

No: EKFL/11/2020-21

Addressed to: UTI International Wealth Creator 4

INFORMATION MEMORANDUM



ESS KAY FINCORP LIMITED

(Erstwhile Ess Kay Auto Finance Private Limited)

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: November 21, 1994

Registered Office: G 1-2, New Market, Khasa Kothi, Jaipur, Rajasthan- 302001

Telephone No.: +91 141 4734016

Website: www.skfin.in

Information Memorandum for issue of Debentures on a private placement basis on

Dated: September 25, 2020

Issue of 700 (Seven Hundred) Secured, Rated, Listed, Redeemable, Transferable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) on a private placement basis (the "Issue").

Background

This Information Memorandum is related to the Debentures to be issued by Ess Kay Fincorp Limited (the "Issuer" or "Company") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on May 21, 2020 and the Board of Directors of the Issuer on June 3, 2020 read with the resolution passed by the Executive Committee of the Board of Directors dated September 23, 2020 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company's shareholders dated May 21, 2020 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to borrow, upon such terms and conditions as the Board may think fit, for amounts up to INR 4500,00,00,000/- (Rupees Four Thousand and Five Hundred Crores only). The present issue of Debentures in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

General Risks

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments and only after reading the information carefully. For taking an investment decision, the Investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of Risk Factors at SECTION 3: of this memorandum of private placement for issue of Debentures on a private placement basis ("Information Memorandum" or "Disclosure Document"). This Information Memorandum has not been submitted, cleared or approved by SEBI.



Issuer's Absolute Responsibility

The Issuer, having made all reasonable inquiries, confirms and represents that the information contained in this Information Memorandum/ Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by CRISIL Ratings. The Rating Agency has, vide its letter dated August 18, 2020 assigned a rating of "CRISIL A/Stable" (pronounced as "CRISIL A Rating") with "Stable" outlook in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and Investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to Annexure II of this Information Memorandum for the letter dated August 18, 2020 from the Rating Agency assigning the credit rating above mentioned.

Issue Schedule

Issue Opening on: September 25, 2020
Issue Closing on: September 25, 2020
Deemed Date of Allotment: September 29, 2020

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

The Debentures are proposed to be listed on the wholesale debt market of the Bombay Stock Exchange ("BSE").

Registrar and Transfer Agent	Debenture Trustee
 Kfin Technologies Private Limited 46, Avenue, 4th Street, No. 1, Banjara Hills, Hyderabad-500034 Tel: +91 40 33211000, 67162222 Email: rakesh.santhalia@karvy.com	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R.Kamani Marg, Ballard Estate, Mumbai- 400001 Tel: +91 22 40807000 Email: deepak.avasthi@idbitrustee.com

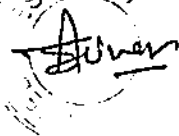
ISSUED
23/09/2020


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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum.

Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
Application Form	The form used by the recipient of this Disclosure Document and/or the Private Placement Offer cum Application Letter, to apply for subscription to the Debentures, which is annexed to this Information Memorandum and marked as Annexure IV.
Board/Board of Directors	The Board of Directors of the Issuer.
Business Day	Any day of the week (excluding Saturdays, Sundays and any other day which is a 'public holiday' for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are normally open for business in Mumbai, India and New York, United States of America and "Business Days" shall be construed accordingly.
CDSL	Central Depository Services Limited
Client Loan	Each loan made by the Issuer as a lender, and "Client Loans" shall refer to the aggregate of such loans.
Debentures / NCDs	700 (Seven Hundred) Secured Rated Listed Redeemable Transferable Non-Convertible Debentures bearing a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating to Rs. 70,00,00,000/- (Rupees Seventy crores only).
Debenture Holders / Investors	The holders of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures from time to time.
Deemed Date of Allotment	September 29, 2020.
Debenture Trustee	IDBI Trusteeship Services Limited
Debenture Trustee Agreement	Agreement executed by and between the Debenture Trustee and the Company <i>inter alia</i> for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	Shall mean the debenture trust deed executed/to be executed by and between the Debenture Trustee and the Company <i>inter alia</i> setting out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Deed of Hypothecation	The deed of hypothecation entered/to be entered into between the Issuer and the Debenture Trustee, pursuant to which the hypothecation over the Secured Property shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holders).
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 2018, as amended from time to time.
Depository Participant /	A depository participant as defined under the Depositories Act



DP	
Director(s)	Board of Director(s) of the Issuer.
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.
DP ID	Depository Participant Identification Number.
Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether on maturity or earlier (upon any Event of Default or upon the exercise of the Put Option or Call Option), prior to the scheduled Maturity Date or acceleration.
EBP Guidelines	The guidelines issued by SEBI with respect to electronic book mechanism under the terms of the SEBI Circular dated January 5, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/05) read with the SEBI Circular dated August 16, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/122) and the operational guidelines issued by the relevant Electronic Book Provider, as may be amended, clarified or updated from time to time.
EFT	Electronic Fund Transfer.
Electronic Book Provider / EBP	shall have the meaning assigned to such term under the EBP Guidelines.
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
Final Settlement Date	shall mean the date on which the payments to be made by the Company in relation to the Issue have been irrevocably discharged in full and/or the Debentures have been redeemed by the Company in full in accordance with the terms of the Transaction Documents.
GAAP	Generally Accepted Accounting Principles prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer.
IBC	shall mean the Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment or re-enactment thereof;
ICCL	Indian Clearing Corporation Limited
Issue	Private Placement of the Debentures.
Issue Closing Date	September 25, 2020.
Issue Opening Date	September 25, 2020.
Issuer/ Company	Ess Kay Fincorp Limited
Majority Debenture Holders	Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to more than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding.
Material Adverse Effect	The effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, a material and adverse effect on (i) the financial condition, business or operation of the Issuer; (ii) the ability of the Issuer to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Maturity Date	September 29, 2026 being 72 (Seventy Two) months from the Deemed Date of Allotment, subject to a Put Option or Call Option or, such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
Net Assets	Net Assets shall mean the total assets on the balance sheet of the Issuer excluding any securitised assets and managed (non-owned) loan portfolio.
N.A.	Not Applicable.
NBFC Directions	RBI Master Direction on Non- Banking Financial Company- Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Master Direction DNBR. PD. 008/03.10.119/2016-17)
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
Private Placement Offer cum Application Letter	Shall mean the private placement offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
RBI	Reserve Bank of India.
Rating Agency	CRISIL Ratings, being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Kfin Technologies Private Limited.
ROC	Registrar of Companies.
Rs. / INR	Indian Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 issued by SEBI, as amended from time to time.
Security	The security for the Debentures as specified in Annexure I.
Tax or Taxes	shall mean any and all present or future, direct or indirect, claims for tax, withholding tax, surcharge, levy, impost, duty, cess, statutory due or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) including on gross receipts, sales, turn-over, value addition, use, consumption, property, service, income, franchise, capital, occupation, license, excise, documents (such as stamp duties) and customs and other taxes, duties, assessments, or fees, however imposed, withheld, levied, or assessed by any Government;
TDS	Tax Deducted at Source.
The Companies Act/ the Act	The Companies Act, 2013 or where applicable, the provisions of the Companies Act, 1956, still in force.

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(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Transaction Documents	Shall mean the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in Annexure I.
WDM	Wholesale Debt Market.
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.



SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum / Disclosure Document to be filed or submitted to the SEBI for its review and/or approval. This Information Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and the applicable RBI Circulars governing private placements of debentures by NBFCs. This Information Memorandum has been prepared solely to provide general information about the Issuer to the eligible investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any eligible investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI Debt Listing Regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum, the Private Placement Offer cum Application Letter and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum and/or the Private Placement Offer cum Application Letter are intended to be used only by those potential Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.



No invitation is being made to any person other than those to whom Application Forms along with this Information Memorandum and the Private Placement Offer cum Application Letter being issued have been sent. Any application by a person to whom the Information Memorandum and/or the Private Placement Offer cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum and/or the Private Placement Offer cum Application Letter shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Information Memorandum and/or the Private Placement Offer cum Application Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum and/or the Private Placement Offer cum Application Letter decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and/or the Private Placement Offer cum Application Letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Information Memorandum and/or the Private Placement Offer cum Application Letter to reflect subsequent events after the date of Information Memorandum and/or the Private Placement Offer cum Application Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum and/or the Private Placement Offer cum Application Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum and/or the Private Placement Offer cum Application Letter in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Information Memorandum has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.



2.3 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

2.4 DISCLAIMER IN RESPECT OF RBI

The Issuer is having a valid certificate of registration issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to Investors as specified under the clause titled "Eligible Investors" of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at New Delhi. This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the Allotment to Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.



SECTION 3: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors in this Information Memorandum and/or the Private Placement Offer cum Application Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this Information Memorandum and/or the Private Placement Offer cum Application Letter and reach their own views prior to making any investment decision.

3.1 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.

3.2 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.

3.3 CREDIT RISK & RATING DOWNGRADE RISK

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, potential investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

3.4 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF NCDS.

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.

3.5 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.

3.6 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.

3.7 SECURITY MAYBE 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 Investor'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 potential Investors amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

3.8 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.

3.9 LEGALITY OF PURCHASE

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

3.10 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.

3.11 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.*

The vehicle loans provided by the Issuer are secured and if the Issuer is unable to control the level of NPAs in the future, or if the loan loss reserves are insufficient to cover future loan losses, the financial condition of the Issuer and results of operations may be materially and adversely affected.

As on June 30, 2020, the gross NPA was Rs. 108 Cr on a gross portfolio of Rs. 2847 Cr (including managed / securitized portfolio of Rs. 114 Cr.

*PTCs are treated as part of own books.



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 the Issuer handles a large amount of cash through a high volume of small transactions taking place in its network, 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.

The loans given by the issuer are at fixed interest rate, and the tenor of the underlying asset has increased from one year to two year which has provided stability to the portfolio and interest income and has also smoothened operating expense.

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. The Issuer requires certain approvals, licenses, registrations and permissions for operating, including registration with the RBI as a non-deposit taking NBFC (NBFC-ND). 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 that is subject to numerous conditions. In addition, branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment 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, business may be adversely affected. If the Issuer fails to comply, or a regulator claims that the Issuer has not complied with any of these conditions, its certificate of registration may be suspended or cancelled and the Issuer shall not be able to carry on such activities.

- H. *The economic fallout from the spread of the COVID-19 virus may impact the Issuer's business prospects, financial condition, result of operations and credit risk*

The spread of the COVID-19 virus has affected millions across the globe and the same coupled with measures taken by the governments including lockdowns/ curfew has not only affected day to day lives of people but has also given a hard blow to the supply chain of factories, with trade routes being disturbed and slowing down of the industry, trade, commerce and business activities across all sectors.

The COVID-19 virus pandemic is adversely affecting, and is expected to continue to adversely affect, our operations, business, liquidity and cashflows, and we have experienced and expect to continue to experience unpredictable reductions in demand for certain of our products and services. Further, since a good fraction of our borrowers are small transport road operators, the disruption due to COVID-19 virus will also have an impact on their business as well as repayment capacity of the loans taken from us.

However, the extent of negative financial impact cannot be reasonably estimated at this time but a sustained economic slowdown may significantly affect our business, financial condition, liquidity, cashflows and results of operations and the same will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 virus and the actions to contain the COVID-



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19 virus or treat its impact, among others. Consequently, there may be a negative effect on the Company's ability to service the obligations in relation to the Debentures.



SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the FY ended 31st March 2020 are set out in Annexure V hereto.



SECTION 5: REGULATORY DISCLOSURES

The Information Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule I of the SEBI Debt Listing Regulations.

5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the BSE:

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 (Three) years audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Copy of the resolution passed by the shareholders of the Company at the Extra-Ordinary General Meeting held on May 21, 2020, authorizing the issue/offer of non-convertible debentures by the Company upto an aggregate limit of INR 3000,00,00,000/- (Rupees Three Thousand Crores only);
- E. Copy of the resolution passed by the Board of Directors authorizing the issuance of the Debentures and the list of authorized signatories;
- F. Copy of the resolution passed by the Company at the Extra-Ordinary General Meeting held on May 21, 2020, authorising the Company to borrow, upon such terms as the Board may think fit, upto an aggregate limit of INR 4500,00,00,000/- (Rupees Four Thousand Five Hundred Crores only);
- G. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (Five) working days of execution of the same;
- H. Where applicable, an undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, in favour of the trustees to the proposed issue has been obtained; and
- I. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

5.2 Documents Submitted to Debenture Trustee

The following documents have been/shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 (Three) years audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
- E. An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (D) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the



latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.

5.3 Name and Address of Registered Office of the Issuer:

Name of the Issuer: Ess Kay Fincorp Limited

Registered Office of Issuer: G1 & G2 New Market,
Khasa Koti Circle, Jaipur, Rajasthan-302001

Corporate Office of Issuer: G1&2, Adarsh Plaza,
Khasa Kothi Circle, Jaipur, Rajasthan - 302001

Compliance Officer of Issuer: Ms. Anagha Bangur,
Company Secretary
G1&2, Adarsh Plaza,
Khasa Kothi Circle, Jaipur, Rajasthan - 302001

CFO of Issuer: Mr. Atul Arora,
Phone No: 0141-4734016
Address: G1&2, Adarsh Plaza, Khasa Kothi Circle,
Jaipur, Rajasthan - 302001

Corporate Identification Number: U65923RJ1994PLC009051

Phone No.: +91 141 4734016

Fax No.: -

Contact Person: Mr. Vivek Singh,
G1&2, Adarsh Plaza,
Khasa Kothi Circle, Jaipur, Rajasthan - 302006

Email: anagha.bangur@skfin.in

Website of Issuer: www.skfin.in

Auditors of the Issuer: B S R & Co. LLP
Address: 5th Floor, Lodha Excelus, Apollo Mills Compound
N.M Joshi Marg Mahalaxmi Mumbai-400011
Tel: +91-97727-09002
E-mail: anandvijay@bsraffiliates.com

Trustee to the Issue: IDBI Trusteeship Services Limited
Address: Asian Building, Ground Floor, 17, R.Kamani Marg,
Ballard Estate, Mumbai- 400001
Email: deepak.avasthi@idbitrustee.com

Registrar to the Issue: Kfin Technologies Private Limited
46, Avenue, 4th Street, No. 1, Banjara Hills, Hyderabad-500034
Tel: +91 40 6716 1602



E-mail: hanumantha.patri@kfintech.com

Credit Rating Agency:

CRISIL Ratings

Address: Central Avenue, Hiranandani Business Park, Powai,
Mumbai 400 076, India

Tel: +0124 6722123

E-mail: sunanda.agarwal@crisil.com

5.4 A brief summary of business / activities of the Issuer and its line of business:

(a) Overview:

Ess Kay Fincorp Limited is registered as an Asset Financing Non-Banking Financial Corporation (NBFC-AFC) with the RBI. It was incorporated in 1994 and is primarily engaged in financing of commercial vehicles – mostly light commercial vehicles and multi utility vehicles. Its corporate and registered office is in Jaipur, Rajasthan.

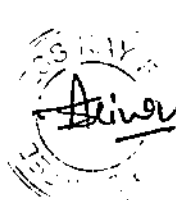
It provides loans primarily to first time buyers and small transporters for purchase of used vehicles. The Issuer's experienced management team, knowledge of local market, good franchise in Rajasthan, good systems and processes, control on asset quality indicators and adequate profitability are credit the positives for the company.

(b) Corporate Structure/Organization Structure:

i. Current Corporate Status:

The Issuer was incorporated as a private limited company under the Companies Act of 1956 on November 21, 1994 and is registered with the Reserve Bank of India as a non-deposit accepting NBFC and converted from a private limited to public limited company under the Companies Act of 2013 on September 04, 2017. The Issuer derives the following benefits of being registered as an NBFC.

- **Access to Funds:** Commercial lenders have greater comfort lending to a regulated NBFC with transparent ownership. As an Issuer, Ess Kay can raise equity and offer commercial returns.
- **Diverse Funding Sources:** An NBFC can access commercial investors and international capital markets, diversifying away from donors or members as equity funders.
- **Commercialisation:** Classifying Ess Kay as an NBFC increases its commercial credibility and integrates it and its clients into the formal financial sector which ultimately increases its outreach potential.
- **Mainstream Resources:** As a for-profit commercial NBFC, Ess Kay will be more likely to attract mainstream capital resources which Societies or Trusts would find difficult to attract.
- **Regulatory Coverage:** As Ess Kay grows in size, operating as an NBFC within the regulatory framework mitigates risks from political and regulatory intervention.
- **Stakeholder Involvement:** As an NBFC, Ess Kay can bring a variety of stakeholders to the table, including clients, management, employees and investors.

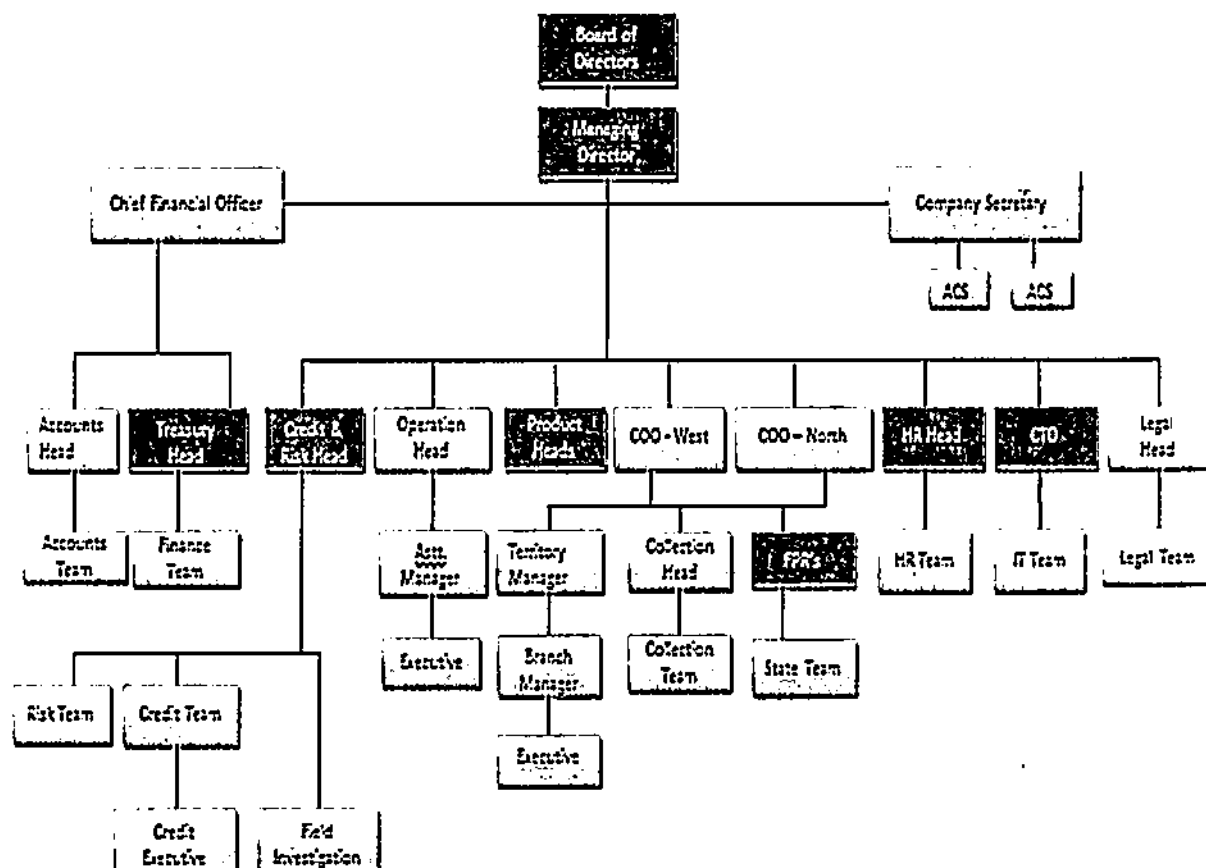


Ess Kay lends financial assistance in the form of loans, to help meet customers' needs in the transportation life cycle from end-to-end. We finance Medium Commercial Vehicles (MCV), Light Commercial Vehicles (LCV), Multi-Utility Vehicle (MUV), Cars, Two – Wheelers and MSME financing. Apart from financing new vehicles, we have Refinancing loans available for used and pre-owned vehicles of all kinds and brands.

PRODUCT DETAILS

Product	Features	Purpose	Eligibility
Vehicles loans	Secured by hypothecation of vehicle	Purchase of vehicle	Self-occupied individuals
MSME	Secured by mortgage of property	Expansion of business	Self-occupied residential and commercial property Individuals

ii. Corporate Structure



- (c) Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis.



Parameters	Audited 31-Mar-17	Audited 31-Mar-18	Audited 31-Mar-19	Audited 31-Mar-20
	(in Lakhs)	(in Lakhs)	(in Lakhs)	(in Lakhs)
Net Worth	8,627	20,630	55,518	87,873
Total Debt	61462	89763	129917	2,56,178
- Non-current maturities of long term Borrowings	30198	42815	80262	* Bifurcation not available
- short term borrowings	4597	8523	6505	
- Current maturities of long term Borrowings	26667	38425	43150	
Net Fixed Assets	1016	1230	1704	4210
Non-Current Assets	38367	69175	102226	
Cash and Cash equivalents	5543	2937	27761	6,237
Current investments	-	-	1100	13,837
Current Assets	37714	51696	66525	-
Current liabilities	37811	56944	59369	-
Assets Under Management	82449	128198	200184	3,07,665
Off balance sheet assets	24931	27155	47216	12,832
Interest Income	12056	16931	28901	54,545
Interest Expense	6570	8479	13096	23,248
Provisioning & write offs	674	1206	2059	4777
PAT	1230	2195	5223	7,854
Gross NPA (%)	4.22%	3.37%	3.83%	4.04%
Net NPA (%)	3.41%	2.57%	2.87%	2.42%
Recognition of NPA	120 days	90 days	90 days	90 days
Tier I Capital Adequacy Ratio (%)	11.56%	16.72%	31.17%	30.62%
Tier II Capital Adequacy Ratio (%)	6.20%	3.52%	1.85%	1.04%

(Rs. Crores)

(d) Gross Debt: Equity Ratio of the Company (As on June 30, 2020):

Before the issue of debt securities	2.67
After the issue of debt securities	2.75

Calculations

As on June 30, 2020, debt-to-equity ratio is calculated as follows:

Debt	2,410.13
Equity	903.21
Debt/Equity	2.67

Subsequent to the issue, debt-to-equity ratio shall be calculated as follows:

Debt	2,480.13
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Equity	903.21
Debt/Equity	2.75

*Equity includes Tier I and Tier II Capital

#Debt Includes Subordinated Debt

A. Project cost and means of financing, in case of funding new projects:

Nil / Not applicable

5.5 A Brief history of Issuer since its incorporation giving details of its following activities:

A. Details of Share Capital as on last quarter end i.e. June 30, 2020:

Share Capital	Rs.
Authorised	In INR Lakhs
Equity share capital	575.00
Preference share capital	Nil
TOTAL	575.00
Issued, Subscribed and Fully Paid- up	503.90
Equity share capital	503.90
Preference Shares	Nil
TOTAL	503.90

B. Changes in its capital structure as on last quarter end i.e. June 30, 2020, for the last five years:

Changes in its capital structure as on last quarter end	Change in Authorised Share Capital (Equity and Preference) (Rs.)		Particulars
Date of Change (AGM/ EGM)	Existing	Revised	Change in capital (Rs.)
31.12.2010	12,500,000	25,000,000	+12,500,000
31.12.2011	25,000,000	25,000,000	-
31.12.2012	25,000,000	45,000,000(E.S.) 12,500,000(P.S)	+20,000,000 +12,500,000
31.12.2013	45,000,000(E.S.) 12,500,000(P.S)	45,000,000(E.S.) 12,500,000(P.S)	-
31.12.2014	45,000,000(E.S.) 12,500,000(P.S)	45,000,000(E.S.) 12,500,000(P.S)	-
31.12.2015	45,000,000(E.S.) 12,500,000(P.S)	45,000,000(E.S.) 12,500,000(P.S)	-
31.03.2017	45,000,000(E.S.) 12,500,000(P.S)	45,000,000(E.S.) 12,500,000(P.S)	-



5.12.2017	45,000,000(E.S.) 12,500,000(P.S.)	5,75,00,000(E.S.)	-
11.09.2018	5,75,00,000(E.S.)	5,75,00,000(E.S.)	Each ES of Rs. 100 was splitted into 50 ES of Rs. 02 each.

