

25th
ANNUAL REPORT
2018-19



years of helping people accomplish their dreams...





Aapke saath 25 varshon se

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***"Your Ambition, Our Commitment
Your Skill, Our Aid
Let's Build Together A Shared Future"***

CORPORATE INFORMATION

BOARD OF DIRECTORS

Rajendra Kumar Setia

Managing Director

Shalini Setia

Whole Time Director

Amar Lal Daultani

Non-Executive Independent Director

Anand Raghavan

Non-Executive Independent Director

Munish Dayal

Non-Executive Nominee Director

Gaurav Trehan

Non-Executive Nominee Director

BOARD COMMITTEES

Audit Committee

Mr. Anand Raghavan
Mr. Amar Lal Daultani
Mr. Munish Dayal

Asset Liability Committee

Mr. Rajendra Kumar Setia
Mrs. Shalini Setia
Mr. Amar Lal Daultani
Mr. Gaurav Trehan

CSR Committee

Mr. Rajendra Kumar Setia
Mr. Anand Raghavan
Mr. Amar Lal Daultani
Mr. Gaurav Trehan

Executive Committee

Mr. Rajendra Kumar Setia
Mrs. Shalini Setia
Mr. Atul Arora
Mr. Vivek Haripal Singh

Risk Management Committee

Mr. Rajendra Kumar Setia
Mrs. Shalini Setia
Mr. Amar Lal Daultani
Mr. Gaurav Trehan

Nomination & Remuneration Committee

Mr. Anand Raghavan
Mr. Amar Lal Daultani
Mr. Munish Dayal

IT Strategy Committee

Mr. Amar Lal Daultani
Mr. Anand Raghavan
Mr. Gajendra Kumar Sharma
Mr. Ritesh Kumar
Mr. Gaurav Trehan

Anagha Bangur

Company Secretary

Atul Arora

Chief Financial Officer

KEY MANAGEMENT TEAM

Sameer Arora

Chief Operating Officer-North

Ritesh Sharma

Chief Operating Officer-West

Vivek Singh

Head Treasury

Yash Setia

Strategy Head

Harish Kumar Rao

National Business Head

Amarpreet Singh Batra

National Business Head

Mihir Vaishnav

State SME Head

Rajeev Yadav

Legal Head

Pankaj Sharma

Credit and Risk Head

Ritesh Kumar

Operation Head

Honey Jain

Chief Account Officer

Anil Sharma

HR Head

Abhijit Sharma

State Collection Manager

Harendra Singh Rathore

State Collection Manager

Girish Dangayach

Chief Digital Officer

PRIVATE EQUITY PARTNERS

Norwest Venture Partners X - Mauritius

Norwest Venture Partners is a global, multi-stage investment firm that manages approximately \$6 billion in capital and has funded more than 600 companies since inception which is focused on Technology, Information Services, Business Services, Financial Services, Consumer Products/Services and Healthcare. Norwest in India in the past has made significant investment in BFSI space including the names like SCUF, Cholamandalam, RBL, Fivestar to name a few.

Texas Pacific Group (TPG Growth Capital UC)

Headquartered in Fort Worth and San Francisco, TPG has over \$84 billion under management with investment and operational teams in 16 offices around the world. TPG has invested in more than 400 companies in a diverse set of asset classes, including private equity, growth equity, public equity, credit, and real estate.

Baring Private Equity India AIF

Baring Private Equity India AIF is as Category III AIF. It's objective is to use private equity skills and processes to generate attractive risk-adjusted long term compounded net returns in debt securities/instruments, equity, quasi-equity, equity-related instruments. It focuses on business models who have the potential to generate superior returns on capital employed and can stimulate compounded long-term growth through continued reinvestment. The funds advised invest in every major market outside the USA via seven regional fund groups with local investment advisors in Europe, Asia and Latin America. With approximately USD 18 billion in funds under management, Baring Private Equity International has one of the most extensive on-the-ground networks of any international private equity provider.

Evolve India Fund II Ltd

A fully owned subsidiary of Evolve India Fund II (EIF II), the first independent India-focused hybrid private equity fund with aggregate capital commitments of USD 250 million. Sponsored by Evolve Asset Management, a strategic partnership between Evolve Capital and GoldPoint Partners, an affiliate of New York Life Investment Management. EIF II is a USD 300 million India-dedicated hybrid private equity fund, with a strategy of investing in PE funds and co-investing alongside them. Past investments in BFSI space include names such as Suryodaya Small Finance Bank, Centurion bank of Punjab.

Karma Holdings Mauritius Limited

Karma Holdings Mauritius Limited (the "Company") was incorporated in Mauritius on 16 September 2016 as a private company limited by shares under section 24 of the Companies Act 2001. The Company's registered office address is C/o IQ EQ Fund Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, Mauritius. The Company holds a Category 1 Global Business License issued by the Financial Services Commission. The company is licensed as an investment holding company.

AUDITORS

B S R & Co. LLP

Chartered Accountants
5th Floor, Lodha Excelus Apollo Mills Compound
N. M. Joshi Marg Mahalaxmi, Mumbai-400 011

Secretarial Auditors

M/s V.M. & Associates
Company Secretaries 03, Royal World, S.C. Road,
Jaipur-302001

Internal Auditors

M/s Gopal Ghiya & Associates
B-49, Gautam Marg, Hanuman Nagar,
Jaipur - 302021.

Registrar & Securities Transfer Agent

Karvy Fintech Private Limited.

Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District,
Nanakramguda, Serilingampally Hyderabad – 500 032

Registered Office

G1-2 New Market, Khasa Kothi
Jaipur-302001 (Rajasthan)

Corporate Office

36, Dhuleshwar Garden, Ajmer Road,
Jaipur-302001 (Rajasthan)



THE DIRECTOR'S DESK

Envisioning a shared community that aims for shared growth and thrives on shared prosperity.

We have had an exceptional year. Our approach driven by our digital capabilities have resulted in increased customer relevance. Entering the 25th year, we have come a long way and I can assure you that this is one of the milestones in sequence and there are many more to come that we will cherish in our journey together. I extend my gratitude to everybody who has been a part of this journey. The undeterred faith, constant encouragement and unshakable belief of our stakeholders including customers have been our armor, strengthening us constantly to grow deeper. We have built together dreams, fulfilled capabilities, and grown with success stories. This is a celebratory moment for our Company as we reflect on our glorious journey that began as a little idea has evolved overtime into a firmer ground now. Our customer-centric values, our ethos, and our team have contributed to make us the most preferred choice in geographies where we operate.

We started as a modest project with a sense of responsibility to make vehicle ownership an easy affair, which was more of lifestyle product back then for the underserved in the rural geography. We saw vacuum untapped for lack of understanding in conventional banking and products, which rendered most of them un-bankable in this segment. As we complete 25 years today, we have become a quintessential choice, one that embodies ownership in its purest form. Built on the values of trust, our growth is a testament of our hard work and our commitment to deliver excellence. Making vehicle ownership a right rather than a choice, we have delivered value not only to our customers but to all our stakeholders as well. Hand in hand with rural community, we offer a bouquet of services to suit every motive type in vehicle and MSME segment. Through our interactions and services, we aim to deliver relationships, we aim to build Trust.

We as an institution always pay heed to emerging trends with clear objective of being ahead in the curve. Our attention on enhancing our capabilities in areas like customer services, operations, asset management, digitization, etc. have borne us fruits. By empowering our client's dreams, we have achieved our long term objectives of sustainability. As we continue to be one of the most preferred choice in Northern India, our main aim is to uphold and preserve this trust and unwavering faith that our stakeholders have reposed in us. We, as a team promise to serve India with the same magnitude of enthusiasm and dedication, as we have till now. We take it as our duty to serve and respect the needs of customers and incorporate them into our services and products. With a vision that is farfetched, approach that is modern and members who are our pillars of strength, we shall continue to move towards higher growth. We are optimistic that would be able to deliver justice to our shareholder's trust and customer's faith in us.

We, at Ess Kay are looking forward to carve niches in the landscape of India, marking our presence in every household, in every business, and in every heart of the semi-urban and rural India. In this business driven era, industrial revolution arising through of confluence of physical and technological world, isn't far away. Digital technology is under rapid evolution thus reshaping and directly affecting industries, mindset and geography. If we keep embracing technology, we will keep reaping the benefits of this revolution.

With state of art infrastructure, adoption of constantly evolving technologies and modern mindset, NBFC as a mature industry will continue to grow and shine.

In this business driven era, industrial revolution arising through of confluence of physical and technological world, isn't far away. Digital technology is under rapid evolution thus reshaping and directly affecting industries, mindset and geography. If we keep embracing technology, we will keep reaping the benefits of this revolution.

With state of art infrastructure, adoption of constantly evolving technologies and modern mindset, NBFC as a mature industry will continue to grow and shine, irrespective of the geographical and environmental changes, economy fluctuations, depreciating currencies, trade war, etc. Managed by some of the best regulators in the world, NBFC's have deepened their hold on the ground by penetrating into the suburban and rural India and shall continue to act as growth drivers for sectors in the years to come.

Risk Management: Risk is involved in everything but managing risk through calculated calls defines Ess kay. I am buoyant of the fact that the ecosystem that we have built by inculcating USP's through 25 years of on ground experience and reach, shall mitigate any futuristic risk, propelling our growth, expansion and presence in existing asset class. Everything we do is from the perspective of sustainable future even if it means taking short-term pains. The best aspect about your company is that we are agile enough to adapt and evolve. Through our expansion, we will further cement our position in the market while continuously enhancing our services quality. Just to give you some perspective about our sincere approach towards managing risk would like to make you aware that sector regulator recently came out with guidelines that every entity with AUM beyond Rs. 5000 Crore should have a CRO reporting to Board, we had identified this well-defined structure and its importance well ahead of time and accordingly had appointed CRO reporting to Board before these guidelines came in to play.

Interest Rate Cycle: Through our strategic and efficient business planning, in the year gone by we were on the downward spiral when it came to effective cost of borrowing. Going forward we believe that there was marginal hike in the overall cost of borrowing as the entire market was repriced as there was sudden rush to raise long-term sources which in our case has any which ways been already passed on to our borrowers thereby avoiding risk of compression in NIM's. However, the best part at our end was that as a philosophy we never downplayed the importance of ALM by resorting to short term borrowing or recreate ALM pattern based on behavioral maturity pattern of our book. Our experienced team always had fixated its sight on long-term pitfalls of above exertions and had taken bold calls of paying premium attached to long-term borrowings vis-à-vis short-term advantage. We were one of those entities who were comfortably sitting on the sidelines when everyone during the stampede was rushing to manage their ALM's, Ess kay during these phase-mobilized resources for growth when everyone else was trying to manage their liabilities which resulted in keeping the overall cost of borrowing in check.

Our internal restructuring into separate and independent verticals have gained us competitive advantage, as we display another year of high stellar performance with celebratory achievements across our business.

As I reflect on my journey, I realise that nothing would have been possible without the determination and dedication of our team members. The strength and capabilities of our team members have resulted in superior performance, year after year. We support a work culture where diversity and inclusiveness is practiced. Everybody's voice is heard and respected. Our team members are our most valuable asset. It is team member's deep sense of values that drives our company, setting high benchmark year after year.

I extend my thanks to all the stakeholders, for their continued commitment, invincible enthusiasm and trust in us.

I would also like to express my gratitude to our Board of Directors who have played varied roles as advisors, decision makers, advocates, etc. Their guidance and support has been critical to the success of the company.

Finally, I thank shareholders for their undying trust and reposing unwavering faith in us. We assure you, we are committed to build a company that displays exceptional corporate governance and will only create value for the society. We shall continue to evolve and adapt by challenging ourselves to be better off than yesterday and in this process will strive hard to become an aspiration for everyone by capitalizing on our basic ethos and core values i.e. transparency, agility, trust and sustainability.

“

We, at Ess Kay are looking forward to carve niches in the landscape of India, marking our presence in every household, in every business, and in every heart of the semi-urban and rural India.

”

RAJENDRA KUMAR SETIA
Managing Director

VALUE CREATION BY THE COMPANY

In this business driven era, industrial revolution as a result of confluence of physical and technological world, isn't far away. Digital technology is under rapid evolution thus reshaping and directly affecting industries, mindset and geography. If we keep embracing technology, we will keep reaping the benefits of this revolution.

With our state of the infrastructure, adoption of constantly evolving technologies and modern mindset, NBFC as a mature industry will continue to grow and shine, irrespective of the geographical and environmental changes, economy fluctuations, depreciating currencies, trade war, etc. Managed by some of the best regulators in the world, NBFC's have deepened their hold on the ground by penetrating into the suburban and rural India and shall continue to act as growth drivers for sectors in the years to come.

Risk Management: The ecosystem that we have built, shall mitigate any futuristic risk, propelling our growth, expansion and presence in the existing asset class. Through this expansion, we will further cement our position in the market while continuously enhancing our services quality.

Interest Rate Cycle: Through our strategic and efficient business planning, we are on the downward spiral when it comes to interest rate. We believe, through our experienced team, we would be able to continue this trend in the near future.

Our internal restructuring into separate and independent verticals have gained us competitive advantage,

as we showcase another year of high stellar performance with celebratory achievements across our business.

As I reflect on my journey, I realise that nothing would have been possible without the determination and dedication of our team members. The strength and capabilities of our team members have resulted in superior performance, year after year. We support a work culture where diversity is practiced, inclusiveness in adopted and everybody's voice is heard and respected. Our team members are our most valuable asset. It is our team member's deep sense of values that drives our company, setting high benchmarks year after year.

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VISION

Ess Kay Fincorp envisages to be the most preferred Company for nurturing and embracing the future of underserved section of the society. We seek to transform the world, wherein the small businesses and self-employed are protagonists of development.

Extending our aid to the under privileged section of the society, we stand firm as facilitators of entrepreneurship and transformation.

MISSION

- **To Understand** the aspirations of self-employed individuals and small businesses of rural India.
- **To Penetrate** to remotest areas lying at the bottom of the pyramid through a mirage of financial offerings.
- **To Equip** their skills through a host of distinguished financial services, fostering equitable prosperity in the geography.
- **To Empower** their abilities to enable entrepreneurship by educating them about the benefits of a formal system,
- **To Secure and Shape** their future through our credible, professional, and customer-centric services.
- **To Witness** a financially secured, prosperous and a shared future by bridging the disparity gap between different sections of the society.



DELIVERING
UNPARALLELED

***Good, Better, Best
Never let it Rest!***

***Building a Culture
of Excellence & Responsibility***

A MODEL THAT DELIVERS VALUE

Good, Better, Best Never let it rest!

With limitless opportunities to conquer, we are on a journey to become better version of ourselves, every day! This growth will never cease, this determination will never vanish.

We work to create value for the rural heartland by understanding their aspirations and nurturing their potential through our wide ranging services. Building our relationship on the notions of faith, we foresee an inclusive society wherein we are the catalyst of development.

We have mastered the art of measuring and validating creditworthiness of an individual, by developing a methodology through scientific methods. Our experiences and expertise of the sector enables us to understand the requirements of our customers fully. By aligning our goals to their interests, we tailor –make financial products and services to suit the customer's ability. We believe if the potential of semi-urban and rural India is harnessed fully, we can deliver an India that is self-sufficient, that is **Superpower**.

We started on this journey around 25 years ago, intending to redesign the landscape of the society, to rebuild a community wherein every stratum is empowered with ambition and equipped with resources, giving flight to their little dreams. We believe in the power of a shared future!

Headquartered at Jaipur, we have operations spanning across six states. Our strong distribution network viz a viz Rajasthan, Gujarat, Punjab, Haryana, Madhya Pradesh, and Maharashtra creates an accessible channel for rural India with limited access. We are further deepening our footprints across North-western India while catering to the requirements of small businesses

As we continue our journey, we embrace state of the art infrastructure, we invest in the latest technologies and nurture leadership; to grow, learn, and deliver value. We envision to leave a tangible impact on the society by strengthening people's abilities, and nurturing their entrepreneurial skills.

Thriving on innovation and sustaining constant evolution, our philosophy lies on SPEED, SIMPLICITY, and SENSITIVITY.



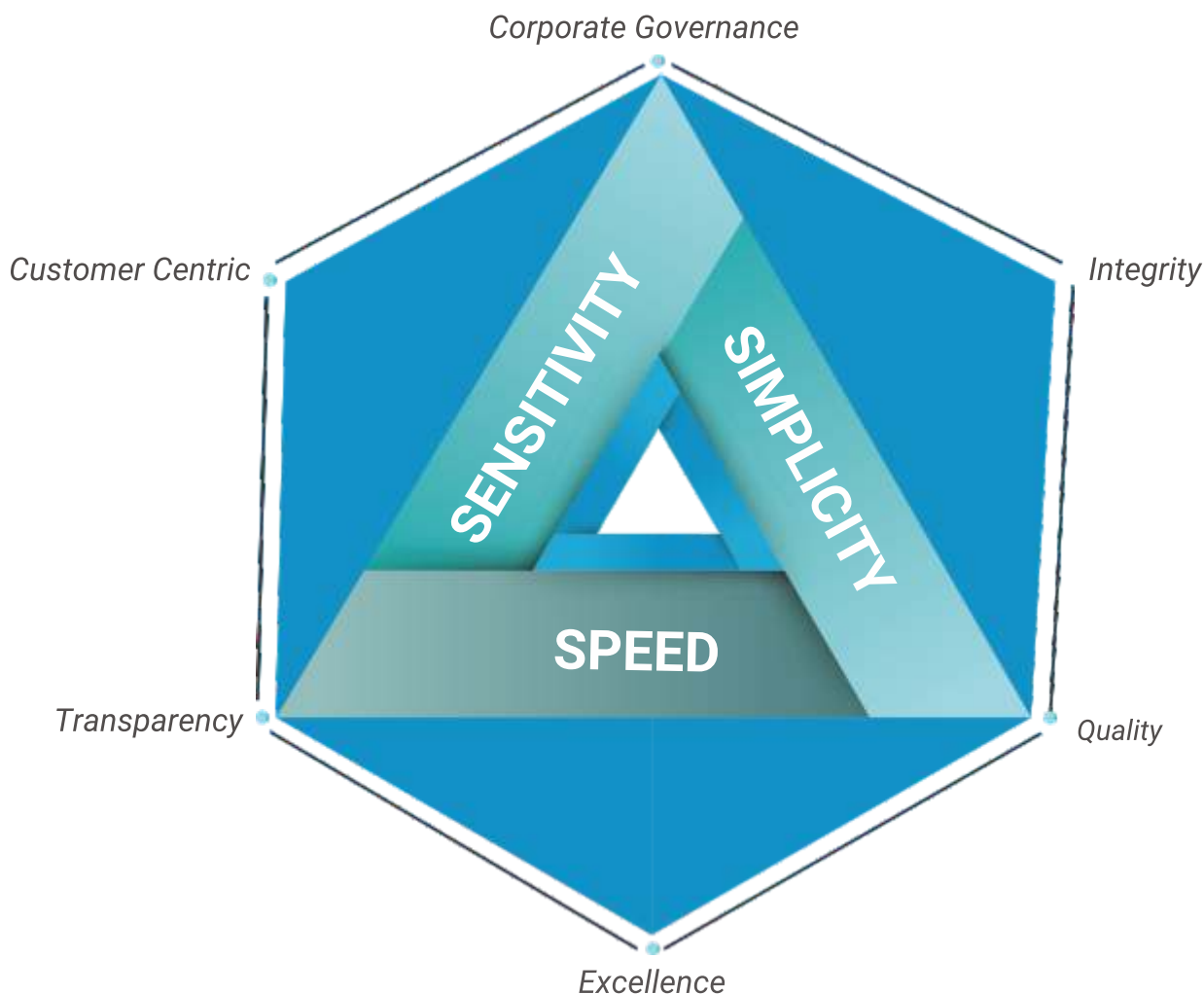
1796.45

**Crete Lending in
Vehicle Segment FY 2018-2019**



205.44

**Crete Lending in
SME Sector FY 2018-2019**



CORE VALUES

SPEED

Beforehand preparation for swift movement of loan processes

SENSITIVITY

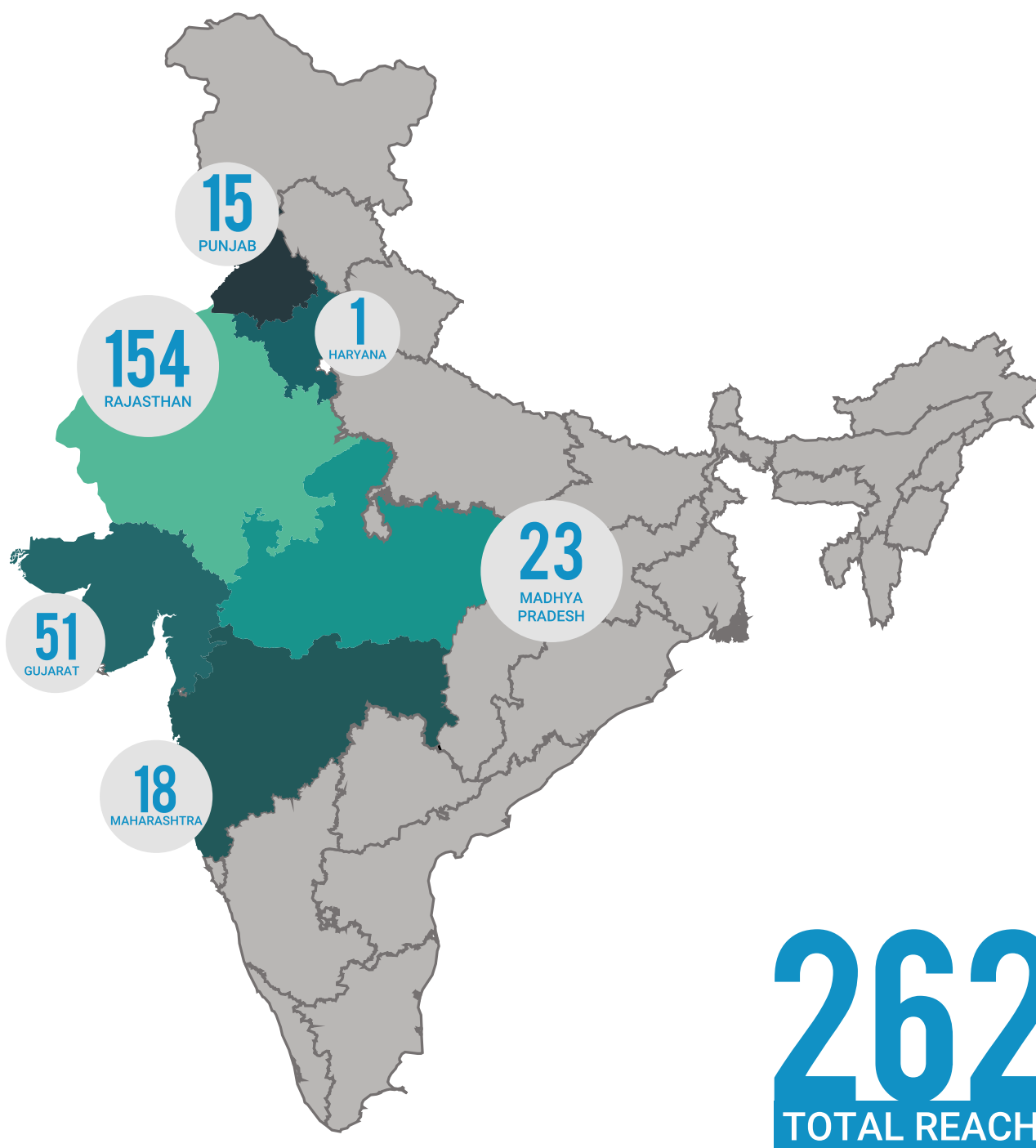
Emphasizing on empathy and relationships in work culture for improved connections

SIMPLICITY

Easy loan applications form, making them more approachable.

