,26,654)</b>	<b>(16,70,79,744)</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of fixed assets	(1,30,24,926)	(1,59,40,422)
Increase in fixed deposits (net)	27,57,73,552	(2,50,81,168)
Sale of current investments (net)	(8,91,064)	20,11,097
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>26,18,57,562</b>	<b>(3,90,10,493)</b>
<b>C. Cash flow from financing activities :</b>		
Proceeds from issuance of share capital	-	64,84,59,197
Proceeds from issuance of debentures (net)	54,00,00,000	1,38,10,33,745
Payment of share/debenture issue expenses	(29,06,397)	(3,68,48,347)
Proceeds/(repayment) from long-term borrowings (net)	(51,66,03,390)	(17,14,42,745)
Proceeds/(repayment) from short-term borrowings (net)	56,00,00,000	(5,50,00,000)
Payment of dividend including dividend tax	(9,16,093)	(99,16,116)
<b>Net Cash flow from financing activities (C)</b>	<b>57,75,74,120</b>	<b>1,75,42,85,734</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2,99,26,94,972)</b>	<b>1,54,81,95,497</b>
Cash and cash equivalents at the beginning of the year	3,95,59,95,341	2,40,77,99,844
<b>Cash and cash equivalents at the end of the year</b>	<b>96,33,00,369</b>	<b>3,95,59,95,341</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	1,54,53,014	60,34,866
With banks- on current account	94,78,47,355	1,16,49,18,397
- on deposit account	-	2,78,50,42,078
<b>Total cash and cash equivalents (Refer Note 14)</b>	<b>96,33,00,369</b>	<b>3,95,59,95,341</b>

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.Battibai & Co. LLP

Firm Registration No. 301003E/E300005

Chartered Accountants

per Shrawan Jalen

Partner

Membership No.: 102102



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

Managing Director

Company Secretary

Place: Mumbai  
Date: May 30th, 2018

Director

CFO



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

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

Summary of significant accounting policies (refer note 2.1)

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

As per our report of even date

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

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

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

**Managing Director**

**Director**

**Company Secretary**

Place: Kolkata

Date: June 28, 2017

Place: New Delhi

Date: June 28, 2017





**SONATA FINANCE PRIVATE LIMITED**

**Date of Incorporation:** April 6, 1995.

**Telephone No.: 91-522-4005729**

**Website:** [www.sonataindia.com](http://www.sonataindia.com)

**Issue of 210 (Two Hundred and Ten) Secured, Unrated, Unlisted, Redeemable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 21,00,00,000/- (Rupees Twenty One Crores only) on a private placement basis (the "Issue").**  
**DEBENTURE SERIES APPLIED FOR:**

Number of Debentures: \_\_\_\_\_ In words: \_\_\_\_\_ Only  
Amount Rs. \_\_\_\_\_/-In words Rupees : \_\_\_\_\_ Only

No. \_\_\_\_\_ Drawn on \_\_\_\_\_

Dated

(In Figures) Rs.   /- (In words) Only

**SPECIMEN SIGNATURE**

[illegible]

<b>ADDRESS</b>																				
<b>STREET</b>																				
<b>CITY</b>																				
<b>PIN</b>							<b>PHONE</b>							<b>FAX</b>						

**WE ARE** ( ) **COMPANY** ( ) **OTHERS** ( ) **SPECIFY** \_\_\_\_\_

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Private Placement Offer cum Application Letter and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for

allotment of these Debentures. We request you to please place our name(s) on the Register of Debenture Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

<b>DEPOSITORY</b>	NSDL
<b>DEPOSITORY PARTICIPANT NAME</b>	
<b>DP-ID</b>	
<b>BENEFICIARY ACCOUNT NUMBER</b>	
<b>NAME OF THE APPLICANT(S)</b>	

<b>Applicant Bank Account:</b>	
(Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	

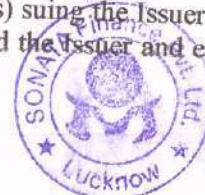
DATE OF RECEIPT _____	FOR OFFICE USE ONLY DATE OF CLEARANCE _____
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(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Private Placement Offer cum Application Letter is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), we shall convey all the terms and conditions contained herein and in this Private Placement Offer cum Application Letter to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer) and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.





Applicant's  
Signature

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____
<i>(Note: Cheque and Drafts are subject to realisation)</i>	

------(TEAR HERE)-----

**ACKNOWLEDGMENT SLIP**

<i>(To be filled in by Applicant)</i> SERIAL NO.	1 - - - - -
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Received from \_\_\_\_\_

Address _____	
Cheque/Draft/UTR # _____	Drawn on _____
Rs. _____ on account of application of _____ Debenture for	