C. Equity Share Capital History of the Company as on last quarter end i.e. June 30, 2020, for the last five years:

Date of allotment	Name of equity shareholder	No. shares	Face Value (Rs.)	Issue price	Consideration Amount (Rs.)	Nature of Allotment	Cumulative paid-up capital (Rs.)			Remarks
							No. of equity shares	Equity share Capital	Equity Share Premium (in Rs.)	
31.03.2010	Asha Kothari	3650	100	500	1,825,000	Equity	123,150	12,315,000		Share transferred on 15.1.2020
	Mantra Trading Company	2000	100	500	1,000,000	Equity				Share transferred on 22.12.2011
	Vajra Trading Company	2000	100	500	1,000,000	Equity				Share transferred on 22.12.2011
	Ess Kay Finserve Pvt. Ltd.	3200	100	500	1,600,000	Equity				Share transferred on 22.12.2011
	Total	10,850	100	500	5,425,000	Equity				
31.03.2011	Shalini Setia	800	100	500	400,000	Equity	164,790	16,479,000		
	Arjun Das Setia	320	100	500	160,000	Equity				Shared Transfered on 07.07.2014
	Rajendra	40520	100	500	20,260,000	Equity				

ES KAY
Finserve
Arjun

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	Kumar Setia				0					
	Total	41,640	100	500	20,820,000	Equity				
27.12.2011	Rajendra Kumar Setia	17,620	100	500	8,810,000	Equity	182,410	18,241,000		
05.03.2012	BanyanTree Growth Capital LLC	60	100	1500	90,000	Equity	182,470	18,247,000		
31.03.2012	Shalini Setia	2368	100	2000	1,184,000	Equity	199,518	19,951,800		Shares transferred on 16.08.2014
	Arjun Das Setia	1200	100	2000	600,000	Equity				
	Rajendra Kumar Setia	13480	100	2000	6,740,000	Equity				
	Total	17,048	100	2000	34,096,000	Equity				
26.03.2014	Rajendra Kumar Setia	190	100	2632	500,080	Equity	202,415	20,241,500		
	Ladder Up Corporate Advisory Private Limited	2707	100	2632	7,124,824	Equity				
	Total	2,897	100	2632	7,624,904	Equity				
	BanyanTree Growth Capital LLC	119,940	100	100	179,910,000	Preference	119,940	11,994,000		
31.03.2014							322,355	32,235,500		
31.03.2015							322,355	32,235,500		
31.03.2016							322,355	32,235,500		
12.11.2016	Yash Setia	13	100	NA	NA	Equity	322,355	32,235,500		Share received on 12.11.2016
	Shalini Setia	13	100	NA	Na	Equity				Share received on 12.11.2016
	Atul Arora	13	100	3790.68	49278.84	Equity				Share purchased



										d from existing sharehol er on 12.11.20 16
27.03.2017	Banyan Tree Growth Capital LLC	68294	100	175.623	NA	Equity	27070 9	27070900		68294 Equity share issued in lieu of Compul ory Convert ible preferen ce share:
	Total	68333	-	3790.68	49278.84	Equity				
30.12.2017	Norwest Venture Partners X - Mauritius	44,46 8	100	12,467.2 6	55,43,94,1 17.68	Equity	35091 9	35091900	991977 924.6	Fresh Allotme nt
	Baring Private Equity India AIF	15,96 3	100	12,467.2 6	19,90,14,8 71.38	Equity				Fresh Allotme nt
	Karma Holdings Mauritius Limited	4,817	100	12,467.2 6	6,00,54,79 1.42	Equity				Fresh Allotme nt
	Evolvece India Fund II LTD	14,96 2	100	12,467.2 6	18,65,35,1 44.12	Equity				Fresh Allotme nt
30.12.2017	Norwest Venture Partners X - Mauritius	41,35 6	100	12,467.2 6	51,55,96,0 04.56	Equity	35091 9	35091900	991977 924.6	Transfer from Banyan Tree Growth Capital Rajendr Kumar Setia & Ladder Up Finance Limited
	Baring Private Equity India AIF	14,84 5	100	12,467.2 6	18,50,76,4 74.70	Equity				Transfer from Banyan Tree Growth Capital Rajendr Kumar

Signature
SEAL

										Setia & Ladder Up Finance Limited
	Karma Holdings Mauritius Limited	4,480	100	12,467.26	5,58,53,324.80	Equity				Transfer from Banyan Tree Growth Capital. Rajendr Kumar Setia & Ladder Up Finance Limited
	Evolve India Fund II LTD	13,914	100	12,467.26	17,34,69,455.64	Equity				Transfer from Banyan Tree Growth Capital. Rajendr Kumar Setia & Ladder Up Finance Limited
23.02.2018	Evolve Coinvest I	28,876	100	12,467.26	36,00,04,599.76	Equity	350919	35091900	991977924.6	Transfer
26.02.2018	Rajendra Kumar Setia HUF	1,250	100	20,000.00	2,50,00,000.00	Equity	350919	35091900	991977924.6	Transfer
11.09.2018	Splited into 50 Equity Shares having FV 02 Per Share	NA	02	NA	NA	Equity	17545950	35091900	NA	Split
13.10.2018	Rajendra Kumar Setia	754650	02	NA	NA	Equity	18300600	36601200	NA	Conversion of Warrants
31.10.2018	TPG Growth IV SF Pte Limited	167703	02	596.29	99999621.87	Equity	18468303	36936606	NA	Purchase from RKS
31.10.2018	TPG Growth IV SF Pte Limited	2904835	02	596.29	1732124062.15	Equity	18756447	37512894	2802391729.41	Fresh Allotment
31.10.2018	Evolve	45584	02	596.29	27181700	Equity	21661	43322564		Fresh



	Coinvest I	7			7.63		282			Allotment
31.10.2018	Norvest Venture Partners X – Mauritius	1354847	02	596.29	807881717.63	Equity	23016129	46032258		Fresh Allotment
21.11.2019	TPG Growth IV SF Pte Limited	1,316,497	02	1078.62	1,419,999,994.14	Equity	24332626	48665252		Fresh Allotment
21.11.2019	Norvest Venture Partners X – Mauritius	630,435	02	1078.62	679,999,799.70	Equity	24963061	49926122	2345642760.2	Fresh Allotment
21.11.2019	Evolve India Fund III Ltd	231,778	02	1078.62	250,000,386.36	Equity	25194839	50389678		Fresh Allotment

D. Details of any Acquisition or Amalgamation in the last 1 (one) year:

There has been no acquisition or amalgamation in the last 1 (one) year.

E. Details of any Reorganization or Reconstruction in the last 1 (one) year:

There has been no reorganization or reconstruction in the last 1 (one) year.

5.6 Details of the shareholding of the Company as on June 30, 2020:

A. Shareholding pattern of the Company as on June 30, 2020:

S. No.	Name of Shareholder	Nature of Shares	Face Value per share in Rs.	No. of shares	% of paid-up share capital
1	Rajendra Kumar Setia	Equity	02	1,03,27,547	40.99
2	Shalini Setia	Equity	02	650	0.00
3	Yash Setia	Equity	02	650	0.00
4	Bhajan Devi Setia	Equity	02	650	0.00
5	Rajendra Kumar Setia (HUF)	Equity	02	62,500	0.25
6	Norvest Venture Partners X-Mauritius	Equity	02	62,76,482	24.91
7	Baring Private Equity India AIF	Equity	02	15,40,400	6.11
8	Karma Holdings Mauritius Limited	Equity	02	4,64,850	1.85
9	Evolve Coinvest I	Equity	02	18,99,647	7.54
	TPG Growth IV SF Pte	Equity	02	43,89,035	17.42

	Limited				
11	Evolve India Fund III Ltd.	Equity	02	2,31,678	0.92
12	Atul Arora	Equity	02	650	0.00
Total				2,51,94,839	100.00

Notes: Details of shares pledged or encumbered by the promoters (if any): NIL

B. List of top 10 holders of equity shares of the Company as on June 30, 2020:

S. No.	Name of Shareholder	Nature of Shares	Face Value per share in Rs.	No. of shares	% of paid-up share capital
1	Rajendra Kumar Setia	Equity	02	1,03,27,547	40.99
2	Shalini Setia	Equity	02	650	0.00
3	Yash Setia	Equity	02	650	0.00
4	Bhajan Devi Setia	Equity	02	650	0.00
5	Rajendra Kumar Setia (HUF)	Equity	02	62,500	0.25
6	Norwest Venture Partners X-Mauritius	Equity	02	62,76,482	24.91
7	Baring Private Equity India AIF	Equity	02	15,40,400	6.11
8	Karma Holdings Mauritius Limited	Equity	02	4,64,850	1.85
9	Evolve Coinvest I	Equity	02	18,99,647	7.54
10	TPG Growth IV SF Pte Limited	Equity	02	43,89,035	17.42
11	Evolve India Fund III Ltd.	Equity	02	2,31,678	0.92
12	Atul Arora	Equity	02	650	0.00
Total				2,51,94,839	100.00

5.7 Following details regarding the directors of the Company:

A. Details of current directors of the Company:

This table sets out the details regarding the Company's Board of Directors:

Sr. No	Director's name	Date of Birth	Age	PAN	Director of the company since	DIN	Address	Details of other directorships
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1.	Rajendra Kumar Setia	01.07.1969	49 Years	AGWP S0094 A	21.11.1994	00957374	2 Cha 12 Jawahar Nagar, Jaipur	Nil
2.	Shalini Setia	04.06.1972	47 Years	ABXP S3855 K	01.01.2010	02817624	2 Cha 12 Jawahar Nagar, Jaipur	Nil
3.	Amar Lal Daultani	13.03.1955	64 Years	AKDP D8573 G	01.04.2016	05228156	703, Dev Plaza, Near Tejaswani Hospital Kadri, Temple Road, Mangalore, Karnataka.	1. Deveni o Optimus Advisors Private Limited; 2. Ativir Stock Broking Private Limited; 3. Viraj Profiles Limited
4.	Munish Dayal	03.04.1966	53 Years	AAFP D7954 D	26.02.2018	01683836	H.N. LCG804A, Sushant Lok-1, Laburnum Apartment Gurgaon, T ch - Gurgaon	1. IVC Association 2. Manappuram Home Finance Limited 3. Starkarma Realty Holdings India Private Director Limited 4. Proactive Data Systems Private Limited 5. RMZ Infotech Private Limited RMZ Infrastech Private Limited Infrasoft Technologies

								Limited Infrasoft Technologies Pte. Ltd., Singapore Infrasoft Technologies Sdn. Bhd., Malaysia Infrasoft Technologies Inc., USA Infrasoft Technologies Limited, UK
5.	Anand Raghavan	04.06.1961	58 Years	AACP A1877 D	07.04.2018	00243485	22/1, Warren Road, Mylapore, Chennai 600004	1. MMTC Limited 2. Sterling Holiday Resorts Limited 3. Five-Star Business Finance Limited 4. Five-Star Housing Finance Private Limited 5. Chennai International Centre 6. Nani Palkhivala Arbitration Centre
6.	Akshay Tanna	20/11/1982	38 yrs	ADQP T5302 K	03.06.2020	02967021	A/72, Darshan Apts, Mount Pleasant Road, Malabar Hill, Near	-Dodla Dairy Limited -Big Tree Entertainment Private Limited -Landmark Insurance Brokers Private



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							Chief Ministers Bungalow, Mumbai- 400006, Maharashtra	Limited -Lenskart Solutions Private Limited -Automark Motors Private Limited -Landmark Commercial Vehicles Private Limited -FSN E- Commerce Ventures Private Limited
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*Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: None

B. Details of change in directors since last three years as on June 30, 2020:

Name	Designation	DIN	Date of Appointment	Date of Resignation (in case of resignation)	Remarks
Naval Jawaharlal Totla	Independent Director	2408585	05.03.2012	20.05.2014	Appointment and Resignation
Anshuman Goenka	Independent Director	02276712	20.05.2014	25.03.2015	Appointment and Resignation
Sanjiv Singhal	Nominee Director	02408616	25.03.2015	30.12.2017	Appointment and Resignation
Govind Saboo	Independent Director	06724172	29.12.2014	01.04.2016	Appointment and Resignation
Amar Chand Chug	Independent Director	07144359	25.03.2015	08.05.2018	Appointment and Resignation
Arjun Das Setia	Director	00469127	21.11.1994	29.09.2015	Appointment and Resignation
Amar Lal Daultani	Independent Director	05228156	01.04.2016	-	Appointment
Rahul Bhasin	Nominee Director		30.12.2017	05.09.2018	Appointment and Resignation
Munish	Nominee	01683836	26.02.2018		Appointment

Dayal	Director				
R Anand	Independent Director	00243485	07.04.2018		Appointment
Gaurav Trehan	Nominee Director	03467781	31.10.2018	20.05.2020	Appointment and Resignation
Akshay Tanna	Nominee Director	02967021	03.06.2020		Appointment

5.8 Following details regarding the auditors of the Company:

A. Details of the auditor of the Company:

Name	Address	Auditor since	Remark
B S R & Co. LLP	5th Floor, Lodha Excelus Apollo Mills Compound N.M Joshi Marg Mahalaxmi Mumbai-4000 11	11.09.2018	NA

B. Details of change in auditors since last three years:

Name	Address	Date of appointment	Auditor since	Remark
SS Kothari Mehta	146-148 Tribhuvan Complex, Ishwar Nagar, Mathura road, New Delhi 110017	30.09.2014	30.09.2014 to 1.09.2018	NIL
M/s B S R & Co. LLP	5th Floor, Lodha Excelus Apollo Mills Compound N.M. Joshi Marg, Mahalaxmi, Mumbai, Maharashtra-400011	11.09.2018	11.09.2018 to 01.09.2023	NIL

5.9 Details of borrowings of the Company, as on latest quarter end i.e. June 30, 2020:

A. Details of Secured Loan Facilities as on June 30, 2020:

(Rs. In Cr.)

SN	Name of the Bank / Institution	Type of Facility	Date of Sanction	Sanctioned Amount	O/s as on 30.06.2020	Maturity	Security Margin on receivables.
1	RBL Bank Limited	Term	16-Feb-	22.90	5.79	28-Feb-21	133%



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		Loan	18				
2	RBL Bank Limited	Term Loan	05-Mar-19	40.00	24.00	08-Mar-22	133%
3	HDFC Bank Limited	Term Loan	14-Feb-18	10.00	3.13	07-Apr-21	133%
4	HDFC Bank Limited	Term Loan	30-Aug-18	15.00	9.22	07-Sep-22	133%
5	HDFC Bank Limited	Term Loan	07-Mar-19	25.00	16.20	07-Apr-22	133%
6	HDFC Bank Limited	Term Loan	27-Aug-19	25.00	19.48	07-Sep-22	133%
7	The South Indian Bank Limited	Term Loan	25-Aug-16	12.00	2.34	25-Aug-20	125%
8	The South Indian Bank Limited	Term Loan	16-Mar-20	10.00	10.00	31-Mar-23	120%
9	Oriental Bank of Commerce	Term Loan	03-Apr-19	15.00	12.85	03-Apr-23	118%
10	Deb Bank Limited	Term Loan	09-Oct-17	13.00	1.48	31-Oct-20	133%
11	Bank of Baroda (earlier Vijaya Bank)	Term Loan	03-Apr-17	5.00	2.04	01-Apr-22	125%
12	Indusind Bank Limited	Term Loan	16-Nov-17	25.00	6.28	30-Nov-20	133%
13	Indusind Bank Limited	Term Loan	01-Oct-18	15.00	10.86	30-Nov-22	120%
14	Utkarsh Small Finance Bank	Term Loan	19-Dec-17	20.00	5.00	31-Mar-21	110%
15	Ujjivan Small Finance Bank Ltd	Term Loan	05-Dec-18	20.00	5.00	31-Dec-20	120%
16	Ujjivan Small Finance Bank Ltd	Term Loan	24-Dec-19	20.00	16.67	31-Dec-22	120%
17	Kotak Mahindra Bank Limited	Term Loan	27-Mar-19	40.00	25.56	09-May-22	120%
18	Bank of Maharashtra	Term Loan	11-Jun-19	15.00	15.00	29-Jun-23	133%
19	Federal Bank Limited	Term Loan	25-Jun-19	15.00	9.00	28-Dec-21	125%
20	IDFC First Bank Limited	Term	24-Jun-	100.00	76.92	28-Dec-22	120%

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		Loan	19				
21	Capital Small Finance Bank Ltd	Term Loan	16-Sep-19	10.00	8.60	01-Dec-22	125%
22	Axis Bank 2nd	Term Loan	23-Sep-19	15.00	11.25	30.09.2022	120%
23	Federal Bank Limited	Term Loan	21-Dec-19	15.00	12.00	21-Jun-22	125%
24	Utkarsh Small Finance Bank	Term Loan	25-Nov-19	15.00	12.08	30-Nov-22	115%
25	Deb Bank Limited	Term Loan	08-Jan-20	15.00	13.37	01-Feb-23	133%
26	Indusind Bank Limited	Term Loan	06-Jan-20	35.00	32.81	31-Mar-24	125%
27	SBM	Term Loan	04-Mar-20	20.00	17.50	28-Feb-22	115%
28	ICICI Bank	Term Loan	25-Feb-20	10.00	9.58	28-Feb-22	133%
29	State Bank of India	Term Loan	15-Jun-20	4.50	4.50	15-Jun-22	133%
30	Small Industries Development Bank of India II	Term Loan	19-Sep-16	15.00	5.75	10-May-22	133%
31	Small Industries Development Bank of India II	Term Loan	12-Jun-20	50.00	50.00	10-Apr-21	133%
32	Hinduja Leyland Finance Limited	Term Loan	30-Jun-17	7.00	0.23	30-Jun-20	110%
33	Hinduja Leyland Finance Limited	Term Loan	09-Oct-17	7.50	1.19	31-Oct-20	110%
34	Hinduja Leyland Finance Limited	Term Loan	28-Mar-18	20.00	5.62	31-Mar-21	120%
35	Hinduja Leyland Finance Limited	Term Loan	21-Feb-20	22.00	20.44	04-Mar-23	110%
36	Bajaj Finance Limited	Term Loan	28-Sep-17	20.00	4.62	31-Mar-21	120%
37	Bajaj Finance Limited-II	Term Loan	26-Feb-19	25.00	13.89	28-Feb-22	120%
38	Bajaj Finance Limited -III	Term Loan	27-Feb-20	25.00	22.22	31-Mar-23	120%



39	Nabkisan Finance Limited	Term Loan	06-Sep-17	15.00	7.49	31-Jan-22	110%
40	Nabkisan Finance Limited	Term Loan	22-Jan-19	7.75	5.81	22-Apr-24	110%
41	Nabsamruddhi Finance Limited	Term Loan	13-Mar-20	20.00	18.75	29-Feb-24	110%
42	Manappuram Finance Limited	Term Loan	16-Nov-17	25.00	7.14	31-May-21	110%
43	Manappuram Finance Limited-II	Term Loan	26-Feb-19	50.00	31.32	31-Mar-22	110%
44	CLIX Capital India Unlimited	Term Loan	27-Nov-17	30.00	4.76	30-Nov-20	133%
45	Fedbank Financial Service Limited	Term Loan	23-Dec-17	15.00	3.10	01-Aug-22	110%
46	Magma Fincorp Limited	Term Loan	30-Dec-17	10.00	2.49	28-Feb-21	100%
47	Tata Capital Finance Service Limited	Term Loan	28-May-18	5.00	1.67	30-Jun-21	120%
48	Fedbank Financial Service Limited	Term Loan	27-Jul-18	5.00	2.26	01-Jan-22	110%
49	Volkswagen Finance Pvt Ltd.(T.L)	Term Loan	19-Sep-18	20.00	10.23	01-Nov-21	110%
50	Vivriti Capital Private Limited	Term Loan	28-Mar-19	10.00	6.86	30-Sep-22	110%
51	Bank of Maharashtra	CC/WCD L	17-Oct-12	15.00	15.00	On Demand	133%
52	State Bank of India	CC/WCD L	15-Nov-11	6.00	6.00	On Demand	133%
53	State Bank of India - WCDL	CC/WCD L	22-Aug-16	39.00	39.00	On Demand	133%
54	RBL Bank Limited	CC/WCD L	24-Sep-15	5.00	5.00	On Demand	133%
55	HDFC Bank Limited	CC/WCD L	14-Feb-18	10.00	10.00	On Demand	133%
56	Au Small Finance Bank	CC/WCD L	28-Mar-17	32.85	32.85	On Demand	110%
57	Axis Bank	CC/WCD L	22-Mar-17	5.00	5.00	On Demand	120%



58	Tata Capital Finance Service Limited- WCDL	CC/WCD L	28-May-18	10.00	10.00	On Demand	120%
59	Indusind Bank	CC/WCD L	06-Jan-20	10.00	10.00	On Demand	125%

B. Details of Unsecured Loan Facilities as on June 30, 2020:

Name of the Bank / Institution	Type of facility	Date of Sanction	Sanctioned Amount	O/s as on 30.06.2020	Maturity Date
IDFC First Bank Ltd (Capital First)	Tier-II	21-Sep-15	20.00	20.00	23-Sep-21

C. Details of Non-Convertible Debentures as on June 30, 2020:

(Rs. In Cr.)