OUR NETWORK

OUR REACH



RAJASTHAN

1 ABU ROAD
2 ACHROL
3 AJEETGARH
4 AJMER
5 ALWAR
6 ANDHI
7 ANUPGARH
8 ASIND
9 BAGRU
10 BALESAR
11 BALOTRA
12 BANDIKUI
13 BANSUR
14 BANSWARA
15 BARAN
16 BARMER
17 BASSI
18 BEAWAR
19 BEHROR
20 BHANKROTA
21 BHILWARA
22 BHIM
23 BHINMAL
24 BHOPALGARH
25 BIDASAR
26 BIJAINAGAR
27 BIKANER
28 BISAAU
29 BUNDI
30 CHAKSU
31 CHHABRA
32 CHIRAWA
33 CHITTORGARH
34 CHOHTAN
35 CHOMU
36 CHURU
37 DAUSA
38 DEEDWANA
39 DEGANA
40 DEOLI
41 DEVGARH SANAND
42 DUDU SANTRAMPUR
43 DUNGARGARH SATLASANA
44 DUNGARPUR SURAT
45 FATEHNAGAR SURENDRANAGAR
46 FATEHPUR
47 GANGAPUR
48 GHARSANA
49 GHATWARI
50 GOGUNDA
51 GOLA KA BAS
52 GOVINDGARH
53 GOVINDPURA
54 GUDA GAURJI
55 HANUMANGARH
56 JAIPUR BRANCH
57 JAIPUR HARMADA
58 JAIPUR KHORA BHISAL

RAJASTHAN

59 JAIPUR RURAL
60 JAIPUR TP NAGAR
61 JAIPUR VKI
62 JAITARAN
63 JALORE
64 JALSU
65 JAMWA RAMGARH
66 JHALAWAR
67 JHUNJHUNU
68 JOBNER
69 JODHPUR
70 KALWAR
71 KEKRI
72 KHAJUWALA
73 KHANDELA
74 KHATU SHYAMJI
75 KHERWARA
76 KHETARI
77 KISHANGARH
78 KOLAYAT
79 KOTA
80 KOTPUTLI
81 KUCHAMAN CITY
82 KUCHERA
83 LALSOT
84 LAXMANGARH
85 LOSAL
86 LUNIYAWAS
87 LUNKARANSAR
88 MAHAJAN
89 MAKRANA
90 MALPURA
91 MALSISAR
92 MANDAL GARH
93 MANGALWAR
94 MANOHARPUR
95 MEHANDIPUR BALAJI
96 MERTA CITY
97 NAGAU
98 NAINWA
99 NARAYANPUR
100 NAWA
101 NAWALGARH
102 NEEM KA THANA
103 NEWAI
104 NIMBAHERA
105 NIRMAN NAGAR-JAIPUR
106 NOHAR
107 NOKHA
108 OSIAN
109 PADAMPUR
110 PALI
111 PALLU
112 PAOTA
113 PARBATSAR
114 PHAGI
115 PHALODI
116 PHULERA
117 PRATAPGARH

RAJASTHAN

118 PUGAL
119 RAISINGHNAGAR
120 RAJGARH
121 RAJSAMAND
122 RAMGANJMANDI
123 RAMGARH
124 RATANGARH
125 RAWATSAR
126 REENGUS
127 RENWAL
128 SADRI
129 SADULPUR
130 SAGWARA
131 SALASAR
132 SALUMBER
133 SARDARSHAHAR
134 SATTASAR
135 SHAHPURA
136 SHAHPURA-BHILWARA
137 SIKAR
138 SILVER SQUARE JAIPUR
139 SINGHANA
140 SIROHI
141 SITAPURA
142 SRI GANGANAGAR
143 SRI MADHOPUR
144 SRI VIJAYNAGAR
145 SUJANGARH
146 SUMERPUR
147 SURATGARH
148 TARANAGAR
149 THANWALA
150 TODA RAISINGH
151 TONK
152 UDAIPUR
153 UDAIPURWATI
154 VIRAT NAGAR

GUJARAT

155 AHMEDABAD RABARI COLONY
156 AHMEDABAD SHYAMAL
157 AMRELI
158 ANAND
159 BARDOLI
160 BAREJA
161 BARODA
162 BAYAD
163 BHARUCH
164 BHAVNAGAR
165 BHUJ
166 BODELI
167 ORSAD
168 DAHOD
169 DEESA
170 DEHGAM
171 DEODHAR
172 DEVGADH BARIA

GUJARAT

173 DHANDHUKA
174 GANDHI NAGAR
175 GANDHIDHAM
176 GODHARA
177 HIMMAT NAGAR
178 IDAR
179 JAMKHAMBHALIYA
180 JAMNAGAR
181 JETPUR
182 JUNAGARH
183 KALOL
184 KATHLAL
185 LUNAWADA
186 MEHSANA
187 MODASA
188 MORBI
189 NADIAD
190 NAVSARI
191 PALANPUR
192 PATAN
193 RADHANPUR
194 RAJKOT
195 SANAND
196 SANTRAMPUR
197 SATLASANA
198 SURAT
199 SURENDRANAGAR
200 THARAD
201 UNA
202 VERAVAL
203 VIJAPUR
204 VIRAMGAM
205 VIS NAGAR

MADHYA PRADESH

206 AGAR
207 ALOT
208 BADNAGAR
209 BETUL
210 BHOPAL
211 DEWAS
212 DHAR
213 HOSHANGABAD
214 INDORE
215 JHABUA
216 KHANDWA
217 KHARGONE
218 MANDSAUR
219 NEEMUCH
220 RATLAM
221 SAGAR
222 SEHORE
223 SENDHWA
224 SHAJAPUR
225 SHAMGARH
226 SHUJALPUR
227 UJJAIN
228 VIDISHA

MAHARASHTRA

229 AHMEDNAGAR
230 BARAMATI
231 CHALISGAON
232 DHULE
233 JALGAON
234 MALEGAON
235 NARAYANGAON
236 NASHIK
237 PIMPARI
238 PUNE
239 SANGAMNER
240 SATANA
241 SATARA
242 SHIKRAPUR
243 SHIRPUR
244 SHRIRAMPUR
245 SINNAR
246 YEOLA

PUNJAB

247 ABOHAR
248 BARNALA
249 BATHINDA
250 FARIDKOT
251 FAZILKA
252 MALERKOTLA
253 MALOUT
254 MANSANA
255 MUKTSAR
256 NABHA
257 PATIALA
258 PATRAN
259 SAMANA
260 SANGRUR
261 SARDULGARH

HARYANA

262 MANDI DABAWALI

OUR JOURNEY AT A GLANCE



***25 years back
we commenced on
this journey,
setting benchmarks and
conquering milestones.***



Active Customer
118371

AUM
2002

Regarded as the fastest growing, 6th largest economy in the world, India's trajectory holds immense potential for growth. With population on rise, it offers a large customer base to tap into.

Converging our plan of action in accordance with the force in the economy, we began on our journey with a pledge that continues to grow stronger each year. Today, Ess Kay Fin-corp has become one of the most preferred non-banking finance companies in Northern India. The basic premise on which our company was set up was to finance the need of commercial vehicle among self-employed individuals in India.

With an aim to fulfill the aspirations of the underserved sections of the society, we have succeeded in effective inclusion of thousands of First Time Users (FTUs) and driver-turned owners in rural and semi urban areas. Our affordable finance services for commercial vehicles, machineries, two wheelers, have worked successfully to bring a social impact. As aspirations for better quality life increases, we create opportunities for semi-urban and rural India.

The year gone by has been a significant year for the Company, in terms of operations and financial performance as well.

CELEBRATING MILESTONES,

19**94**

Birth of Ess Kay Fincorp as
a 2 Wheeler Financier

20**06**

Commenced Channel Business.
Developed credit framework

20**12**

Growth driven by
own book lending

Received fresh capital
Infusion by PE Investors



19**99**

Diversified into 3 wheeler
and CV financing

20**09**

AUM of 29 Crore. Company
started Assignment Business

as we prepare for the road ahead!

20**16**

Launched SME lending
AUM crosses Rs. 500 Crore

20**18**

LOS implemented across
all branches
Second round of equity infusion
AUM of Rs.1,282 Crore



20**13**

Launched venture
in Gujarat
Rated BBB-

20**17**

Entered Madhya Pradesh,
Maharashtra and Punjab
Crossed 200+ branches
Rating upgraded to BBB+

20**19**

Third round of equity
infusion
AUM crossed
Rs. 2000 Crore

***“Their actions inspire
others to dream more,
learn more, do more and
become more,***

They are our leaders”

*“The true price of leadership is the
willingness to place the needs of others
above your own. Great leaders truly care
about those they are privileged to lead
and understand that the true cost of the
leadership privilege comes at the
expense of self-interest.”*

***Building a United Force
that Inspires***

BOARD OF DIRECTORS



MR. RAJENDRA KUMAR SETIA
Managing Director

Mr. Rajendra Kumar Setia laid the foundations of the Company as a promoter in the year 1994. His two-decade long experience in the finance sector has led the Company to become one of the most preferred financial services company in India. His excellent leadership skills and strong decision-making power have been instrumental in leading the core team of the Company towards growth. He is first generation entrepreneur.

MS SHALINI SETIA
Whole Time Director

Ms. Shalini Setia is the whole time director of the Company and also one of the co-promoters of the Company. She has over nine years of experience in the financial services sector with expertise spanning across diverse functions, from strategic decision making, operations, to service quality management. An eternal optimist, she has established ethical and inclusive workplace culture in the company, leading to growth and enhanced motivation among the employees.



MR. ANAND RAGHAVAN
Independent Director

Mr. Anand Raghavan, a Chartered Accountant, brings more than 30 years of experience in strategic & financial planning, budgeting, & controlling services. He has worked with reputable entities like Sundaram Finance, Ernst & Young LLP, etc. and currently holds Special Advisor position in Ernst & Young LLP. He is also a member of the Board of Directors of MMTC Limited, Five Star Business Ltd., and Five Star Housing Finance Pvt. Ltd. & Sterling Holiday Resort Ltd.

MR. MUNISH DAYAL

Nominee Director

Mr. Munish Dayal, a senior partner with Barings Private Equity, is responsible for leading the products, programs, and marketing team. With more than 30 years of global experience in the BSFI industry, he brings expertise to his role of scaling, growing, and building businesses to deliver higher revenue. He also heads the investment practice and operations in BSFI companies. Before joining, he was the Managing Director of Citi group for 16 years, where his role ranged from global transaction services, and risk management to asset-based finance. He has worked in various capacities from Operating Partner to Regional Head of SME and Retail mass markets for the Asia Pacific.



MR. GAURAV TREHAN

Nominee Director

Gaurav Trehan, a graduate from the University of California, Long Angeles, is a partner based in Mumbai. Since joining TPG in 2004, Gaurav has spent time in TPG's Hong Kong and Mumbai offices and has evaluated and executed private equity transactions in India and Southeast Asia. Prior to joining TPG, he worked in the Mergers and Acquisitions Department of Morgan Stanley with a focus on the technology sector. Gaurav is a BS in Mathematics and Applied Science and Economics major. He serves on the Boards of Manipal Health Enterprises Private Ltd, Shriram Properties Private Ltd, Jana Capital Ltd, Shriram General Insurance Co Ltd, Shriram Life Insurance Co Ltd, and Union Bank of Colombo.

MR. AMAL LAL DAULTANI

Independent Director

Mr. Amal Lal Daultani is an accomplished banker with 35 years of experience, touching varied geographies in various capacities. He holds a master's degree in Economics from Agra University. Having headed various leadership positions in multiple branches of Allahabad Bank, he has mastered the field of Credit, Forex, and General Banking Operations. Before joining the board of the Company as Independent Director, he served as Field General Manager handling the bank's business development in the Southern States.





ATUL ARORA

Chief Financial Officer (CFO)



"Building a Culture of Excellence by Nurturing Potential"

At Ess Kay, we aim to contribute to the sustainable growth of our all stakeholders; our customers, our business partners, our lenders, our shareholders, and our teams. To achieve this, we follow a fundamental approach of maintaining a stable profit and a strong financial base that can survive changes in the business environment.

Looking back on the business performance during the fiscal year ended March 31, 2019, We delivered impressive results in 2018-19 despite challenging market conditions in the second half of the year.

With a landmark journey of 25 years, we have now reached at a critical mass. We feel immense gratitude in informing you all, that our earnest efforts have borne fruits whereby we accomplished third round of PE investment.

We are also happy to inform you that CRISIL has been rated as "A Stable," as of today. This upgrade will enable us to achieve our goal of a sustainable and profitable commercial enterprise and will also contribute to changing the lives of rural and semi-urban people by bringing down the cost of borrowings. It is an essential milestone in our journey.

At Ess Kay, people are our core strength, and we keep the maximum focus on this within the organization. Leadership development and having the right man for the right job is the key to our success. We are committed to ensuring transparency in all our workings.

Looking ahead to the FY 19-20, our financial plan is focused on continuing to generate a healthy operating surplus, at the same time, we will remain attentive towards relative rates of growth, revenue, and expenditure. Digital is going to be one of our major growth drivers in the future to come, with personalization of digital solutions being our key focus for FY 2020.



GIRISH DANGAYACH

Chief Digital Officer (CDO)



“Empowering Transformation and Leveraging Innovation for Digital Outcomes”

We, at Ess Kay, established a ‘Process and Digital Excellence Group’ (PDEG) last year, to expand the innovation strength at our organization. This group shall aim to leverage the processes and digital best practices and introduce new platform capabilities to enhance our growth. This shall be achieved by ensuring focus on promoting new age digital technologies.

Our initial efforts were focused on improving the operational excellence of our organization through digital technologies. Our efforts bore us positive results in diverse areas like knowledge inheritance, data analytics, minimized process anomalies, automation of manual tasks, and enhancement of controls. Building on these initial successes, we are developing new delivery models to transform our current processes for the digital age.

We, at Ess Kay, are aiming to innovate our growth pillars, based on the insights gained. With the autonomy and agility to move “at startup speed,” we are creating a new platform capability for Ess Kay. The majority of achievements have been reached via the collaborations of multiple organizations of various strengths to speed up our value delivery.

In the last, I would like to say that all our efforts reflect strong collaborations with detailed business planning, put together leading class processes by leveraging lean and six sigma design thinking methodology, focus on high quality customer service and retention. To achieve the imagined success we are continually broadening our horizons and drive innovation across Ess Kay Fincorp.

Our Team. Our Strength. Our Legacy

SAMEER ARORA

Chief Operating
Officer-North

A firm believer of team work, with my team in place, opportunities in abundance, and commitment as our strength, we are geared up to win over challenges with flying colours.



RITESH SHARMA

Chief Operating
Officer-West

Pushing limits to achieve bigger goals, we are gradually and consistently marching towards success. 'S' and 'K' stand for Seeking 's'olutions and 'k'ey to financial problems.

HARISH RAO

National
Business Head

'Our domain our forte.' Unconventional thought process and modern USP's have led to our growth. Ess Kay remains most preferred finance company for CV finance.



AMARPREET BATRA

National Business Head

Our portfolio performance reaffirms our conviction on Agriculture Equipment. We envision superior growth with the support of government policies, technology, and rural development.

VIVEK SINGH

Head-Treasury

Landscape is dynamic and change is inevitable. Our macroeconomic environment is evolving and perishing. However, with embryonic mindset, we can embrace change to adapt to the alternations taking place rapidly.



PANKAJ SHARMA

Credit & Risk Head

Tranquility leads to prosperity! We have granularly identified and placed requisite mitigates in place to convert every risk into achievement.

MIHIR VAISHNAV

State SME Head

Equipped with a powerful growth strategy, we are ready to face challenges like customer acquisition, retention and expansion and occupy a dominant space in our identified niche.



ANIL SHARMA

Head-Human Resources

At Ess Kay, we keep pushing our boundaries through new frontiers, products and processes, etc. It is important to identify and retain self-driven critical resource to achieve success and we, at Ess Kay have been successful in this regard.

RAJEEV YADAV

Legal Head

We have become what we have always aimed to be, through our symmetrical approach and robust legal framework.



RITESH KUMAR

Operations Head

Empathy and discipline go hand in hand balancing each other. We, at Ess Kay keep bridging the gap between credit discipline and current borrower scenario to maintain brand perception.

ABHIJIT SHARMA

State Collection
Manager

Diverse challenges in ever changing landscape define our vertical. We, as a team follow a balanced approach to arrive at a juncture of possibilities.



ANAGHA BANGUR

Company Secretary

Compliance for us, is sacrosanct and corporate governance is inviolable. We, at Ess Kay have aligned our approach on these foundations and follow the same in true spirit.

HONEY JAIN

Chief Account Officer

Everything must be accounted to have equilibrium and discipline. We have adopted a well-defined approach to account for everything, akin to this philosophy.



HARENDRA SINGH RATHORE

State Collection Manager

Empathy and discipline go hand in hand balancing each other. We, at Ess Kay keep bridging the gap between credit discipline and current borrower scenario to maintain brand perception.

YASH SETIA

Strategy Head

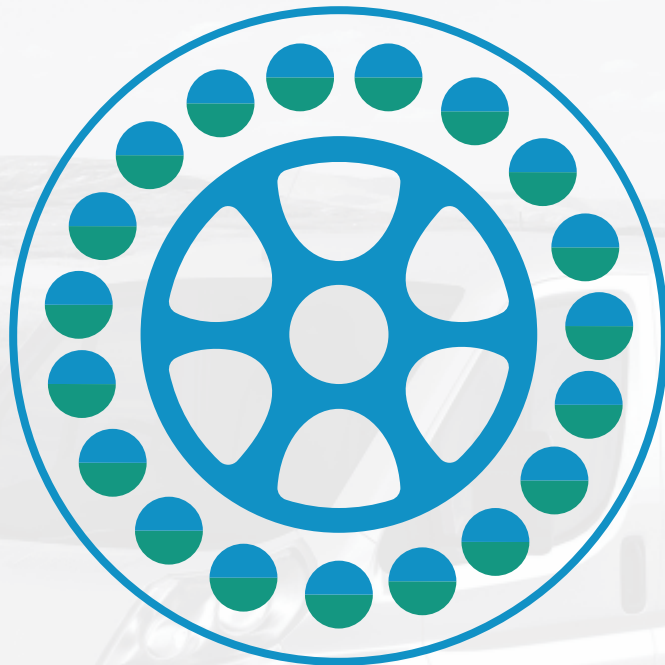
Opportunities don't happen, you create them. Striving to create and develop SK as the most preferred finance company for customers as well as for employees. And I believe in what Boss always says- 'Good Leaders must Lead by Example'



“Spreading Smiles one product at a time”

*Diversifying finance business to offer
greater experiences for happier lives.
Building products on trust, transparency
and traceability.*

***Building Value that
Assists and Empowers***



COMMERCIAL VEHICLE

Accelerating the Wheels of Progress

"Nothing exalts the soul or gives it a sheer sense of buoyancy and victory so much as being used to change the lives of other people."

We at Ess Kay, with a similar belief, persistently work to improve, equip and empower the lives of those who do not have access.

55,394

Customer Base

1085

(₹ In Crore)

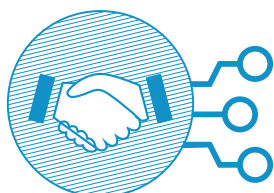
AUM as on March 31, 2019

The commercial vehicle is the backbone of a local ecosystem that initiates the wheels of progress for small and medium enterprise businesses. Our colossal comfort on this segment enables us to cater to the last mile connectivity consumption theme. We extend our expertise to lend for income generating activity to the First Time Buyers/Captive Consumers/SRO, i.e., someone who is earning his/her livelihood from the product leading to increase in their income providing sustenance.

In this business driven era, large population base and their aspirations have led to exponential growth, thus increasing the demand for enhanced infrastructure, including commercial vehicle. The increase in infrastructure has also perforated in the passenger car segment, which has become more of a necessity now. Tapping into this necessity, our focus is on asset-backed lending. Our expertise in this domain of 25 years has won us the trust and support of our customers.

We provide customized financial solutions for commercial vehicle business needs through a range of tailor-made services.

Clientele

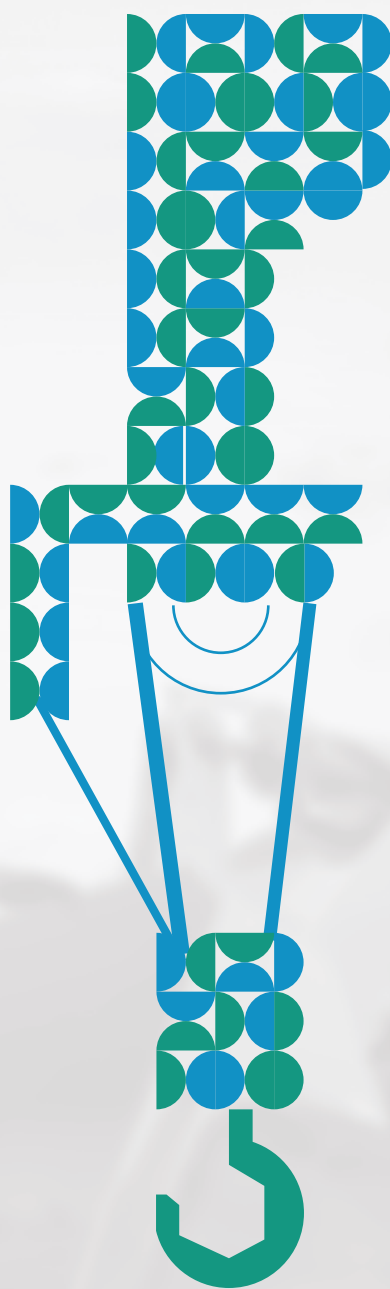


- Small Road Transport Operators
- First Time Buyers
- Refinancing of Commercial Vehicles

Purpose of Lending



- Business purposes
- Commercial growth



MACHINES

Enabling Entrepreneurship

"We, at Esskay Fincorp, are committed to aid businesses by providing easy loans for expansion, procurement of machinery, etc thus giving wings to their aspirations."

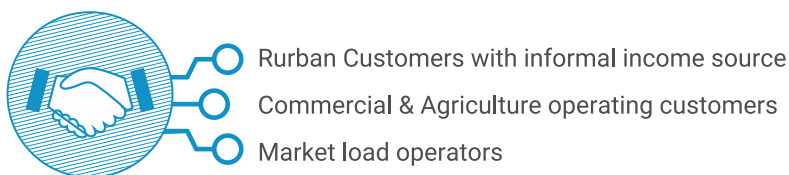
20,308
Customer Base

360 (₹ In Crore)
AUM as on March 31, 2019

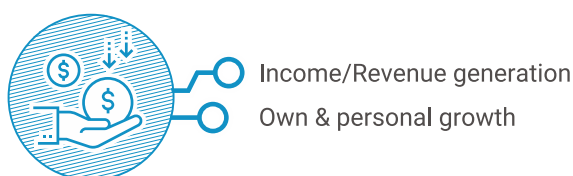
While we commenced on this journey of machine vertical a decade back, our conviction took long to figure our specialty of this vertical. Partitioned between conflicting opinions for a long time, it was in the FY 2016 that we scaled up this vertical through formulated and detailed strategy. As we derived expertise and knowledge in this sector, our asset under this management grew at 360 crore at the end of FY 2019. Primary to the popular belief that tractors are used for agricultural work, we intensified its focus on commercial usage.

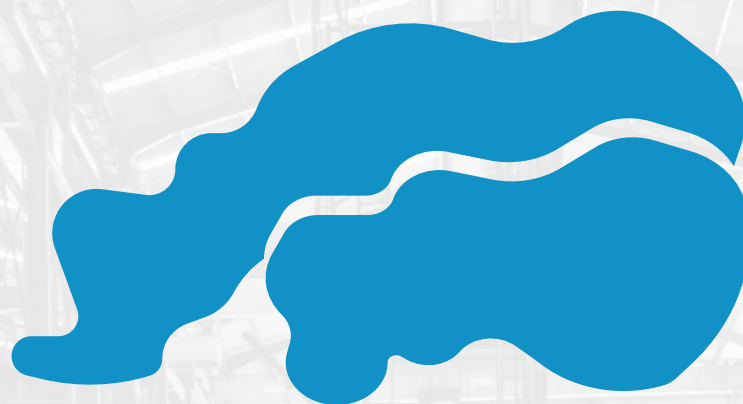
- Supremacy was given for loaning in the vehicle for tractors that are utilized in mowing, land-clearing, constructions, brick-work, excavation, garbage pickups, and other wide variety of modern applications.
- Our strategy included concentration on the used tractor segment.
- Our highlight strategy was to align our lending as per the market share of the OEM's, which perceptibly ensured that the acceptance of the product was significant and the life-cycle cost was lower. The right permutation of these strategies worked in our favour, rendering us a sweet spot in this era of business misconduct and misfortune. Our growth graph reflects that this sector is sure to bloom in the coming years, given the scope it holds in a wide variety of segments.

Clientele



Purpose of Lending





MSME

Strengthening Potential for a Brighter Future

Our business is to invest in your business. We offer tailor-made financial solutions designed for small and medium owners with big dreams.

3,319

Customer Base

Build your own dreams, or someone else will hire you to build theirs.” Capitalizing this ideology, we launched our MSME business in September 2015. The concept was to grow without channel partnership for this vertical, capturing those areas where the company has a niche. The intent of our MSME business is the same, wherein we have identified 30 odd businesses based on consumption theme catering to a local ecosystem with stable daily cash flows. As we commenced our MSME vertical, we utilized this philosophy to draw our strategies and formulate our plans for its growth and diversification. We offer a range of financial services to cater to working capital needs, business expansion plans, diversifications, etc.

205

(₹ In Crore)

AUM as on March 31, 2019

Initiated in and around Jaipur, the business now enjoys operation in Rajasthan including Gujarat. Operating via 368 locations including Gujarat as of today, we plan to expand our operations to MP and Punjab as well.

Where our current workforce stands at 207, we wish to expand it further, before the end of this FY. Through our strategic planning and working expertise, we have been entrusted with 3319 happy customers. Perceiving the potential MSME holds, we have formulated a modest growth plan through B to B approach, keeping in view the nature of the portfolio.

We are there to strengthen your foothold in the domestic market while securing your future.

Clientele

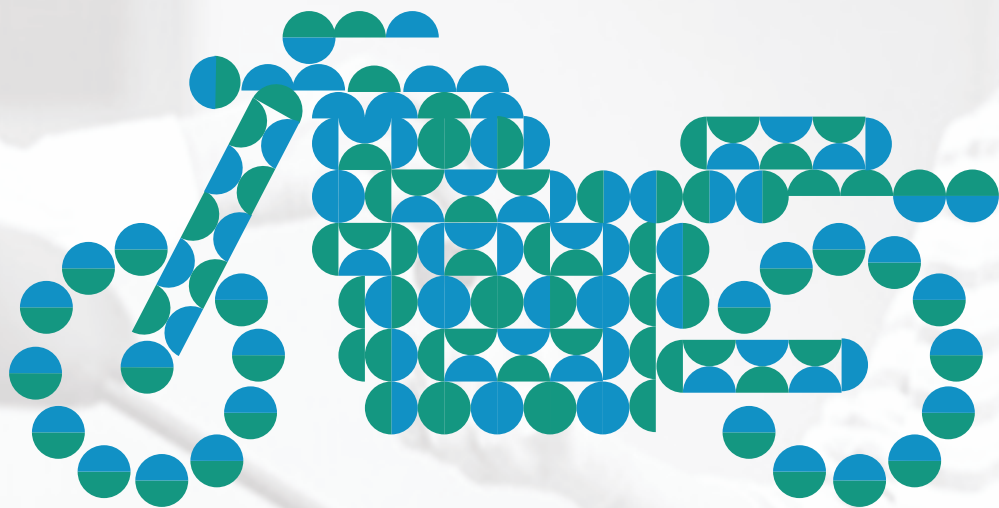


- Small manufacturers & traders with inventory base
- Medium size retail business
- Agriculture based MSME activities

Purpose of Lending



- Business Expansion
- Purchase of higher stocks
- Renovations of shops, houses



TWO WHEELER

Driving towards a Brighter Future, Driving towards Change.

24,352

Customer Base

We have come a long way from the era where owning a two-wheeler was more of an aspiration. In today's world, things that were considered as a luxury before, has swiftly transformed into a necessity today, given the rise of affordability, maneuverability, ease of finance options, etc. The growth of the two-wheeler segment among the urban population has made this industry the second largest in the world today.

64

(₹In Crore)

AUM as on March 31, 2019

Tapping into this evolving opportunity, we, at Ess Kay, have ventured into this vertical to provide hassle-free two-wheeler loans.

Two-wheelers are the most affordable mode of personal mobility today; moreover, they come with the benefit of better resale value. We are geared up to finance your growing demands.

Now you too can own a bike of your choice, with EssKay Fincorp!

Clientele



- Agri-Customers (personal use)
- Students (personal use)

Purpose of Lending



- Income/Revenue generations
- Personal Use

CREDIT & RISK

We, at Ess Kay believe risk is relative and can lead to commotion; to mitigate this risk, we have devised a pricing model that leads to profitable growth. Drawing conclusions from various factors, our credit and risk strategies are based on the principles of empathy, with a balanced approach. While our focus today, is to build rural and semi urban areas through a host of financial services and products mix, we are also exploring avenues to scale up new vehicle funding in all the categories and establish new car segments for personal use. We also equally focus on Risk aspects and to ensure a better control mechanism on Portfolio and Process, we keep a close eye on Portfolio Behavior which includes root Cause Analysis on early delinquent cases, working closely on collateral grids for vehicles, conducting surprise checks by way of post verifications and Soft branch audits. through this we ensure a controlled aspect and coverage where the process part is concerned. As we expand our vertical and horizontal boundaries through introduction of new lines and addition of new geographies, our credit and risk profile will have more significant role to play. Currently our credit & risk vertical is designed to undertake responsibilities like Field Investigation System, Credit delegation and Empowerments, Robust Valuations systems for Property Collaterals and Vehicles, through a well-defined credit policy and an experienced team ensuring seamless credit and better risk coverage. Our technological backing comes strong, enabling us to usher into new age lending institution through adoption of new age platform from Nucleus Finn one Neo. This has ensured systematic and accountable dealing of various things while enabling us to achieve our main agenda of reducing paper consumption. We aim to make our Customer Acquisitions and Loan Management systems digital through the help of best in class analytical tools. With time, we strongly believe as the awareness of building better credit history, better literacy rates, increasing per capita income, etc. will spread, it will lead to better repayment behaviour. Successful implementation of 'Aadhar' has connected all financial transactions to a unique ID, leading to increased efficiency and decrease in habitual defaulters.

ASSET LIABILITY MANAGEMENT

As the landscape and dynamics around us are constantly evolving, we are adapting and evolving. Our futuristic strategy induces evolution and growth at faster rates to capitalize the opportunities arising around us, regularly. We, at Ess Kay have maintained comfortable borrowing ALM profile with negligible cumulative mismatches to take advantage of relative cost of borrowing. We have, throughout our tenor, maintained cumulative positive ALM. We have adopted a strategy wherein we closely monitor any mismatches in asset and liability to avoid any imbalance or excessive concentration beyond the permissible limit, on either side of balance sheet. Our Asset-Liability Committee (ALCO), as nominated by the Board closely reviews the external interest rate, liquidity scenario, asset portfolio, lending rates, borrowing profile and cost of funds on a periodic basis. The committee is also responsible for directing the operations of the treasury and business team. ALM Position of the company is based on the maturity buckets as per the guidelines issued by the RBI, in line with the past trends and expected performance. In this regard, as asset and liability is reflected on the contractual maturity basis in the audited financial statements. We, at Ess Kay Fincorp also adhere to the policy of maintaining unutilized bank lines in the form of working capital, term loan or liquid investments to meet cash flows over the next 2 months thus leaving ample space to recalibrate our strategies with the changing environment.

LIST OF BANKS & FI'S



***“If you're going to do something,
strive to do it better than anyone else.”***

*Investing in better performance outcomes,
each day, every day to propel innovation
and capture opportunities, to showcase
strength and generate results!*

Building Quality in Outcomes & Operational Excellence

PERFORMANCE HIGHLIGHTS

365

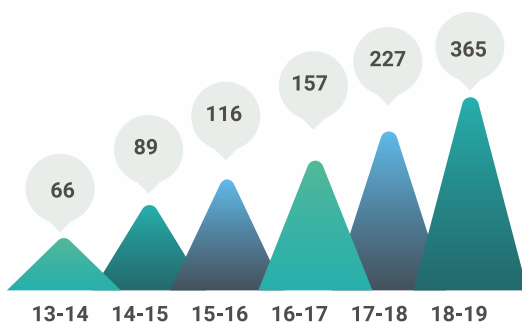
Total Income
(₹ In Crore)

118371

Customer
Base

TOTAL INCOME

(₹ In Crore)

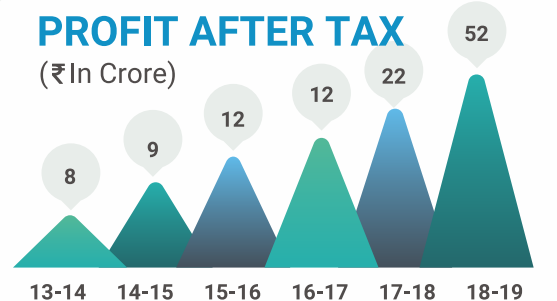


6 year CAGR

41%

PROFIT AFTER TAX

(₹ In Crore)



6 year CAGR

46%

NET INTEREST INCOME

(₹ In Crore)

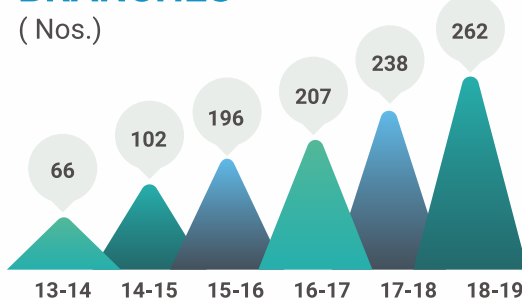


6 year CAGR

45%

BRANCHES

(Nos.)

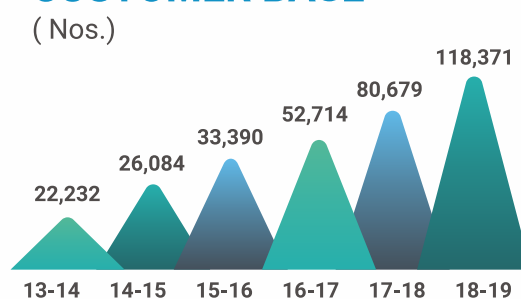


6 year CAGR

32%

CUSTOMER BASE

(Nos.)

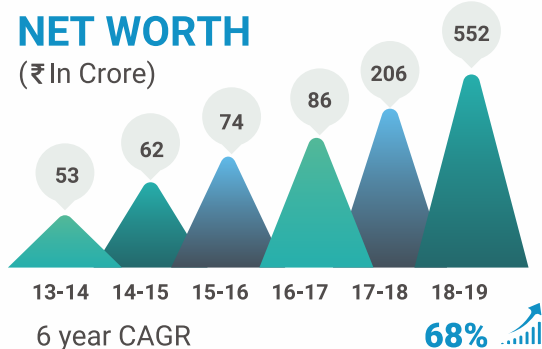


6 year CAGR

40%

NET WORTH

(₹ In Crore)

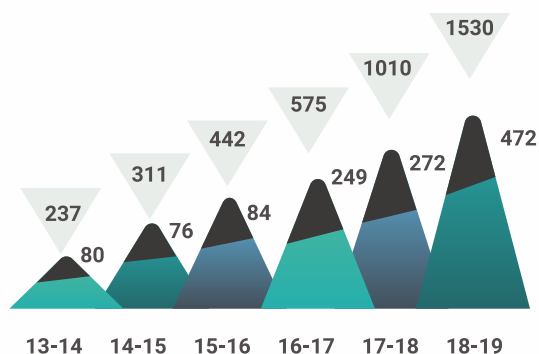


552

Net Worth
(₹ In Crore)

ASSET UNDER MANAGEMENT

(₹ In Crore)



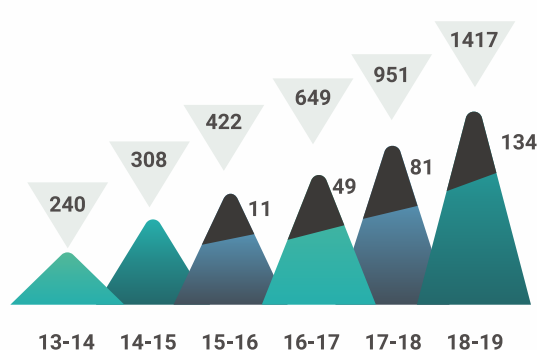
6 year CAGR

45%

● Own ● Assigned

DISBURSEMENT

(₹ In Crore)



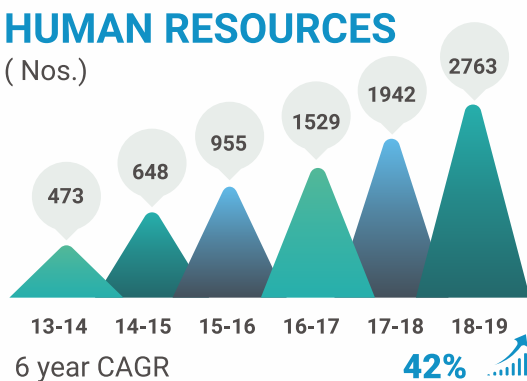
6 year CAGR

45%

● Vechicls ● MSME

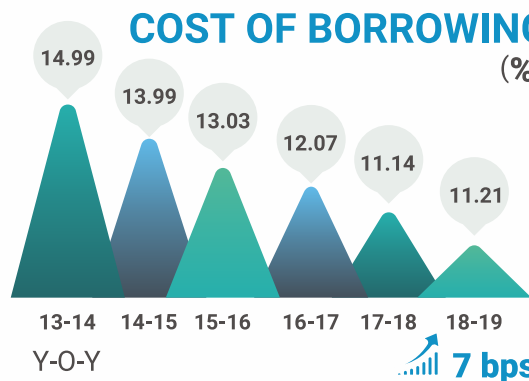
HUMAN RESOURCES

(Nos.)



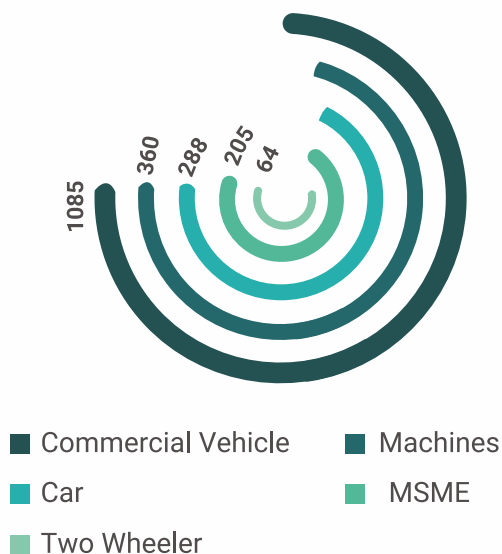
COST OF BORROWING

(%)

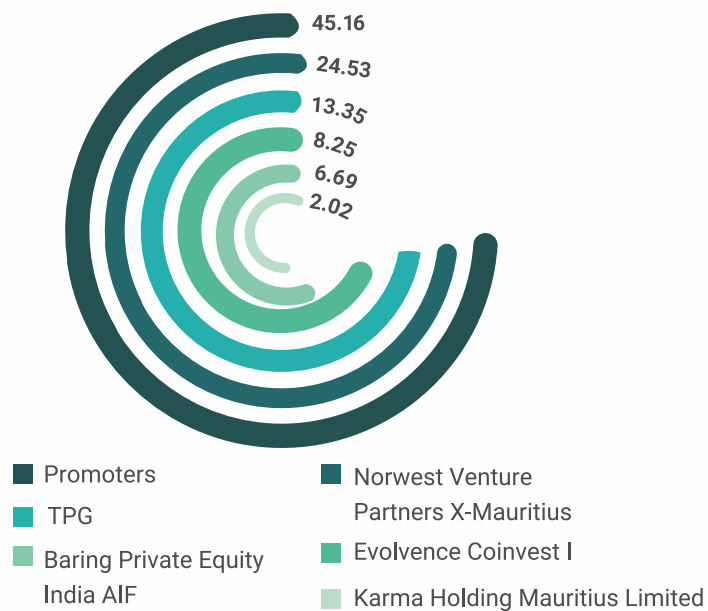


AUM

(₹2,002 Crore)

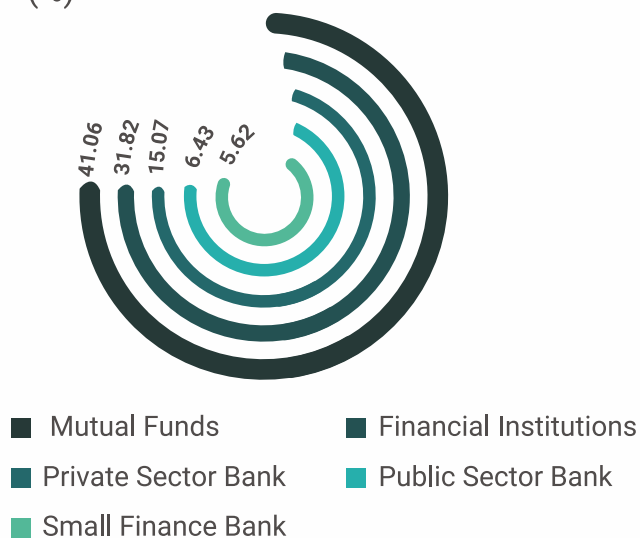


SHAREHOLDING PATTERN



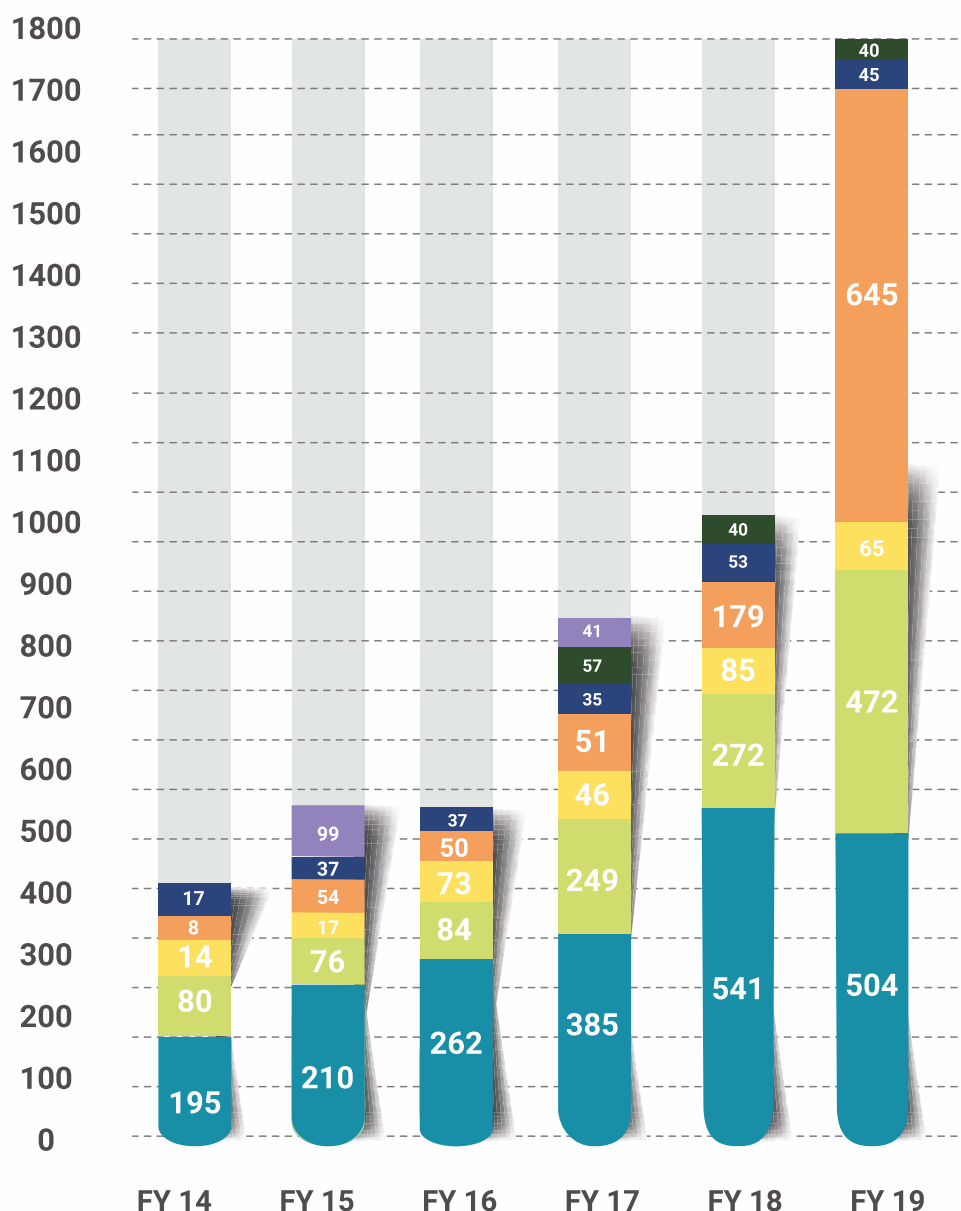
FUNDING BASKET

(%)



FUNDING PATTERN

(₹ IN Crore)



- Term Loan
- Assignment
- Cash Credit
- Secured NCD
- Unsecured NCD
- Sub-Ordinate Debt
- Commercial Paper

OPERATIONAL HIGHLIGHTS

“ *A thrilled customer is the most potent marketing asset your organisations can leverage.* ”

Welcoming constant innovation in our performance approach, our philosophy is focused on building relations for prolonged growth.