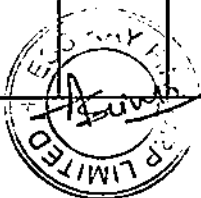
Debenture Series	Tenor/ Period of Maturity	Coupon (Rate of Interest)	Amount (Rs in Crore)	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Including Security
2751-3230	5 years	14.75%	48.00	28/05/2014	533.33 Lacs each at 30.05.2015, 30.11.2015, 30.05.2016, 30.11.2016, 30.05.2017, 30.11.2017, 30.05.2018, 30.11.2018, 30.05.2019	CARE BBB	Secured	120% of the aggregate of the outstanding principal amount of the Debentures or 100% of the aggregate of the outstanding principal amount of the Debentures and the value of all future interest payments on those outstanding Debentures, whichever is greater.
3231-192185	3.37 years	12.05% P.A	944.775	21/12/2015	05/02/2019 05/05/2019	CARE BBB	Secured	Secured by way of hypothecation of book debt which shall be maintained at 110% of debenture outstanding.
192186-192385	6 Years	13.00%	2000.00	29/09/2016	29/09/2022	CARE BBB-	Unsecured	NIL
192586-194085	1.5 Years	11.50%	15.00	20-Mar-17	20-Sep-18 Quarterly instalments after a period of 9 months	CARE BBB	Secured	Nil
195586-195835	42 months	Market Linked	25000000	12/07/17	12/01/21	[CARE] BBB+	Unsecured	NIL
195836-197335	15 months	11.00%	15000000	16/08/18	16/02/18	[CARE] BBB+	Secured	And first exclusive charge with 1.33 times (133%) security cover over the book



			0		16/05/18 16/08/18 16/11/18			debts of the company.
197336-204835	36 Months	Market Linked	1500 0000 0	18/08/17	18/08/2020	[CARE] BBB+	Secured	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.1X at all times & Pari passu charge over the immovable property of the Company.
204836-205035	24 Months	10.85% Monthly	20,00 ,00,0 00	27 December 2017	31.01.2018 28.02.2018 30.03.2018 30.04.2018 31.05.2018 29.06.2018 31.07.2018 31.08.2018 28.09.2018 31.10.2018 30.11.2018 31.12.2018 31.01.2019 28.02.2019 29.03.2019 30.04.2019 31.05.2019 28.06.2019 31.07.2019 30.08.2019 30.09.2019 31.10.2019 29.11.2019 27.12.2019	IND A (SO)	Secured	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.2X at all times & Pari passu charge over the immovable property of the Company.
205036-205335	24 Months	10.85% Monthly	30,00 ,00,0 00	28 Dec2017	31.01.2018 28.02.2018 30.03.2018 30.04.2018	IND A (SO)	Secured	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.2X at all times & Pari passu charge over the immovable property of the



					31.05.2018			Company.
					29.06.2018			
					31.07.2018			
					31.08.2018			
					28.09.2018			
					31.10.2018			
					30.11.2018			
					31.12.2018			
					31.01.2019			
					28.02.2019			
					29.03.2019			
					30.04.2019			
					31.05.2019			
					28.06.2019			
					31.07.2019			
					30.08.2019			
					30.09.2019			
					31.10.2019			
					29.11.2019			
					27.12.2019			
205336- 205685	24 Months	10.60%	3500 0000 0	18th January, 2018	16.02.2018	IND A(SO)	Secured	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.2X at all times & Pari passu charge over the immovable property of the Company.
					16.03.2018			
					18.04.2018			
					18.05.2018			
					18.06.2018			
					18.07.2018			
					17.08.2018			
					18.09.2018			
					18.10.2018			
					16.11.2018			
					18.12.2018			
					18.01.2019			
					18.02.2019			
					18.03.2019			
					18.04.2019			
					17.05.2019			



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					18.06.2019 18.07.2019 16.08.2019 18.09.2019 18.10.2019 18.11.2019 18.12.2019 17.01.2020			
205686- 205935	22 Months	10.60%	25,00 ,00,0 00	27th February, 2018	30.03.2018 30.04.2018 31.05.2018 29.06.2018 31.07.2018 31.08.2018 28.09.2018 31.10.2018 30.11.2018 31.12.2018 31.01.2019 28.02.2019 29.03.2019 30.04.2019 31.05.2019 28.06.2019 31.07.2019 30.08.2019 30.09.2019 31.10.2019 29.11.2019 27.12.2019	IND A(SO)	Secured	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.2X at all times & Pari passu charge over the immovable property of the Company.
205936- 207935	18 Month	9.75%	20,00 ,00,0 00	12th March, 2018	12.09.2018 2.10.2018 12.12.2018 2.01.2019 12.02.2019	[CARE] BBB+	Secured	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.2X at all times & Pari passu charge over the immovable property of the Company.



					12.03.2019 12.04.2019 12.05.2019 12.06.2019 12.07.2019 12.08.2019 12.09.2019			
207936-210435	1277 Days	Linked to Reference Index	25,00,00,000	15th May 2018	Bullet Payment	CARE PP-MLD BBB+	Secured	First ranking, exclusive and continuing charge on identified receivables covering security of 100.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs
210436-211935	36 Months	11.23% p.a	75,00,00,000	24th May 2018	26.11.2018 24.05.2019 25.11.2019 25.05.2020 24.11.2020 24.05.2021	CARE BBB+	Secured	The Debenture shall be first ranking exclusive charge on Hypothecated Assets of Receivables which shall be maintained at 1.20x times of debentures outstanding.
211936-212435	36 Months	10.9007% p.a	50,00,00,000	14th June 2018	31.05.2019 29.05.2020 11.06.2021	BWR A	Secured	First ranking, exclusive and continuing charge on identified receivables covering security of 105.0% the aggregate amount of principal outstanding of the NCDs
212436-213185	15 months	10.85% XIRR	75,00,00,000	29th June 2018	28-09-2018 28-12-2018 29-03-2019 28-06-2019 27-09-2019	BWR A	Secured	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 105% aggregate amount of principal outstanding at all times & Pari passu charge over the immovable property of the Company.
213186-213935	36 months	10.9007% monthly coupon, compounded monthly and payable annually	75,00,00,000	27th July 2018	31 May 2019 29 May 2020 11 June 2021	Brickwork Ratings (A Stable)	Secured	First ranking, exclusive and continuing charge on identified receivables covering security of 105.0% the aggregate amount of principal outstanding of the NCDs



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213936- 214185	24 Months	11.14% p.a	25,00 ,00,0 00	31st August 2018	01 March 2019 02 September 2019 02 March 2020 31 August 2020	CARE A-	Secured	first ranking exclusive charge by way of hypothecation in favour of the Debenture Trustee on behalf of and for the benefit of the Debenture Holders over the Hypothecated Assets
214436 - 215185	24 Months	11.14% p.a	75,00 ,00,0 00	26th Sept 2018	22 March 2019 22 September 2019 22 March 2020 22 August 2020 22 September 2020			first ranking exclusive charge by way of hypothecation in favour of the Debenture Trustee on behalf of and for the benefit of the Debenture Holders over the Hypothecated Assets
215186- 215935	36 months	10.9007% monthly coupon, compound ed monthly and payable annually	75,00 ,00,0 00	28th September 2018	31 May 2019 29 May 2020 11 June 2021	Brickwork Ratings (A Stable)	Secured	First ranking, exclusive and continuing charge on identified receivables covering security of 105.0% the aggregate
215936- 5215935	.63 Months	11.1610% coupon (equivalen t to 11.75% XIRR)	50,00 ,00,0 00	21st December 2018	5th March 2024	CARE A-	Secured	Secured by way of hypothecation of book debts which shall be maintained at 100% of debentures outstanding.
5215936- 5219935	731 days	PPMLD	36.65	07.06.201 9	04.06.2021	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 120% of debentures outstanding.
5219936- 5220185	23	11.50	25	14.06.201 9	14.05.2021	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.



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5220186-5220435	24	11.50	25	14.06.2019	14.06.2021	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.
5220436-5220685	25	11.50	25	14.06.2019	14.07.2021	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.
5220686-5221435	26	11.85	75	14.06.2019	14.08.2021	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.
5221436-5224435	48 months	12.00%	300	01.08.2019	01.08.2023	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 120.0% of debentures outstanding.
5224436-5229435	36 months	0-12 months-11.00% 13-18 months-11.50% 19-24 months-11.75% 25-30 months-12.00% 31-36 months-12.25%	50	13.08.2019	13.08.2022	CRISIL A	Secured	Secured by way of hypothecation of book debts which shall be maintained at 120.0% of debentures outstanding.



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5229436- 5231935	36 months	0-6 months- 11.00% 7-12 months- 11.25% 13-18 months- 11.50% 19-24 months- 11.75% 25-30 months- 12.00% 31-36 Months- 12.25%	25	16.08.201 9	16.08.2022	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 120.0% of debentures outstanding.
5231936- 5232285	36 months	11.94% P.a Payable Quarterly	35	13.09.201 9	13.09.2022	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.
5232286- 5232435	36 months	11.94% P.a Payable Quarterly	15	19.09.201 9	13.09.2022	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.
5232436- 5235335	1857 Days	10.435%	290.0 0	11.12.201 9	10.01.2025	NA	Secured	Secured by way of hypothecation of book debts which shall be maintained at 115.0% of debentures outstanding.
5235336- 5236195	72 Months	12.05% p.a net of withholdi ng tax and payable semi- annually	86	23.12.201 9	23.12.2025	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 110.0% of debentures outstanding.
5236196- 5236595	24 Months	Market Linked Debenture s	33.60	09th January, 2020	09th January, 2022	CRISIL PP-MLD Ar/Stable	Secured	The value of security at all times equal to 1.10x times of security cover over the book debts and Pari passu charge over the immovable property in the form of land located in Chennai
5236596- 5237095	36 months	RBI repo rate plus 6.85%	50.00	02/06/202 0	02/06/2023	CRISIL A	Senior, Secured	The value of security at all times equal to 1.10x times of security cover over the book

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								debts.
5237096-5237195	36 Months	11.25%	10.00	08/06/2020	08/06/2023	CRISIL A	Senior, Secured	The value of security at all times equal to 1.20x times of security cover over the book debts.
NA	36 Months	11.25%	20.00	12/06/2020	12/06/2023	CRISIL AA	Senior, Secured	As per Vivriti Omega Trust
5237596-5238095	36 Months	11.00%	50.00	16/06/2020	16/06/2023	CRISIL A	Senior, Secured	The value of security at all times equal to 1.25x times of security cover over the book debts.
	36 Months	11.00%	25.00	18/06/2020	18/06/2023	CRISIL A	Senior, Secured	The value of security at all times equal to 1.25x times of security cover over the book debts.
5238346-5238595	36 Months	11.00%	25.00	22/06/2020	22/06/2023	CRISIL A	Senior, Secured	The value of security at all times equal to 1.25x times of security cover over the book debts.
5238596-5239095	18 Months	9.50%	50.00	26/06/2020	26/12/2021	CRISIL A	Senior, Secured	The value of security at all times equal to 1.10x times of security cover over the book debts.

D. List of Top 10 Debenture Holders (as on June 30, 2020):

S. No.	Name of Debenture Holders	Amount (Rs. in Crores)
1	Franklin Tempelton	300.00
2	FMO	290.00
3	ResponsAbility	86.00
4	Karvy Capital	50.00
5	Bank of India	50.00
6	Punjab and Sindh Bank	50.00
7	Avendus PPMLD	36.65
8	Avendus PPMLD-2	33.60
9	Northern Arc Capital (Ifmr Fimpact Income Bu) & A.K.Capital Services Limited	25.00
10	Indian Bank	25.00

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details should be provided.

E. The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group-company, etc) on behalf of whom it has been issued. (if any):

Nil

F. Details of Commercial Paper:



Nil

- G. Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on June 30, 2020:

Party Name (In case of Facility)/ Instrument Name	Type of Facility / Instrum ent	Amount Sanctioned / Issued	Principal Amount Outstanding	Repayment Date / Schedule	Cre dit Rati ng	Secure d / Unsecur ed	Securit y
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- H. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years:

Nil

- I. Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:

Nil

5.10 Details of Promoters of the Company:

- A. Details of Promoter Holding in Company as on latest quarter end, i.e. June 30, 2020:

S. No	Name of the shareholders	Total No of Equity shares	No. of shares in Demat form	Total shareholding as % of total no of equity shares	No of shares Pledged	% of shares pledged with respect to shares owned
1	Rajendra Kumar Setia	1,03,27,547	1,03,27,547	40.99%	Nil	NA
2	Shalini Setia	650	650	0.003%	Nil	NA
3	Yash Setia	650	650	0.003%	Nil	NA
4	Bhajan Devi Setia	650	650	0.003%	Nil	NA
5	Rajendra Kumar Setia HUF	62,500	62,500	0.25%	Nil	NA

- 5.11 Abridged version of the Audited Consolidated and Standalone Financial Information (like Profit and Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any.

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009]



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Profit and Loss Statement (INR)	31.03.2017	31.03.2018	31.03.2019	31.03.2020
	Audited	Audited	Audited	Audited
Interest Income	12,056.46	18,569.43	31,240.41	54,544.50
Less: Interest Expenses	6,569.91	8,945.06	13,846.22	23,248.45
Net Interest Income	5,486.55	9,624.37	17,394.19	31,296.05
Other Income	3,664.14	4,163.56	5,253.05	3,695.77
Total Income	9,150.70	13,787.93	22,647.24	34,991.82
Operating Expenses	6,547.22	8,885.62	11,858.89	14,625.84
Provisions & Write Offs	559.93	1,376.24	2,918.00	8,997.98
Operating Profit	2,043.55	3,526.07	7,870.35	11,368.00
Depreciation	161.32	233.62	321.25	817.53
Profit Before Tax	1,882.23	3,292.45	7,549.10	10,550.47
Provisions for tax	652.37	1,097.22	2,326.08	2,696.80
Profit After Tax	1,229.86	2,195.23	5,223.02	7,853.67

Balance Sheet (INR)	31.03.2017	31.03.2018	31.03.2019	31.03.2020
Equity capital	270.71	350.92	460.32	503.90
Reserve & Surplus	8,356.41	20,279.16	55,058.14	87,368.85
TNW (A)	8,627.12	20,630.08	55,518.46	87,872.75
Total Non-Current Liabilities	31,114.64	44,802.90	84,427.05	2,64,771.24
Current Liabilities+ Provisions	37,810.60	56,667.23	59,369.47	-
Total Outside Liabilities (B)	31,114.64	44,802.90	84,427.05	2,64,771.24
Total Liabilities (A + B)	39,741.76	65,432.99	1,39,945.51	3,52,643.99
Fixed assets (Net)	1,016.25	1,326.73	1,710.06	4,559.70
Investments	1,650.50	466.67	466.67	13,836.90
Gross Advances	63,830.28	1,11,025.76	1,63,796.53	2,96,760.51
Less: Loan Loss Reserve	-	-	-	11,759.47
Net Loan Outstanding	63,830.28	1,11,025.76	1,63,796.53	2,85,001.04
Cash / Liquid Investments	5,542.58	2,937.15	27,760.67	43,281.83



Deferred Tax Assets	432.72	623.64	824.23	1,931.92
Intangible Assets	21.71	27.04	59.43	50.55
Other current assets	3,651.54	4,722.70	3,001.30	3,982.05
Other Non-Current Assets	1,406.77	970.51	1,696.10	-
Total Assets	76,145.59	1,21,129.70	1,97,618.88	3,52,643.99

5.12 Abridged version of Latest Audited/ Limited Review Half Yearly Consolidated and Standalone Financial Information and auditors' qualifications, if any:

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009]

As per Annexure V

5.13 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the issue or the Investor's decision to invest / continue to invest in the debt securities.

The Issuer hereby declares that there has been no material event, development or change at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

5.14 Names of the Debentures Trustees and Consents thereof

The Debenture Trustee of the proposed Debentures is IDBI Trusteeship Services Limited. IDBI Trusteeship Services Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in Annexure III of this Information Memorandum.

5.15 Rating Rationale(s) adopted (not older than one year on the date of opening of the Issue)/ credit rating letter issued (not older than one month on the date of opening of the Issue).

The Rating Agency has assigned ratings of "CRISIL A" (pronounced as "CRISIL A Rating") with "Stable" outlook to the Debentures. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.

5.16 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of



payment by the investor along with timelines), the same shall be disclosed in the offer document.

Not Applicable.

5.17 Names of all the recognized stock exchanges where the debt securities are proposed to be listed:

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis. The in-principle approval of the BSE has been obtained in this regard.

5.18 Other details:

A. Debenture Redemption Reserve Creation:

As per Section 71 of the Act, any company that intends to issue debentures must create a debenture redemption reserve to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, at present under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not presently intend to create any reserve funds for the redemption of the Debentures.

B. Issue / instrument specific regulations:

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the notified rules thereunder, the SEBI Debt Listing Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the applicable RBI guidelines.

C. Application process:

The application process for the Issue is as provided in SECTION 8: of this Information Memorandum.

5.19 A statement containing particulars of the dates of, and parties to all material contracts, agreements:

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 am to 4.00 pm on working days.

S. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Board Resolution dated June 3, 2020 read together with the resolution passed by the Executive Committee of the Board of Directors on September 23, 2020 authorizing the issue of Debentures offered under terms of this Disclosure Document
3	Shareholder Resolution dated May 21, 2020 authorizing the issue of non-convertible debentures by the Company.



4	Shareholder Resolution dated May 21, 2020 authorizing the borrowing limits of the Company and the creation of security in respect of such borrowings.
5	Copies of Annual Reports of the Company for the last three financial years.
6	Credit rating letter from the Rating Agency dated August 18, 2020.
7	Letter from IDBI Trusteeship Services Limited dated September 10, 2020 giving its consent to act as Debenture Trustee.
8	Letter for Register and Transfer Agent.
9	Certified true copy of the certificate of incorporation of the Company.
10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and NSDL.
11	Copy of application made to BSE for grant of in-principle approval for listing of Debentures

5.20 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) by issue of Secured Rated Listed Redeemable Transferable Non-Convertible Debentures, on a private placement basis. For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 5.23 of this Information Memorandum.

5.21 Issue Size

The aggregate issue size for the Debentures is upto Rs. 70,00,00,000/- (Rupees Seventy Crores only).

5.22 Utilization of the Issue Proceeds

The Issuer undertakes that the proceeds of this Issue shall be used for loan portfolio growth of the company and shall be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company/associates.

The Issue shall not be utilised towards acquisition financing: viz buyback of shares/securities, purchase of shares of other companies and/or promoter contribution towards the equity capital of a company or as a bridge loan

The Company undertakes that proceeds of this Issue shall not be utilized for the following purposes as specified in the RBI Master Circular No. DBOD.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015 including *inter alia*:

- 1) Bills discounted / rediscounted by NBFCs, except for rediscounting of bills discounted by NBFCs arising out of: Commercial vehicles (including light commercial vehicles) and two wheeler and three wheeler vehicles, subject to the following conditions: The bills should have been drawn by the manufacturer on dealers only; The bills should represent genuine sale transactions as may be ascertained from the chassis / engine number and; Before rediscounting the bills, the bona fides and track record of NBFCs which have discounted the bills would be verified.
- 2) Investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc. However, Stock Broking Companies may be provided need-based credit against shares and debentures held by them as stock-in-trade.
- 3) Unsecured loans / inter-corporate deposits by NBFCs to / in any company.
- 4) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities.



- 5) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPO) and for purchase of shares from secondary market.

5.23 Issue Details

Security Name	11.40%EFL2026
Issuer	Ess Kay Fincorp Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Secured Rated Listed Redeemable Transferable Non-Convertible Debentures
Seniority	Senior
Mode of Issue	Private placement
Eligible/Identified Investors	As provided in Clause 8.14 below
Listing	The Debentures are proposed to be listed on the WDM segment of the BSE within a maximum period of 15 (Fifteen) calendar days from the Deemed Date of Allotment. In the event of the Issuer's failure to do so, to the extent that any Debenture Holders are Foreign Institutional Investors/Qualified Foreign Investors/Foreign Portfolio Investors, the Issuer shall immediately redeem any and all Debentures which are held by such Foreign Institutional Investors/Qualified Foreign Investors/Foreign Portfolio Investor(s). In case of delay in listing of the debt securities beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 1% (One Percent) over the Coupon Rate from the expiry of 30 (Thirty) days from the Deemed Date of Allotment till the listing of such Debentures
Rating of Instrument	"CRISIL A/Stable" (pronounced as "CRISIL A Rating" with "Stable" outlook)
Issue Size	Rs. 70,00,00,000/- (Rupees Seventy Crores only).
Option to retain oversubscription	N.A.
Objects of the Issue	To raise senior secured debt to the extent up to Rs. 70,00,00,000/- (Rupees Seventy Crores only).
Details of the utilization of the Proceeds	The proceeds of the Issuance will be utilized for the following purposes: - General corporate purposes - for the ordinary course of business of the Issuer including repayment/re-financing of existing debt The Issuer shall not use the proceeds of the Issue towards: - any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; or - any speculative purposes; or



	- any activity on the Exclusion List; or - investment in the real estate sector; - any purpose, that is prohibited for bank finance to non-banking financial companies, or, which results in a breach of the RBI's master circular no. DBR.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015 on "Bank Finance to Non-Banking Financial Companies (NBFCs)"; or - in contravention of any Applicable law (including but not limited to the guidelines, rules or regulations of the RBI applicable to non-banking financial companies) The Issuer shall be entitled to temporarily invest the funds raised by the Issue in liquid mutual funds and deposits held with scheduled commercial banks for a period not exceeding 90 (ninety) calendar days from the Deemed Date of Allotment.
Coupon Rate	11.40% (Eleven Decimal Point Four Zero Percent) per annum, net of Taxes, payable semi-annually from the Deemed Date of Allotment until the Maturity Date and subject to the obligation of the Issuer as provided for in Section 8.25 below of this Information Memorandum. The Coupon Rate shall be subject to reset as per the mechanism set out in the Section on "Coupon Reset Process" and paragraph 2.3 (<i>Coupon Rate Reset</i>) of Schedule II of the Debenture Trust Deed. For the period between the Coupon Reset Date and the Maturity Date, the Coupon Rate, shall, in the absence of any communication on the revised Coupon Rate between the Majority Debenture Holders and the Company, be the existing Coupon Rate until the Maturity Date.
Step Up Coupon Rate / Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Semi-annually
Coupon Payment Dates	Semi-annually on September 29 and March 29 of every calendar year until Maturity Date (subject to adjustments on account of Business Day Convention).
Coupon Type	Fixed Coupon rate subject to reset as per Coupon Reset Process.
Coupon Reset Date	Shall mean the date falling at the end of 36 (Thirty Six) months from the Deemed Date of Allotment.
Coupon Reset Process	(a) Coupon shall be payable at the rate of 11.40% (Eleven Decimal Point Four Zero Percent) (net of Taxes) per annum payable semi-annually from the Deemed Date of Allotment until the Maturity Date and shall be subject to reset as set out under this paragraph. (b) The Coupon Rate may be reset on the Coupon Reset Date.