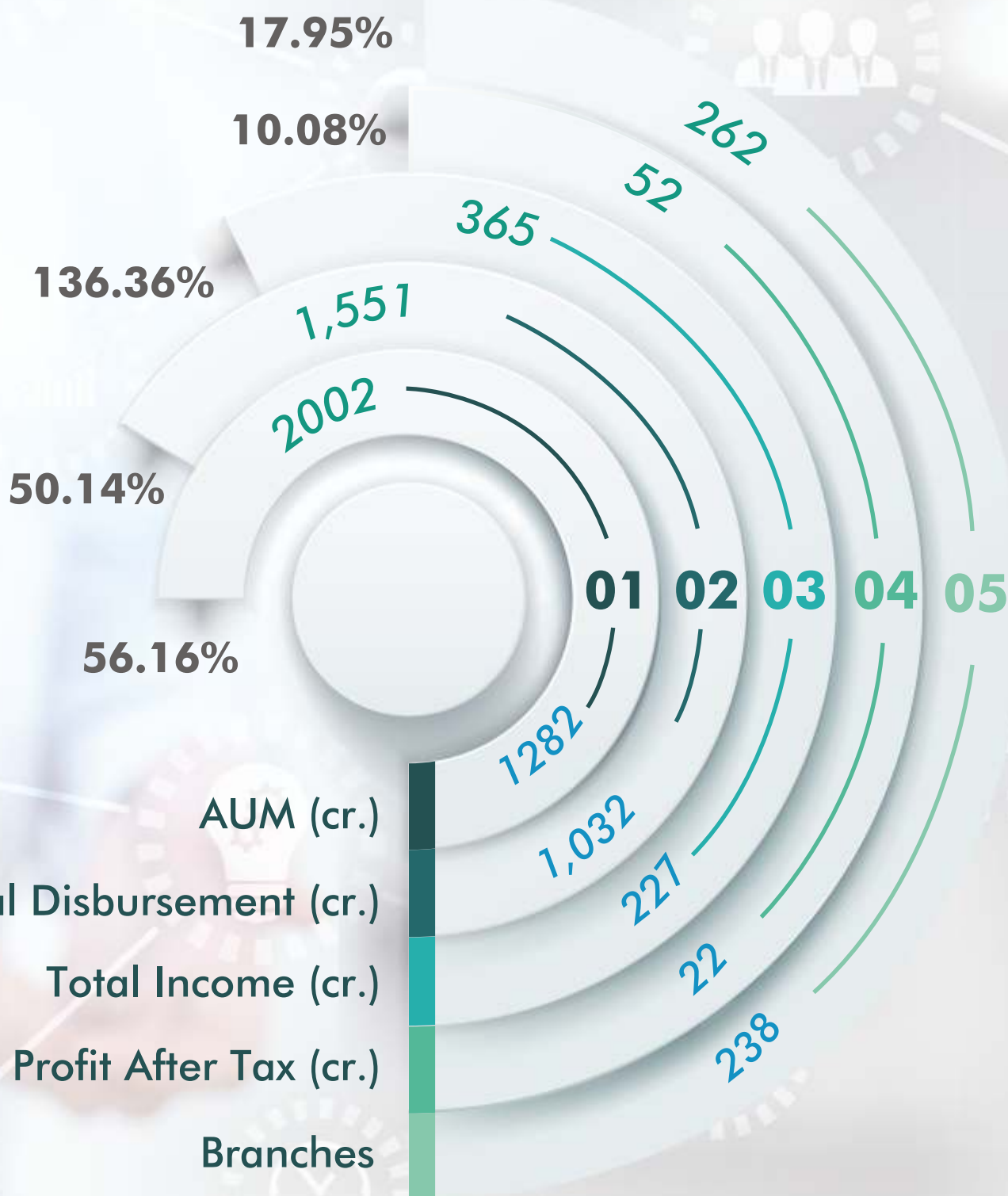
We use factors like performance, stability, social net, etc. to derive the credit worthiness of our customers and SME's rather than drawing limited conclusions on their financial history. By introducing modern underwriting methods we have eased the documentation process for our customers and have also made our loan repayment extremely flexible.

Building an 'ecosystem of empowerment' our diversified products and services encompass varied asset classes (preowned, new commercial and passenger vehicles, tractors, 2 wheelers, multi-utility vehicles, etc.)

We, as a company have developed the capability to provide small ticket loans. 100% of the Company's rural and semi-urban customers financed have been in the average range of Rs 2, 50,000 with an average tenor of 36-48 months.

The year gone has been decorated with strategic progress and robust momentum, for our company. Our focus on small enterprise finance space and last mile connectivity product segment, led to enhanced financial performance, profitability and cash generation.

Binging upon technology holds the future, therefor our management team has been investing in technological upgradation while also fine tuning existing infrastructure systems and processes.



■ 2018 ■ 2019

(₹In Crore)

***“Be genuine, be remarkable,
and be worth connecting with”***

This is the essence of Customer Service.

In this fast paced age, reaching out to the customers and their desires is extremely important. We make customers the hero of our story.

***Building Relationships
and Families.***



CUSTOMER TESTIMONIALS

मैं गांव का रहने वाला हूं और रोज काम के लिए शहर जाने के कारण मोटरसाईकिल की जरूरत पड़ रही थी। मैंने एसके फिनकोर्प लिमिटेड में जाकर संपर्क किया और कर्मचारियों के सहयोग से कुछ ही देर में प्रक्रिया के बाद मुझे एच एफ डीलक्स मोटरसाईकिल के लिए लोन मिल गया। मेरी रोज की परेशानी खत्म हुई और शहर जल्दी पहुंचने लगा हूँ।

मैं जयपुर के गांव का रहने वाला हूँ और गाड़ी पर लोन लेने के लिए मैंने एसके फिनकोर्प लिमिटेड में संपर्क किया। जहां कर्मचारियों के सहयोग से 2-3 दिन में प्रक्रिया के बाद मेरा लोन पास हो गया। गाड़ी के किराये भाड़े व बुकिंग से परिवार की आर्थिक स्थिति मजबूत हुई है और हम खुश हैं। हम एसके फिनकोर्प लिमिटेड का आभार जताते हैं।

TESTIMONIES

TPG Growth

TPG Growth is pleased to have partnered with Ess Kay Fincorp and be a part of the Company's next phase of growth. With its differentiated business model supported by a direct sourcing network, hands-on approach to underwriting, quick turn-around, and robust collection mechanism; Ess Kay Fincorp has demonstrated a unique advantage and opportunity. Ess Kay Fincorp's continuous focus on business expansion supported by its strong execution track-record is highly commendable. We are impressed by the strong and experienced management team at Ess Kay Fincorp and look forward to working along with the Company through its growth journey.

Norwest Venture Partners

Norwest Venture Partners (NVP) is privileged to be an investor in Ess Kay Fincorp and be a partner in the incredible journey of this differentiated NBFC. We have tremendous respect for Mr. Setia, his teams, and the way they have executed and scaled the company while retaining a strong focus on credit quality. The company has been at the forefront of expanding operation in not just Commercial Vehicle but also in newer products like SME Financings while broadening its geographical presence. Ess Kay is well positioned to grow its team, distribution, technology, and market impact in the semi-urban and rural markets, thereby enhancing its franchise and stakeholders value. Alongside the tremendous value being created, we also see the company emerge as a real harbinger of positive change for its customers who take Ess Kay's services.

RBL Bank Limited

"Ess Kay's journey as a fast-growing NBFC is commendable. The credit and risk management practices, use of technology, and liability profile gear up the company for the next decade of growth. Raising Equity from marquee investors also validates sound balance sheet management. Ess Kay is associated with RBL Bank since Aug 2012, and we wish them best of luck for the future."

Vincent Valladares,
Heading of Commercial Banking, RBL Limited.

EMPOWERING CHANGE & TRANSFORMATION

For a Better, Equal and Safer World

As we usher in a new era for our country, filled with enthusiasm we thrive towards the endless opportunities that await ahead of us. We initiate towards a life of dignity, power and independence for our people by empowering them to socially and economically stand for themselves and their families.

Based on the ethos of inclusive growth and community development, we undertake several social initiatives. Aligning our competence and position with the community's requirements, we have supported and contributed in many socially-driven programs.

Our constant efforts have resulted in introduction of several flagship programs along with support to many existing programs.

HEALTHCARE

Akshay Patra Foundation: Esskay Fincorp partnered with the foundation to contribute to their mission of eradicating hunger and illiteracy in India.

Help Age India: From organizing Blood Donation camps to HIV Day with faith, from building facilities for drinking water to aiding in treatment of disease - ridden underprivileged individuals.

EDUCATION

Child Development Centre: JK Lone Hospital: We stepped in aid the cause of J.K. Lone hospital in the year 2019. Ess Kay Fincorp actively contributed towards treatment, development and counseling of children suffering from Autism.

Adarsh Shiksha Samiti: Addressing the ecological issues by educating children, youth, and adult. Promoting skill training and development in women and youth for equitable growth of the society.

AID FOR THE ENVIRONMENT AND ANIMAL WELFARE

Sustainable development is the pathway to strengthened governance, environmental stewardship and economic growth. Therefore, we encourage and support human activities that prevent pollution, promote ecology, minimize waste and restore the environment

ESSKAY also actively contributed during Kerala Floods where the main aim was to provide basic amenity to the masses.

Hare Krishna Movement: Hare Krishna Movement focuses on care for stray, abandoned Indian cows, bulls, retired oxen, and orphaned calves. We provide them hay, flour, fresh grass, clean water, medical attention and a place where they can recuperate from injuries and stay peacefully.



CSR ACTIVITES...

"The joy of giving is the secret to Happiness."

■ TECHNOLOGY INITIATIVES ■

The Indian financial sector is becoming both more strategically focused and technologically advanced to respond to consumer expectations while trying to defend market share against an increasing array of competitors. A great deal of emphasis is being placed on digitizing core business processes and reassessing organizational structures and internal talent to be better prepared for the future. This transformation illustrates the increasing desire to become a 'digital institution'.

The management at Ess Kay realizes that and has been investing in technological up-gradation and also fine-tuning the systems and processes to ensure that those are in sync with the technology platforms. With the goal aimed to the future and service aimed to customers, both 'Internal' & 'External', we have established a strategic Unit named as "Process and Digital Excellence Group" (PDEG).

PDEG is driving innovation and developing new solutions that take advantage of new age digital technologies, data, advanced analytics and new delivery platforms that has never been more important. With PDEG, we have started seeing our organization innovate in customer experience enhancement, expanding swift services, re-configuration of operational processes, delivering proactive advice and excelling in collection processes.

Transformational foundation stone have been laid out in late 2018 and these efforts will only increase in 2019, as we revolutionize our services with best in class processes and digital technologies. As part of this we are experimenting with technologies such as gamified mobile based applications, AI enabled bots and Machine Learning based reporting solutions to enhance both delivery and contextual personalization. We also leverage Design thinking methodology blended with systematic Agile Six sigma delivery routine to build and deliver right design solutions. All this we do is by keeping our customers at front and center.

At Ess Kay, we leverage Design thinking methodology to understand and resolve the issues our customers are facing or might face. Regular interaction with Customers on ground provides us a holistic view of the services provided and the option to take us towards next level.

We create Customer Personas and Customer journey maps to understand the market better which subsequently provides us a holistic view of how we can frame our service methods and ways to create Fintech integrated organization.

Few of the undertaken Programs by PDEG team post studying and reviewing the market along with Customers profile are Project Oxygen, Project SkiBBoard, Chatbot. These Programs in itself will create a lot of value at Ess Kay which in turn shall directly impact our TAT, Customer Satisfaction and transparency within the organization.

PDEG team use global standardized approach for the Planning, Project execution and Change management of the projects. At Ess Kay we use some of the proven transformation tools such as Value stream mapping of Current processes, As-is and To-be process designing leveraging process design tools, Creation of SOP documents and videos to standardize the tasks performed along with setting up robust Governance mechanism to achieve desired goals.

1. **Project Oxygen:** This project is initiated with a goal to transform internal processes by leveraging best practices and technological advances. The delivery of the project was to set correct and directional pathway towards larger transformation.

Project Oxygen has been successfully kicked off in Oct'18 and within a short span of 4 months we are seeing exceptional results coming in terms of loan disbursement timelines, collection efficiencies and customer service. This is resulting in greater customer experience and better employee satisfaction.

Project Oxygen is then diffused in multiple domains such as Customer Service, Collections and Loan Origination. These 3 domains collectively provides an impact on overall processes of Ess Kay leading to future transformation goals.

- a. Customer Service
 - i. Customer information while Onboarding Customer

From the first interaction to the ever lasting relationship, we try to keep our customers informed with every stage of Loan disbursement process as well as the quickest way to reach us. As soon as the application moves to any forward stage, we trigger a SMS to customer informing the stage and the contact personnel for anymore queries.

This not only give customer an informed choice but it reduces the no. of interaction they have to make unnecessarily with us reducing the TAT for every customer.

- ii. Welcome calling as soon as Customer is On-boarded:

Everybody is familiar with the phrase: "First impression lasts forever". For that reason, we at Ess Kay are particularly over obsessed with the new customer on boarding process and how our Welcome calling department performs their introduction calls to onboard customers post the loan sanction to resolve any queries that are still there. We attempt to "Wow them" and build a substantial framework for the relationship by bridging the gap if any between us and our customers.

The Principle we live by to deliver fantastic customer service is that "We succeed when our customer succeed".

- iii. **Omni Channel Customer Service:** Through-out Loan lifecycle of our customer we provide Omni-channel customer service that integrates voice calls, chats, social platforms, emails and walk-ins to provide a unified brand experience so that our customer can switch between multiple channels yet still experience same quality of service. Omni-channel customer support gives us the opportunity to serve customers in a variety of ways that are not only convenient and effective, but boost our brand's image and credibility.

We have merged in 6 different ways of Customer service to the solution for forward-thinking businesses.

Toll free: Our centralized toll free number helps our customers get in touch with us, and helps us serve them in the quickest and the most efficient manner possible. Our toll free number works Monday to Saturday between 9:30 AM to 6:30 PM, and allows our customers to connect with our executives helping them receive instant solutions to their problems.

In addition to provide better quality service, we leverage best in class quality Dialer system, Auto-call recording for Audits, IVR functionality and continuous training to our resources.

Customer Persona “Illustrative”

Visited the branch and looking for a loan to buy a new CV



Mr. “A” holds multiple commercial vehicle. Got a reference from his uncle who is also a repeat customer of SK. He already owns 3 CVs and now planning to buy a 4th One.

Name : Customer “A”
Village : Choumu, Rajasthan
Age : 26 Year
Language : Hindi, Rajasthani
Family : Wife and 2 Kids

Skills and Job Functions:

1. Owns multiple commercial vehicle
2. Employed drivers to run these vehicles
3. Increasing his business gradually
4. Got a learning from his uncle
5. One vehicle generates about 30K revenue per month
6. Education - Secondary

Question & Answer

Technology - Question :	Answer :
Technology User – Self/ At Home	Yes, using a smartphone
What do you use in Smartphone to communicate?	Whatsapp - Major, Facebook - Average, YouTube – very limited
Access to digital chat apps?	Yes -Whatsapp
Presence on Social Media?	Yes – on Facebook
What do you use for entertainment?	Gets a limited time for this but watches TV and a bit of Youtube

Need identification and search	Contact and Apply	Receive approval	Receive Payment	Pay EMIs	Service and Closure
					
Consistently looking for opportunity to expand business and SK is first choice	Know the executive and branch team well	Happy with the overall TAT and Service last time	Happy with the overall TAT and Service last time	Happy to pay these in Cash at branches through himself or through employed drivers	Hates the wait time in Branch to get the statements for current loan account

Got a tractor refinance loan 4 months ago



Mr. “B” runs a DJ music shop and bought a tractor to use it for water tanker supply services. He recently got this tractor refinanced from us and used this money in his business.

Name : Customer “B”
Village : Hadota, Rajasthan
Age : 24 Year
Language : Hindi, Rajasthani
Family : Wife and 2 Kids

Skills and Job Functions:

1. Runs a DJ music shop in his village
2. Started a parallel water supply through tractor tanker - employed a driver for this
3. Looking to buy another tractor to get extra source of income

Question & Answer

Technology - Question :	Answer :
Technology User – Self/ At Home	Using a smartphone to download songs
What do you use in Smartphone to communicate?	Whatsapp, Facebook and YouTube
Access to digital chat apps?	Yes -Whatsapp
Presence on Social Media?	Yes – on Facebook
What do you use for entertainment?	Works in evening so don't have time for YouTube / TV

Need identification and search	Contact and Apply	Receive approval	Receive Payment	Pay EMIs	Service and Closure
					
Father got expired and need generated to take loan because of the same	Knows SK sales executive personally and approached him	Happy with the overall TAT and Service	Happy with the overall TAT and Service	Paying through bank and sometime pay cash as well	Overall satisfied

WhatsApp: WhatsApp these days has become the most easy and famous channel to communicate. In this fast moving world WhatsApp has become the perfect solution to increase the customer satisfaction, providing them with the instant solutions hassle free. Our centralized WhatsApp number works Monday to Saturday between 9:30 AM to 6:30 PM, providing fast and high quality customer service and achieving utmost customer satisfaction. It is no secret that the reach of WhatsApp is unmatched and unprecedented, and put together the number of reasons like Low Hassle, Minimal Wait, our customers love the option to connect with us on WhatsApp in addition to more traditional channels like phone and email.

Email: In Ess Kay we have a dedicated Email ID to support our customer service and handle queries of our customers. Along with the different mediums available to connect with us our Email ID can also be used by our customers to get in touch with us.

The customers can connect with us with any of their Queries, Requests or Complaints, and also be rest assured that a proper action will be taken on the issue raised by them, and also will be updated with the proper response to their issues.

The email ID is monitored on the regular basis, and any customer connecting with us through this medium is promptly connected and updated with the solutions to their queries.

Website and Social Media: In the Omni Channel Customer Service, Website and Social Media plays a vital role in achieving the overall satisfaction level of the customers and via our Customer personas we realized that our Customer's digital footprint is exponentially increasing on Social media platform. Far more than a place to connect with friends and family, social media

provides a platform for potential and existing customers to reach out to us and seek help when they have queries, requests or complaints. Social media customer service's best practices is enable us to support customer base and retain them for longer term. This have helped us to extend our customer network and the untraditional service way have provided us the best in class approach to create a 'Delighted Customer'.

Branch Walk-in: Out of all the channels Branch Walk-in has been the most traditional and key way of catering the new and existing customers and helping them with their issues. Our front end staff catering the issues of the customers are friendly, trained and well versed with the Knowledge of our Products and Services. They are courteous and responsive. We make an effort to listen and understand the issues, empathize, and be responsible enough to resolve the issues of the branch walk-in customers. We stick to the moto of keeping customer centricity to the core and achieving top most level of customer satisfaction. We attempt to "Wow them" and build a substantial framework for the relationship.

Customer feedback rating: With every call initiated towards us, we make sure to provide best in class customer service experience but along with the same we are trying to reach the next level of services provided. Now with every channel of getting in touch with the customer, we ask them to provide digital feedback for the services provided by us, in order to continuously help us in rebuilding ourselves and making our services better and better till the time we are able to provide the best in class level of customer service to our customers.

The feedback system was enabled in April'19 and have helped us to cater the customers in a way they want. Since then it is very exciting to see that our ratings are in upward trend.



b. Loan Origination

Last year we have implemented LOS system in Ess Kay which enabled us to streamline our Application system which we are fine-tuning for the current market's requirement and changing dynamics.

This system helps us to disburse the loan applications with a reduced TAT and increased data capturing providing 360 degree view.

Our LOS system provides us the option of Mobility solution which reduces our TAT for lead generation. The mobile enabled system provides our personnel to capture and feed in details without any location constraint with real time sync up with system.

All of our sales executives are now equipped with the mobility solution. Through this app they can initiate the loan application, upload support documents digitally, generate customer credit score and take initial decision on the case strengths. Post this they can also perform Field Investigation via the same solution and also can see the real time status of loan application.

Along with the mobility solution, we are targeting Paperless working in Ess kay which have a greater impact on Application TAT and environment as well. Post undertaking this initiative we have reduced our consumption significantly via bringing in multiple documents online and removing the unnecessary required documents.

We are also integrating our LOS with 3rd party Valuation provider which shall reduce the TAT for loan application significantly. This shall reduce the communication cycles between teams as everyone shall have access to real-time reports and data.

The next phase in our LOS system planned is API integration in system which in turn shall save humongous man hours of human intervention in system. This shall increase the data reliability as well as the system scalability. The API route also enables us to save Human error in system and data processing issues. Ess Kay have introduced zipNACH for all their loans and this provides a digitized easy to use platform for mandate registration. With few simple steps, mandate is registered without the chance of error. This provides us less processing time and error-free environment while leading to more compliant and robust system.

c. Collections

Collections module as well is run digitally with multiple drives providing agility to the team for better management. This have led to bringing down the NPAs along with real time updates. The reporting structure uses the data from system extensively providing real time reports to the team and management driving us to achieve results more efficiently.

We have enabled more digital way for better collection efficiency and this introduction from Jan'19 is already started pouring results. On an average 300,000+ automated calls are made to customers via system reminding them of their due payments, EMI dates and bounced EMI. This lead for customer awareness and results in less NPA cases.

2. SKiBBoard: Termed as "SKiBBoard" within organization, it is one of the most crucial and important Information management tool that shall be used to track KPIs, metrics, and other key data points relevant to business, department and/or specific process. 'SKiBBoard' stands for SK Intelligent Business DashBoard. Through the interactive data visualizations, this reporting tool and mobile app simplify complex data sets and enable users to take faster decisions with awareness of current performance vis a vis targets or thresholds.

We understand that future shall be competitive data-driven era and speed to insight will become critical for success. Predictive models shall have little value unless they're rapidly operationalized for use within business. We shall develop such methodology to make huge strides by providing data insights and our aim is to deliver proactive "intelligent" dashboards with machine learning. This journey will begin once we complete initial stage of automating the standard reports and creation of robust master data.

The dashboard shall be user friendly as well as secured with best in class framework. The capabilities include not only mobility solutions but also provide great user experience through drill down reporting feature jelled up with near real time data access.



3. Intelligent Personal Assistant (for SME vertical): This is one of the most prestigious delivery in the SK technology domain provided to ensure the data to drive the customer engagement. This help the Sales personnel by using data-driven suggestions and insights. It helps relationship managers and sales teams to engage better with customers and use time effectively, with less manual inputs.

Few of the many capabilities are as listed below:

SME Gamification Application – “Helper”

“Helper” features



How AI will work in “Helper”



4. Chabot: The average person uses 3–5 apps per day and the big app purge is not long away. Apps have made content delivery harder by putting multiple friction points: Finding the Right App, Signing up & Signing In, Learning a New UI, Remembering the App. As a result, only a handful of apps have risen to the top and occupy valuable mind estate and these are the apps we use every day. The other 99.99% of apps are sitting on the sideline, their tech goes unused.