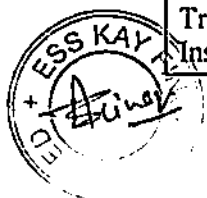
- (c) The Majority Debenture Holders shall decide the revised Coupon Rate which shall be applicable on and from the Coupon Reset Rate. The revised Coupon Rate so approved by the Majority Debenture Holders, shall be communicated to the Debenture Trustee no later than 12 (Twelve) Business Days prior to the Coupon Reset Date.
- (d) The Debenture Trustee shall communicate the revised Coupon Rate to the Issuer, by way of a written notice, no later than 11 (Eleven) Business Days prior to the Coupon Reset Date ("Coupon Reset Notice").
- (e) Upon receiving the Coupon Reset Notice, the Issuer shall communicate their written acceptance or rejection of the revised Coupon Rate to the Debenture Holders and the Debenture Trustee, no later than 9 (Nine) Business Days prior to the Coupon Reset Date.
- (f) Without prejudice to the foregoing, the Majority Debenture Holders reserve the right to further amend the Coupon Rate and communicate the same via a written notice to the Issuer, with a copy marked to the Debenture Trustee, at any time on or before 5 (Five) Business Days prior to the Coupon Reset Date, the written acceptance or rejection of which revised Coupon Rate, in such event, shall have to be communicated by the Issuer directly to the Majority Debenture Holders on the same Business Day, on which it is communicated by the Majority Debenture Holders to the Issuer.
- (g) If the Issuer accepts the revised Coupon Rate pursuant to the written acceptance notice, as provided for herein above, the revised Coupon Rate shall be applicable on and from the Coupon Reset Date until the Maturity date.
- (h) If the Issuer rejects the revised Coupon Rate by way of the written rejection notice, then (i) the Issuer shall have the option to buy back all or any of the Debentures on the Call Option Date, by issuing a written notice to such Debenture Holders with a copy marked to the Debenture Trustee ("Call Notice"), which shall be no later than 4 (Four) Business Days prior to the Coupon Reset Date as mentioned above; or (ii) all the Debenture Holders and/or any Debenture Holder shall have the option to require the Issuer to purchase any and/or all of the Debentures as may be held by such Debenture Holder, on the Put Option Date, by issuing a written notice to the Issuer with a copy marked to the Debenture Trustee ("Put Notice"), which shall be no later than 4 (Four) Business Days prior to the Coupon Reset Date as mentioned above.
- (i) Upon issuance of the Call Notice / Put Notice, the Issuer shall compulsorily redeem the Debentures, as set out in the Call Notice / Put Notice, by making payment to the relevant Debenture Holders, the outstanding face value of the said Debentures and accrued Coupon in relation thereto, on the Put Option Date or the Call Option Date, as the case may be.



	(j) It is hereby clarified that if the Issuer fails in communicating their acceptance or rejection of the revised Coupon Rate in the manner stated herein above, then the revised Coupon Rate as communicated by the Debenture Trustee and/or the Debenture Holder to the Issuer, in the Coupon Reset Notice, shall be applicable on and from the Coupon Reset Date until the Maturity Date.
Day Count Basis	Actual/Actual
Interest on Application Money	Interest shall be payable on the application monies received at the Coupon Rate of 11.40% (Eleven Decimal Point Four Zero Percent) per annum, net of Taxes. Such interest shall be payable from the date of realisation of application monies in the account of ICCL in relation to the Debentures by the Issuer until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.
Default Interest Rate	In the event of a payment default of the amounts due under this Issue or any other Event of Default (whether by way of acceleration, at maturity or otherwise), the Issuer shall pay an additional 2% (Two Percent) per annum over and above the applicable Coupon Rate on the outstanding principal amount of the Debentures, calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable.
Delay Penalty	In the case of a delay in the execution of Debenture Trust Deed and the Security documents, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over the and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.
No Early Payments	Any early redemption of the Debentures can only be pursuant to the applicable SEBI, RBI Regulations and subject to the prior written consent of the Majority Debenture Holder(s). The Majority Debenture Holder(s) at its sole discretion may permit an early redemption, under the condition that the Company shall hold the Debenture Holder(s) harmless from all costs, expenses, losses or liability incurred due to the prepayment in accordance with Clause 28 (<i>Indemnity</i>) of the Debenture Trust Deed.
Tenor	72 (Seventy Two) months from the Deemed Date of Allotment.
Maturity Date	September 29, 2026 being 72 (Seventy Two) months from the Deemed Date of Allotment.
Principal Payment Date(s)	The principal amount of the Debentures shall be payable by the Company on September 29, 2021, September 29, 2022 and September 29, 2026 (or earlier upon the exercise of the Put Option or Call Option), subject to adjustments on account of business day convention, in the manner set out in Annexure VI (<i>Illustration of Bond Cashflows</i>) of this Information Memorandum.
Redemption Amount	Rs. 10,00,000/- (Rs. Ten Lakhs only) per Debenture on the Principal Payment Date(s) plus accrued Coupon along with the Default Interest (if any), and other such costs, charges and expenses if any,



	payable on the Due Date(s) under the Transaction Documents.
Redemption Premium/ Discount	N.A.
Issue Price	Rs. 10,00,000/- (Rs. Ten Lakhs only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Option Date	Shall be the date falling on the completion of 36 (Thirty Six) months from the Deemed Date of Allotment being September 29, 2023.
Put Option	Any Debenture Holder and/or all Debenture Holder(s) desirous of exercising the Put Option shall send a notice to the Company in writing (with a copy marked to the Debenture Trustee), to be received at least 4 (Four) Business Days prior to the Put Option Date, communicating the intent of such Debenture Holder(s) to exercise the Put Option ("Put Option"). Upon issuance of such notice, the Company shall, on or before the Put Option Date, redeem the relevant Debentures as set out in the notice thereto.
Put Option Price	Amount equivalent to the face value of all the Debentures and accrued Coupon, due and payable as on the date of the Put Notice.
Call Option Date	Shall be the date falling on the completion of 36 (Thirty Six) months from the Deemed Date of Allotment being September 29, 2023.
Call Option	To exercise the Call Option on the Call Option Date, the Company shall send a notice to the relevant Debenture Holder(s) for whom the Company intends to exercise the Call Option, in writing (with a copy marked to the Debenture Trustee) at least 4 (Four) Business Days prior to the Call Option Date, communicating the intent of the Company to exercise the Call Option on the Call Option Date ("Call Option"). Upon issuance of such notice, the Company shall, on or before the Call Option Date, redeem the relevant Debentures as set out in the notice thereto.
Call Option Price	Amounts equivalent to the face value of all the Debentures and accrued Coupon, due and payable as on the date of the Call Notice.
Face Value	Rs 10,00,000/- (Rs. Ten Lakhs only) per Debenture
Minimum Application size and in multiples of 1 thereafter	10 Debentures and in multiples of 1 Debenture thereafter
Issue Timing	Issue Opening Date: September 25, 2020 Issue Closing Date: September 25, 2020 Pay-in Dates: September 29, 2020 Deemed Date of Allotment: September 29, 2020 All documentation including, but not limited to, the Information Memorandum, Board Resolution, Rating Letter, Appointment of Trustees to be completed 1 (One) business day prior to Issue Opening Date.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only



Settlement mode of the Instrument	The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below: <table border="1"> <tr> <td>Name of Bank</td><td>HDFC BANK</td></tr> <tr> <td>IFSC Code</td><td>HDFC0000060</td></tr> <tr> <td>Account number</td><td>ICCLEB</td></tr> <tr> <td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LIMITED</td></tr> </table> <table border="1"> <tr> <td>Name of Bank</td><td>ICICI Bank Ltd.</td></tr> <tr> <td>IFSC Code</td><td>ICIC0000106</td></tr> <tr> <td>Account number</td><td>ICCLEB</td></tr> <tr> <td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LTD</td></tr> </table> <table border="1"> <tr> <td>Name of Bank</td><td>YES BANK</td></tr> <tr> <td>IFSC Code</td><td>YESB0CMSNOC</td></tr> <tr> <td>Account number</td><td>ICCLEB</td></tr> <tr> <td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LTD</td></tr> </table> Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.	Name of Bank	HDFC BANK	IFSC Code	HDFC0000060	Account number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED	Name of Bank	ICICI Bank Ltd.	IFSC Code	ICIC0000106	Account number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LTD	Name of Bank	YES BANK	IFSC Code	YESB0CMSNOC	Account number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LTD
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IFSC Code	YESB0CMSNOC																								
Account number	ICCLEB																								
Name of beneficiary	INDIAN CLEARING CORPORATION LTD																								
Depositories	NSDL																								
Business Days	Means a day (other than a Saturday, Sunday or a 'public holiday' for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are open for business in Mumbai, India and New York, United States of America.																								
Business Day Convention	If any Coupon Payment Date or the Principal Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day. If the Maturity Date (also being the last Coupon Payment Date and the last Principal Payment Date) and/or the Put Option Date and/or the Call Option Date, in respect of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day.																								

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Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)	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 over specific identified loan receivables / book debts, present and future, representing amounts due from the various borrowers of the Company at all times to the extent equal to an amount aggregating to the total outstanding in relation to the Issue ("Secured Property") such that the value of security shall be equal to 1.10 (One Decimal Point One Zero) times the aggregate amount of principal amount outstanding of the Debentures ("Asset Cover"). The Issuer undertakes: - to maintain the value of the Asset Cover at all times till the obligations under the Issue are discharged; - to create the security over the Secured Property by executing a duly stamped deed of hypothecation ("Deed of Hypothecation") on or before the Deemed Date of Allotment. - To register and perfect the security created over the Secured Property by filing the relevant form with the Registrar of Companies immediately and no later than 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation. - In the event of any fall in the Asset Cover, additional Secured Property shall be taken in the manner as provided for in the Deed of Hypothecation. - To provide a list, on a monthly basis, of specific loan receivables / identified book debt to the Debenture Trustee and over 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 ("Monthly Secured Property Report"). - The selection criteria and the eligibility of the Secured Property shall be set out in detail in the Deed of Hypothecation.
Transaction Documents	Shall be as set out in Clause 7.1 below
Conditions Precedent to Disbursement	- Execution of Debenture Trustee Agreement, Deed of Hypothecation and the Debenture Trust Deed. - Such other undertaking as may be required from the Company.
Conditions Subsequent to Disbursement	- Filing of the relevant documents <i>inter alia</i> Form PAS-3 for return of allotment with the Registrar of Companies within the timelines specified under the rules under the Companies Act, 2013. - Completion of listing of Debentures on BSE within 15 (Fifteen) calendar days from the Deemed Date of Allotment. - Filing of the relevant forms with the Registrar of Companies for the perfection of charge over the Secured Property with the Registrar of Companies within and no later 30 (Thirty) calendar



	days from the date of execution of the Deed of Hypothecation. 4. Evidence that the Issuer has, within 30 (Thirty) days of the Deemed Date of Allotment, paid all applicable stamp duty in relation to the Debentures. 5. Execution of any other documents as customary for transaction of a similar nature and size. 6. The Issuer shall also obtain a legal opinion on the enforceability of the transaction documents.
Events of Default	As mentioned in Clause 7.4 below
Provisions related to Cross Default Clause	The Issuer defaults under any other contract evidencing its financial indebtedness and binding on its capacity as a company, borrower or guarantor and such default or event of default permits or causes (or with the giving of notice or the passage of time or both would permit or cause) the acceleration of any such indebtedness (whether or not such right shall have been waived) or the termination of any commitment to lend.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders
Covenants	As mentioned in Clause 7.3 below
Representation and warranties	As mentioned in Clause 7.2 below
Illustration of Bond Cashflows	Kindly refer to Annexure VI of this Information Memorandum
Governing Law	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in New Delhi, India. Provided that the Debenture Trustee, may, however, in its absolute discretion commence any Proceedings arising out of the Debenture Trust Deed in any other court and tribunal in India, and the Issuer irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Issuer irrevocably waives any objection it may have now or in the future to the laying of the venue of any proceedings and any claim that any such proceedings have been brought in an inconvenient forum.

Note:

1. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.
2. The penal interest rates mentioned above as payable by the Issuer are independent of each other.



SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities made on private placement, the following disclosures are required to be made vide *SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 w.e.f. 25-05-16*:

- A. Name of the Bank declaring the entity as a Wilful Defaulter: NIL
- B. The year in which the entity is declared as a Wilful Defaulter: NIL
- C. Outstanding amount when the entity is declared as a Wilful Defaulter: NIL
- D. Name of the entity declared as a Wilful Defaulter: NIL
- E. Steps taken, if any, for the removal from the list of wilful defaulters: NIL
- F. Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: NIL
- G. Any other disclosure as specified by the Board: NIL



SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 Transaction Documents

The following documents shall be executed in relation to the Issue ("Transaction Documents"):

- A. Debenture Trustee Agreement, which will confirm the appointment of IDBI Trusteeship Services Limited as the Debenture Trustee ("Debenture Trustee Agreement");
- B. Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("Debenture Trust Deed");
- C. Deed of Hypothecation whereby the Issuer will create an exclusive charge by way of hypothecation over the Secured Property in favour of the Debenture Trustee to secure its obligations in respect of the Debentures ("Deed of Hypothecation"); and
- D. Such other documents as agreed between the Issuer and the Debenture Trustee.

The Debenture Trustee Agreement, the Debenture Trust Deed and the Deed of Hypothecation shall be executed on or prior to the Issue Closing Date.

7.2 Representations and Warranties of the Issuer

The Issuer hereby makes the following representations and warranties and the same shall also be set out in the Transaction Documents.

A. Authority and Capacity

- i. The Issuer has been duly incorporated, organized and is validly existing, under applicable law.
- ii. The Issuer has the corporate power, authority and all material permits, approvals, authorizations, licenses, registrations, and consents including registrations, to own and operate its assets and to carry on its business in substantially the same manner as it is currently conducted.
- iii. The Issuer is in compliance with all laws for the performance of its obligations with respect to this Issue.
- iv. The Issuer represents that all consents, and actions of, filings with and notices to any governmental authority as may be required to be obtained by the Issuer in connection with the Issue have been obtained or made and are in effect.

B. Corporate Matters

- i. All the legal and procedural requirements specified in the constitutional documents have been duly complied with in all respects in relation to the Issue.
- ii. The registers, and minute books (including the minutes of board and shareholders meeting) required to be maintained by the Issuer under applicable law:



- a. are up-to-date and have been maintained in accordance with applicable law;
- b. comprise complete and accurate records of all information required to be recorded in such books and records; and
- c. no notice or allegation that any of them are incorrect and/ or should be rectified has been received.

C. Organization and Authority

The Issuer is an NBFC-AFC duly incorporated and validly existing under the laws of India and has the power to own its assets, conduct and operate its business as presently conducted, and to enter into, and comply with its obligations under the Debenture Trust Deed and the Transaction Documents to which it is a party or will be a party.

D. Non-conflict with other obligations

The Issue (or any of the obligations undertaken by the Issuer in relation thereto) does not and will not conflict with any law or regulation to which the Issuer is subject, including but not limited to any laws and regulations regarding anti-money laundering/ terrorism financing and similar financial sanctions as well as any agreement or instrument binding upon it or any of its assets, including but not limited to any terms and conditions of the existing financial indebtedness of the Issuer.

E. Validity and admissibility in evidence:

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- (iii) for it to carry on its business

have been obtained or effected and are in full force and effect.

F. Accounts and Records

The books of accounts of the Issuer have been fairly and properly maintained, the accounts of the Issuer have been prepared in accordance with law and in accordance with applicable GAAP, so as to give a true and fair view of the business (including the assets, liabilities and state of affairs) of the Issuer.

G. Taxation Matters

- i. The Issuer has complied with all the requirements as specified under the respective Tax laws as applicable to it in relation to returns, computations, notices and information which are or are required to be made or given by the Issuer to any Tax authority for taxation and for any other Tax or duty purposes, have been made and are correct.



- ii. As on date, the Issuer has not received any written notice of any Tax disputes or other liabilities of Taxes in respect of which a claim has been made or notice has been issued against the Issuer.

H. Legal / Litigation Matters

- i. There are no claims, investigations or proceedings before any court, tribunal or governmental authority in progress or pending against or relating to the Issuer, other than in the normal course of business, which would have a Material Adverse Effect on the Debentures (or the holders thereof) or on the ability of the Company to make the scheduled payments in relation to the Debentures.
- ii. There are no unfulfilled or unsatisfied judgments or court orders of which the Company has notice and which is outstanding against the Issuer, which would have a Material Adverse Effect on the Debentures (or the holders thereof) or on the ability of the Company to make the scheduled payments in relation to the Debentures.
- iii. The Issuer has not taken any action nor has any order been passed for its winding-up, dissolution or re-organisation or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer for it or in respect of its assets.

I. Assets

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN U65923RJ1994PLCOO9051 on the website <http://www.mca.gov.in/mcafoportal/showIndexOfCharges.do> under the heading Index of Charges), the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

J. Employees

The Company is in compliance with all obligations under the applicable labour laws and other laws in relation to its employees.

K. *Pari Passu* Ranking

Its payment obligations under the Transaction Documents rank at least *pari passu* with the claims of all of its other unsecured creditors, except for obligations mandatorily preferred by law applying to companies generally.

L. Event of Default

The Issuer hereby represents that there is no event of default that has currently occurred or is continuing as on the date hereof.

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M. Material Adverse Effect

The Company hereby represents that there is no Material Adverse Effect existing and that there are no circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect on the Debentures (or the holders thereof) or on the ability of the Company to make the scheduled payments in relation to the Debentures.

N. Audit

The annual accounts of the Company are audited by an auditor from a reputable firm of independent chartered accountants.

O. Good Business Standard

The Company in its business transactions with its shareholders, partners, managers, staff, affiliates or affiliates of such entities or persons keeps within normal, good and acceptable business standards, including transactions being on arm's length.

P. No Immunity

Neither, the Issuer nor any of its assets is entitled to immunity from suit, execution, attachment or other legal process in its jurisdiction of incorporation. This Issue (and the documents to be executed in relation thereto) constitutes, and the exercise of its rights and performance of and compliance with its obligations in relation thereto, will constitute, private and commercial acts done and performed for private and commercial purposes.

Q. Security

Save and except the charge created to secure the Debentures (and any other charges disclosed to the Debenture Trustee), the Secured Property hereinbefore expressed to be granted, conveyed, assigned, transferred and assured unto the Debenture Trustee is the sole and absolute property of the Company and is free from any other mortgage, charge or encumbrance and is not subject to any attachment, or other order or process issued by any governmental authority and that the Company has a clear and marketable title to the Secured Property.

R. Information

All information provided by the Issuer is true and accurate in all material respects as at the date it was provided or as at the date at which it was stated.

S. Nature of Representations and Warranties

Each of the representations and warranties set out above shall be true and accurate on the date as on the date of the execution of the Debenture Trust Deed, the Deemed Date of Allotment and on each Coupon Payment Date and the Maturity Date.

Provided that the representations and warranties as stated under Clause 7.2 above, sub-clause(s) (A), (B), (C), (D), (E), (G), (I), (J), (M) and (N) shall be repeated on each date commencing from the date of the execution of the Debenture Trust Deed until the Maturity Date.



7.3 Covenants of the Issuer

The Issuer hereby agrees and undertakes as under and the same along with additional covenants shall also be set out in the Transaction Documents:

A. Informative Covenants

- i. The Issuer shall provide / cause to be provided information in respect of the following promptly and no later than 5 (Five) Business Days from the occurrence of such event (unless otherwise specifically provided):
 - a. As soon as practicable, and in any event within 5 (Five) Business Days upon the occurrence of the following event(s):
 - A. change in the shareholding structure of the Issuer;
 - B. change in the senior management officials including but not limited to the Key Managerial Personnel of the Issuer, Chief Executive Officer, Chief Financial Officer / Head of Finance, Treasury, Chief Operations Officer/ Head of Business and the Head of Audit;
 - C. approval by the Board of Directors of the annual business plan including a detailed investment budget and forecast accounts for the following Financial Year and financial projections for at least the next 5 (five) years;
 - D. after the Issuer obtains knowledge thereof or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could be expected to result in a Material Adverse Effect;
 - E. after the Issuer obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, investigation or other proceeding affecting the Issuer or its property or operations, which, if adversely determined, could result in a Material Adverse Effect;
 - F. after the Issuer obtains knowledge thereof, notice of the occurrence of any event which constitutes in the opinion of the Issuer a potential Event of Default or an Event of Default specifying the nature of such event and any steps the Issuer is taking and proposes to take to remedy the same;
 - G. any prepayment or notice of any prepayment of any Financial Indebtedness of the Issuer;
 - H. any alteration of constitutional documents of the Issuer;
 - I. if there is any fraud, amounting to more than 1% (One Percent) of Gross Loan Portfolio; and
 - J. such other information, as may be required by the Debenture Trustee.
 - b. notify the Debenture Trustee in writing, of any notice of an application for winding up having been made or receipt of any statutory notice of winding up under the provisions of the Act or any other notice under any other law or otherwise of any suit or legal process intended to be filed affecting the title to the property of the Issuer.



- c. notify the Debenture Trustee in writing, if it becomes aware of any fact, matter or circumstance which would cause any of the representations and warranties under any of the Transaction Documents to become untrue or inaccurate or misleading in any material respect.
- d. notify the Debenture Trustee promptly in writing, of any event which constitutes an Event of Default, specifying the nature of such event and any steps the Issuer is taking and proposes to take to remedy the same.
- e. notify the Debenture Trustee in writing, of any proposed change in the nature or scope or the business or operations of the Issuer or the entering into any agreement or arrangement by any person that may materially affect the assets and liabilities of the Issuer, at least 3 (Three) Business Days prior to the date on which such action is proposed to be given effect.
- f. provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Issuer as the Debenture Trustee may reasonably request in relation to the Payments due to be made on the Debentures;
- g. notify the Debenture Trustee promptly of any revision in the rating provided by the Rating Agency in the Issue.
- h. inform the Debenture Trustee of any major change in the composition of its Board of Directors, which may amount to change in 'control' as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- i. inform the Debenture Trustee promptly about any failure to create Security and about all orders, directions, notices of court/tribunal affecting the Secured Property.
- j. Inform the Debenture Trustee before declaring or distributing any dividend, unless the Issuer has paid the amounts then due and payable on the Debentures under the Debenture Trust Deed.
- k. inform the Debenture Trustee of one or more of the other creditors of the Issuer accelerating its payment obligations on the grounds of (a) a material adverse effect in the financial, operational or regulatory conditions governing the Issuer or (b) on account of a breach of representation or breach of an information covenant) under the terms of any other agreement involving borrowed money or the extension of credit or any other indebtedness under which the Issuer may be obligated as a borrower or guarantor.
- l. The Issuer agrees that it shall forward to the Debenture Trustee promptly, which information can be forwarded in electronic form or fax:
 - A. a copy of the Statutory Auditors' and Directors' Annual Report, Balance Sheet and Profit & Loss Account and of all periodical and special reports at the same time as they are issued;
 - B. a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/ holders of debt securities; and
 - C. a copy of all the notices, call letters, circulars, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media.



- m. As soon as available, and in any event within 120 (One Hundred and Twenty) calendar days after the end of each Financial Year of the Issuer, the annual reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:
- A. certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed Financial Year, prepared in accordance with Indian GAAP / Indian accounting standards (IND AS) including its balance sheet, income statement and statement of cash flow. All such information shall be complete and correct in all material respects and fairly represents the financial condition, results of operation and changes in cash flow of the Issuer as of the date thereof;
 - B. a certificate of the Chief Financial Officer or a Director of the Issuer confirming that his or her review has not disclosed the existence of any potential Event of Default or any Event of Default;
 - C. all annual information submitted to the RBI; and
 - D. the corporate social responsibility report confirming adherence by the Issuer to its corporate social responsibility policy.
- ii. The Issuer shall submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), its duly audited annual accounts, within 120 (One Hundred and Twenty) days from the close of its accounting year.
- iii. The Issuer shall submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), its provisional quarterly financials, within 45 (Forty-Five) days from the close of each of its accounting quarters.
- iv. Give to the Debenture Trustee or their nominee(s) (and to the Debenture Holder(s), if so requested), information in respect of the following within a maximum of 15 (Fifteen) calendar days from the occurrence of such event:
- a. Submit to the Debenture Holder (*in a format which shall be provided by the Debenture Holder from time to time*) such other information relevant to the Issue that the Debenture Holder may reasonably request on a monthly, quarterly and annual basis or pursuant to an annual diligence by the Debenture Holder, subject to such information being available with the Issuer.
 - b. Submit to the Debenture Trustee, if so requested, a statement that the assets of the Issuer which are available by way of security is/are sufficient to discharge the claims of the Debenture Holders as and when they become due.
 - c. As soon as practicable, and in any event within 1 (One) Business Day, upon the Issuer having knowledge of any winding up proceeding including filing of any application under the IBC or initiation of any insolvency resolution process against the Issuer under the IBC.
 - d. Such information as the Debenture Holders may require as to all matters relating to the business, property and affairs of the Issuer that materially impacts the interests of the Debenture Holders and provide access to relevant books of accounts and records in relation to this Issue and to enter into or upon and to view and inspect the state and condition of all the Secured Property, together with all records, registers in relation to

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(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

the Secured Property as required by the Debenture Trustee.

- e. As soon as available and in any event within 15 (Fifteen) Business Days after the end of each calendar month, furnish to the Debenture Trustee and Debenture Holders, an updated List of Receivables constituting the Secured Property, sufficient to maintain the Asset Cover.
- f. Furnish quarterly (unless specified otherwise, in which case, reports shall be submitted according to the specified timeline) report to the Debenture Trustee (and to the Debenture Holders), containing the following particulars: -
 - A. Periodical status/performance reports from the Issuer within 7 (Seven) days of the relevant board meeting or within 45 (Forty Five) days of the respective quarter, whichever is earlier;
 - B. Financials, operations, portfolio growth and asset quality, funding in formats acceptable to the Debenture Holder(s)
 - C. the shareholding structure and composition of the board of directors in the Issuer;
 - D. If applicable, the financial and other returns filed by the Issuer with the RBI (including without limitation, the form NBS-7 filed by the Issuer with the RBI);
 - E. Updated list of the names and addresses of the Debenture Holder(s);
 - F. Details of the Coupon and principal payments to be made, but unpaid and reasons for the non-payment thereof;
 - G. The number and nature of grievances received from the Debenture Holder(s) and resolved by the Issuer, and those grievances not yet solved to the satisfaction of the Debenture Holder(s);
 - H. Certificate from the Director/ Managing Director of the Issuer, certifying the value of the book debts/receivables underlying the Secured Property and stating that those assets of the Issuer which are available by way of security are sufficient to discharge the claims of the Debenture Holders as and when they become due;
 - I. Certificate from an independent Chartered Accountant, certifying the value of book debts/receivables underlying the Secured Property;
 - J. A statement, signed by an authorized signatory of the Issuer, at least on a quarterly basis, certifying:
 - (a) the value of the book debts/receivables under the Secured Property. Provided that the statement under this sub-clause (a) above shall also be supported by the independent chartered accountant of the Issuer (on a quarterly basis) and shall be supported by the statutory auditor of the Issuer (on a yearly basis);
 - (b) that the Issuer is maintaining the Asset Cover in accordance with the provisions of the Debenture Trust Deed;
 - (c) that the Receivables constituting the Secured Property have not been charged or hypothecated in favour of any other party except the Debenture Trustee and that they are free from any encumbrances; and
 - (d) that the Receivables comprising the Secured Property are 'standard assets' as defined under the applicable Reserve Bank of India regulations in the books of the Issuer.



(hereinafter referred to as the "Secured Property Certificate").

- K. Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holder(s). The Issuer further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of its compliance.
- g. The Issuer shall provide to the Debenture Trustee such information as it may require for any filings, statements, reports that the Debenture Trustee is required to provide to any Governmental Authority under Applicable Law.
- v. Within 15 (Fifteen) Business Days of receipt of a request from the Debenture Trustee, the Issuer shall authenticate any information relating to the Debentures, to be submitted by the Debenture Trustee with the Information Utility.

B. Affirmative Covenants

The Issuer hereby covenants with the Debenture Trustee that the Issuer shall (except as may otherwise be previously agreed in writing by the Debenture Trustee (acting upon the instructions of the Majority Debenture Holders):

i. Utilisation of proceeds of Debentures

The Issuer shall utilise the monies received upon subscription of the Debentures solely towards the Purpose and procure and furnish to the Debenture Trustee, a certificate from an independent chartered accountant in respect of the utilisation of funds raised by the issue of Debentures, within 60 (Sixty) calendar days from the Deemed Date of Allotment and from the statutory auditors of the Issuer at the end of each financial year.

ii. Validity of Transaction Documents

Ensure that the Transaction Documents shall be validly executed and delivered and will continue in full force and effect and will constitute valid, enforceable and binding obligations of the Issuer.

iii. Further documents and acts

Execute all such deeds, documents, instruments and assurances and do all such acts and things the Debenture Trustee may reasonably require for exercising the rights under the Debenture Trust Deed and the Debentures and for perfecting the Debenture Trust Deed or for effectuating and completing the Security intended to be hereby created and shall from time to time and at all times after the Security hereby constituted shall become enforceable, execute and do all such deeds, documents, assurance, acts, and things as the Debenture Trustee may require for facilitating realisation of the Secured Property and in particular the Issuer shall execute all transfers, conveyances, assignments and assurance of the Secured Property whether to the Debenture Trustee or to their nominees and shall give all notices and directions which the Debenture Trustee may think expedient.

iv. Make the Relevant filings with the Registrar of Companies/SEBI

Pursuant to the Act and the relevant rules thereunder, the Issuer undertakes to make the necessary filings of the documents mandated therein including the Form PAS-3 for return of



allotment with the Registrar of Companies and/or SEBI within the timelines stipulated under the Act and the relevant rules thereunder.

v. **Compliance with laws**

The Issuer shall comply with:

- a. all laws, rules, regulations and guidelines (including the Act) as applicable in respect to the Issue, and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (i) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as may be in force from time to time during the currency of the Debentures; (ii) the provisions of the listing agreement entered into by the Issuer with the stock exchange in relation to the Debentures including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), (iii) the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other notified rules under the Act and (iv) the RBI Master Direction – Non Banking Financial Company- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time;
- b. comply with all the applicable provisions as mentioned in the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Act, Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, and/or any other notification, circular, press release issued by the SEBI/RBI, from time to time.
- c. The Issuer shall, while submitting half yearly/ annual financial results to the BSE disclose *inter alia* the following line items along with the financial results accompanied by a certificate from the Debenture Trustee confirming that it has taken note of the said content and the same shall be communicated to the Debenture Holder(s) on a half-yearly basis:
 - A. Credit rating of the Issue and change in credit rating, if any;
 - B. Debt- equity ratio of the Issuer;
 - C. Previous due date for the payment of interest/ repayment of principal and whether the same has been paid or not;
 - D. Next due date of payment along with the amount of interest/ principal along with the amount of interest payable;
 - E. Debenture Redemption Reserve (if applicable);
 - F. Net worth;
 - G. Net profit after tax; and
 - H. Earnings per share.

vi. **Preserve Corporate Status**

Diligently preserve its corporate existence and status and its license to conduct business as a non-banking financial company-microfinance institution and any other rights, licenses and franchises necessary for its obligations under the Debentures and the Transaction Documents and continue to be a validly existing organization in good standing and at all times act and proceed in relation to its affairs and business in compliance with Applicable Law.

vii. **Asset Cover**

Shall maintain the Asset Cover as required under the Deed of Hypothecation at all times until the Final Settlement Date.



viii. **Transfer of unclaimed Redemption Amounts.**

Comply with the provisions of the Act relating to transfer of unclaimed redemption and coupon amounts of Debentures to Investor Education and Protection Fund ("IEPF"), if applicable to it.

ix. **Security**

The Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:

- a. The Debentures shall be secured by way of a first ranking exclusive charge on the Secured Property;
- b. It shall perfect the security over the Secured Property by filing Form CHG-9 with the Registrar of Companies in relation thereto within 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation;

Notwithstanding the above, the Issuer shall take all the necessary and requisite actions, including the making of all filings with the relevant authorities, such as the Registrar of Companies, in order to perfect the security over the Secured Property created or modified (by way of addition or substitution or replacement of Receivables, as provided for in the Deed of Hypothecation) by the Issuer, at least on a quarterly basis, commencing from the date falling on the expiry of 3 (Three) months from the Deemed Date of Allotment and on every quarter thereafter. The Issuer shall submit the requisite proof of such perfection of security to the Debenture Trustee.

- c. The Issuer covenants that it shall co-operate and shall provide all necessary assistance and furnish such information or documents as may be required by the Debenture Trustee and/or the Debenture Holders, to the satisfaction of the Debenture Trustee to enable it to make necessary filings in connection with the creation of security over the Secured Property with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India.

x. **Financial Terms and Conditions**

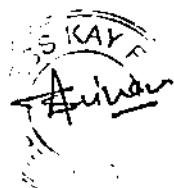
At all times during the term of these presents comply with each of the Financial Terms and Conditions.

- xi. carry out subsequent valuation of the Secured Property, at the request of the Debenture Trustee;

- xii. The Issuer is aware that in terms of Regulation 14 of the SEBI (Debenture Trustees) Regulations, 1993 as amended from time to time, the Trust Deed has to contain the matters specified in Section 71 of the Companies Act, 2013 and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014. The Issuer hereby agrees to comply with all the clauses of Form No. SH.12 as specified under the Companies (Share Capital and Debentures) Rules, 2014 as if they are actually and physically incorporated in the Debenture Trust Deed;

C. **Negative Covenants**

The Issuer hereby covenants with the Debenture Trustee that the Issuer shall not (except as may otherwise be previously agreed in writing by the Debenture Trustee, acting on behalf of the Majority Debenture Holders):

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i. **Merger, Consolidation, etc.**

Enter into any agreement to effectuate any change of control, consolidate or amalgamate with or merge with or into, or receive all or substantially all the assets or obligations of, another entity.

ii. **Constitutional Documents**

The Issuer shall not make any amendments to its constitutional documents in a manner which would prejudicially affect the interests of the Debenture Holder(s).

iii. **Arrangement with creditors**

Enter into any material compromise or arrangement or settlement with any of its secured creditors that would prejudicially affect the interests of the Debenture Holder(s).

iv. **Payment of dividend**

Declare or pay any dividend to its shareholders during any financial year unless it has paid the amounts then due and payable on the Debentures or has made provisions satisfactory to the Debenture Trustee for making such payment.

v. **Disposal of Assets**

Sell, transfer, or otherwise dispose of in any manner whatsoever any material assets of the Issuer, other than in ordinary course of business including any securitization / portfolio sale of assets undertaken by the Issuer in its ordinary course of business.

vi. **No Encumbrance Over Secured Property**

The Issuer shall not, until the Final Settlement Date, create any further charge or encumbrance over the Secured Property, except as created in favour of the Debenture Trustee for the benefit of the Debenture Holders, under the terms of the Debenture Trust Deed and the Deed of Hypothecation.

vii. **Change of business**

Change the general nature of its business from that which is permitted as a non-deposit accepting or holding non-banking financial company-microfinance institution registered with the RBI.

D. **Financial Covenants**

Within 45 (Forty Five) calendar days from the end of each quarter, the Issuer shall submit a certificate signed by the chief financial officer or an authorised signatory of the Issuer confirming the Issuer's compliance with the Financial Covenants set out hereinafter. The Issuer shall ensure that as on the last day of each calendar quarter, (unless specified otherwise), until the redemption of Debentures:

- i. The Issuer shall at all times, until the Final Settlement Date, maintain a ratio of Foreign-Currency Assets minus Foreign-Currency Liabilities divided by Regulatory Capital comprised between 150% (One Hundred and Fifty Percent) and -50% (Minus Fifty Percent);



- ii. The Issuer shall at all times, until the Final Settlement Date maintain a Non-Performing Loan Ratio of less than or equal to 6% (Six Percent).
- iii. The Issuer shall at all times, until the Final Settlement Date maintain a ratio of Open Loan Position 90 Days to the Issuer's Regulatory Capital of less than or equal to 20% (Twenty Percent).
- iv. The Issuer shall at all times, until the Final Settlement Date, maintain a ratio of Regulatory Capital divided by the Risk Weighted Assets of whichever is higher: (a) eighteen percent (18%) or (b) the minimum ratio imposed on the Issuer according to the Local Requirements.

For the purpose of this Clause, the following terms shall have the meaning ascribed to them as provided below:

"Foreign-Currency Assets" shall mean the aggregate of all assets of the Issuer consisting of loans, deposits, claims or other assets that by their terms are payable in any currency other than the domestic currency. However, assets of the Issuer that are payable in domestic currency of the Issuer but whose value is indexed to a foreign currency shall be considered as Foreign-Currency Assets.

"Foreign-Currency Liabilities" shall mean the aggregate of all liabilities of the Issuer consisting of loans, deposits, claims or other liabilities that by their terms are payable in any currency other than the domestic currency. However, foreign currency liabilities that are indexed to the domestic currency of the Issuer or that are hedged against exchange rate fluctuations with the domestic currency of the Issuer shall not be considered as part of its Foreign-Currency Liabilities.

"Gross Loan Portfolio" shall mean the aggregate outstanding balance of all the Client Loans disbursed by the Issuer in the normal course of its activity.

"Loan Loss Reserves" shall mean the total reserve established to cover potential losses in the Issuer's outstanding loans or other credit facilities.

"Local Requirements" shall mean all national and local laws, regulations, and specific decisions by any competent authority applicable to the Issuer.

"Open Loan Position 90 Days" shall mean Gross Loan Portfolio with clients that are overdue with interest or principal payments for more than ninety (90) days, plus all Restructured or Rescheduled Loans or refinanced loans less than ninety (90) days overdue minus Loan Loss Reserve.

"Non-Performing Loan Ratio" shall mean the sum of the Issuer's outstanding balance of loans and other credit facilities overdue for more than ninety (90) days, plus the outstanding balance of loans and other credit facilities Restructured or Rescheduled Loans or refinanced but not overdue for more than ninety (90) days, plus the outstanding book value of assets repossessed if not included in the loans overdue more than 90 days, plus the gross amount of loans written off of the last twelve-month period, divided by the Issuer's Gross Loan Portfolio.

"Restructured or Rescheduled Loans" shall mean, with respect to the Company, the outstanding principal balance of all past due Client Loans that have been renegotiated or modified to either lengthen or postpone the originally scheduled instalments of principal, or to substantially alter the original terms, of such Client Loans. It does, however, not include any loans already reported in the special category Volume of rescheduled/restructured/refinanced loans under Covid-19 related rules.

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"Volume of rescheduled/restructured/refinanced loans under Covid-19 related rules" shall mean the principal balance of all loans outstanding that have been renegotiated or modified to either lengthen or postpone the originally scheduled instalments of principal, or substantially alter the original terms of the loans as a result of the impact of the Covid-19 Pandemic. These special rescheduling are either imposed, recommended or allowed by, inter alia, the relevant local regulator and/or authorities under a regulation and/or framework enacted as a direct result of the Covid-19 Pandemic for the period between 1st March 2020 and 31st August 2020.

"Regulatory Capital" shall mean the capital applicable to the Issuer, according to the Local Requirements.

"Risk Weighted Assets" shall mean risk weighted assets according to the Local Requirements.

7.4 Events of Default

Each of the following shall constitute an Event of Default with respect to the Debentures and shall be set out in the Transaction Documents.

If any of the events listed below (each, an "Event of Default") has occurred and pursuant thereto, if so required in writing by the Majority Debenture Holder(s), the Debenture Trustee shall, give notice to the Issuer that the Debentures are due and repayable.

- A. The failure to pay any outstanding sum due and payable under the Debentures, including Coupon/Redemption Amounts, on the Due Date(s) in full or in part, unless such failure to pay is caused by administrative or technical error and payment is made within 3 (Three) calendar days from the Due Date;
- B. The material failure to comply with any reasonably monitoring and/or servicing requests from the Debenture Holder(s), including its monthly, quarterly or annual reporting requirements as required under clause 10.1 of the Debenture Trust Deed, including such requests arising from the due diligence visits and documentation review of the Debenture Holder(s);
- C. Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture-Holder(s) by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made and such misrepresentation adversely affects the interest of the Debenture Holders in the reasonable opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders);
- D. Failure of the Issuer to maintain the Asset Cover or top up the loan receivables within the timelines stipulated under the Deed of Hypothecation;
- E. Failure of the Issuer to create, register and perfect the charge created over the Secured Property, within the timelines stipulated in the relevant Transaction Documents.
- F. The Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or stops or suspends payment of all its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or any application has been filed or proceedings have been initiated against the Issuer under IBC or a moratorium is agreed or declared in respect of or affecting all the debts of the Issuer;



- G. A distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer and is not discharged or stayed within 45 (Forty Five) Business Days;
- H. An order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer, or the Issuer ceases to carry on all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organisation, merger or consolidation on terms approved by a Special Resolution of the Debenture Holder(s);
- I. The Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganization, liquidation or dissolution;
- J. In the opinion of the Debenture Trustee, any of the Transaction Documents failing to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests failing to have the priority contemplated under the Transaction Documents, or the security interests becoming unlawful, invalid or unenforceable;
- K. If the Issuer, in regards to any financial indebtedness: (A) defaults in any payment of any financial indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such financial indebtedness was created or (B) defaults in the observance or performance of any agreement or condition relating to any financial indebtedness, the effect of which default or other event or condition is to cause or to permit the holder or holders of such financial indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such financial indebtedness to become due prior to its stated maturity; or (C) due to any default or an event of default, any financial indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof;
- L. One or more judgments or decrees shall be entered against the Issuer involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 5% (Five Percent) of the total assets of the Issuer and such judgments or decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed pending appeal for any period of 90 (Ninety) calendar days;
- M. There shall have occurred a change in the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Issuer since the date hereof that has resulted in, or would result in, a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 10 (Ten) Business Days;
- N. The Issuer finances clients listed on:
 - i. any list of terrorists or terrorist organizations of the United Nations, the European Union and any other applicable country; or

- ii. any Financial Sanctions list, being defined as lists of persons, groups or entities which are subject to United Nations, European Union and the US Office of Foreign Asset Control (OFAC) sanctions;

O. Any other Event of Default(s) as set out in the Debenture Trust Deed;

P. Other than as specifically provided above, the Issuer defaults in the performance of any other covenants, obligations, representations or warranties on the part of the Issuer under the Transaction Documents, unless such default is capable of being cured and is cured within 30 (Thirty) calendar days from the date of its first occurrence.

7.5 Consequences of Events of Default

Upon the happening of an Event of Default, the Debenture Trustee shall be entitled to exercise any and all remedies in accordance with the terms contained in the Transaction Documents.



SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

8.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

8.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate corporate action.

The list of beneficiaries as of the Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

8.3 Trustee for the Debenture Holder(s)

The Issuer has appointed IDBI Trusteeship Services Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter into the Debenture Trust Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trust Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound

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to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

8.4 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

8.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under applicable laws. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

8.6 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Information Memorandum which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders in the manner as provided for in the Debenture Trust Deed.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders:

- A. Creating of any additional security; and
- B. Amendment to the terms and conditions of the Debentures or the Transaction Documents.

8.7 Right to accept or reject Applications

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

8.8 Notices

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address, e-mail or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery, email or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from



time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 5 (Five) Business Days after posting via certified or registered mail, return receipt requested; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business day delivery (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission; (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

8.9 Issue Procedure

Only Eligible Investors as given hereunder and identified upfront by the Issuer may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants. All payments in respect of the Debentures shall be made by the Issuer into the bank account so specified by the applicant.

The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Guidelines by placing bids on the EBP Platform during the Issue period. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as investor on the said platform (as a one time exercise) and also complete the mandatory KYC verification process. The Eligible Investors should also refer to the operational guidelines of the EBP in this respect. The disclosures required pursuant to the EBP Guidelines are set out hereinbelow:

Details of size of the Issue including green shoe option, if any	Rs. 70,00,00,000/- (Rupees Seventy Crores only) to retain additional subscription on a private placement basis
Bid opening and closing date	Bid opening date: September 25, 2020; and Bid closing date: September 25, 2020
Minimum Bid lot	Rs. 1,00,00,000/- (Rupees One Crore only) and in the multiples of 1 (One) Debenture thereafter i.e. Rs. 10,00,000/- (Rupees Ten Lakh only).
Manner of bidding in the Issue	Closed Bidding
Manner of allotment in the Issue	Uniform Yield
Manner of settlement in the Issue	Pay-in of funds through ICCL.
Settlement cycle	T+2, where T refers to the date of bid opening date / issue opening date

Process flow of settlement:

Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Information Memorandum along with the Private Placement Offer Letter have been issued by the Issuer and who have submitted/shall submit the application form ("Successful Bidders"), shall make pay-in of subscription monies in respect of the Debentures towards the allocation made to

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them, into the bank account of the ICCL, the details of which are as set out below, on the Deemed Date of Allotment:

Name of Bank	HDFC BANK
IFSC Code	HDFC0000060
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED

Name of Bank	ICICI Bank Ltd.
IFSC Code	ICIC0000106
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

Name of Bank	YES BANK
IFSC Code	YESB0CMSNOC
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

The pay-in by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by them in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of ICCL and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the ICCL, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account, the details of which are as set out below:

Beneficiary Name:	Ess Kay Fincorp Limited
Bank Account No:	409001042376
IFSC CODE:	RATN0000088
Bank Name:	RBL BANK LIMITED
Branch Address:	Lower Parel (West)

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable as specified by the EBP Guidelines.

8.10 Application Procedure

Potential Investors will be invited to subscribe by way of the Application Form prescribed in the Information Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). Subject to the EBP Guidelines, the Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

8.11 Fictitious Application



All fictitious applications will be rejected.

8.12 Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, allotment shall be made on a "yield-time" priority basis in accordance with the EBP Guidelines. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

8.13 Payment Instructions

The pay-in of subscription monies in respect of the Debentures by the Successful Bidder shall be made in accordance with the procedure set out in Clause Error! Reference source not found. above.

8.14 Eligible Investors

The following categories of Investors, who have been specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form:

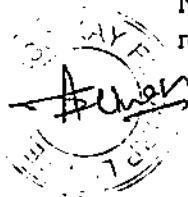
- A. Mutual Funds
- B. Non-banking financial companies
- C. Provident Funds and Pension Funds
- D. Corporates
- E. Banks
- F. Foreign Portfolio Investors (FPIs)
- G. Foreign Institutional Investors (FIIs)
- H. Qualified Foreign Investors (QFIs)
- I. Insurance Companies
- J. Investment holding companies of high net worth individuals
- K. Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures and the Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

Hosting of the Information Memorandum on the website of the BSE / NSE should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated under the SEBI Debt Listing Regulations read with the EBP Guidelines. Eligible Investors should check their eligibility before making any investment.

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential Investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories



of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

8.15 Procedure for Applying for Dematerialised Facility

- A. The applicant must have at least one beneficiary account with any of the DPs of NSDL prior to making the application.
- B. The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- C. Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- D. For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- E. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- F. If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- G. For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- H. The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

8.16 Depository Arrangements

The Issuer shall make necessary arrangement with NSDL for issue and holding of Debenture in dematerialised form.

8.17 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.



8.18 Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

8.19 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of

- A. SEBI registration certificate
- B. Resolution authorizing investment and containing operating instructions
- C. Specimen signature of authorized signatories

8.20 Documents to be provided by Investors

Investors need to submit the following documents, as applicable

- A. Memorandum and Articles of Association or other constitutional documents
- B. Resolution authorising investment
- C. Power of Attorney to custodian
- D. Specimen signatures of the authorised signatories
- E. SEBI registration certificate (for Mutual Funds)
- F. Copy of PAN card
- G. Application Form (including EFT/RTGS details)

8.21 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through EFT/RTGS.