Through Simplicity Bots can solve this Problem. Bots user experience is ultra-fast and simple. Infact it is so simple, that it might be comparable to picking fruit from a tree -something humans have been doing for 100K years+. No matter what fruit you are picking, the user experience is similar while the reward is different.

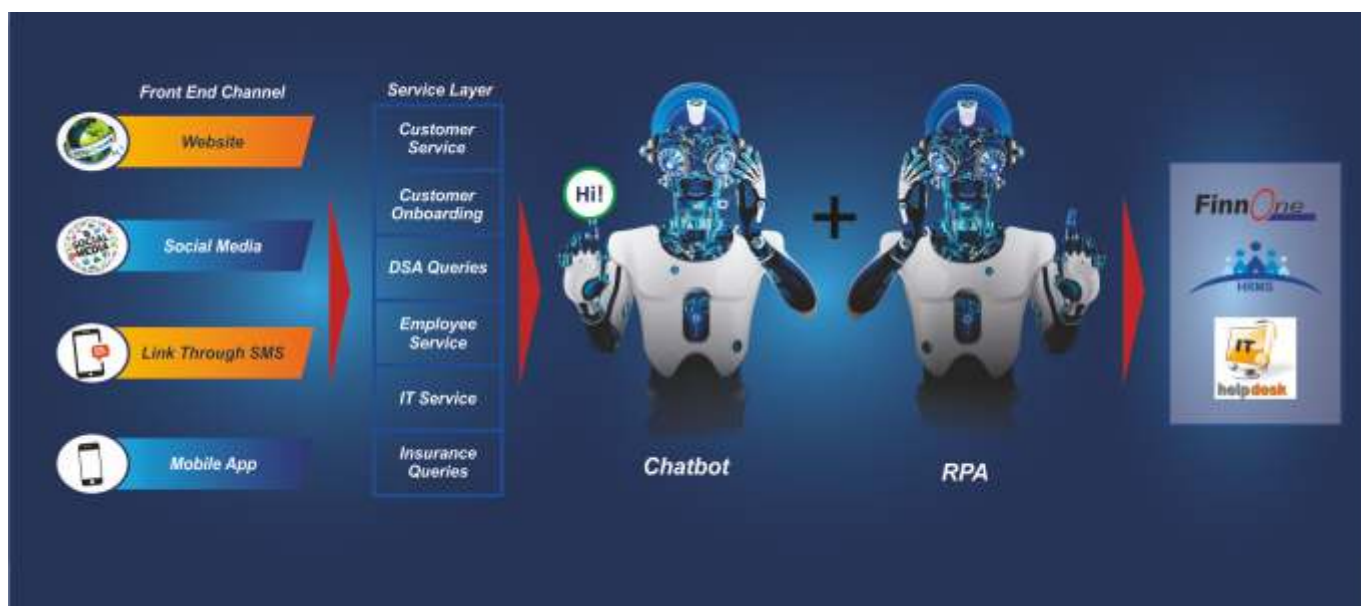
One of the main advantages with bots is that they offer instant access to value while eliminating friction. There is no sign in or sign up process, like an app or a website, and since the bot already has access to system it can personalize information to you instantly.

Additionally, bots UI is standard so there will be no new UI to learn. First time users can get immediate value and solve their problems more quickly.

Our model as explained below is simple yet robust which shall provide Customers or Agents or Employees a platform to get resolution with click of button. We are extensively working upon the same to make a one stop solution for each and every query either of them can have from Ess Kay.

Our Vision for the Chatbot is to make Ess Kay future ready and serve our stakeholders in a never before modus operandi.

We at Ess Kay are already working on the same to take a great leap with our Business completion in terms of Service delivery, Customer Onboarding, Retention and working towards better environment via Paperless delivery. Via this we shall be able to deliver great user experience with minimum intervention and negligible scalability costs.



NOTICE

NOTICE is hereby given that the 25th Annual General Meeting ("AGM/ Meeting") of the members of Ess Kay Fincorp Limited (Erstwhile Ess Kay Auto Finance Private Limited) will be held on Saturday, 15th June, 2019 at 10:00 A.M. at registered office of the company at G 1-2, New Market, Khasa Kothi Circle, Jaipur – 302001 (Rajasthan) to transact the following business:

ORDINARY BUSINESS:

ITEM NO. 01 - TO ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019 TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON

ITEM NO. 02 - TO APPOINT A DIRECTOR IN PLACE OF MR. MUNISH DAYAL [HAVING DIN: 01683836], WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT

SPECIAL BUSINESS:

ITEM NO. 03: TO AUTHORIZE BOARD TO BORROW MONEY IN EXCESS OF PAID UP CAPITAL, FREE RESERVES AND SECURITIES PREMIUM OF THE COMPANY FROM RS. 2,500 CRORES TO RS. 3,250 CRORES UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution by the members of the Company on 19th June, 2018 and pursuant to the provisions of Section 180(1)(C) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the directions/ guidelines issued by the Reserve Bank of India and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any concerned authorities (if any), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "**the Board**" which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to borrow from time to time any sum or sum of money(ies) in Indian Rupees or equivalent thereof in any foreign currency(ies) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether domestic or international, whether by way of mortgage, securitize, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the company's assets and effects or properties including book debts (receivables) and the immovable property(ies) owned by the company, deposits or other security as they deem requisite for the purpose of the business of the Company, upto an amount of Rs. 3250 Crores (Rupees Three Thousand Two Hundred Fifty Crores only) notwithstanding that the money(ies) to be borrowed together with money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) would exceed the aggregate of paid-up share capital, free reserves and securities premium of the Company that is to say, reserves not set apart for any specific purpose.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized for borrowing from time to time as it may think fit, any sum or sums of money not exceeding Rs. 3250 Crores (Rupees Three Thousand Two Hundred Fifty Crores only) in Indian Rupees or equivalent thereof in any foreign currency(ies) in aggregate (including the monies already borrowed by the Company) and on such terms and conditions as the Board may deem fit, by way of loans or in any other form whatsoever from, or issue of Bonds and/or Debentures (including debt in nature of Debenture) or other Securities or Term Loans, Money Market Instruments, Commercial Papers and other like facilities in form of debt from Bank(s), Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., whether shareholder of the Company or not.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto including delegating its powers under the resolution to give effect to this resolution and for matters connected therewith or incidental thereto."

ITEM NO. 04: TO AUTHORISE THE BOARD TO SELL, SECURITIZE, HYPOTHECATE, PLEDGE, MORTGAGE, CREATE CHARGE ON ALL OR ANY OF THE ASSETS OF THE COMPANY U/S 180(1)(a) OF THE COMPANIES ACT, 2013 TO SECURE BORROWINGS MADE UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special resolution**:

"RESOLVED THAT in supersession of the special resolution passed by the Members of the Company on 19th June, 2018 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and as per the directions/ guidelines issued by the Reserve Bank of India and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any concerned authorities (if any), the members of the Company hereby accord their consent to the Board of Directors of the Company (hereinafter called "**the Board**" which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to sell, securitize, hypothecate, pledge, mortgage, create charge from time to time, on movable and/or immovable, tangible and/or intangible properties/assets, both present and future and/or whole or substantially the whole of the undertaking(s) of the Company in such form, manner and time as the Board may deem fit, for securing any loans and/or borrowings and/or advances and/or guarantees and/or any financial assistance whether all/any of such financial assistance taken or to be taken in foreign currency and/or rupee currency by the Company from any lender including without limitation, any bank, financial or other institutions, nonresident Indians, foreign institutional investors and/or public financial institutions as defined under Section 2(72) of the Act and/or Mutual Funds and/or any other persons, bodies corporates and/or eligible foreign lenders and/or any entity/entities and/or any other person(s) or institution(s) providing finance (for own lending purpose or repayment or loans or general corporate requirements) or in favour of trustees for debenture holders that may be appointed here

after, as security for the debentures/bonds that may be issued by the Company and other person or persons together with interest, cost, charges, expenses and all other monies payable by the Company to the said lender(s) and/or for the purpose of securing the securities (comprising of fully/partly convertible and/or non-convertible debenture and/or any other debt instruments with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rate notes/bonds or other debt instruments) together with interest, remuneration of the trustees, premium, if any, on redemption, costs, charges and expenses payable by the Company in terms of the trust deed/other documents to be finalized and executed between the Company and the trustees/lenders and containing such specific terms and conditions (which may include authorization to the lender to transfer /assignment of security in favour of third party) and covenants in that behalf and agreed to between the Board of Directors and the trustees /lenders, up to an amount not exceeding Rs. 3250 Crores (Rupees Three Thousand Two Hundred Fifty Crores only) at any point of time."

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank exclusive/prior/pari-passu/ subsequent with/to the hypothecation/mortgages and/or charges already created or to be created by the company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto including delegating its powers under the resolution to give effect to this resolution and for matters connected therewith or incidental thereto."

ITEM NO. 05: TO AUTHORISE BOARD FOR ISSUANCE OF NON - CONVERTIBLE DEBENTURES, IN ONE OR MORE TRanches FOR ONE YEAR

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Foreign Exchange Management Act, 1999, rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India Act, 1992 ("SEBI"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and the listing agreements entered into with the stock exchanges ("Stock Exchanges") where the securities of the Company may be listed and subject to such conditions and modifications as may be prescribed by the respective statutory and/or regulatory authorities while granting such approvals, consents, sanctions, permissions, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this resolution) to offer, issue and allot, in one or more tranches Non-convertible Debentures (NCDs) including but not limited to subordinate debentures, bonds, and/or other debt securities etc. on private

placement basis, during the period of one year from the date of passing of the Special Resolution by the Members, for an amount of Rs. 2500 Crore (Rupees Two Thousand Five Hundred Crores) on such terms and conditions and at such times at par or at such premium, as may be decided by the Board to such person(s), including one or more company(ies), bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or such other person(s) as the Board may decide so, however, that the aggregate amount of funds to be raised by issue of NCDs, subordinate debentures, bonds, and/or other debt securities etc. shall not exceed the overall borrowing limits of the Company, as may be approved by the Members from time to time.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to determine and consider terms of issue of NCD that are appropriate and most beneficial to the Company including, without limitation, the class of investors to whom the NCDs are to be issued, timing, size, series/ tranches, issue price, tenor, interest rate, listing, if any, creation of security, appointment of debenture trustee(s) and other agency(ies) and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds/ documents/ undertakings/ agreements/ papers/ writings, as may be required in this regard and matters connected therewith or incidental thereto and to get the acts pursuant to power herein conferred executed through any committee of the Board, Director(s) and / or officer(s) of the Company."

ITEM NO. 06: TO APPROVE THE REVISION IN REMUNERATION OF MR. RAJENDRA KUMAR SETIA AS MANAGING DIRECTOR.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and provisions of Articles of Association and all other applicable rules, Laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, consent of the Members be and is hereby accorded to revise remuneration payable to Mr. Rajendra Kumar Setia (DIN : 00957374) Managing Director of the Company w.e.f. 1st April, 2019 for remaining period of the term of his office, as stated below:

Fixed Remuneration:

- Mr. Rajendra Kumar Setia shall be entitled to a fixed remuneration upto a maximum of Rs. 1,50,00,000/- (Rupees one crore and fifty lakhs only) per annum.
- The Board of Directors of the Company on the basis of recommendation of Nomination and Remuneration Committee of the Company shall have the authority to grant such increments to Mr. Rajendra Kumar Setia and/or revise the Salary and/or its components thereof, from time to time during the term of his employment, provided such increment and/or revision is carried out within the Fixed Remuneration Limit.

Perquisites and Allowances:

Mr. Rajendra Kumar Setia shall be eligible for perquisites, allowances and all other benefits as per the HR policies of the Company, amended from time to time.

Performance Linked Bonus:

- (a) In addition to Fixed Remuneration, Mr. Rajendra Kumar Setia shall also be entitled to performance linked bonus of such amount as may be recommended by the Nomination and Remuneration Committee and approved by the Board for each Financial Year, within the overall limits as specified under Section 197 of the Act read with Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof), after taking into consideration various criteria, including the performance of Mr. Rajendra Kumar Setia and the performance of the Company.
- (b) The total Performance Linked Bonus of a financial year shall not exceed 100% of the Total Fixed Remuneration of such financial year.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act 2013, where in any Financial Year during the tenure of the said Managing Director, the Company has no profits or profits are adequate, the aforesaid remuneration or remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto including delegating its powers under the resolution to give effect to this resolution and for matters connected therewith or incidental thereto."

ITEM NO. 07: TO APPROVE REMUNERATION PAYABLE TO MR. SAMEER ARORA (RELATED PARTY)

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any concerned authorities (if any), consent of the Members be and is hereby accorded to increase the remuneration payable to Mr. Sameer Arora, being relative of Mrs. Shalini Setia, Whole Time Director of the Company appointed as Head-North Zone of the Company, in office or place of profit from Rs. 60,00,000 (Rupees Sixty Lakhs) to Rs. 1,00,00,000 (Rupees One Crore) with effect from 01st April, 2019.

RESOLVED FURTHER THAT Mr. Sameer Arora shall be entitled to medical reimbursement, club fees, promotion, incentive / performance linked bonus, personal accident insurance; company maintained cars along with chauffeur, telephone and such other perquisites in accordance with the company's HR policy but such benefits shall exclude Stock Options under the ESOP Scheme of the Company.

RESOLVED FURTHER THAT the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mr. Sameer Arora holding office or place of profit, within the maximum limit approved by the shareholders.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

Date: May 03, 2019

Place: Jaipur

By order of the Board of Directors
For ESS Kay Fincorp Limited
(Erstwhile ESS Kay Auto Finance Private Limited)

Sd/-
Anagha Bangur
Company Secretary
Membership No.31263

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

Cin: U65923RJ1994PLC009051

NOTES:

- The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the special business is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% (TEN PERCENT) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% (TEN PERCENT) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
- PROXY FORMS IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, FILLED, SIGNED AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING. (A COPY OF THE PROXY FORM IS ANNEXED TO THIS ANNUAL REPORT 2018-19).**
- Members/proxies attending the meeting should bring the attendance slip duly filled for attending the AGM.
- Members are requested to:
 - Notify the change in address if any, with Pin Code numbers immediately to the Company and to the Registrar and Share Transfer Agent.
 - Quote their Regd. Folio Number/DP and Client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent ('RTA').
 - Bring their copy of the Annual Report and Attendance Slip with them at the AGM.

6. Members are requested to address all their correspondence including demat/remat applications, request for share transfers, intimation of change of address and other correspondence to the Company's RTA:-

Karvy Fintech Pvt. Ltd.

305, New Delhi House,
27, Barakhamba Road, New Delhi 110 001
Contact Person: John Mathew
P: +91 011 43681700/43681702/9873886235
E-MAIL ID: john.mathew@karvy.com

7. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send a certified copy of the Board Resolution or Power of Authority to the Company authorizing their representative(s) to attend and vote on their behalf at the AGM.
8. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding and Register of Contracts or Arrangements in which Directors are interested, maintained under Sections 170 and 189 of the Companies Act, 2013 respectively will be available for inspection by the members at AGM
9. All the documents referred to in the Notice and explanatory statements are open for inspection at the Registered Office of the Company on all working days from 10:00 A.M. to 05:00 P.M. upto the date of AGM.
10. In terms of Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. Munish Dayal [DIN: 01683836] Director of the company, retires by rotation at the ensuing meeting & being eligible, offers him self for re-appointment. The Board of Directors of the Company recommends his re-appointment.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / RTA.
12. The Members may contact their respective depository participants for making nominations as permitted under Section 72 of the Companies Act, 2013.
13. Annual Report 2018-19 and AGM Notice is available at the website of the Company <http://www.skfin.in/disclosures.php>
14. Non Resident Indian Members are requested to inform RTA of the Company any change in their residential status on return to India for permanent settlement, particulars of their bank account maintained in India with complete name, branch account type, account number and address of the bank with pin code number, if not furnished earlier
15. The members, who have not registered their email address so far, are requested to register their e-mail address **with your depository participant** for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically. For any communication, the

shareholders may also send requests to the Company Secretary at [anagha.bangur@skfin.in].

16. Relevant documents referred to in the proposed resolutions are available for inspection by members at the Registered Office of the Company between 10:00 A.M. to 05:00 P.M. on all working days upto the date of the AGM.
17. Members desirous of getting any information about the accounts and/or operation of the Company are requested to write to the Company at least seven days before the date of meeting to enable us to keep the information ready at the meeting.
18. The route map showing the direction to reach the venue of AGM is attached at the end of the Report.

Date: May 03, 2019
Place: Jaipur

By order of the Board of Directors
For ESS Kay Fincorp Limited
(Erstwhile ESS Kay Auto Finance Private Limited)

Sd/-
Anagha Bangur
Company Secretary
Membership No. 31263

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

Cin: U65923RJ1994PLC009051

ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING

Route map for the venue of the General Meeting



THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) AND (2) OF THE COMPANIES ACT, 2013

The Following Statements sets out all material facts relating to the Special Business mentioned in the Accompanying Notice:

ITEM NO. 03

The Members had authorized the Board of Directors of the Company ("Board", which term shall include any Committee thereof which the Board may have, constituted or may hereinafter constitute to exercise its powers, including powers conferred by this resolution) to borrow from time to time a sum not exceeding Rs. 2500 Crore, on such terms and conditions as it may deem fit under Section 180(1)(c)

of the Companies Act, 2013 ("the Act") vide resolution passed at their 01/2018-19 EGM held on 19th June, 2018.

Based on the projected business in the Company for Financial Year 2019-20, the overall borrowing powers are proposed to be enhanced to Rs. 3250 crore. This also factors in the need for creating additional back up lines for liquidity purposes, hence the credit facilities from Banks are also being enhanced.

As per the provisions of Section 180(1)(c) of the Act, a company cannot borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital, free reserves and securities premium, unless approval of the Members is obtained by way of a Special Resolution.

The Board has recommended revision in the borrowing limits, outstanding at any point of time under section 180(1)(c) of the Act, from Rs. 2500 Crore to Rs. 3250 Crore, as set out in the resolution for approval of the Members.

The Board recommends the Special Resolution set forth in Item No. 03 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding in the Company, if any, are concerned / interested, financially or otherwise, in the aforesaid resolution.

ITEM NO. 04

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, a company shall cannot sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the Members is obtained by way of a Special Resolution.

In connection with the loan/credit facilities to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets, properties and Book Debts by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders (up to the limits approved under Section 180(1)(c) of the Act), for the purposes of securing the loan/credit facilities extended by them to the Company.

As required under Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the material facts in connection with the aforesaid issue of NCDs are as follows:

Particulars of the offer including date of passing of Board resolution	Secured or Unsecured Redeemable NCDs whether cumulative and/ or non-cumulative for an amount not exceeding in aggregate Rs. 2500 Crore in one or more tranches on a private placement basis at such interest rates and on such terms and conditions as may be determined by the Board/Committee of Directors/any person duly authorized by the Board. Date of passing Board Resolution: May 03, 2019.
Kinds of securities offered and the price at which security is being offered	Secured or Unsecured Redeemable NCDs whether cumulative and/ or non-cumulative at premium, discount or at par, as may be determined by the Board/Committee of Directors/any person duly authorized by the Board.
Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Since the issuance would be in one or more tranches, price will be determined by the Board/Committee of Directors/any person duly authorized by the Board in accordance with the prevailing market conditions at the time of issue.
Name and address of valuer who performed valuation	Not applicable in case of NCDs.
Amount which the company intends to raise by way of such securities	Rs. 2500 Crores

Further, upon occurrence of default under the relevant Loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and Book Debts including the rights of sale/disposal thereof, creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/disposal of the whole or substantially the whole of the undertaking of the Company, pursuant to the provisions of Section 180(1)(a) of the Act.

In view of the revision in the borrowing limit as set out in Item No.04, the Board recommends a revision in the limit up to which charge can be created on assets/properties in line with the revised borrowing limit.

Accordingly, the Board recommends the Special Resolution set forth in Item No. 04 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives, are concerned / interested, financially or otherwise, in the aforesaid resolution.

ITEM NO. 05

Based on projected long term borrowings taking into consideration, scheduled maturities and retaining flexibility for inter-changeability between bank loans and non-convertible debentures ("NCDs") of the Company, it is proposed to borrow during one year by way of issuing NCDs upto Rs. 2500 Crore on an annual basis, in one or more tranches on a private placement basis. This limit will be tracked on the basis of actual allotted amount of NCDs during one year.

It may be noted that Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 42 of the Companies Act, 2013, as amended from time to time, allows a company to pass a previous special resolution once in a year for all the offer or invitation for NCDs to be made during the year through a private placement basis in one or more tranches.

Consent of the Members is therefore sought in connection with the aforesaid issue of NCDs/ bonds from time to time and they are requested to authorize the Board to issue NCDs / bonds during one year on a private placement basis upto Rs. 2500 Crore as stipulated above, in one or more tranches.

Material terms' of raising such securities	Since the issuance would be in one or more tranches, material terms will be determined by the Board/Committee of Directors/any person duly authorized by the Board, in accordance with the applicable provisions of the Companies Act, 2013 and the Rules framed thereunder and other applicable law for the time being in force.
Proposed time schedule	One year (From 15 th June, 2019 to 14 th June, 2020)
Purposes or objects of offer	For the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of the interest and/or repayment /prepayment of principal of borrowings)/ General Corporate Purposes. The Unsecured NCDs may be in the nature of Subordinated Debt and will be utilized in accordance with Statutory and regulatory requirements including requirements of RBI.
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects	None
Principle terms of assets charged as securities	The principal amount of the Secured NCDs to be issued together with all interest due on the NCDs in respect thereof shall be secured by way of exclusive and/or pari passu charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company as may be decided mutually by the Company and the Debenture Trustee. Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure atleast 100% asset cover for the Secured NCDs (along with the interest due thereon).

The Board recommends the Special Resolution set forth in Item No.05 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives, are concerned / interested, financially or otherwise, in the aforesaid resolution.

ITEM NO. 06

The Company has delivered a strong performance over the past fiscal year, creating significant shareholder value. There is now clear strategic direction to drive competitive growth through a resilient business model.

Based on the recommendation of the Nomination and Remuneration Committee at their meeting held on 02nd May, 2019, the Board of the company, in their meeting held on 03rd May, 2019 has recommended to increase the remuneration payable to Mr. Rajendra Kumar Setia, Managing Director of the Company, applicable from the 1st April 2019. The detail of remuneration is mentioned in the resolution itself and reproduced herein below:

Fixed Remuneration:

- Mr. Rajendra Kumar Setia shall be entitled to a fixed remuneration upto a maximum of Rs. 1,50,00,000/- (Rupees one crore and fifty lakhs only) per annum.
- The Board of Directors of the Company on the basis of recommendation of Nomination and Remuneration Committee of the Company shall have the authority to grant such increments to Mr. Rajendra Kumar Setia and/or revise the Salary and/or its components thereof, from time to time during the term of his employment, provided such increment and/or revision is carried out within the Fixed Remuneration Limit

Perquisites and Allowances:

Mr. Rajendra Kumar Setia shall be eligible for perquisites, allowances and all other benefits as per the HR policies of the Company, amended from time to time.

Performance Linked Bonus:

- In addition to Fixed Remuneration, Mr. Rajendra Kumar Setia shall also be entitled to performance linked bonus of such amount as may be recommended by the Nomination and Remuneration Committee and approved by the Board for each Financial Year, within the overall limits as specified

under Section 197 of the Act read with Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof), after taking into consideration various criteria, including the performance of Mr. Rajendra Kumar Setia and the performance of the Company.

- The total Performance Linked Bonus of a financial year shall not exceed 100% of the Total Fixed Remuneration of such financial year.

Except for the aforesaid revision in the remuneration, all other terms and conditions of his appointment as Managing Director of the Company as approved by the members shall remain unaltered. The existing Agreement including the draft Amendment Agreement to be entered into between the Company and Mr. Rajendra Kumar Setia for this purpose, are available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 10.00 a.m and 05.00 p.m. upto the date of AGM. The Board of Directors recommends the resolution no. 06 for approval by Members.

Except for Mr. Rajendra Kumar Setia & Mrs. Shalini Setia, Directors of Company, none of the other Directors/Key Managerial Personnel of the Company or their relative is concerned or interested financially or otherwise, in this resolution set out at Item No. 6 of the Notice. The relevant details as required under Secretarial Standards on General Manager on General Meetings issued by the Institute of Company Secretaries of India ('Secretarial Standard') is given in Annexure- I The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

ITEM NO. 07

Mr. Sameer Arora had joined the Company as State Head-North and was later designated as Chief Operating Officer in the Company.

At present he is designated as Head-North Zone. Since Mr. Sameer Arora is the relative of Mrs. Shalini Setia, Whole Time Director of the company pursuant to section 2(76) of the Companies Act, 2013, the

payment of Remuneration to Mr. Sameer Arora will require the approval of the Members of the Company in General Meeting under section 188 of the Companies Act, 2013.

His contribution towards the growth of the company is significant & in the interest of the company, his longer association with the company is much needed, in order to retain his services and in view of the highly competitive employment market which currently prevails, your Directors felt desirable that the compensation paid to the aforesaid person should be revised, more or less with the remuneration drawn by their counterparts in the country.

The Board considers that his association for further tenure would be immense benefit to the company and it is advisable to pay him salary in light of responsibilities assigned to them to remuneration not exceeding Rs. 1 Crore per annum.

Hence the Company is hereby seeking approval of the members by way of Ordinary Resolution in accordance with the provisions of section 188 of the Act.

The details of Contract with Mr. Sameer Arora (Related party) are given below:

Name of Related Party	Nature of Relationship	The nature, particulars of the contract or arrangement and The material terms of the contract or arrangement including the value, if any:	Duration of the contract	Any advance paid or received for the contract or arrangement, if any	The manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors	Any other information relevant or important for the Board to take a decision on the proposed transaction
Sameer Arora	Brother of Ms Shalini Setia (Whole Time Director & of the Company)	Approval of remuneration paid to Mr. Sameer Arora in Office or place of profit for the period from 01st April 2019 to 31st March, 2020 at a remuneration of Rs. 48.3 Lacs/- p.a.	Regular	N.A.	All business transactions would be carried out as part of business requirements of the Company. Further the Company is also subject to pricing norms prevailing in the country.	Yes	Nil

The transaction entered into Mr. Sameer Arora is at arm's length price. The Audit Committee has recommended the revision in remuneration of Mr. Sameer Arora at their meeting held on 02nd May, 2019 and The Board of Directors of the Company have considered the increase in remuneration at their respective meeting held on 03rd May, 2019 and approved the Contract/arrangement with Mr. Sameer Arora (Related Party).

The Board of Directors recommends the resolutions set out at item no. 07 of the Notice for the approval by the members as Ordinary Resolution.

Save and except, Mrs. Shalini Setia, being relative of the appointee, none of the Directors or their relatives, is anyway, concerned or interested, financially or otherwise, in the aforesaid resolution.

Date: May 03, 2019
Place: Jaipur

By order of the Board of Directors
For ESS Kay Fincorp Limited
(Erstwhile ESS Kay Auto Finance Private Limited)

Sd/-
Anagha Bangur
Company Secretary
Membership No.31263

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

Cin: U65923RJ1994PLC009051

ANNEXURE -1

INFORMATION PURSUANT TO SECRETARIAL STANDARD ON GENERAL, MEETINGS (SS-2) REGARDING DIRECTOR SEEKING APPOINTMENT

Age	50 Years
Qualifications	B.Sc. Form Rajasthan University
Experience	Mr. Rajendra Kumar Setia, the Managing Director of the company is having a wide experience of more than 25 years in finance industry and vehicle finance. He is the promoter of the company. He is also the President of Rajasthan Finance Companies Association, Institution for representing interest of finance companies is the State of Rajasthan.
Terms and conditions of appointment or re-appointment	All the term and conditions of appointment will remain same except remuneration payable to Mr. Rajendra Kumar Setia, Managing Director.
Details of remuneration sought to be paid	Refer explanatory statement to Item No. 06
Last drawn remuneration	INR 8400,000 per annum
Date of first appointment on the Board	November 21, 1994 (Since Incorporation)
No. of share held	9601097 fully paid up equity share of Rs. 02 each
Relationship with Directors, Managers & KMP	Related with Mrs. Shalini Setia (Spouse)
Number of Board Meeting attended during FY 2018-19	10 (Ten)
Other Directorship	NIL
Chairman / Member of the Committees of Boards of other companies	

BOARD'S REPORT

To,

The Members,

Your Directors are glad to take this opportunity to present the 25th Annual Report on the business and operations of the Ess Kay Fincorp Limited (erstwhile Ess Kay Auto Finance Private Limited) (hereinafter referred as **"We"** or **"Company"** or **"Ess Kay"**) together with the audited financial statements for the Financial Year ended March 31, 2019.

OVERVIEW

The Company was originally incorporated as Ess Kay Auto Finance Private Limited on November 21, 1994 at Jaipur, Rajasthan, India as a private limited company under the Companies Act, 1956. Pursuant to a certificate issued by the Reserve Bank of India ("RBI") on October 16, 1998, the Company was permitted to commence operations as a non-banking financial company ("NBFC") under section 45 IA of the Reserve Bank of India Act, 1934. Since financial

year 2015-16, the Company has been classified as a systemically important non-deposit accepting NBFC.

On October 07, 2016, the Company has changed its name from "Ess Kay Auto Finance Private Limited" to "Ess Kay Fincorp Private Limited".

Subsequently, the Company was converted into a public limited company pursuant to a special resolution passed by its Shareholders at the extraordinary general meeting and the name of the Company was changed to Ess Kay Fincorp Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the Registrar of Companies, Jaipur (Rajasthan) on September 04, 2017.

1. RESULTS OF OUR OPERATIONS AND STATE OF AFFAIRS

The financial performance of the company for Financial Year 2018-19 is summarized here below:

Financial Highlights	Amount in Crores	
Particulars	2018-19	2017-18
Total Revenue	364.93	227.33
Operating Expenses	138.97	95.98
Provision		
a. For NPA	6.55	3.48
b. for standard assets	1.98	1.84
b. contingent provisions	0.27	1.32
Profit before Interest & Depreciation	217.16	124.71
Less: Interest & finance charges	138.46	89.45
Less: Depreciation	3.21	2.34
Profit before tax	75.49	32.92
Tax expenses		
a. Current Year	25.49	14.2
b. Earlier Year	0.76	-1.32
c. Deferred Tax	-2.99	-1.91
Profit after tax	52.23	21.95
Add: Surplus brought forward	64.35	46.79
Balance available for appropriation	116.58	68.74
Appropriation		
a. Dividend	-	
b. Tax on Dividend	-	
c. Transfer to statutory reserve	10.45	4.39
c. Adjustment in accordance with schedule II of the Companies Act, 2013		
Balance Carried Forward	106.14	64.35

- 1.1 The paid-up Equity Share Capital of the Company as on March 31, 2019 stood at Rs 4.60 Crores.
- 1.2 During the FY 2018-19, Company has infused Rs. 281 Crores from FDI accounts of three Private Equity Institutions namely TPG Growth IV SF PTE. Ltd, Evolve Coinvest I and Norwest Venture Partners X – Mauritius.
- 1.3 As required under Section 45IC of the Reserve Bank of India Act, 1934, 20% of the profits are required to be transferred to a Special Reserve Account. An amount of Rs.10,44,60,395, being 20% of the profits, has been transferred to the said Reserve.

2. STATE OF AFFAIRS

- a) Segment-wise position of business and operations:-Segment wise position of business including operations are detailed in Point no.05 of this board report.
- b) Change in status of the company: - NA
- c) Key business developments:-Detailed in the Management Discussion & Analysis, which forms part of the Board's report as Annexure VII.
- d) Change in the financial year: - NA
- e) Capital expenditure programmes: - NA
- f) Details and status of acquisition, merger, expansion, modernization and diversification: - NA
- g) Developments, acquisition and assignment of material Intellectual Property Rights: - NA
- h) Any other material event having an impact on the affairs of the Company:-NA

3. CHANGE IN NATURE OF BUSINESS

During the year, there was no change in the nature of business of the Company or its subsidiary.

4. DIVIDEND

For expansion of business and for general corporate requirements, your directors appraise to conserve the resources of the Company. Accordingly, the Directors do not recommend any dividend on Equity shares of the Company for the financial year 2018-19.

The unclaimed and unpaid dividend amount on Compulsorily Convertible Preference Shares (which has been converted into equity shares on March 27, 2017) is Rs.4,796.

5. RESERVES

Since the Company is a Non-Banking Finance Company, the Company proposes to transfer a sum of Rs. 10.44Crores to statutory reserves out of profits as required under section 45IC of the Reserve Bank of India Act, 1934.

The Company has not proposed any amount to be transferred to Reserves as an appropriation of profits.

6. OPERATIONAL HIGHLIGHTS

a) Disbursements

The Company offers, a wide range of consumer loans such as Auto Loans (New and Used Car Loans, Agriculture Loans, Commercial Vehicle Loans and Two Wheeler Loans), Business Loans (MSME), Loans against Property,

Personal Loans. Disbursements in FY 2018-19 aggregated Rs. 1550.59crore as compared to Rs. 1032.78 crore in FY 2017-18, representing an increase of about 50.14%.

Disbursement of Business Loans (MSME) increased from Rs. 81.72 crore in FY 2017-18 to Rs. 134.35 crore in FY 2018-19, representing a growth of 64.40% over the previous year. Auto Loan disbursements of Rs. 1416.24 crore constituted out of 1550.59 of the overall disbursements for the year.

b) Assets Under Management (AUM)

During the Year 2018-19 the Company crossed 2000 crore AUM, registering a robust growth of 56.15% on Year on Year basis. AUM of the Company stood at Rs. 2001.84 crores for the year ended on March 31, 2019 against March 31, 2018 which stood at Rs. 1281.98 crores.

c) Performance Review

Ess Kay is emerging as the leading Financing Solutions provider and a one-stop for customer providing a suite of financing and leasing solutions across varied assets. Ess Kay aspires to scale up the business through strategic initiatives and leveraging a strong foothold in the Commercial Finance Business. The Commercial Finance Business is committed to being a complete financial solutions partner to its customers, through high quality service levels and innovative products, which provide value to its customers.

Going forward, Ess Kay plans to grow its MSME business as well as a continued focus on Commercial Vehicle, Light Motor Vehicle and Two Wheeler Loans. Additionally, it continues to focus on high NIM (Net Interest Margin) products, increase customer acquisition, especially through expanding its Consumer Durables loans business, balancing its product mix, ramping up fee based income, optimizing operating costs and improving collection efficiency for further enhancing its profitability. Ess Kay also plans to leverage analytics capabilities to explore opportunities in the market and offer unique products and solutions to new as well as existing customers. There are plans to automate several processes to ensure Quick Turnaround.

While fulfilling our mission of Financial Inclusion, your Company has also built a deep knowledge of customers with micro-data points ranging from income, payment behaviors, socio-economic status and other indirect data. The Company is successfully mining this data to build powerful analytics models extended through digital platforms for customer acquisition, collections, NPA management, customer engagement, forecasting business trends, etc.

During the year, your Company further expanded its geographical presence by reaching out to untapped villages and increased its footprint by opening new branches and making it more accessible to its customers.

The Company's total Income grew by 60.53 % from Rs. 227 Crores to Rs. 365 Crores. Judicious pricing decisions coupled with alterations in the product mix designed to provide the optimum risk reward benefit led to increase in yields during Financial Year 2018-19.

7. RESOURCE MOBILISATION

a) Borrowings from Banks

As at March 31, 2019, the Company's outstanding bank loans stood at Rs. 332.39 crore vis-à-vis Rs. 386 crores as at March 31, 2018. Previous year, marked a change in the funding mix with bank borrowings through a combination of short term debt and long term debt (comprising cash credit facility and Bank Loans).

The Company's bank borrowings continue to enjoy a rating of CARE A-(CARE A minus with stable outlook), signifying degree of safety for timely servicing of debt obligations.

b) Borrowings from Financial Institutions

The Company by virtue of its performance over the years enjoys very good relationships with many leading financial institutions. The Company could raise the required resources from various financial institutions comfortably. We anticipate the same response from all our lending partners for the coming years too. The Company anticipates credit lines from few more financial institutions besides the existing ones.

Borrowings from financial institutions have been decreased from Rs.240.24 Crores (previous year) to Rs.236.93 Crores (Current Year) as indicating downward trend in cost of borrowing for Financial Year 2018-19.

c) Debentures

(i) Secured & unsecured Non-Convertible Debentures

FY 2018-19 saw a continuing shift in the Company's funding sources as bonds continued to be the cheapest source of funds. As at March 31, 2019, the Company's outstanding borrowings from debentures and securities stood at 689.85 crores vis-à-vis 231.39 crores as at March 31, 2018. The Company's secured NCDs have been listed on the Wholesale Debt Market segment of BSE and have been assigned Brickwork A (A stable from Brickwork) and CARE A- (Single A Minus, With stable outlook). Details of non-convertible debentures issued on private placement is stated in Note No. 05 of Notes to Financial Statements, which forms part of this Annual Report.

(ii) Subordinated Debt

As on March 31, 2019, the outstanding subordinated debt (comprises of Unsecured Non-Convertible Debentures & Unsecured Term Loan) stood at Rs. 40 Crores against March 31, 2018 which stood at Rs. 40 Crores.

The debt is subordinated to present & future senior indebtedness of the Ess Kay and has been assigned rating by CARE A-.

The Company has been regular in servicing all its debt obligations.

d) Securitization/ Assignment:

During the year under review, your Company assigned /securitized its loan portfolio having principle value of Rs.472.16 Crores of which Rs. 278.13 crore were securitized through PTC mode in 04 tranches and Rs. 194.03 Crore was assigned /securitized in DA mode in 04 tranches.

e) Debt to Equity Ratio

As on March 31, 2019, the debt to equity ratio of the Company stood at 2.35 against March 31, 2018 which stood at 4.72.

f) Issue of warrants

(a) Date of issue and allotment of warrants: Members of the Company has approved the issuance of warrants on 30th December, 2017 and allotted by Board on 29th August, 2018.

(b) Number of warrants: 15093 (Fifteen thousand and ninety three)

(c) These warrants were issued on private placement basis.

(d) Issue price: Rs. 12467.26 (Rupees Twelve Thousand Four Hundred Sixty Seven and Twenty Six Paise) per warrant

(e) Maturity date: 31st October, 2018

(f) Amount raised, specifically stating as to whether twenty five percent of the consideration has been collected upfront from the holders of the warrants: 100% of the consideration amount has received on 29th August, 2018.

(g) Terms and conditions of warrants including conversion terms:

- **Objects of the Preferential Issue:** As required under Clause 6.3 of Shareholders Agreement dated November 07, 2017.

- **The total number of securities to be issued:** The Board intends to offer, issue 15,093 (Fifteen Thousand Ninety Three) warrants on preferential basis in accordance all applicable laws.

- **Exercise Price:** The issue price of the said warrants shall be INR 12,467. 26 (Rupees Twelve Thousand Four Hundred and Sixty Seven and Twenty Six Paise) per Warrant.

- **The Offer:** Mr. Rajendra Kumar Setia indicated their intention to subscribe to the offer.

- **Relevant date:** The "Relevant Date" is Saturday, 30th December, 2017.

- **Change in control consequent to the preferential issue:** The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment.

- **Conversion Ratio:** Each Warrant shall entitle the Promoter at its option, to subscribe to 1 (One) Equity Share of the Company subject to any adjustment for reclassification, bonus issues, share splits or such other dilutive events and the Warrants shall become exercisable at the Exercise Price on the Exercise Date determined in accordance with the terms of the Warrants as ascribed under this Agreement.

- **Exercise Date:** The Warrants shall, from the Closing Date i.e. 30th December, 2017, be exercised at any time and in any number of tranches prior to the earlier of:

- The date of further issuance of Securities/ Equity Shares (including but not limited to any Proposed Issuance) made by the Board after Closing Date (other than issuances pursuant to the ESOP Plan); or

- The 2nd (Second) anniversary of the Closing Date.

8. CREDIT RATING

Ess Kay has received revision in credit ratings for Long Term Bank Facilities and Non-convertible debentures from CARE Ratings, which are as follows:-

Instruments	Previous Rating	Existing Rating	Date
Long Term Bank Facilities	CARE BBB+; Stable (Triple B Plus; Outlook: Stable)	CARE A-; Stable (Single A Minus; Outlook: Stable)	19th July, 2018
Non-convertible debentures	CARE BBB+; Stable Triple B Plus; Outlook: Stable)	CARE A-; Stable (Single A Minus; Outlook: Stable)	19th July, 2018

9. CAPITAL ADEQUACY

Consequent upon the allotment of Equity Shares issued on a preferential allotment basis to Private Equity Investors, the paid-up share capital of the Company has increased from Rs.3.50 Crores as on March 31, 2018 to Rs.4.60 Crores as on March 31, 2019.

As a result of the increased net worth, your Company was able to enhance the Capital to Risk Assets Ratio (CRAR) to 32.84% as March 31, 2019, well above the minimum requirement of 15% CRAR prescribed by the Reserve Bank of India. Out of the above, Tier I capital adequacy ratio stood at 30.99% and Tier II capital adequacy ratio stood at 1.85%, respectively

10. SOCIAL & RELATIONSHIP CAPITAL (HUMAN RESOURCES)

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. Ess Kay's mission of creating a high performance culture has been further strengthened through areas such as building a capability model (identification of critical competencies), nurturing talent through interventions such as coaching, competency based training programs and cross functional projects.

Your Company believes that people perform to the best of their capability in organizations to which they feel truly associated. Your Company focuses on widening organizational capabilities and improving organizational effectiveness by having a competent and engaged workforce. Our people are our partners in progress and employee empowerment has been critical in driving our organization's growth to the next level.

The Company had 2763 permanent employees on the rolls of the Company as at March 31, 2019.

11. NETWORK EXPANSION (BRANCHES)

Your Company further expanded its geographical presence by reaching out to semi urban areas and increased its footprint by opening new branches and making it more accessible to its customers. Your Company strengthened its presence across the 6 states with a network of 262 offices. List of branches are stated in this Annual Report.

12. TECHNOLOGY INITIATIVES

The Indian financial sector is becoming both more strategically focused and technologically advanced to respond to consumer expectations while trying to defend market share against an increasing array of competitors. A great deal of emphasis is being placed on digitizing core business processes and reassessing organizational structures and internal talent to be better prepared for the future. This transformation illustrates the increasing desire to become a 'digital institution'.

The management of your Company realizes that and has been investing in technological up-gradation and also fine-tuning the systems and processes to ensure that those are in sync with the technology platforms. With the goal aimed to the future

and service aimed to customers, both 'Internal' & 'External', we have established a strategic Unit named as "Process and Digital Excellence Group" (PDEG).

PDEG is driving innovation and developing new solutions for Ess Kay that take advantage of new age digital technologies, data, advanced analytics and new delivery platforms that has never been more important. With PDEG we have started seeing our organization innovate in customer experience enhancement, expanding swift services, re-configuration of operational processes, delivering proactive advice and excelling in collection processes.

Transformational foundation stone have been laid out in late 2018 and these efforts will only increase in 2019, as we revolutionize our services with best in class processes and digital technologies. As part of this we are experimenting with technologies such as gamified mobile based applications, AI enabled bots and Machine Learning based reporting solutions to enhance both delivery and contextual personalization. We also leverage Design thinking methodology blended with systematic Agile Six sigma delivery routine to build and deliver right design solutions. All this we do is by keeping our customers at front and center.

- **Project Oxygen:** This project is initiated with a goal to transform internal processes by leveraging best practices and technological advances. The delivery of the project was to set correct and directional pathway towards larger transformation. Project Oxygen has been successfully kicked off in Oct'18 and within a short span of 4 months we are seeing exceptional results coming in terms of loan disbursement timelines, collection efficiencies and customer service. This is resulting in greater customer experience and better employee satisfaction.
- **SKiB Board:** Termed as "SKiB Board" within organization, it is one of the most crucial and important Information management tool that shall be used to track KPIs, metrics, and other key data points relevant to business, department and/or specific process. 'SKiB Board' stands for SKiB Intelligent Business Dash Board. Through the interactive data visualizations, this reporting tool and mobile app simplify complex data sets and enable users to take faster decisions with awareness of current performance vis a vis targets or thresholds.

We understand that future shall be competitive data-driven era and speed to insight will become critical for success. Predictive models shall have little value unless they're rapidly operationalized for use within business. We shall develop such methodology to make huge strides by providing data insights and our aim is to deliver proactive "intelligent" dashboards with machine learning. This journey will begin once we complete initial stage of automating the standard reports and creation of robust master data.

The dashboard shall be user friendly as well as secured with best in class framework. The capabilities include not only mobility solutions but also provide great user experience through drill down reporting feature jelled up with near real time data access

- **Intelligent Personal Assistant (for SME vertical):** This is one of the most prestigious delivery in the SK technology domain provided to ensure the data to drive the customer engagement. This help the Sales personnel by using data-driven suggestions and insights. It helps relationship managers and sales teams to engage better with customers and use time effectively, with less manual inputs.

Few of the many capabilities are as listed below:

- Leading Interfaces and Technology Capabilities
- Machine learning and Artificial Intelligence
- Recommendation Engine (Sales Buddy)
- Cognitive intelligence and conversational UI
- KPI Driven Gamification (300+ Configurable KPIs)
- Geo-intelligence and Workflow automation
- Data-less Entry, contextual alerts via Mobile
- Gamified learning, sales people toolkit
- Frontline Performance Dashboard

- **Chabot:** The average person uses 3–5 apps per day and the big app purge is not long away. Apps have made content delivery harder by putting multiple friction points: Finding the Right App, Signing up & Signing In, Learning a New UI, Remembering the App. As a result, only a handful of apps have risen to the top and occupy valuable mind estate and these are the apps we use every day. The other 99.99% of apps are sitting on the sideline, their tech goes unused.

Through Simplicity Bots can solve this Problem. Bots user experience is ultra-fast and simple. Infect it is so simple, that it might be comparable to picking fruit from a tree -something humans have been doing for 100K years+. No matter what fruit you are picking, the user experience is similar while the reward is different.

One of the main advantages with bots is that they offer instant access to value while eliminating friction. There is no sign in or sign up process, like an app or a website, and since the bot already has access to system it can personalize information to you instantly.

Additionally, bots UI is standard so there will be no new UI to learn. First time users can get immediate value and solve their problems more quickly.