8.22 Succession

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "SS KAYE" at the top and "2020" at the bottom, with a central emblem.

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the liquidator or such other legal representative of the Debenture Holder(s) as having title to the Debenture(s).

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on production of sufficient documentary proof and/or an indemnity.

8.23 Mode of Payment

All payments must be made through EFT/RTGS as set out in the Application Form.

8.24 Effect of Holidays

In case any Coupon Payment Date or the Principal Payment Date or the due date falls on a day which is not a Business Day, the payment to be made on such Coupon Payment Date or the Principal Payment Date, as the case may be, shall be made on the immediately succeeding Business Day. When the Maturity Date (including the last Coupon Payment Date and the last Principal Payment Date) and/or the Put Option Date and/or the Call Option Date, falls on a day which is not a Business Day, all payments to be made on the Maturity Date (including accrued Coupon and outstanding principal amount), shall be made on the immediately preceding Business Day.

8.25 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source by the Company. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holder(s) at the office of the R&T Agents of the Issuer at least 15 (Fifteen) calendar days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form.

If any payments under this issuance is subject to any tax deduction other than such amounts as are required as per current regulations existing as on the date of the Debenture Trust Deed), including if the Company shall be required legally to make any payment for tax from the interest/coupon payable under the Issue, ("Tax Deduction"), the Company shall make such Tax Deduction, and shall simultaneously pay to the Debenture Holders, such additional amounts as may be necessary in order that the net amounts received by the Debenture Holders after the Tax Deduction shall equal the respective amounts which would have been receivable by the Debenture Holders in the absence of such Tax Deduction.

8.26 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form, within 5 (Five) Business Days from the Deemed Date of Allotment or within such timelines as permissible under applicable law.

8.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is September 29, 2020 by which date the Investors would be intimated of allotment.



8.28 Record Date

The Record Date will be 15 (Fifteen) calendar days prior to any Due Date.

8.29 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

8.30 Interest on Application Money

Interest shall be payable on the application monies received at the Coupon Rate of 11.40% (Eleven Decimal Point Four Zero Percent) per annum, net of Taxes. Such interest shall be payable from the date of realisation of application monies in the account of ICCL in relation to the Debentures by the Issuer until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.

8.31 PAN Number

Every applicant should mention its Permanent Account Number ("PAN") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

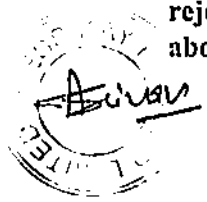
8.32 Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL and accordingly the account of the Debenture Holder(s) with NSDL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

Disclaimer: Please note that only those persons to whom this Information Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations/ information, which are likely to be required by the Issuer. The Issuer may, but is not bound to revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

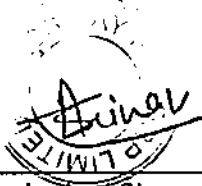
per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.



SECTION 9: DECLARATION

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to information available with the Issuer. The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

For Ess Kay Fincorp Limited



Authorised Signatory

Name: Abhinav Gupta

Title: Assistant Manager-Finance

Date: September 23, 2020

ANNEXURE I: TERM SHEET

AS PER CLAUSE 5.23 ISSUE DETAILS



ANNEXURE II: RATING LETTER FROM THE RATING AGENCY

Ratings

CRISIL
An ICD Group Company

CONFIDENTIAL

ESKAFPL/253005NCDG82000770

August 18, 2020

Mr. Vivek Singh
Vice President
Eskay FinCorp Limited
G-1 & G-2, New Market
Adarsh Plaza Building
Kirti Kirti Circle
Jaipur - 302001

Dear Mr. Vivek Singh,

Re: CRISIL Rating on the Rs.120 Crore Non-Convertible Debentures of Eskay FinCorp Limited

We refer to your request for a rating for the captioned Non-Convertible Debentures.

CRISIL Ltd. after due consideration, assigned an "CRISIL A+ Stable" (renewed to CRISIL A rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposal is made, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned in the captioned instrument at any time on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013, dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN) along with the reference number and the date of the rating letter of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtinfo@crsil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarification you may have at debtinfo@crsil.com.

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velamuri
Director - CRISIL Ratings

Naveen Shilpa
Associate Director - CRISIL Ratings

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not represent an endorsement or a guarantee by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument, it does not represent the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/issuer. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers/issuers/intermediaries/distributors of the product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crsil.com. For the latest rating information on any instrument or any company rated by CRISIL, please contact Customer Service Helpline at 1800-267-1307.

CRISIL Limited
Corporate Identity Number: B-471326/111/98792/CO-021243

Registered Office: CRISIL House, Convent Avenue, Hazratganj, Lucknow, India. Pin: 226001. Phone: +91 522 3342 3000. Fax: +91 522 4044 7000.

Ashwin
13/09/2020

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

ICBI Trusteeship Services Ltd
CIN: U62120GJ2005PTC011156



13319ATSL/OP/INCL/2021/0000565
Dated September 10, 2020

Ess Kay FinCorp Limited
B-11 Akshay Plaza
Khasa Kothi
Jaipur, Rajasthan - 301031

Kunal Anand Mehta, Assistant Manager

Dear Sir,

Subject: Consent to act as Debenture Trustee for Listed, Listed, Secured, Non-Convertible Debentures (NCDs) aggregating up to Rs. 70,00,00,000 (Rupees Seventy Crores Only)

This is with reference to various email from you regarding appointment of ICBI Trusteeship Services Limited as Debenture Trustee for the proposed Listed, Listed, Secured, Non-Convertible Debentures (NCDs) aggregating up to Rs. 70,00,00,000 (Rupees Seventy Crores Only). In this connection we confirm our acceptance of this assignment.

We are agreeable for inclusion of our name as trustee in the offer document/disclosure document as required subject to the following conditions:

1. The Company shall enter into Written Debenture Trustee Agreement (DTA) for the said assignment the opening of Subscription list for issue of debentures.
2. The Company agrees and undertakes to create the securities over each of its immovable and movable properties and on such terms and conditions as agreed by the Debenture holders and disclosed in the Information Memorandum or Disclosure Document and execute the Debenture Trust Deed (DTD) and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed by us in the Information Memorandum or Disclosure Document in any case not exceeding three months of closure of the issue or offer.
3. The Company agrees & undertakes to pay to the Debenture Trustee so long as they hold the office of the Debenture Trustee, remuneration as agreed above for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other documents affecting the Security till the maturity in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
4. The Company agrees & undertakes to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1991, Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015.

Head Office | 1st Floor, Ground Floor, 11, 12, Khasa Kothi, Akshay Plaza, Jaipur - 301031.
Tel: +91-141-607500 • Fax: +91-141-607506 • Email: info@icbi.co.in • www.icbi.co.in
Website: www.icbi.co.in


Kunal Anand Mehta



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

IDBI Trusteeship Services Ltd
CIN: U25999DL2005PLC001115



the Companies Act, 1956/the Companies Act, 2013 and the Rules thereunder as amended from time to time and other applicable provisions and agree to furnish to Trustee such information in terms of the same on regular basis.

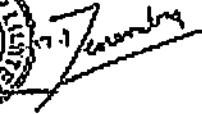
5. Any payment in respect of Debentures required to be made by the Debenture Trustee to a Debenture Holder (who is a FII Entity) at the time of enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorized Dealer. The Company/Investor shall obtain all such approvals, if required, to ensure prompt and timely payments to the said Debenture Holder. Such remittance shall not exceed total investment (and interest provided for hereon) made by the Debenture Holder (who is a FII).

Looking forward to a fruitful association with you and assuring you of our best services at all times.

Yours faithfully,
For IDBI Trusteeship Services Ltd


(Authorized Signatory)

We accept the above terms
for Ess Kay Flightops Limited


(Authorized Signatory)



Regd. Office: Aditi Building, Ground Floor, 47, R. Narayan Marg, Indraprastha, New Delhi - 110 001.
Tel: 011-4517 7300 • Fax: 011-4517 6778 • Email: info@esskay.com • corporate@esskay.com
Website: www.esskay.com

IDBI Trusteeship Services Ltd
CIN: U22100G200100013194



18019WITSL/DPR/CL/2020/00000318
Date: September 10, 2020

Ess Kay FinCorp Limited
B-11 March Plaza
13th Floor
Sector, Rajawada - 302001

Kind Attn: Mr. Anshu Dhanraj

Dear Sir,

Subject: Consent to act as Debenture Trustees for Rated, Listed, Secured, Non-Convertible Debentures (NCDs) aggregating up to Rs. 70,00,00,000 (Rupees Seventy Crores Only)

This is with reference to various email from you regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustees for the proposed Rated, Listed, Secured, Non-Convertible Debentures (NCDs) aggregating up to Rs. 70,00,00,000 (Rupees Seventy Crores Only). In this connection, we advise our membership remuneration for the said assignment as follows:

Charge Heads	Terms
Acceptance Fees	Rs. 60,000/- plus applicable taxes (One-time payment, payable upfront and non-refundable)
Service Charges	NIL
Delay Payment Charges	In case the payment of service charges not received within a period of 30 days from the date of the bill, ITSL reserves the right to charge "delayed payment charges" @ 12% p.a. on the outstanding amount.
Out of Pocket Expenses & Statutory Fees	Would be reimbursable on actual basis within 30 days of the claim.
Validity:	This Consent Letter is valid for a period of three (3) months from the date of this letter and shall stand automatically cancelled/revoked/withdrawn without any further communication/information to the Issuer Company unless otherwise revalidated by us. This Consent Letter shall not be construed as giving rise to any obligation on the part of IDBI Trusteeship Services Ltd to act as Debenture Trustees unless the Company commences acquisition to IDBI Trusteeship Services Ltd within 3 days from the date of issuance of this letter and the Issuer Company also executes Trusteeship documents including Security Documents within 30 days from the date of issuance of this letter or such extended time as may be agreed to by IDBI Trusteeship Services Ltd.
Any enforcement consented to the event of default (NCD) would attract additional charges	

Regd. Office: 13th Floor, Grand Floor, 13, L. Yamini Marg, Saket, Delhi 110001 - 40001.
Tel: 011-620 7000 • Fax: 011-620 1775 • Email: it@idbitrustee.com • www.idbitrustee.com
Website: www.idbitrustee.com

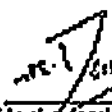
IGST Trustee Services Ltd
CRN 66182-11100500171351



Assure you of our best services at all times.

From Mr. John
For IGST Trustee Services Ltd

we accept the above terms
for the Key (Signature)

(Authorized Signatory)

NOTE: As per recent GST guidelines, GST, would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the respective transaction. Therefore, an refund of any statutory dues already paid would be made.



ANNEXURE IV: APPLICATION FORM

ESS KAY FINCORP LIMITED

(Erstwhile Ess Kay Auto Finance Private Limited)

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: November 21, 1994

Registered Office: G 1-2, New Market, Khasa Kothi, Jaipur, Rajasthan - 302001

Telephone No.: +91 141 4734016

Website: www.skfin.in

DEBENTURE SERIES APPLICATION FORM SERIAL NO.

ISSUE OF UPTO 700 (SEVEN HUNDRED) SECURED RATED LISTED REDEEMABLE TRANSFERABLE NON-CONVERTIBLE DEBENTURES OF ESS KAY FINCORP LIMITED OF RS. 10,00,000/- (RUPEES TEN LAKHS ONLY) EACH AGGREGATING UPTO RS. 70,00,00,000/- (RUPEES SEVENTY CRORES ONLY), FULLY PAID UP FOR CASH AT PAR TO THE FACE VALUE

DEBENTURE SERIES APPLIED FOR:

Number of Debentures _____ In words _____

Amount Rs. _____ /- in words Rupees _____
Crores only

DETAILS OF PAYMENT:

RTGS

No. _____ Drawn on _____

Funds transferred to Ess Kay Fincorp Limited

Dated _____

Total Amount Enclosed

(In Figures) _____ (In words) _____

APPLICANT'S NAME IN FULL (CAPITALS)

SPECIMEN SIGNATURE

--	--



APPLICANT'S ADDRESS

ADDRESS					
STREET					
CITY					
PIN		PHONE		FAX	

APPLICANT'S PAN/GIR NO. AAICM0721B IT CIRCLE/WARD/DISTRICT ____

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 Memorandum 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 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:

DEPOSITORY	NSDL () CDSL ()
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account:

(Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)

SS KAT
51

--	--

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Information Memorandum 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.

The Issuer understands and accepts that the Applicants' intention to subscribe to the Issue is subject to (i) the absence of material adverse changes in the availability of currency hedging accessible to it between the Issue Opening Date and the Pay-in Date and/or (ii) the hedging price being acceptable to the Applicants.

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) the Applicant 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 Information Memorandum 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 harmless in respect of any claim by any Transferee.

Applicant's
Signature

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

(Note : Cheque and Drafts are subject to realisation)

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

- ACKNOWLEDGMENT SLIP -

(To be filled in by Applicant) SERIAL NO.									
---	--	--	--	--	--	--	--	--	--

Received from _____



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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



ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS



ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Company	Ess Kay Fincorp Limited
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakhs only)
Issue Date / Date of Allotment	Issue Opening Date: September 25, 2020 Deemed Date of Allotment: September 29, 2020
Maturity Date	September 29, 2026
Coupon Rate	11.40% (Eleven Decimal Point Four Zero Percent) per annum (computed on a simple interest basis), net of Taxes.
Frequency of the Coupon Payment with specified dates	Coupon payable semi-annually. First Coupon on March 29, 2021, and subsequently on March 29 and September 29 of every calendar year until the Maturity Date (subject to adjustments for Business Day Convention).
Day Count Convention	Actual / Actual

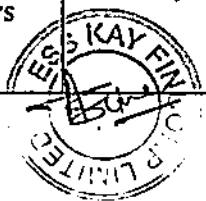
Scenario 1: In case Put Option / Call Option is exercised on the Put Option Date / Call Option Date being September 29, 2023 and Coupon Rate is not reset at the Coupon Reset Date

Cash Flows	Coupon Accrual Date	Coupon Payment Date	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Payment Date(s)	Principal Amount (in Rupees)
1 st Coupon	March 29, 2021	March 29, 2021	181	39,515,904		
2 nd Coupon and Principal	September 29, 2021	September 29, 2021	184	40,227,945	September 29, 2021	8,75,00,000
3 rd Coupon	March 29, 2022	March 29, 2022	181	34,625,548		
4 th Coupon and Principal	September 29, 2022	September 29, 2022	184	35,199,452	September 29, 2022	8,75,00,000
5 th Coupon	March 29, 2023	March 29, 2023	181	29,679,041		
6 th Coupon and Principal	September 29, 2023	September 29, 2023	184	30,170,959	September 29, 2023	52,50,00,000
TOTAL						70,00,00,000

*After adjusting for Non-Business Days

Scenario 2: In case Put Option / Call Option is not exercised and Coupon Rate is not reset at the Coupon Reset Date

Cash Flows	Coupon Accrual Date	Coupon Payment Date	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Payment Date(s)	Principal Amount (in Rupees)
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1 st Coupon	March 29, 2021	March 29, 2021				
2 nd Coupon	September 29, 2021	September 29, 2021			September 29, 2021	8,75,00,000
3 rd Coupon	March 29, 2022	March 29, 2022				
4 th Coupon	September 29, 2022	September 29, 2022			September 29, 2022	8,75,00,000
5 th Coupon	March 29, 2023	March 29, 2023				
6 th Coupon	September 29, 2023	September 29, 2023				
7 th Coupon	March 29, 2024	April 2, 2024				
8 th Coupon	September 29, 2024	September 30, 2024				
9 th Coupon	March 29, 2025	April 2, 2025				
10 th Coupon	September 29, 2025	September 29, 2025				
11 th Coupon	March 29, 2026	March 30, 2026				
12 th Coupon and Principal	September 29, 2026	September 29, 2026			September 29, 2026	52,50,00,000
TOTAL						70,00,00,000
*After adjusting for Non-Business Days						



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INDEPENDENT AUDITOR'S REPORT

To the Members of Ess Kay Fincorp Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ess Kay Fincorp Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 57 to the financial statements, the extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matter.

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Mumbai - 400 011, India

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
Transition date accounting policies	
<i>Refer to the accounting policies in the Financial Statements: Significant Accounting Policies- "Basis of preparation" and "Note 25 to the Financial Statements: Transition date choices and application"</i>	
Adoption of new accounting framework (Ind AS) Effective 1 April 2019, the Company adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with the transition date of 1 April 2018. The following are the major impact areas for the Company upon transition: - Classification and measurement of financial assets and financial liabilities - Measurement of loan losses (expected credit losses) - Business combination / common control transactions - Accounting for securitization and assignment - Accounting for loan fees and costs - Accounting for employee stock options The migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date. We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.	Our key audit procedures included: Design / controls ▪ Assessing the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. ▪ We have also confirmed the approvals of Audit Committee for the choices and exemptions made by the Company for compliance /acceptability under IND AS 101. Substantive tests ▪ Evaluated management's transition date choices and exemptions for compliance/acceptability under Ind AS 101. ▪ Understood the methodology implemented by management to give impact on the transition. ▪ Assessed the accuracy of the computations ▪ Assessed areas of significant estimates and management judgment in line with principles under Ind AS. ▪ Compared the industry practice for various assumptions used by management in areas such as [Expected Credit Loss model, classification of financial instruments, Employee Stock Options, etc].



Key audit matter	How the matter was addressed in our audit
Impairment of loans and advances to customers Charge: INR in lakhs 8,997.98 for year ended 31 March 2020 Provision: INR in lakhs 11,759.47 at 31 March 2020	
<i>Refer to the accounting policies in "Note 21 to the Financial Statements: Impairment", "Note 3 to the Financial Statements: Significant Accounting Policies- use of estimates" and "Note 2F to the Financial Statements: Loans and advances"</i>	
Subjective estimate Recognition and measurement of impairment of loans and advances involve significant management judgement. Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: - Segmentation of loan book - Determination of exposure at default - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed. <i>Impact of COVID-19</i> On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. We have identified the impact of, and uncertainty related to the COVID 19 pandemic as a key element and consideration for recognition and	Our key audit procedures included: Design / controls • Evaluation of the appropriateness of the impairment principles used by management based on the requirements of Ind AS 109, our business understanding and industry practice. • Understanding management's revised processes, systems and controls implemented in relation to impairment allowance process, particularly in view of COVID-19 regulatory package. • Evaluating management's controls over collation of relevant information used for determining estimates for management overlays on account of COVID-19. • Testing the controls over 'Governance Framework' in line with the RBI guidance. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Using modelling specialist to test the model methodology and reasonableness of assumptions used [(including management overlays)]. • Testing of review controls over measurement of impairment allowances and disclosures in financial statements. Substantive tests • Assessing the appropriateness of management rationale for determination of criteria for SICR considering both: adverse effects of COVID 19 and mitigants in the form of the RBI / Government financial relief package.



measurement of impairment of loans and advances on account of: - Short and long term macroeconomic effect on businesses in the country and globally and its consequential first order and cascading negative impact on revenue and employment generation opportunities; - impact of the pandemic on the Company's customers and their ability to repay dues; and - application of regulatory package announced by the Reserve Bank of India (RBI) on asset classification and provisioning. Management has conducted a qualitative assessment of significant increase in credit risk (SICR) of the loan portfolio with respect to the moratorium benefit to borrowers prescribed by the RBI and considered updated macroeconomic scenarios and the use of management overlays to reflect potential impact of COVID-19 on expected credit losses on its loan portfolio.	- Assessing the appropriateness of changes made in macroeconomic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model. - Corroborate through independent check and enquiries the reasonableness of management's assessment of grading of severity of impact of COVID-19 on segments of its loan portfolio and the resultant impairment provision computed. - Focus on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model. - Test of details over of calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. - Model calculations testing through re-performance where possible. - The appropriateness of management's judgments was also independently reconsidered in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used and the valuation of recovery assets and collateral. - Assessing the factual accuracy and appropriateness of the additional financial statements disclosures made by the Company regarding impact of COVID-19.
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Key audit matter	How the matter was addressed in our audit
Information technology IT systems and controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses an IT application for managing its loan transactions which is key for its overall financial reporting. Further, the prevailing COVID-19 situation, has caused the required IT applications to be made accessible on a remote basis. We have identified 'Information Technology systems' as key audit matter because of the high level automation, significant number of systems being used by the management, the complexity of the IT architecture and the risks associated with remote access of key applications by a large population of staff at the year end.	We involved our IT Specialist to: • Understand General IT Control (GITC) i.e. Access Controls, Program/ System Change, Program Development, Computer Operations (i.e. Job Processing, Data/System Backup Incident Management) over key financial accounting and reporting systems, and supporting control systems (referred to as in-scope systems); • Test the General IT Controls for design and operating effectiveness for the audit period over the in-scope systems; • Understand IT application controls covering: - o user access and roles, segregation of duties, and - o key interfaces, reports, reconciliations and system processing. • Test the IT application controls for design and operating effectiveness for the audit period; • Test the controls to determine whether these controls remained unchanged during the audit period or were changed following the standard change management process; • Understand IT infrastructure i.e. operating systems and databases supporting the in-scope systems; • Test the controls over the IT infrastructure covering user access (including privilege users), data center and system change (e.g. patches); and • Enquiry on data security controls in the context of a large population of staff working from remote location at the year end.



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Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



Other Matter

The comparative financial information of the Company for the transition date opening balance sheet as at 01 April 2018 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2018 dated 03 May 2018 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 39 to the financial statements;



- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 39 to the financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022



Ashwin Suvarna
Partner

(Membership No. 109503)
UDIN: 20109503AAAAA17857

Place: Mumbai
Date: 16 June 2020



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Ess Kay Fincorp Limited

Annexure A to the Independent Auditor's Report of even date on financial statements of Ess Kay Fincorp Limited

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The Company is in the business of providing services and does not have any physical inventories. Accordingly, the provision of clause 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("Act"). Accordingly, the provision of clause 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under section 185 of the Act and has complied with the provisions of section 186(1) of the Act. The Company being a NBFC, nothing contained in Section 186 is applicable, except subsection (1) of that Section.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 of the Act, or any other relevant provisions of the Act and the rules framed there under apply.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of sales tax, duty of customs or duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.



Ess Kay Fincorp Limited

Annexure A to the Independent Auditor's Report of even date on financial statements of Ess Kay Fincorp Limited (Continued)

- b) According to the information and explanations given to us, there are no dues in respect of income tax, services tax, value added tax or goods and service tax which have not been deposited on account of dispute except as given below:

Name of the statute	Nature of dues	Amount (Rs.)*	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax liability	52,974,061	AY 2014-2016	Custom, Excise, Income Tax Appellate Tribunal
Finance Act, 1994	Service tax liability	41,643,303	AY 2016-2018	Custom, Excise, Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Liability - TDS Credit disallowed	1,56,431	AY 2017-2018	Commissioner of Income-tax (Appeals)

*These amounts are net of amount paid/adjusted under protest Rs. 5,110,875.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks or debenture holders. The Company did not have any outstanding loans or borrowings from Government during the year.
- (ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not a nidhi company as prescribed under Section 406 of the Act. Accordingly, the provision of clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all the transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the financial statement, as required by the applicable Indian Accounting Standard.