- **Loan Origination System :** Last year we have implemented mobile enabled LOS system which enabled faster turn-around time for our lead generation process. The mobile enabled system provides our personnel to capture and feed in details without any location constraint with real time sync up with system.
- **Loan Management system :** Along with Loan origination system, Loan Management system (LMS) was also introduced within the organization providing system base. LMS system is used extensively to manage all the transactions during the loan lifecycle.
- **Collections Management system :** Collections is run digitally with multiple drives providing agility to the team for better management. This havelead to bringing down the NPAs along with real time updates. The reporting structure uses the data from system extensively providing real time reports to the team and management driving us to achieve results more efficiently.

We at Ess Kay are already working on the same to take a great leap with our Business completion in terms of Service delivery, Customer Onboarding, Retention and working towards better environment via Paperless delivery. Via this we shall be able to deliver great user experience with minimum intervention and negligible scalability costs.

13. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company, which occurred between

the end of the financial year to which this financial statements relate and the date of this report.

14. DIRECTORS& KMP

a) Changes in Directors

During the financial year 2018-19, the following changes have been made in directorships of the Company:

1. Resignation:

- Mr. Amar Chand Chug, Independent Director of the Company has resigned from the Board w.e.f. May 08, 2018
- Mr. Rahul Bhasin, Nominee Director on behalf of Baring Private Equity India AIF has resigned from the Board (w.e.f. September 05, 2018). Consequently, Mr. Munish Dayal, Alternate Director in place of Mr. Rahul Bhasin, Nominee Director of the Company was ceased from the board on the same date i.e. September 05, 2018.

The Board of Directors placed on record their deep appreciation for the assistance and guidance provided by Mr. Amar Chand Chugh and Mr. Rahul Bhasin during their tenure as Directors of the Company. The Company benefitted immensely from their rich Management Experience.

2. Appointment:

- Mr. Munish Dayal has joined the Company as Nominee Director on behalf of Baring Private Equity India AIF (Domestic Investor) w.e.f. September 05, 2018.
- Mr. Anand Raghvan was appointed as an Additional Director (Independent) of the Company, w.e.f April 07, 2018. Members of the Company had appointed him as Director on the Board of the Company in 24th Annual General Meeting of the Company held on September 11, 2018.
- Your Directors vide Board Meeting held on 31st October, 2018 and on the recommendation of the Nomination and Remuneration Committee had appointed Mr. Gaurav Trehan (DIN: 03467781) as Nominee Director. Mr. Gaurav Trehan is serving as a nominee of TPG Growth IV SF PTE. Ltd on Board of Company.

His terms and conditions of the appointment are governed by the Shareholder's Agreement dated 23rd October, 2018 entered into by and between the Company and TPG Growth IV SF PTE. Ltd.

3. Retire by Rotation

- Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Shalini Setia, (DIN:02817624), Whole Time Director of the Company, who was retired and being eligible, was re-appointed with the approval of members at the Annual General Meeting held on 11th September, 2018.
- Further, in accordance with the provisions of the Companies Act, 2013 and the articles of Association of the Company, Mr. Munish Dayal, (DIN: 01683836), Director of the company retires at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

b) Key Managerial Personnel

Pursuant to the provisions of section 203 of the Companies Act, 2013 read with the rules made thereunder, the following are the key managerial personnel of the company:

- Mr. Rajendra Kumar Setia, Managing Director
- Mrs. Shalini Setia, Whole Time Director
- Mr. Atul Arora, Chief Financial Officer
- Ms. Anagha Bangur, Company Secretary

c) Declaration by an Independent Director(s)

The Company has received declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

d) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. Also, the Nomination and Remuneration Committee has carried out evaluation of every director's performance and reviewed the self-evaluation submitted by the respective directors. Further, the Independent Directors at their meeting, reviewed the performance and role of non-independent directors and the Board as a whole and Chairman of the Company. Further, the Independent Directors at their meeting had also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that was necessary for the Board to effectively and reasonably perform their duties. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report forming part of this report as **Annexure VI**.

e) Selection Process

Pursuant to the 'Fit and Proper' Policy adopted by the Company under the RBI Master Directions for NBFCs, the Company has received the 'Fit and Proper' declarations from Mr. Gaurav Trehan, Mr. Munish Dayal and Mr. Anand Raghvan for their respective appointment, as Directors of the Company, which have been taken on record by the Nomination and Remuneration Committee.

The selection and appointment of Directors of the Company is done in accordance with the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Guidelines issued by the RBI and the relevant provisions of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 relating to Corporate Governance.

15. BOARD MEETINGS

Minimum four pre-scheduled Board meetings are held annually. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

During the financial year 2018-19, 10 (Ten) meetings of the Board of Directors were held and the related details, including that of various committees constituted by the Board, are made available in the Report of Directors on Corporate Governance (Annexure VI) forming part of this annual report placed before the members. The Board met ten times during the year 2018-19 viz.

- Meeting no. 01/2018-19 held on May 08, 2018;
- Meeting no. 02/2018-19 held on May 18, 2018;
- Meeting no. 03/2018-19 held on May 29, 2018;
- Meeting no. 04/2018-19 held on June 28, 2018;
- Meeting no. 05/2018-19 held on August 01, 2018;
- Meeting no. 06/2018-19 held on October 22, 2018;
- Meeting no. 07/2018-19 held on October 26, 2018;
- Meeting no. 08/2018-19 held on October 31, 2018;
- Meeting no. 09/2018-19 held on November 01, 2018;
- Meeting no. 10/2018-19 held on February 21, 2019

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Secretarial standards on meetings of board of directors issued by ICSI.

16. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

In accordance with the provisions of Section 178 of the Act, the Board of Directors have adopted Nomination and Remuneration Policy. The Policy is available at <http://www.skfin.in/disclosures.php>

The Nomination and Remuneration Policy for Directors, Key Managerial Personnel and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Policy aims to ensure that the level and composition of the remuneration of the Directors, Key Managerial Personnel and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company.

Further, The Company has also adopted a 'Fit and Proper' Policy for ascertaining the 'Fit and Proper' criteria to be adopted at the time of appointment of directors and on a continuing basis, pursuant to the RBI Master Directions for NBFCs.

17. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's well defined organisational structure, documented policies, guidelines, defined authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its systems and undertakes review of policies. The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements, its reporting and other data. The Audit Committee of the Board reviews internal audit reports given along with management responses. The Audit Committee also monitors the implemented suggestions. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively. The statutory auditors of the Company have also certified on the existence and operating effectiveness of the internal financial controls relating to financial reporting as of March 2019.

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of the Board's report as **Annexure VII**.

18. BOARD COMMITTEES

- Your Company has 7 committees of Board, viz.
1. Audit Committee
 2. Nomination and Remuneration Committee
 3. Asset Liability Committee
 4. Corporate Social Responsibility Committee
 5. Risk Management Committee
 6. Executive Committee
 7. IT Strategy Committee

Details of all the Committees along with their composition, terms of reference and meetings held during the year and attendance thereat are provided in 'Report on Corporate Governance' forming part of the Annual Report as **Annexure VI**.

19. STATUTORY AUDITORS

Pursuant to Sections 139 & 142 of the Act, M/s B S R & Co. LLP, Chartered Accountants, Mumbai (Membership Number: 101248W/W-100022), were appointed as the Statutory Auditors of the Company at 24th Annual General Meeting ("AGM") for a period of five years i.e. till the conclusion of the 29th AGM of the Company.

As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written certificate from M/s B S R & Co. LLP, Chartered Accountants, Mumbai (Membership Number: 101248W/W-100022) to the effect that they confirm with the limits specified in the said Section and that they are not disqualified for appointment within the meaning of Section 141 of the said Act.

20. AUDITORS' REPORT

There is no reservation or adverse remark contained in the Auditor's Report attached to Financial Statements of company as at 31st March, 2019 except the following qualification.

Information referred in Auditor's Report are self-explanatory and do not call for any further comments.

Auditor's Qualification

As per the applicable Standards, the auditors of the company noted lack of control relating to timely recording and maintaining contemporaneous documentary evidence for cash collections from borrowers towards loan interest/installments at year end, which could potentially impact recording of cash collections and consequently impact loan balances and related accounts at reporting period. Further they stated that this weakness do not affect the financial statements of the company.

Management's Reply

The company works in a dynamic business environment and adopts suitable internal financial controls, generally accepted practices in the business segment in which company operates. Moreover, the company is taking all the necessary steps to ensure compliance of applicable Standards. However, the management will take appropriate steps for the observation made by the Statutory Auditors.

However, as per the provisions of the Companies (Amendment) Act, 2017, the requirement for ratification of appointment of statutory auditor at every Annual General Meeting of the Company has been omitted and therefore, ratification of appointment of statutory auditors for the financial year 2019-20 has not been sought from the members of the company.

Further, the Auditors have not reported any incident of fraud in the Company for the year under review under section 143(12) of the Companies Act, 2013

21. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the board of directors had appointed M/s V. M. & Associates, Practicing Company Secretaries (Firm Registration No P1984RJ039200) to undertake the secretarial audit of the company for the financial year ended 2018-19.

Your Directors are pleased to inform that there was no qualification, reservation or adverse remark or disclaimer in the audit report for the financial year 2018-19. The Secretarial Audit Report in form MR-3 is annexed herewith which forms part of this report and marked as **Annexure I**.

The Board has re-appointed M/s V. M. & Associates, Practicing Company Secretaries, Jaipur (Firm Registration No P1984RJ039200) as Secretarial Auditor of the Company to carry out secretarial audit of the Company for the financial year 2019-20.

22. RISK MANAGEMENT

Your Company considers that risk is an integral part of its business and therefore, it takes proper steps to manage all risks in a proactive and efficient manner. The Board has formed a Risk Management Committee to identify the risks impacting the business, formulate strategies/ policies aimed at risk mitigation as part of risk management. Further, a core team comprising of senior management has also been formed to identify and assess key risks, risk appetite, tolerance levels and formulate strategies for mitigation of risks identified in consultation with process owners. The details of the Risk Management Framework and issues related thereto have been explained in the Management's Discussion and Analysis Report, which is provided as an Annexure VII to this report.

The Risk Management Committee (RMC), functions in line with the Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015. On the recommendation of the Committee, the Company has adopted a Risk Management policy, whereby, risks are broadly categorized into Strategic, Operational, Compliance and Financial & Reporting Risks. The Policy outlines the parameters of identification, assessment, monitoring and mitigation of various risks which are key to the business performance.

There are no risks which, in the opinion of the Board, threaten the very existence of your Company.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantees given or securities provided or acquisition of securities by a Non-Banking Finance company in the ordinary course of its business are exempted from disclosure in the Board's Report.

24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the related party transactions are placed before the Audit Committee for approval. All the related party transactions that were entered during the financial year are done on arm's length basis.

Particulars of contracts or arrangements with the related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013 are disclosed in Form No. AOC -2 and the same forms part of this report as Annexure II. All the Related Party Transactions as required under AS-18 are reported in the Notes to the financial statement.

The Company has adopted a Policy and a Framework on Related Party Transactions for the purpose of identification, monitoring and approving of such transactions. The said Policy is available at <http://www.skfin.in/disclosures.php>

25. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The company has a separate Committee for monitoring CSR activities and programs undertaken by the Company. The composition of the CSR Committee, average net profits of the Company for the past three financial years, prescribed CSR expenditure and details of the amounts spent by the Company on CSR activities during the year under review, have been provided as **Annexure III** to this report.

The Company's Corporate Social Responsibility Policy which has been reviewed and approved by the CSR Committee has been hosted on the website of the Company at <http://www.skfin.in/disclosures.php>

26. SHARE CAPITAL

- I. Authorized Share Capital: During the year under review company has not increased its authorized share capital whereas equity Shares of Rs 100/- each has splitted into 50 equity shares of Rs. 02/- each. Now, Authorized Share Capital of the Company is Rs. 5,75,00,000/- (Rupees Five Crore Seventy Five Lakhs) divided into 2,87,50,000(Two Crores Eighty Seven Lakhs Fifty Thousand) equity shares of Rs 02/- each.
- II. Issued and paid up Share Capital:
 - The company has allotted 7,54,650 equity shares of Rs. 02/- each to Mr. Rajendra Kumar Setia pursuant to conversion of 15093 warrants.
 - The Company has allotted 47,15,529 new equity shares of Rs. 02/- each at a premium of Rs. 594.29/- per share on preferential basis, consequently paid up capital was stood at Rs. 4,60,32,258/- divided into 2,30,16,129 equity shares of Rs. 02/- each.
- III. Details of shareholding pattern are given in Form No. MGT-9, which forms part of this report and marked as Annexure IV.

A brief profile of Private Equity partners participating in the current round of equity infusion is detailed below:

Norwest Venture Partners X – Mauritius: Norwest Venture Partners is a global, multi-stage investment firm that manages approximately \$6 billion in capital and has funded more than 600 companies since inception which is focused on Technology, Information Services, Business Services, Financial Services, Consumer Products/Services and Healthcare. Norwest India is an advisor to Norwest's Mauritius subsidiary. Equity Investments are in line of \$20 Mn to \$100 Mn.

Evolve Invest I is the first independent India-focused hybrid private equity fund with aggregate capital commitments of USD 250 million. EIF II is a USD 300 Mn India-dedicated hybrid private equity fund, with a strategy of investing in private equity funds and co-investing alongside them. EIF II will invest primarily into the small and mid-market space with focus on Indian consumption driven strategies. EIF II is backed by Abu Dhabi Investments.

TPG incubated in a family office in United State in 1992 headquartered in Fort Worth and San Francisco, TPG now has over \$84 billion under management with investment and operational teams in 16 offices around the world. TPG has invested in more than 400 companies and built a diverse set of asset classes, including private equity, growth equity, public equity, credit, and real estate. Additionally TPG has a long history and established track record in India that spans large buyouts, growth equity, and impact investing.

27. EXTRACT OF THE ANNUAL RETURN

The extract of the annual return as required under section 92(3) of the Companies Act, 2013 and Rule 12(1) of The Companies (Management and Administration) Rules, 2014, in Form No. MGT-9 is annexed herewith which forms part of this report as Annexure IV.

28. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 ('the Act') read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in this Report and marked as Annexure-V.

29. DEPOSITS FROM PUBLIC

Being a non-deposit taking Company, your Company has not accepted any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 and provisions of the Companies Act, 2013 and shall not accept any deposits from the public without obtaining prior approval of the RBI.

30. DEPOSITS FROM DIRECTORS

During the financial year 2018-19, Company has not borrowed any amount from its Directors.

31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

- (A) CONSERVATION OF ENERGY-
 - (i) the steps taken or impact on conservation of energy;
 - The operations of your Company are not energy intensive. However, adequate measures have been initiated for conservation of energy wherever possible.
 - (ii) the steps taken by the company for utilizing alternate sources of energy;
 - The Company is exploring alternative source of energy, as and when the necessity arises.
 - (iii) the capital investment on energy conservation equipment; NIL
- (B) TECHNOLOGY ABSORPTION-
 - (i) The efforts made towards technology absorption;
 - The minimum technology required for the business has been absorbed.
 - (ii) The benefits derived like product improvement, cost reduction, product development or import substitution; NIL
 - (iii) In case of imported technology; Not applicable
 - (iv) The expenditure incurred on Research and Development: NIL
- (C) FOREIGN EXCHANGE EARNINGS AND OUTGO –
 - The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.
NIL

32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Report and marked as Annexure VII.

33. CORPORATE GOVERNANCE

Ess Kay is committed to the highest standards of corporate governance, and setting industry-leading benchmarks. Our goal is to promote and protect the long-term interest of all stakeholders, and to that end, our philosophy of Corporate Governance is built on a foundation of ethical and transparent

business operations and is designed to inspire trust among all stakeholders, strengthen the Board and management accountability. The report on corporate governance forms integral part of this annual report as **Annexure VI**.

34. RBI GUIDELINES

The company continues to comply with the applicable regulations and guidelines of the Reserve Bank of India as applicable to a Non-Banking Non Deposit Taking Systemically Important Asset Finance Company ('NBFC-ND-SI-AFC'). As a prudent practice, your Company makes accelerated provisioning for Non-Performing Assets (NPAs) than that required by RBI for NBFCs. The company has submitted returns with RBI on timely basis.

During the year, there were no frauds have been reported by the Company. Further, the Company has complied with its reporting requirements, including reporting to RBI, in terms of the Master Circular on monitoring of frauds in NBFCs dated July 1, 2015, as amended from time to time.

35. LISTING OF SECURITIES

During the year, the company has raised Non-Convertible Debentures through private placement which are listed on Wholesale Debt Segment Market at BSE Ltd. The Company has listed its eight more tranches of debentures and equity shares of the company are not listed.

36. POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

Ess Kay has zero tolerance towards sexual harassment and has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place in accordance with the provisions of the Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. The policy is fleshed on website of the company at <http://www.skfin.in/disclosures.php>. The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19:

Complaints at the beginning of the year	Complaints received during the year	Complaints resolved during the year	Complaints pending at the end of the year
NIL	NIL	NIL	NIL

37. NOTICES RECEIVED/PENALTY IMPOSED NIL

38. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There were no significant material orders passed by the Regulators/ Courts / Tribunals which would impact the going concern status of the Company and its future operations.

39. FAILURE TO IMPLEMENT ANY CORPORATE ACTION NIL

40. STATEMENT OF DEVIATION(S) OR VARIATION(S)

During the financial year 2018-19, Company has issued the 47,15,529 equity shares on preferential basis and no deviation was therein the use of proceeds from the objects stated in the private placement offer letter.

41. VIGIL MECHANISM

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent

victimization, discrimination or disadvantage.

A whistleblowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The Policy is available on the website of the Company <http://www.skfin.in/disclosures.php>

During the year, no whistle blower event was reported and mechanism is functioning well. No personnel have been denied access to the Audit Committee.

42. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby stated that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

43. DETAILS OF EMPLOYEE STOCK OPTIONS

During the financial year 2018-19, the Company has granted 5,66,000 (Five Lakhs Sixty Six Thousand) Employee Stock Options to its employees at an exercise price of 249.35 (rupees Two Hundred Forty Nine and Thirty Five Paise).

ACKNOWLEDGEMENTS

Our Directors wish to place on record their appreciation of the contributions made by employees at all levels, towards the continued growth and prosperity of your Company and also to business constituents, banks and other financial institutions and shareholders, of the Company for their continued support.

For and on behalf of the Board of Directors
For Ess Kay Fincorp Limited
(Erstwhile Ess Kay Auto Finance Private Limited)
Sd/-

Rajendra Kumar Setia
Managing Director
Din No: 00957374

Sd/-
Shalini Setia
Whole-Time Director
Din No: 02817624

Place: Jaipur
Date: May 03, 2019

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,
Ess Kay Fincorp Limited
(Erstwhile Ess Kay Auto Finance Private Limited)
G 1-2, New Market, KhasaKothi
Jaipur- 302 001 (Rajasthan)**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ess Kay Fincorp Limited [Erstwhile Ess Kay Auto Finance Private Limited]** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the Audit Period)**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (repealed w.e.f. 9th December, 2018) **(Not applicable to the Company**

during the Audit Period)

- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 notified on 9th December, 2018; **(Not applicable to the Company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (repealed w.e.f. 11th September, 2018); **(Not applicable to the Company during the Audit Period)**
- (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 notified on 11th September, 2018; **(Not applicable to the Company during the Audit Period)**
- (k) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) As confirmed, following other laws are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:
 - (a) The Reserve Bank of India Act, 1934;
 - (b) Non-Banking Financial Company - Systemically Important Non - Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
 - (c) Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
 - (d) Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;
 - (e) Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;
 - (f) Master Direction – Information Technology Framework for the NBFC Sector; and
 - (g) Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 2016

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreement entered into by the Company with BSE Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, independent director(s) were present at Board Meetings which were called at shorter notice to transact business which were considered urgent by the management in compliance of Section 173(3) of the Act. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:

- (a) Duly passed the resolutions under section 180(1)(a) and 180(1)(c) of the Act, read with its applicable rules, as amended for borrowing limits to the extent of Rs. 2,500 Crores (Rupees Two Thousand Five Hundred Crores Only);
- (b) Subdivided Equity Share of face value of Rs. 100/- (Rupees Hundred Only) each into 50 (Fifty) Equity Shares of face value of Rs. 2/- (Rupees Two Only) each;

To,
The Members,
Ess Kay Fincorp Limited
(Erstwhile Ess Kay Auto Finance Private Limited)
G 1-2, New Market, KhasaKothi
Jaipur- 302 001 (Rajasthan)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

- (c) Issued and allotted 47,15,529 (Forty Seven Lakh Fifteen Thousand Five Hundred and Twenty nine Only) fully paid-up equity shares having face value of Rs. 2 (Rupees Two Only) each at premium of Rs. 594.29/- (Rupees Five Hundred Ninety Four and Twenty Nine paise Only) per share aggregating to Rs. 281,18,22,787.41/- (Rupees Two Hundred and Eighty One Crores Eighteen Lakhs Twenty Two Thousand Seven Hundred Eighty Seven and Forty One Paise Only) on private placement basis;
- (d) Approved the Esskay Employees Stock Option Plan 2018 with options exercisable into not more than 5,66,000 (Five Lakh Sixty Six Thousand) equity shares of the Company;
- (e) Issued and allotted 50,08,000 (Fifty Lakhs Eight Thousand) Redeemable Non-Convertible Debentures aggregating to Rs. 625 Crores (Rupees Six Hundred Twenty Five Crores Only) on private placement basis in multiple tranches;
- (f) Allotted 7,54,650 (Seven Lakh Fifty Four Thousand Six Hundred and Fifty) equity shares pursuant to conversion of 15,093 (Fifteen Thousand and Ninety Three) share warrants;
- (g) Altered the provisions of Memorandum and Articles of Association in terms of provisions of the Act;
- (h) Approved the utilization of Securities Premium Account in writing off the issue expenses upto Rs. 5 Crores (Rupees Five Crores Only).

Place: Jaipur
Date: May 03, 2019

For V. M. & Associates
Company Secretaries
(ICSI Unique Code P1984RJ039200)

Sd/-
CS Manoj Maheshwari
Partner
FCS 3355
C P No. : 1971

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.1.