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Ess Kay Fincorp Limited

Annexure A to the Independent Auditor's Report of even date on financial statements of Ess Kay Fincorp Limited (*Continued*)

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provision of Section 42 of the Act in respect of the preferential allotment of equity shares during the year. According to the information and explanation given to us, we report that the amount raised, have been used for the purpose of which funds were raised. As explained, the Company has not made any fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provision of Section 192 of the Act is not applicable.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration dated 16 October 1998.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Ashwin Suvarna

Partner

Membership No: 109503

UDIN: 20109503AAAAAT7857

Place: Mumbai
Date: 16 June 2020



B S R & Co. LLP

Annexure B to the Independent Auditor's report on the financial statements of Ess Kay Fincorp Limited for the year ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Ess Kay Fincorp Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Emphasis of Matter

We draw attention to Emphasis of Matter paragraph of our report to the financial statements, the extent to which the COVID-19 pandemic will have impact on the Company's internal financial controls with reference to financial statements is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matter.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.



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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022



Ashwin Suvarna

Partner

(Membership No. 109503)

UDIN: 20109503AAAAAT7857

Place: Mumbai

Date: 16 June 2020



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Auditors' Additional Report

To the Board of Directors of Ess Kay Fincorp Limited

Report on the Financial Statements

1. In addition to the report made under section 143 of the Companies Act, 2013 ('the Act') on the financial statements of Ess Kay Fincorp Limited ('the Company') for the year ended 31 March 2020 and as required by Master Direction on Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide Master Direction DNBS. PPD.03/66.15.001/2016-17 dated 29 September 2016 (the 'Direction'), we report as follows on the matters specified in paragraph 3 and 4 of the said Directions to the extent applicable.

Management's Responsibility for the financial statements

2. The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. The Company's management is responsible for ensuring that the Company complies with the requirements of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the 'Master Direction'). This responsibility includes the design, implementation and maintenance of internal control relevant to the compliance with the Master Directions.

Auditor's Responsibility

4. Pursuant to the requirements of the Directions, it is our responsibility to provide reasonable assurance on whether the Company has complied with the matters specified in the Directions to the extent applicable to the Company.
5. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.



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with LLP Registration No. AAU-81811
with effect from October 14, 2013

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Mumbai - 400 011, India



6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.'

Conclusion

7. Based on our examination of the financial statements as at and for the year ended 31 March 2020, books of accounts and records of the Company as produced for our examination and according to the information and explanations given to us we further report that:

- i. The Company is engaged in the business of non-banking financial institution and it has obtained a certificate of registration from Reserve Bank of India ('RBI') under registration no. B-10.00080 dated 16 October 1998. Subsequent to name change of the Company to Ess Kay Fincorp Limited, the Company received a fresh registration no. B-10.00080 dated 26 October 2016, granting the Company permission to carry on the business of non-banking financial institution;
- ii. The Company is entitled to continue to hold such certificate of registration in terms of its asset/ income pattern as on/ for the year ended 31 March 2020;
- iii. In our opinion and to the best of our information and according to the explanations given to us, the Company is meeting the required net owned fund requirement as laid down in the Master Direction.
- iv. The Board of Directors of the Company has passed a resolution in its meeting held on 22 April 2020 for non-acceptance of public deposits during the year ended 31 March 2020;
- v. The Company has not accepted any public deposits during year ended 31 March 2020;
- vi. With effect from 1 April 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies vide notification no.G.S.R 365(E) dated 30 March 2016, for financial reporting purposes, the Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS). In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as per Ind AS in the preparation of the financial statements for the year ended 31 March 2020;
- vii. In our opinion and to the best of our information and according to the explanations given to us, the Company being a Systemically Important Non-deposit taking NBFC as defined in paragraph 3 (xxxi) of the Master Direction, for the year ended 31 March 2020:
 - a) the capital adequacy ratio as disclosed in the Note 51.1 of the financial statements for the year ended 31 March 2020 has been correctly arrived at and such ratio is in compliance with minimum capital to risk asset ratio ('CRAR') prescribed by RBI. Further, as informed to us, the Company is yet to file the annual return with RBI in the form NBS -7 as at 31 March 2020; and
 - b) the Company has furnished to RBI, the provisional annual statement of capital funds, risk assets/exposures and risk asset ratio ('form NBS-7') for the year ended 31 March 2020 on 27 April 2020 within the stipulated period.



- viii. Based on the criteria set forth by RBI in paragraph 3 (xix) of the Master Direction for classification of NBFCs as NBFC – Micro Finance Institution ('NBFC-MFI'), the Company does not meet / meets the criteria to be classified as NBFC-MFI as defined in the aforesaid Master Direction, with reference to the business carried on by it during the year ended 31 March 2020.

Restrictions of use

8. This Report is addressed to and provided to the Board of Directors solely to comply with the aforesaid Direction and for submission to RBI, if required and may not be suitable for any other purpose. Accordingly, our Report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our Report is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022



Ashwin Suvarna
Partner

(Membership No. 109503)
UDIN: 20109503AAAAAS5787

Place: Mumbai
Date: 16 June 2020



Ess Kay Fincorp Limited

Balance Sheet as at March 31, 2020

(Amount in Rs. in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Financial assets				
Cash and cash equivalents	4	6,236.85	7,406.29	862.05
Bank balance other than cash and cash equivalents	5	37,944.98	21,988.88	3,053.86
Receivables				
Other receivables	6	0.30	2.65	23.84
Loans	7	285,001.04	179,337.97	107,727.33
Investments	8	13,836.90	1,594.60	511.72
Other financial assets	9	3,451.28	4,411.31	687.19
Total financial assets		345,571.35	214,741.70	112,866.19
Non-financial assets				
Current tax assets (Net)		93.09	31.33	31.33
Deferred tax assets (Net)	35	1,931.92	756.42	775.50
Property, plant and equipment	10	4,210.18	3,212.59	2,410.32
Capital work-in-progress	11	266.72	6.30	96.86
Intangible assets under development	12	81.80	-	-
Other intangible assets	13	50.55	59.43	27.04
Other non-financial assets	14	437.38	367.69	214.76
Total non-financial assets		7,072.64	4,433.76	3,555.81
Total assets		352,643.99	219,175.46	116,422.00
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments	15	545.00	250.90	137.39
Payables				
Trade payables				
(a) total outstanding dues of micro enterprises and small enterprises		-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
Debt securities	16	126,014.13	71,492.05	23,389.61
Borrowings (other than debt securities)	17	125,571.17	78,520.82	62,507.14
Subordinated liabilities	18	4,047.72	4,045.79	4,192.65
Other financial liabilities	19	7,201.47	7,607.07	5,012.00
Total financial liabilities		263,379.69	161,916.63	95,138.76
Non-financial liabilities				
Current tax liabilities (Net)		301.68	6.15	340.56
Provisions	20	740.03	578.45	358.96
Deferred tax liabilities (Net)	33	-	-	-
Other non-financial liabilities	21	349.84	339.38	222.86
Total non-financial liabilities		1,391.55	924.38	922.78
EQUITY				
Equity share capital	22	503.90	460.32	150.92
Other equity	23	87,368.85	55,874.13	19,909.44
Total equity		87,872.75	56,334.45	20,060.36
Total liabilities and equity		352,643.99	219,175.46	116,422.00

Significant accounting policies

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

For BS & Co. LLP

Chartered Accountants

Firm's Registration No. 101218WV-100022



Ashwin Saxena

Partner

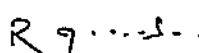
ICAI Membership No. 109503

Place: Mumbai

Date: 16 June 2020



For and on behalf of the Board of Directors of
Ess Kay Fincorp Limited



Rajendra Kumar Setia

(Managing Director)

DIN - 00057374



Anil Arora

(Chief Financial Officer)

Place: Jaipur

Date: 16 June 2020



Shalini Setia

(Whole Time Director)

DIN - 0261724



Anagha Bangur

(Company Secretary)

Ess Kay Fincorp Limited

Statement of Profit and Loss for the year ended March 31, 2020

(Amount in Rs. in lakhs)

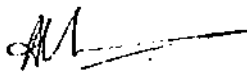
Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operation			
Interest income	24	54,544.50	36,698.92
Fees and commission income	25	1,951.52	958.34
Net gain on fair value changes	26	752.94	-
(I) Total revenue from operations		57,248.96	37,657.26
(II) Other income	27	991.31	433.03
(III) Total income (I+II)		58,240.27	38,090.29
Expenses			
Finance costs	28	23,248.45	14,337.63
Net loss on fair value changes	29	-	20.61
Impairment on financial instruments	30	8,997.98	4,407.56
Employee benefit expenses	31	10,571.01	7,136.97
Depreciation and amortization	32	817.53	604.35
Other expenses	33	4,054.83	2,681.27
(IV) Total expenses		47,689.80	29,188.39
(V) Profit before tax (III-IV)		10,550.47	8,901.90
(VI) Tax expense	34		
(1) Current tax		3,874.32	2,526.65
(2) Deferred tax		(1,177.52)	27.94
Total tax expense		2,696.80	2,554.61
(VII) Profit for the year (V-VI)		7,853.67	6,347.28
(VIII) Other comprehensive income / (expenses)	35		
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		8.02	(30.43)
Sub-total		8.02	(30.43)
Income tax relating to items that will not be reclassified to profit or loss		(2.02)	8.86
Other comprehensive income/(expenses)		6.00	(21.57)
(IX) Total comprehensive income for the year (VII+VIII) (comprising profit and other comprehensive income/(expenses) for the year)		7,859.67	6,325.71
(X) Earnings per equity share	36		
Basic (Rs.)		33.00	31.99
Diluted (Rs.)		32.68	31.62

Significant accounting policies

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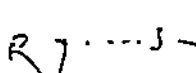
The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For HSR& Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022


Ashwin Suvarna
Partner
(CA) Membership No. 109303

Place: Mumbai
Date: 16 June 2020

For and on behalf of the Board of Directors of
Ess Kay Fincorp Limited


Rajendra Kumar Setia
(Managing Director)
DIN - 00257374


Atul Arora
(Chief Financial Officer)

Place: Jaipur


Shashini Setia
(Whole Time Director)
DIN - 02817624


Anagha Bhatnagar
(Company Secretary)



Ess Kay Fincorp Limited

Statement of Cash Flow for the year ended March 31, 2020

(Amount in Rs. in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	10,550.47	8,901.90
Adjustments for:		
(Profit) loss on sale of fixed asset	(0.36)	0.95
Finance cost incurred	21,824.69	11,345.03
Interest income accrued	(52,083.53)	(32,905.26)
Impact on derecognition of loans sold under direct assignment transaction	(1,037.21)	(1,301.06)
Net (gain) loss on FVTPL investments and derivatives	(752.94)	20.61
Impairment on financial instruments	8,997.98	4,407.56
Employed share based payment expenses	178.63	82.42
Depreciation and amortization	817.53	604.35
Operating cash flow before working capital changes	(11,504.74)	(8,343.00)
Adjustments for working capital changes:		
Decrease in trade receivables	2.35	21.19
Increase in loans	(109,346.15)	(73,246.63)
Decrease (increase) in other financial assets	696.18	(2,423.06)
Increase in other non-financial assets	(69.69)	(152.93)
Increase (decrease) in other financial liabilities	(405.40)	2,594.47
Increase in provisions	169.20	189.46
Increase in other non-financial liabilities	10.46	116.52
Finance cost paid	(24,122.44)	(9,425.68)
Interest income received	48,103.26	29,399.92
Cash generated from operations	(96,469.97)	(61,269.14)
Dues & taxes paid (net of refunds)	(3,640.55)	(2,861.49)
Net cash used in operating activities (A)	(100,110.52)	(64,130.63)
Cash flow from investing activities		
Purchase of property plant and equipment, capital work in progress and other intangible assets	(2,163.44)	(1,363.32)
Proceeds from sale of property plant and equipment	14.34	3.42
Investment in Fixed deposits	(88,022.03)	(18,590.90)
Proceeds from redemption of fixed deposits	75,427.89	298.47
Purchase of investments	(41,110.60)	(1,100.00)
Proceeds from redemptions of investments	29,255.03	4.39
Net cash used in investing activities (B)	(26,598.21)	(20,646.24)
Cash flow from financing activities		
Proceeds from issue of shares and securities premium	23,500.00	29,665.36
Debt securities issued	90,250.00	60,000.00
Debt securities repaid	(35,316.66)	(14,154.53)
Borrowings other than debt securities taken	87,230.01	35,867.08
Borrowings other than debt securities repaid	(40,124.06)	(29,056.89)
Net cash generated from financing activities (C)	125,539.29	91,321.11
Net increase (decrease) in cash and cash equivalents (A+B+C)	(1,169.44)	6,544.24
Add: cash and cash equivalents as at the beginning of the year	7,406.29	802.05
Cash and cash equivalents as at the end of the year*	6,236.85	7,406.29
*Components of cash and cash equivalents		
Balances with banks	6,135.85	6,435.55
Fixed deposits on hand	31.32	64.16
Cash on hand	69.68	96.58
	6,236.85	7,406.29



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fy 2018-19

Independent Auditors' Report
To the Members of
Ess Kay Fincorp Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ess Kay Fincorp Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss, and cash flow statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 43 to the financial statements, which describes regrouping / reclassification of certain items reported in the financial statements for the year ended 31 March 2018 to conform to current year's classification.

Our opinion is not modified in respect of these matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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with effect from October 14, 2013

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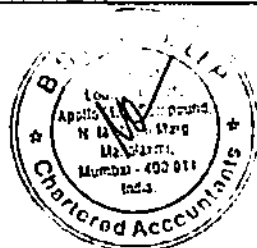
Independent Auditors' Report (Continued)

Ess Kay Fincorp Limited

Key Audit Matters (Continued)

Description of Key Audit Matters:

Key Audit Matter	How the matter was addressed in our audit
Identification of Non Performing Assets (NPA) and adequacy of provisions Gross NPAs: INR 585,989,322 at 31 March 2019 Charge: INR 65,529,197 for year ended 31 March 2019 Closing Provisions on NPAs: INR 147,051,195 at 31 March 2019	
Refer to the accounting policies in the Financial Statements: Significant Accounting Policies, 2.2 - Use of Estimates, 2.23 - provisioning on receivables from financing activity", "Note 17 to the Financial Statements: Loans and advances" and "Note: 7 to the financial statement: Long-term and short-term provisions"	
Significant area of estimate and judgment combined with automated and manual processes to identify NPAs Identification of NPA's is undertaken in accordance with the Prudential Norms on Income Recognition, Asset Classification & Provisioning. Provisions in respect of non-performing advances (provisioning on loans and advances) are made based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed under the RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning, prescribed from time to time as applicable to NBFCs and as per policies approved by the Board of Directors of the Company. We have identified NPA Identification and provision as a key audit matter because - 1) It is an area which involves significant management judgement; 2) The Company uses a combination of automated and manual processes to identify overdue status and tagging of NPAs; and 3) Availability and valuation of collateral is an important element in determining the extent of provisions required. Provisions are also dependent on having a clear unencumbered title on the collateral and an estimate of collateral value.	Our key audit procedures included: Design / controls - Assessing the design, implementation and operating effectiveness of key internal controls over monitoring process of recoverability of loans, timely identification of NPA accounts, measurement of collateral value, assessment and quantification of provisions and assessing the reliability of management information, including overdue reports. - Testing of management's controls over application of Company's NPA provision policy and presenting appropriate disclosures in financial statements. - Through involvement of information system specialists gain assurance and evidence of management controls over data integrity, automated computations and inter-system reconciliations. Substantive tests - Test of details over calculation of NPA provisions as at 31 March 2019 for assessing the completeness, accuracy and relevance of data and to ensure that the same is in compliance with the RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning. - Test of details over appropriate application of accounting principles and validating completeness and accuracy of the data used in the identification of NPA's and measurement of provision amounts. - Test of details over assessing external collateral valuer's credentials and comparing external valuations to values used in management's assessments.



Independent Auditors' Report (Continued)

Ess Kay Fincorp Limited

Key Audit Matters (Continued)

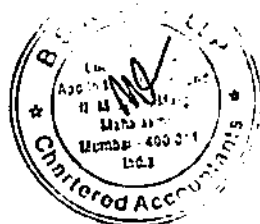
Description of Key Audit Matters: (Continued)

Key audit matter	How the matter was addressed in our audit
Information technology (IT)	
IT systems and controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company primarily uses three systems for its financial reporting. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.	Our audit procedures to assess the IT system access management included the following: General IT controls / user access management - We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. - We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. - For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process. - evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission. - Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



Independent Auditors' Report (Continued)

Ess Kay Fincorp Limited

Other Information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Management's Responsibility for the Financial Statements

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

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

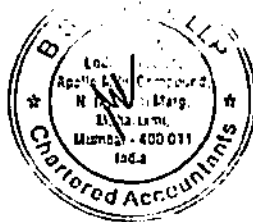
Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Independent Auditors' Report (Continued)

Ess Kay Fincorp Limited

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls¹.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

Attention is drawn to the fact that the comparative figures as reported in the financial statements for the year ended 31 March 2018 were audited, by the predecessor statutory auditor who expressed an unmodified opinion on those financial information vide their reports dated 8 May 2018.

Our opinion is not modified in respect of this matter.

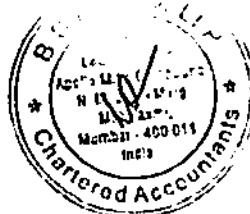


Independent Auditors' Report (Continued)

Ess Kay Fincorp Limited

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss, and statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 31 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 33 to the financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.



Independent Auditors' Report (Continued)

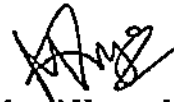
Ess Kay Fincorp Limited

Report on Other Legal and Regulatory Requirements (Continued)

(B) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanation given to us, during the current year, the remuneration paid by the Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/V-100022



Mandj Kumar Vijai
Partner

Membership No. 046882

Place: Jaipur
Date: 3 May 2019



Annexure A to the Independent Auditor's Report of even date on financial statements of Ess Kay Fincorp Limited

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular program of physical verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property is held in the name of the Company.
- (ii) The Company is in the business of providing services and does not have any physical inventories. Accordingly, the provision of clause 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provision of clause 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under section 185 and 186 of the Act. Accordingly, the provision of clause 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under apply.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, duty of customs, goods and services tax or duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

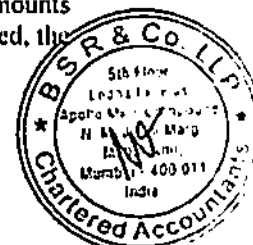


Annexure A to the Independent Auditors' Report of even date on financial statements of Ess Kay Fincorp Limited (Continued)

b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, duty of customs, goods and services tax, value added tax or duty of excise which have not been deposited on account of dispute except as given below:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax liability	55,037,596	AY 2014-2016	Custom, Excise, Income Tax Appellate Tribunal
Finance Act, 1994	Service tax liability	44,689,643	AY 2016-2018	Custom, Excise, Income Tax Appellate Tribunal

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, Government or debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the explanation and information given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provision of clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with provisions of Section 42 of the Companies Act, 2013 in respect of the preferential allotment of equity shares during the year. According to the information and explanations given to us, we report that the amounts raised, have been used for the purposes for which the funds were raised. As explained, the Company has not made any fully or partly convertible debentures during the year.



B S R & Co. LLP

Annexure A to the Independent Auditors' Report of even date on financial statements of Ess Kay Fincorp Limited (Continued)

- (xv) According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provision of Section 192 of the Act is not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration dated 16 October 1998.

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner

Membership No: 046882

Place: Jaipur
3 May 2019



Ess Kay Fincorp Limited

Annexure - B to the Independent Auditor's Report of even date on the financial statements of Ess Kay Fincorp Limited

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

(Referred to in paragraph (I) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Qualified Opinion

We have audited the internal financial controls over financial reporting of Ess Kay Fincorp Limited (the "Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2019:

We noted lack of control relating to timely recording and maintaining contemporaneous documentary evidence for cash collections from borrowers towards loan interest / instalments at year end, which could potentially impact recording of cash collection and consequently impact loans balances and related accounts at reporting period.

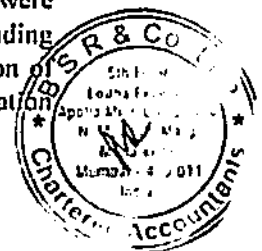
A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the material weakness do not affect our opinion on the financial statements of the Company.

Management's responsibility for internal financial controls

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



Ess Kay Fincorp Limited

Annexure - B to the Independent Auditor's Report of even date on the financial statements of Ess Kay Fincorp Limited (*Continued*)

Auditor's responsibility

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

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

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

Meaning of internal financial controls over financial reporting

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



Ess Kay Fincorp Limited

Annexure - B to the Independent Auditor's Report of even date on the financial statements of Ess Kay Fincorp Limited (*Continued*)

Inherent limitations of internal financial controls over financial reporting

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

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248 W/W-100022



Manok Kumar Vijai

Partner

Membership No: 046882

Jaipur
3 May 2019



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ESS KAY FINCORP LIMITED
Balance Sheet as at March 31, 2019

Particulars	Note No.	(Amount in Rs.)	
		As at March 31, 2018	As at March 31, 2019
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	4,80,32,258	3,50,91,900
(b) Reserves and surplus	4	5,50,58,13,960	2,02,79,10,176
		5,55,18,46,218	2,05,30,08,076
Non-current liabilities			
(a) Long-term borrowings	5	8,02,61,79,330	4,28,15,15,840
(b) Deferred tax liabilities (net)	12	-	-
(c) Other long-term liabilities	6	31,40,45,763	14,30,48,378
(d) Long-term provisions	7	10,24,80,047	5,94,11,321
		8,44,27,05,140	4,48,89,73,537
Current liabilities			
(a) Short-term borrowings	8	65,04,87,288	05,23,07,264
(b) Trade payables	9	-	-
i) total outstanding dues to micro and small enterprises; and		28,05,83,327	30,37,59,323
ii) total outstanding dues of creditors other than micro and small enterprises		4,78,03,18,782	4,33,17,22,230
(c) Other current liabilities	10	19,05,97,470	15,52,50,730
(d) Short-term provisions	7	5,93,69,48,867	6,55,30,39,863
		10,93,14,98,225	12,21,00,21,165
TOTAL			
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	17,03,76,657	12,20,86,722
(ii) Intangible assets	11	59,42,878	27,03,701
(iii) Capital work-in-progress	11	6,29,562	96,86,434
(b) Non-current investments	15 (a)	4,66,66,788	4,66,66,786
(c) Deferred tax assets (net)	12	8,24,23,239	6,23,03,995
(d) Long-term loans and advances	17	8,91,72,66,530	8,89,92,84,236
(e) Other non-current assets	13	10,86,10,375	12,69,31,053
		10,38,29,36,037	7,06,96,22,933
Current assets			
(a) Current investments	15 (b)	11,00,00,000	-
(b) Trade receivables	14	2,85,143	23,84,111
(c) Cash and bank balances	10	2,77,60,86,660	29,37,15,247
(d) Short-term loans and advances	17	0,48,23,85,981	4,83,81,88,943
(e) Other current assets	18	18,98,84,404	20,81,09,931
		8,53,65,62,188	5,14,03,68,232
TOTAL		19,93,14,98,225	12,21,00,21,165
Significant accounting policies and notes to the financial statements	2-44		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

I-Of BSR & Co. LLP
Chartered Accountants
Firms' Registration No: 101240WVV-100022

Manoj Kumar Vijal
Partner
M. No. : 046382

For and on behalf of the Board of Directors of
Ess Kay Fincorp Limited

Rajendra Kumar Solla
Managing Director
DIN- 00957374

Shalini Solla
Director
DIN - 02617624

Atul Arora
Chief Financial Officer

Anagha Dangur
Company Secretary

Place : Jaipur
Date : May 03, 2019

Place : Jaipur
Date : May 03, 2019



fy 2018-19

ESS KAY FINCORP LIMITED

Statement of Profit and Loss for the year ended March 31, 2019			
(Amount in Rs.)			
Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	19	3,48,34,20,320	2,20,83,87,225
Other Income	20	15,59,25,688	6,49,12,101
Total Revenue		3,64,93,46,008	2,27,32,99,326
Expense:			
Employee benefit expenses	21	70,84,48,411	50,02,04,879
Finance costs	22	1,38,48,21,714	89,45,08,497
Depreciation and amortisation expenses	23	3,21,24,975	2,33,62,425
Provisions and write offs	24	29,18,00,049	21,88,79,313
Other expenses	25	47,74,40,525	30,91,01,175
Total expenses		2,89,44,35,675	1,94,40,54,289
Profit before tax		75,49,10,333	32,92,45,037
Tax Expenses			
a. Current tax		25,49,07,427	14,19,68,102
b. Deferred tax	12	(2,00,48,680)	(1,90,91,848)
c. Taxes for earlier year		76,48,512	(1,31,51,530)
Total tax expense		23,26,08,359	10,97,22,724
Profit for the year		52,23,01,974	21,95,22,313
Basic earnings per equity share (Face value Rs. 2 each)	26	26.32	15.08
Diluted earnings per equity share (Face value Rs. 2 each)	26	26.32	15.08
Significant accounting policies and notes to the financial statements	2-44		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijal
Partner
M. No. : 046582

For and on behalf of the Board of Directors of
Ess Kay Fincorp Limited

Rajendra Kumar Sotia
Managing Director
DIN-00957374

Atul Arora
Chief Financial Officer

Shalini Setia
Director
DIN - 02817624

Anagha Dangur
Company Secretary

Place : Jaipur
Date : May 03, 2019

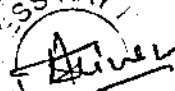
Place : Jaipur
Date : May 03, 2019

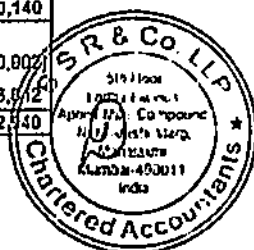


ESS KAY FINCORP LIMITED

Cash Flow Statement for the year ended March 31, 2019

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash flow from operating activities		
Profit before tax	75,49,10,333	32,92,45,037
Adjustment for		
Interest expenses	1,30,99,28,308	84,78,65,330
Interest income	(2,80,40,20,337)	(1,65,60,98,335)
Depreciation and amortization expenses	3,21,24,975	2,33,62,425
Provisions and write offs	29,18,00,049	21,68,79,313
Loss on sale of fixed assets	94,527	41,110
Provision for employee benefits	2,39,89,734	1,62,79,018
Gain on sale of investments	(4,18,652)	(7,95,569)
Operating cash flow before working capital changes	(45,24,91,063)	(22,32,21,672)
Adjustment for working capital changes		
(Increase) / decrease in trade receivables	21,18,968	1,85,40,400
(Increase) / decrease in short-term loans and advances	(2,02,98,67,384)	(2,12,18,13,038)
(Increase) / decrease in long-term loans and advances	(3,21,78,11,784)	(3,00,31,20,509)
(Increase) / decrease in other non-current assets	(4,38,79,316)	1,47,45,491
(Increase) / decrease in other current assets	(1,17,22,637)	20,08,48,284
Increase / (decrease) in other current liabilities	(27,41,29,572)	22,38,62,496
Increase / (decrease) in other long-term liabilities	17,09,99,307	8,16,57,019
Increase / (decrease) in other short-term provisions	79,71,196	(1,199)
Increase / (decrease) in other long-term provisions	(20,00,683)	(16,14,853)
Increase / (decrease) in bank deposits (having original maturity more than three months)	(1,83,14,92,970)	(4,84,88,308)
Interest paid	(1,07,36,34,761)	(81,99,73,600)
Interest received	2,89,45,88,501	1,61,22,94,473
Cash generated from operations	(5,85,11,52,026)	(4,06,82,86,014)
Direct taxes paid (net of refunds)	(28,65,12,688)	(11,58,67,540)
Net cash flow generated from / (used in) operating activities (A)	(6,14,76,64,714)	(4,18,41,52,553)
B Cash flow from Investing activities		
Purchase of investments	(50,00,00,000)	-
Sale of investments	39,04,18,652	11,91,78,945
Purchase of fixed assets	(7,51,84,344)	(5,54,67,435)
Sale of fixed assets	13,92,592	4,70,000
Net cash flow generated from / (used in) Investing activities (B)	(18,33,73,100)	6,41,81,511
C Cash flow from financing activities		
Proceeds from issue of share capital	1,09,40,356	80,21,000
Proceeds from share premium	2,85,55,85,812	97,27,52,840
Amount received from issuance of non-convertible debentures	6,00,00,00,000	1,85,00,00,000
Repayment of non-convertible debentures	(1,41,54,51,362)	(78,21,96,069)
Amount received from long-term borrowings	1,05,07,00,000	5,05,46,70,045
Repayment of long-term borrowings	(1,41,80,38,572)	(3,70,48,95,750)
Short-term borrowings (net)	(20,18,39,976)	39,25,90,225
Dividend tax paid	-	(251)
Net cash flow generated from / (used in) financing activities (C)	6,98,18,90,257	3,81,09,40,140
Net increase / (decrease) in cash and cash equivalent (A+B+C)	65,08,58,443	(30,90,30,002)
Add:- Cash and cash equivalent at the beginning of the year	9,18,92,840	40,09,23,842
Cash and cash equivalent at the end of the year	74,27,51,383	9,18,92,840

ESS KAY




fy 2018-19

*Components of cash and cash equivalents		
Balances with banks	64,46,88,195	1,28,79,290
Fixed deposits (having original maturity less than 3 months)	79,07,887	30,22,101
Cash on hand	9,82,50,301	7,69,01,249
Total	74,27,61,383	9,16,92,940

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
Firms' Registration No: 101248WW-100022

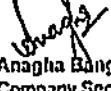

Manoj Kumar Vajal
Partner
M. No. : 046882

For and on behalf of the Board of Directors of
Ess Kay Fincorp Limited


Rajendra Kumar Betla
Managing Director
DIN-00657374


Atul Arora
Chief Financial Officer


Shalini Saini
Director
DIN - 02817624


Anagha Bangur
Company Secretary

Place: Jaipur
Date : May 03, 2019

Place: Jaipur
Date : May 03, 2019



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S S KOTHARI MEHTA & CO
CHARTERED ACCOUNTANTS

Plot No. 68,
Okhla Industrial Area, Phase-III,
New Delhi-110020
Phone : +91-11-4670 8888
E-mail : delhi@sskmin.com
Website: www.sskmin.com

Independent Auditor's Report

To

The Members

Ess kay Fincorp Limited

(Erstwhile Esskay Auto Finance Private Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Ess Kay Fincorp Limited ((Erstwhile Esskay Auto Finance Private Limited) ("the Company"), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



A handwritten signature in dark ink, located to the right of the circular stamp.

- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigation on its financial position in its financial statements – Refer note 28 to financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.S. KOTHARI MEHTA & CO.

Chartered Accountants

Firm Reg. No.: 008756N

Harish Gupta

Partner

Membership No.: 098336

Place: Jaipur

Date: May 08, 2018



"Annexure A" to the Independent Auditors' Report

The Annexure as referred in paragraph (1) 'Report on Other Legal and Regulatory Requirements of our Independent Auditors' Report to the members of Ess Kay Fincorp Limited (Erstwhile Esskay Auto Finance Private Limited) on the financial statements for the year ended 31 March 2018, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a phased programme of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this program, certain fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company does not hold any immovable properties. Accordingly, the provisions of clause 3(ii) (c) of the Order are not applicable.
- ii. The company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the order are not applicable.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted unsecured loans to the parties covered in the Register maintained under section 189 of the Act.

(b) In our opinion, rate of interest and other terms and condition on which the loan had been granted to the parties covered in register maintained under section 189 of the Companies Act, 2013 were not prima facie, prejudicial to the interest of the Company.

(c) The loans were repayable on demand. Accordingly, the provisions of clause 3(iii) (b) & (c) of the order are not applicable.
- iv. According to the information and explanations given to us, the company have complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to the loans, investments made.
- v. According to the information and explanations given to us, during the year the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.



vi. To the best of our Knowledge and as explained, the central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales-tax, wealth tax, income tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues with the appropriate authorities to the extent applicable, though there has been a slight delay in a few cases and further, there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March 2018.

(b) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, duty of excise, duty of custom, or value added tax which have not been deposited on account of any dispute except as given below:

Name of the Statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax and Penalty	53,027,956	December 2010 to March 2015	Joint Commissioner(Appeals), Jaipur

viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks and financial institutions and dues to debenture/bond holders. The Company does not have any loans or borrowings from the government.

ix. According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Further, monies raised by the Company by way of debt instruments and term loans were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.

x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management



- xii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the record of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement cum preferential allotment of equity shares for Rs.9999.99 Lacs during the year under review and has complied with the provisions of the Companies Act 2013. The funds raised have been utilized for the purposes for which they have been raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the company.

For S.S. KOTHARI MEHTA & CO.

Chartered Accountants

Firm Reg. No. : 000756N



Harish Gupta

Partner

Membership No.: 098336

Place: Jaipur

Date: May 08, 2018



"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of Ess Kay Fincorp Limited (Erstwhile Esskay Auto Finance Private Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of Ess Kay Fincorp Limited (Erstwhile Esskay Auto Finance Private Limited) ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the



assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



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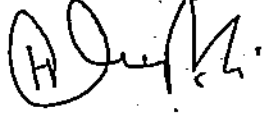
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.S. KOTHARI MEHTA & CO.

Chartered Accountants

Firm Reg. No. : 000756N



Harish Gupta

Partner

Membership No.: 098336

Place: Jaipur

Date: May 08, 2018



Report in terms of "Non-Banking Financial Company's Auditor's Report (Reserve Bank) Directions, 2016"

To

**The Board of Directors
Ess kay Fincorp Limited
(Erstwhile Esskay Auto Finance Private Limited)**

We have audited the accounts of the Ess Kay Fincorp Limited (Erstwhile Esskay Auto Finance Private Limited) ("the Company") for the year ending 31st march, 2018 and we report in respect of the matters specified in "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016" issued by the Reserve Bank of India to the extent they are applicable to the company as follows:

- a. The company is engaged in the business of Non-Banking Financial Institutions and is registered with the Reserve Bank of India as provided in section 45IA of the Reserve Bank of India Act, 1934 (2 of 1934) and it has obtained the registration certificate from the Reserve Bank of India.
- b. The company is entitled to continue to hold the certificate of registration in terms of its assets/income as on March 31, 2018.
- c. The company has been correctly classified as asset Management Company.
- d. The board of directors of the company has passes resolution on May 8, 2018 resolving not to accept any deposit from public.
- e. The company is meeting the required net owned fund requirement as laid down in master direction – Non-Banking Financial Company – Non-Systemically important Non-Deposit taking company (Reserve bank) directions, 2016 and master direction – Non-Banking Financial company – Systemically important Non-Deposit taking company and Deposit taking company (Reserve Bank) directions, 2016.
- f. As per the certificate received from the practicing company secretary, the company has not accepted any deposits from public during year under audit.
- g. According to information and Explanation given to us, the company has duly complied with prudential norms relating to the income recognition, Accounting Standards, assets clarification and provisioning for bad and doubtful debts.



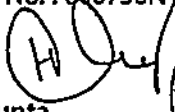
h. In respect of Systemically important Non-Deposit taking NBFCs as defined in paragraph 2(1) (xix) of the Non-Banking Financial (Non-Deposit Accepting or Holding) companies Prudential Norms (Reserve Bank) Directions, 2015.

- The capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS-7, has been correctly arrived at and such ratio is in compliance with the minimum CRAR prescribed by the Bank.
- The company has furnished to the Bank the annual statement of capital funds, risk assets/exposure and risk asset ratio (NBS-7) within the stipulated period.

For S.S. KOTHARI MEHTA & CO.

Chartered Accountants

Firm Reg. No. : 000756N


Harish Gupta

Partner

Membership No.: 098336

Place: Jaipur

Date: *May 08, 2018*



FY 2017-18

ESS KAY FINCORP LIMITED, JAIPUR
CIN - U65923RJ1994PLC009051
(Erstwhile Ess Kay Auto Finance Private Limited)

BALANCE SHEET AS AT 31st MARCH 2018

S. No.	PARTICULARS	NOTE NO.	AMOUNT AS AT 31-Mar-18	AMOUNT AS AT 31-Mar-17
I	<u>EQUITY AND LIABILITIES</u>			
1	<u>SHAREHOLDER'S FUNDS</u>			
	SHARE CAPITAL	3	3,50,91,900	2,70,70,900
	RESERVES AND SURPLUS	4	2,02,79,16,175	83,58,41,022
	MONEY RECEIVED AGAINST SHARE WARRANTS		-	-
	TOTAL (1)		2,06,30,08,075	86,27,11,922
2	<u>SHARE APPLICATION MONEY PENDING ALLOTMENT</u>		-	-
3	<u>NON-CURRENT LIABILITIES</u>			
	LONG TERM BORROWINGS	5	4,28,15,15,840	3,01,97,50,823
	OTHER LONG-TERM LIABILITIES	6	11,53,28,821	8,13,89,357
	LONG-TERM PROVISIONS	7	5,57,28,209	3,03,23,936
	TOTAL (3)		4,45,25,72,870	3,11,14,63,916
4	<u>CURRENT LIABILITIES</u>			
	SHORT TERM BORROWINGS	8	85,23,07,264	45,97,17,039
	OTHER CURRENT LIABILITIES	9	4,68,31,89,114	3,22,79,16,025
	SHORT TERM PROVISIONS	7	15,89,33,842	9,34,27,655
	TOTAL(4)		5,69,44,40,220	3,78,10,59,719
	TOTAL(1+2+3+4)		12,21,00,21,165	7,75,52,35,557
II	<u>ASSETS</u>			
1	<u>NON-CURRENT ASSETS</u>			
	<u>FIXED ASSETS</u>			
	i) PROPERTY PLANT & EQUIPMENT	11 (a)	12,29,86,722	10,16,26,311
	ii) INTANGIBLE ASSETS	11 (b)	27,03,701	21,71,405
	iii) CAPITAL WORK IN PROGRESS	11 (c)	96,88,434	-
	iv) INTANGIBLE ASSETS UNDER DEVELOPMENT		-	-
	NON-CURRENT INVESTMENTS	14 (a)	4,66,68,786	-
	DEFERRED TAX ASSETS (NET)	10	6,23,63,995	4,32,72,147
	LONG-TERM LOANS AND ADVANCES	16	8,89,89,98,237	3,69,60,59,281
	OTHER NON-CURRENT ASSETS	12	8,70,51,357	14,08,76,550
	TOTAL(1)		7,04,04,57,232	3,98,38,04,654
2	<u>CURRENT ASSETS</u>			
	CURRENT INVESTMENTS	14 (b)	-	18,50,50,163
	INVENTORIES		-	-
	TRADE RECEIVABLES	13	23,84,111	1,89,24,511
	CASH AND BANK BALANCE	15	29,37,15,247	55,42,57,843
	SHORT-TERM LOANS AND ADVANCES	16	4,40,35,78,200	2,68,80,43,993
	OTHER CURRENT ASSETS	17	48,98,86,375	38,51,54,353
	TOTAL(2)		6,16,95,63,933	3,77,14,30,863
	TOTAL(1+2)		12,21,00,21,165	7,75,52,35,557

Overview and significant accounting policies
The accompanying notes are an integral parts of the financial Statements
As per our report of even date

1 & 2

For S.S. Kohari Mehta & Co.,
Chartered Accountants
Firm Reg. No. 009756N

(HARISH GUPTA)
PARTNER
(M. No - 098336)

Place : Jaipur
Date : 8th May, 2018

For and on behalf of the board of Directors of
Ess Kay Fincorp Limited

(RAJENDRA KUMAR SETIA)
MANAGING DIRECTOR
(DIN - 00957374)

(ATUL ARORA)
CHIEF FINANCIAL OFFICER

(SHALINI SETIA)
WHOLE TIME DIRECTOR
(DIN - 02817624)

(ANAGHA BANGUR)
COMPANY SECRETARY

FY 2017-18

ESS KAY FINCORP LIMITED, JAIPUR
CIN - U65923RJ1994PLC009051
(Erstwhile Ess Kay Auto Finance Private Limited)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st MARCH 2018

S. No.	PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
	REVENUE			
I	Revenue from Operations	18	2,24,53,50,414	1,49,97,22,355
II	Other Income	19	2,79,48,912	7,23,38,478
III	TOTAL REVENUE (I+II)		2,27,32,99,326	1,57,20,60,833
	EXPENSES:			
IV	Employee Benefit Expenses	20	50,02,04,879	31,87,12,858
	Finance Cost	21	89,45,08,497	89,15,53,389
	Depreciation And Amortization Expenses	22	2,33,82,425	1,61,32,389
	Provisions and bad debts written off	23	13,78,23,809	5,59,92,900
	Other Expenses	24	38,83,56,879	30,34,48,836
V	TOTAL EXPENSES		1,94,40,54,289	1,38,38,38,152
VI	PROFIT BEFORE TAX (III-V)		32,92,45,037	18,82,22,681
VII	TAX EXPENSE			
	(1). CURRENT TAX		14,18,86,102	9,08,04,892
	(2). EARLIAR YEARS TAX		(1,31,51,530)	2,07,280
	(3). DEFERRED TAX		(1,90,91,848)	(2,55,74,891)
VIII	PROFIT AFTER TAX		21,85,22,313	12,29,85,600
XVI	EARNING PER EQUITY SHARE	25		
	(1). BASIC		754	808
	(2). DILUTED		754	454
	Nominal Value of Equity Shares		100	100

Overview and significant accounting policies

1 & 2

The accompanying notes are an integral parts of the financial Statements

As per our report of even date

For S.S. Kothari Mehta & Co .
Chartered Accountants
Firm Reg. No. 000756N

(HARISH GUPTA)
PARTNER
(M. No - 098338)

Place : Jaipur
Date : 8th May, 2018

For and on behalf of the board of Directors of
Ess Kay Fincorp Limited

(RAJENDRA KUMAR SETIA)
MANAGING DIRECTOR
(DIN- 00957374)

(ATUL ARORA)
CHIEF FINANCIAL OFFICER

(SHALINI SETIA)
WHOLE TIME DIRECTOR
(DIN - 02817624)

(ANAGHA BANGUR)
COMPANY SECRETARY

fy 2017-18

ESS KAY FINCORP LIMITED, JAIPUR
CIN - U65923RJ1994PLC009051
(Erstwhile Ess Kay Auto Finance Private Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st, 2018

S. No	PARTICULARS	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
		31-Mar-18		31-Mar-17	
1	CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
	Profit Before Tax		32,92,45,037		18,82,22,681
	ADJUSTMENT FOR:				
	Depreciation and Amortisation		2,33,62,425		1,61,32,389
	Provisions and bad debts written off		13,76,23,809		5,59,92,900
	Loss on Sale of Fixed Assets		41,109		3,85,457
	Operating Profit before working capital Changes		49,02,72,380		26,07,33,427
	MOVEMENT IN WORKING CAPITAL CHANGES				
	(Increase) / Decrease in Trade Receivables		1,65,40,400		(68,76,346)
	(Increase) / Decrease in Short term Loans and Advances		(1,80,99,45,790)		(48,93,43,017)
	(Increase) / Decrease in Long term Loans and Advances		(3,00,28,34,510)		(1,26,15,72,078)
	(Increase) / Decrease in Other Non-Current Assets		4,38,25,193		(10,69,88,578)
	(Increase) / Decrease in Other Current Assets		(10,47,32,022)		(14,43,32,351)
	Increase / (Decrease) in Other Current Liability		27,94,71,781		32,31,15,998
	Increase / (Decrease) in Other Long term Liabilities		5,39,39,464		5,63,37,980
	Increase / (Decrease) in Other Short term provision		19,93,354		(1,26,895)
	Increase / (Decrease) in Other Long term provision		1,26,89,612		58,52,789
	Increase/(Decrease) in Bank Deposits(Having Maturity more than three months shown in Cash and Bank Balance)		(4,84,88,308)		5,81,64,839
	Cash generated from Operations before tax		(4,08,74,89,444)		(1,28,50,34,432)
	Net Taxes Paid	(11,58,67,540)	(11,58,67,540)	(6,85,06,083)	(6,85,06,083)
	Net Cash Flows from Operating activities (A)		(4,18,33,56,984)		(1,35,16,40,516)
2	CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
	Purchase/Sale of Investments		11,83,83,377		(18,50,60,183)
	Acquisition of Property, Plant & Equipment, Intangible Assets and Capital Work in Progress		(5,54,67,435)		(6,98,23,914)
	Sale of Property, Plant & Equipment		4,70,000		9,94,000
	Net cash flow in cases of Investing Activities(B)		6,33,85,942		(23,54,89,077)
3	CASH FLOW ARISING FROM FINANCING ACTIVITIES				
	Amount received from issuance of Non Convertible Debentures		1,85,00,00,000		70,00,00,000
	Repayment of Non Convertible Debentures		(58,21,86,969)		(13,41,86,585)
	Amount received from long term borrowings		5,05,48,70,045		3,70,27,84,000
	Repayment of borrowings		(3,90,48,88,750)		(2,08,27,32,496)
	Short Term Borrowings (Net)		39,25,90,225		(27,33,65,690)
	Corporate dividend tax paid		(251)		(251)
	Equity shares issued		80,21,000		-
	Share Premium received (Net of issue expenses)		97,27,52,840		-
	Net Cash flow in cases of Financing Activities (c)		3,81,09,40,140		1,93,26,18,998
	Net increase/(Decrease) in Cash and Cash equivalent (A+B+C)		(30,80,30,902)		34,72,98,408
	Cash and cash equivalent as at the beginning of the year		40,09,23,842		5,38,25,438
	Cash and Cash Equivalent at the End of the year as per books		9,18,92,940		40,09,23,842
	Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following:-				
	i) Cash Balance on Hand		7,59,91,249		4,61,54,424
	ii) Balance with Banks :				
	-In Current Accounts		1,28,79,290		34,04,10,787
	-In Fixed Deposits(Having Maturity less than 3 Months)		30,22,401		1,43,58,621
	Total		9,18,92,940		40,09,23,842
	Summary of significant accounting policies	2			
	The accompanying notes are an integral parts of the financial Statements				
	As per our report of even date				

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Reg. No. 000754N

(HARISH GUPTA)
PARTNER
(M. No - 098335)

Place: Jaipur
Date: 8th May 2018

For and on behalf of the Board of Directors of
Ess Kay Fincorp Limited

(RAJENDRA KUMAR SETIA)
MANAGING DIRECTOR
(DIN-00957374)

(ATUL ARORA)
CHIEF FINANCIAL OFFICER

(SHALINI SETIA)
WHOLE TIME DIRECTOR
(DIN - 02817824)

(ANAGHA BANGUR)
COMPANY SECRETARY