Annexure A

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Jaipur
Date: May 03, 2019

For V. M. & Associates
Company Secretaries
(ICSI Unique Code P1984RJ039200)

Sd/-
CS Manoj Maheshwari
Partner
FCS 3355
C P No. : 1971

FORM NO. AOC.2

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

- (a) Name(s) of the related party and nature of relationship: N.A
(b) Nature of contracts/arrangements/transactions: N.A
(c) Duration of the contracts/arrangements/transactions: N.A
(d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A

- (e) Justification for entering into such contracts or arrangements or transactions: N.A
(f) Date(s) of approval by the Board: N.A
(g) Amount paid as advances, if any: N.A
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: N.A

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of Related Party and Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date (s) of approval by the Board, if any	Amount paid as advances, if any
	(a)	(b)	(c)	(d)	(e)	(f)
1	Shubham Leasing & Finance Co.- Brother of Rajendra Kumar Setia (Managing Director) is Proprietor	Availing or rendering of Services - Acting as Commission Agent	2 years	Shubham Leasing is sourcing agent for Ess Kay and Ess Kay will remit variable commission to Shubham Leasing against the loans originated by them. Payment shall be made on monthly basis. Ceiling Limit for Availing or rendering of service – Rs. 3 Crores	08/05/2018	Nil
2	Surendra Kumar Setia Brother of Rajendra Kumar Setia (Managing Director) is Proprietor	Availing or rendering of Services -Acting as Commission Agent	3 years	Surendra Kumar Setia is a DSA, who will provide loan cases to Ess Kay and Ess Kay will remit variable commission to Surendra Kumar Setia against the loans originated by him. Payment shall be made on monthly basis. Ceiling Limit for Availing or rendering of service – Rs. 3 Crores	06/02/2018	Nil
3	Sharma Brothers- Brother of Rajendra Kumar Setia (Managing Director) is Partner	Availing or rendering of Services - Facilitates Vehicle Running & Maintenance	3 years	Sharma brothers are a fuel station, company purchase fuel for company owned vehicles. The rate of fuel charged is same as of an unrelated party in the normal course of business and hence justifies Arm's Length Price. Ceiling Limit for Availing or rendering of service – Rs. 3 Crores-Value of fuel purchased shall not exceed Rs. 25 lakhs	06/02/2018	Nil
4	Raj Kumar Setia- Brother of Rajendra Kumar Setia (Managing Director) is Proprietor	Availing or rendering of Services -Acting as Commission Agent	3 years	Raj Kumar Setia is a DSA, who will provide loan cases to Ess Kay and Ess Kay will remit variable commission to Raj Kumar Setia against the loans originated by him. Payment shall be made on monthly basis. Ceiling Limit for Availing or rendering of service – Rs. 3 Crores	06/02/2018	Nil
5	Rakam Credit Private Limited- Brother of Rajendra Kumar Setia (Managing Director) is Director	Availing or rendering of Services -Acting as Commission Agent	3 years	Rakam Credit is SME Business Origination. And commission is paid on Disbursement value at market prevailing rates. Value of services is upto Rs 3Crore.	06/02/2018	Nil

6	Infra soft private limited –(Mr. Munish Dayal who is Director)	Availing or rendering of Services - Service Provider for IT Services	2 years	Infrasoft Technologies Limited is a software company which shall create a ChatBot for the Company and the same shall be for 6 domains along with different horizontal.	21/02/2019	Nil
7	Mr. Sameer Arora- Brother of Shalini Setia (Whole Time Director)	Appointed as Senior VP	Regular	Appointed as Senior VP at a payout of Rs. 44,42,669 per annum and be broken into various components as per HR policy of the company. He shall be entitled to medical reimbursement, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the company's HR policy. Ceiling limit Rs. 60 Lacs per annum	Board Approval 21/02/2019 Shareholder Approval 18/03/2019	Nil
8	Mr. Sanjiv Arora- Brother of Shalini Setia (Whole Time Director)	Appointed as Yard Manager	Regular	Appointed as Yard Manager at a payout of Rs. 60,000 per month and be broken into various components as per HR policy of the company. He shall be entitled to medical reimbursement, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the company's HR policy.	08/05/2018	Nil
9	Yash Setia- Son of Rajendra Kumar Setia (Managing Director)	Appointed as Strategy Head	Regular	Appointed as Yard Manager at a payout of Rs. 60,000 per month and be broken into various components as per HR policy of the company. He shall be entitled to medical reimbursement, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the company's HR policy.	08/05/2018	Nil
10	Diamond Capfin Private Limited Brother of Rajendra Kumar Setia (Managing Director) is Director	Trade Advance	3 year	Ess Kay will provide Trade Advance to Diamond Capfin Private Limited at prevailing market interest rates Interest is compounded annually payable at quarterly intervals. TA facility is provided to originate more business of Ess Kay. Value to total trade advance shall not exceed Rs. 1 crore.	06/02/2018	Nil
11	Ms. Shalini Setia (Whole Time Director)	Rent	9 Years 11 Months	Lease agreement between company and Mrs. Shalini Setia for a consideration of Rs. 2.5 Lakhs per month plus GST and other applicable Taxes or duties with escalation of 5% per annum.	19/05/2017	Nil

 Place: Jaipur
Date : May 03, 2019

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

 Sd/-
Rajendra Kumar Setia
Managing Director
Din: 00957374

 Sd/-
Shalini Setia
Whole-Time Director
Din: 02817624

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR Policy and projects or programs.

Corporate Social Responsibility is deeply rooted in the Ess Kay's business philosophy. The company have a sense of responsibility towards making use of its existing resources and knowledge to not only make profits but also solve social and environmental issues. The Company commits itself to contribute to the society, discharging its corporate social responsibilities through initiatives that have positive impact on society at large, especially the community in the neighborhood of its operations by improving the quality of life of the people, promoting inclusive growth and environmental sustainability.

During F.Y. 2018-19, Ess Kay has undertaken various activities in the sectors of:

- **Education:** Our endeavour is to spark the desire for learning and enlighten minds. We undertook to fulfil this objective by way of providing quality education initiatives or by financial assistance to the poor and needy students, undertaking to impart vocational training, adult education programs, girl education, other related infrastructure etc.
- **Health Care:** Our goal is to render quality health care facilities which we provided by way of undertaking preventive healthcare programs by way of including but not limited to setting various camps and related infrastructure services, providing of sanitation and making available safe drinking water, etc.
- **Vocational Training & Skill Development:** Promoting education, including special education and employment enhancing vocation skills through a training program 'Indradhanush' for the unemployed youth which will equip them with skills for the unemployed youth which will equip them with skills and knowledge required to develop their potential to meet the future human resources needs of the finance industry.
- **Promoting Relief to Poor** (a) providing Nutrition, Clothing & water harvesting structures for poor children in tribal areas; (b) providing Rain Roof water Harvesting Structures to poor families; sponsoring cataract surgeries for poor & needy patients; and operational Mobile Medicare Unit;

Company has implemented all CSR activities through implementing Agencies and other partners like NGOs and other academic institutions Implementation of this policy will be monitored and reviewed periodically. The CSR policy is available on the website of the company at <http://www.skfin.in/disclosures.php>

2. The Composition of the CSR Committee:

The Board of Directors has constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Companies Act 2013("Act"). The composition of the committee as at 31st March 2019 was as under:-

Name of the Director	Status in Committee
Mr. Rajendra Kumar Setia	Chairman
Mr. Amar Lal Daultani	Member
Mr. Anand Raghavan**	Member

**Mr. Amar Chand Chug has resigned with effect from 8th May'2018 and in his place Mr. Anand Raghavan has been appointed as member of CSR Committee.

3. Average net profit (before Tax) of the company for last three financial years

Average net profit: Rs. 27,32,53,610 /-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

The total CSR Budget is Rs.82,00,000/-. The company is required to spend for FY 2017-18 is Rs. 54,65,072/- and Rs. 20,86,355 which is being carry forward from FY 2016-17.

5. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year: Rs 81,75,665/-
- (b) Amount unspent: NIL
- (c) Manner in which the amount spent during the financial year is detailed below.

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through impleme -nting agency
1.	Mid Day Meal Programme	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Rajasthan, Jaipur	9,10,000	9,05,280	42,95,105	Hare Krishna Movement HelpAge India

2.	Adarsh Shiksha Parishad Samiti Jaipur, Jaipur Dialogues Forum, Indradhanush Programme	Promoting education providing quality education initiatives or by financial assistance to the poor and needy students, vocational education, adult education programs, Employment enhancing vocational skills, social business projects	Rajasthan, Jaipur	65,80,000 (Rs. 25,00,000 was approved in previous years whereas CSR Committee has provided Rs. 40,80,000 more for this project.)	65,55,385	1,18,55,816	Adarsh Shiksha Parishad Samiti Jaipur
3.	Hingonia Goshala Project	Ensuring environmental sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;	Rajasthan, Jaipur	7,10,000 (Rs. 5,00,000 was approved in previous years whereas CSR Committee has provided Rs. 2,10,000 more for this project.)	715000	1,88,00,00	Hare Krishna Movement
	TOTAL			82,00,000	81,75,665	1,80,30,921	

Details of implementing agency:

1. Education

a. Adarsh Shiksha Samiti

Adarsh Shiksha Samiti (Adarsh) is a non profit and non government organization working towards women empowerment, education and livelihood promotion. Ess Kay supported the organization to provide education to the under-privileged individuals and nurturing higher education, build better and learned India and the organization basically works to educate population from socially and economically disadvantaged communities.

- b. Ess Kay in its rural endeavor provides primary education in order to address the problem of economic weakness rural families. Its initiatives aim at improving infrastructure in Government schools, providing supplementary education to support children with school learning, building community and parental involvement with school education.
- c. Ess Kay also initiated training program 'Indradhanush' for the unemployed youth which will equip them with skills and knowledge required to develop their potential to meet the future human resources needs of the finance industry. Indradhanush offers practical training and industry exposure to the unemployed youth and provides them skills training in all the key areas required to find gainful employment in the finance sector
- d. Ess Kay participated in Jaipur Dialogue Forum wherein CSR Awareness Program was being held in which company aligns its values with a good thought with positive and philanthropic approach.

2. Healthcare

a. Hare Krishna Movement

Hare Krishna Movement is an affiliated concern of the Akshaya Patra Foundation where we are dedicated to teach simpler and more natural ways of life to society at large. It is also registered as a non profit charitable trust in Jaipur. The Akshaya Patra

Foundation is a not-for-profit organization which strives to eliminate hunger by implementing the Mid-Day Meal Scheme in the government schools and government-aided schools. Alongside, Akshaya Patra also aims at countering malnutrition and supporting the right to education of socio-economically disadvantaged children. The organisation works towards its vision of 'No child in India shall be deprived of education because of hunger.' Our company is partnered with the foundation so that hunger and illiteracy to be eradicated from India.

b. Help Age India

HelpAge India is a leading charity in India working with and for disadvantaged elderly for nearly 4 decades. HelpAge advocates for their needs such as for Universal Pension, quality healthcare, action against Elder Abuse and many more at a national, state and societal level with Central and State governments. It advocates for elder friendly policies and their implementation thereof. It works hand-in-hand with Senior Citizens Associations understanding elder needs working with and for them. The aim is to serve elder needs in a holistic manner, enabling them to live active, dignified and healthier lives.

- c. Ess Kay has organized Blood Donation Camp in which its employees of Head office and Branch offices have participated to donate Blood for this CSR Initiative. The camp was organized in association with SEWAYATAN SWASTHYA KALYAN BLOOD BANK which works for persons who need Blood on urgent basis as well for children suffering from Thalassemia & Leukemia.
- d. Every year Ess Kay organized HIV Day with Faith which is a care centre providing REHABILITATION AND SUPPORT FOR CHILDREN AFFECTED BY HIV & Rays is a charitable organization that cares for children who were born with HIV. Ess Kay aims to unite these special kids with common people in the fight against HIV, to support for people living with HIV, and to commemorate those who have died from an AIDS-related illness.

- e. Ess Kay encouraged patients specially under-privileged individuals/ families suffering from diseases like heart attack, cancer and also many other diseases in order to provide to better life to the individuals.
- f. Also encourage proper drinking water facilities in rural areas where there is scarcity of water supply by building water huts at various areas in Rajasthan and other parts in India.

3. Animal Welfare

a. Hare Krishna Movement

Hare Krishna Movement also focuses to care for stray, abandoned Indian cows, bulls, retired oxen, and orphaned calves. We provide them hay, flour, fresh grass, clean water, medical attention and a place where they can recuperate from injuries and stay peacefully. Ess Kay realized the contribution of cows in sustaining the lives of creatures & living beings Milk

form the cows meets the daily requirement of human being & their dung & urine are utilized for Bio-fuel & natural drug therapy. Company has contributed significant amount to various NGOs where cautious are used to protect & care cows while working with them. Here, cows are properly sheltered & fed with healthy staple. A proper medical treatment, if needed is provided.

4. Reason for not spending the amount mentioned at point 5(c):

NA

- 5. The implementation and monitoring of the CSR Policy is in compliance with CSR objects and Policy of the Company and has been reviewed by CSR Committee and Board at periodical intervals.

Place: Jaipur
Date: May 03, 2019

Sd/-
Rajendra Kumar Setia
Managing Director & Chairman
of CSR Committee

Sd/-
Amar Lal Daultani
Member of CSR Committee

Sd/-
Anand Raghavan
Member of CSR Committee

Form MGT-9

EXTRACT OF ANNUAL RETURN

FOR THE FINANCIAL YEAR ENDED March 31, 2019

[Pursuant to section 92 (3) of the Companies Act, 2013 and Rule No.12 (1) of the Companies (Management and Administration Rules 2014)]

I. REGISTRATION AND OTHER DETAILS:

CIN	U65923RJ1994PLC009051
Registration Date	21 st November 1994
Name of the Company	Ess Kay Fincorp Limited (Erstwhile Ess Kay Auto Finance Private Limited)
Category / Sub- Category of the Company	Company Limited By Shares/Indian Non-Government Company (Registered with the Reserve Bank of India as a Non-Banking Financial Company bearing registration number B-10.00080)
Address of the Registered Office and contact details	G 1-2, New Market, Khasa Kothi, Jaipur-302001 (Rajasthan) Phone: 0141-4161300/200 Email: anagha.bangur@skfin.in
Whether listed company	YES (Privately Placed Debentures are listed at WDM segment of Bombay Stock Exchange)
Name, address and contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited 305, New Delhi House, 27, Barakhamba Road, New Delhi 110 001 Contact Person: John Mathew P: +91 011 43681700/43681702/9873886235 EMAIL ID: john.mathew@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Other financial service activities, except insurance and pension funding activities, n.e.c	64920	95.727%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
	Nil				

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year [As on 01 st April, 2018]				No. of shares held at the end of the year [As on 31 st March, 2019]				% Change during the year
	De-mat	Physical	Total	% of total shares	De-mat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	196101	-	196101	55.882	10391997	-	10391997	45.151	(10.731)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub -Total (A)(1):	196101	-	196101	55.882	10391997	-	10391997	45.151	(10.731)
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters(A) =(A)(1)+(A)(2)	196101	-	196101	55.882	10391997	-	10391997	45.151	(10.731)
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds /UTI	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	1,23,997	-	1,23,997	35.335	11083082	-	11083082	48.154	12.819
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
l) Others (specify)	30,808	-	30,808	8.779	1540400	-	1540400	6.693	(2.087)
Sub-total (B)(1):	154805	-	154805	44.114	12623482	-	12623482	54.846	10.732

Note: Equity share of Rs. 100 each was splitted into 50 equity shares of Rs.02 each at 24th Annual General Meeting held on September 11, 2018.

Category of Shareholders	No. of shares held at the beginning of the year [As on 01 st April, 2018]				No. of shares held at the end of the year [As on 31 st March, 2019]				% Change during the year
	De-mat	Physical	Total	% of total shares	De-mat	Physical	Total	% of total shares	
(2) Non - Institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
I) Indian	-	-	-	-	-	-	-	-	-
II) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i. Individual Shareholders holding nominal share capital upto 1 Lakh	13	-	13	0.004	650	-	650	0.003	(0.001)
ii. Individual Shareholders holding nominal share capital in excess of 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	13	-	13	0.004	650	-	650	0.003	(0.001)
Total Public Shareholding (B)=(B)(1)+(B)(2)	154818	0	154818	44.118	12624132	-	12624132	54.849	10.731
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	350919	-	350919	100.0	23016129	-	23016129	100.0	-

ii. Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Rajendra Kumar Setia	180283	51.375	-	9601097	41.715	-	(9.660)
Rajendra Kumar Setia HUF	1250	0.356	-	62500	0.272	-	(0.084)
Shalini Setia	14542	4.144	-	727100	3.159	-	(0.985)
Yash Setia	13	0.004	-	650	0.003	-	(0.001)
Bhajan Devi Setia	13	0.004	-	650	0.003	-	(0.001)
Total	196101	55.882	-	10391997	45.151	-	(10.731)

iii. Change In Promoters' Shareholding

S.N.	Shareholder's Name	Share holding at the beginning of the year		Cumulative Shareholding of the Company	
		No. of shares	% of Total shares of the Company	No. of Shares	% of Total shares of the company
1	Rajendra Kumar Setia At the beginning of the year	180283	51.375	180283	51.375
	Change during the year				
	✓ Split of shares on 11 th September, 2018	8833867	-		
	✓ Conversion of Warrants 13 th October, 2018	754650	3.279		
	✓ Transfer of Shares to TPG on 31 st October, 2018	(167703)	(0.729)		
	At the end of the year	9601097	41.715	9601097	41.715
2	Rajendra Kumar Setia HUF At the beginning of the year	1250	0.356	1250	0.356
	Change during the year				
	✓ Split of shares on 11 th September, 2018	61250	-		
	At the end of the year	62500	0.272	62500	0.272
3	Shalini Setia At the beginning of the year	14542	4.144	14542	4.144
	Change during the year				
	✓ Split of shares on 11 th September, 2018	712558	-		
	At the end of the year	727100	3.159	727100	3.159
4	Yash Setia At the beginning of the year	13	0.004	13	0.004
	Change during the year				
	✓ Split of shares on 11 th September, 2018	637	-		
	At the end of the year	650	0.003	650	0.003
5	Bhajan Devi Setia At the beginning of the year	13	0.004	13	0.004
	Change during the year				
	✓ Split of shares on 11 th September, 2018	637	-		
	At the end of the year	650	0.003	650	0.003

iv. Shareholding Pattern of Top Ten Shareholders (other than directors, promoters and holders of GDRs and ADRs) :

S.N.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding of the Company	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the company
1	Norwest Venture Partners X – Mauritius At the beginning of the year	85824	24.457	85824	24.457
	Change during the year				
	✓ Split of shares on 11 th September, 2018	4205376	-		
	✓ Allotment of new shares on 31 st October, 2018	1354847	5.887		
	At the end of the year	5646047	24.531	5646047	24.531
2	TPG Growth IV SF PTE. Ltd At the beginning of the year	-	-	-	-
	Change during the year				
	✓ Allotment of new shares on 31 st October, 2018	2904835	12.621		
	✓ Purchase of shares on 31 st October, 2018	167703	0.729		
	At the end of the year	3072538	13.349	3072538	13.349
3	EvolveCoinvest I At the beginning of the year	28876	8.229	28876	8.229
	Change during the year				
	✓ Split of shares on 11 th September, 2018	1414924	-		
	✓ Allotment of new shares on 31 st October, 2018	455847	1.980		
	At the end of the year	1899647	8.254	1899647	8.254
4	Baring Private Equity India AIF At the beginning of the year	30,808	8.779	30,808	8.779
	Change during the year				
	✓ Split of shares on 11 th September, 2018	1509592	-		
	At the end of the year	1540400	6.693	1540400	6.693
5	Karma Holdings Mauritius Limited At the beginning of the year	9,297	2.649	9,297	2.649
	Change during the year				
	✓ Split of shares on 11 th September, 2018	455553	-		
	At the end of the year	464850	2.020	464850	2.020
6	Atul Arora At the beginning of the year	13	0.004	13	0.004
	Change during the year				
	✓ Split of shares on 11 th September, 2018	637	-		
	At the end of the year	650	0.003	650	0.003

v. Shareholding of directors and key managerial personnel:

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the Company
Rajendra Kumar Setia (Managing Director) At the beginning of the year	180283	51.375	180283	51.375
Change during the year				
✓ Split of shares on 11 th September, 2018	8833867	-		
✓ Conversion of Warrants 13 th October, 2018	754650	3.279		
✓ Sale of Shares to TPG on 31 st October, 2018	(167703)	(0.729)		
At the end of the year	9601097	41.715	9601097	41.715
Shalini Setia (Whole Time Director) At the beginning of the year	14542	4.144	14542	4.144
Change during the year				
✓ Split of shares on 11 th September, 2018	712558	-		
At the end of the year	727100	3.159%	727100	3.159%
Anand Raghvan (Independent Director) At the beginning of the year	-	-	-	-
Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
At the end of the Year	-	-	-	-
Gaurav Trehan (Nominee Director) At the beginning of the year	-	-	-	-
Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
At the end of the Year	-	-	-	-
Amar Lal Daultani (Independent Director) At the beginning of the year	-	-	-	-
Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
At the end of the Year	-	-	-	-
Munish Dayal (Nominee Director) At the beginning of the year	-	-	-	-
Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
At the end of the Year	-	-	-	-
Rahul Bhasin (Nominee Director) At the beginning of the year	-	-	-	-
Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
At the end of the Year	-	-	-	-
Amar Chand Chug (Independent Director) At the beginning of the year	-	-	-	-
Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
At the end of the Year	-	-	-	-
Anagha Bangur (Company Secretary) At the beginning of the year	-	-	-	-
Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
At the end of the Year	-	-	-	-
Atul Arora (Chief Financial Officer) At the beginning of the year	13	0.004	13	0.004
Change during the year				
✓ Split of shares on 11 th September, 2018	637	-		
At the end of the year	650	0.003	650	0.003

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,88,03,85,732	1,09,59,37,500	-	8,97,63,23,232
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,75,53,771	4,42,06,354	-	8,17,60,125
Total (i+ ii+iii)	7,91,79,39,503	1,14,01,43,854	-	9,05,80,83,357
Change in Indebtedness during the financial year				
Addition	9,55,10,00,100	-	-	9,55,10,00,100
Reduction	5,28,97,02,511	24,59,37,500	-	5,53,56,40,011
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	12,14,16,83,321	85,00,00,000	-	12,99,16,83,321
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	25,43,47,829	6,34,05,843	-	31,77,53,672
Total (i+ii+iii)	12,39,60,31,150	91,34,05,843	-	13,30,94,36,993

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. Remuneration to Managing Director, Whole-time Directors and/or Manager

S. No.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount (In Rs.)
		Mr. Rajendra Kumar Setia Managing Director	Mrs. Shalini Setia Whole Time Director	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	80,77,116	10,49,124	91,26,240
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961.	1,03,972	93,888	1,97,860
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	81,81,088	11,43,012	93,24,100
	Ceiling as per the Ac	-	-	-

ii. Remuneration To Other Directors

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Anand Ragvhan	Amar Lal Daultani	Amar Chand Chug	Gaurav Trehan	Munish Dayal	
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	415000	415000	115000	-	-	945000
	Total (1)	415000	415000	115000	-	-	945000
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-	70000	70000
	Total (2)	-	-	-	-	70000	70000
	Total (B)=(1+2)	415000	415000	115000	-	70000	1015000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

iii. Remuneration to key Managerial Personnel Other than MD/Manager/WTB

(Amount in Rs.)

S. no.	Particulars of Remuneration	Key Managerial Personnel		
		Anagha Bangur Company Secretary	Atul Arora CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	7,36,180 28,800 0	23,38,010 99,996 0	30,74,190 1,28,796 0
2.	Stock Options	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0
5.	Others, please specify	0	0	0
	Total (A)	7,64,980	24,38,006	32,02,986

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

Date: May 03, 2019
 Place: Jaipur

For and on behalf of the Board of Directors

Sd/-
Rajendra Kumar Setia
 Managing Director
 Din: 00957374

Sd/-
Shalini Setia
 Whole-Time Director
 Din: 02817624

DISCLOSURES ON MANAGERIAL REMUNERATION

Details of remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (As Amended) is provided below:

- a. The ratio of the Remuneration of each director to the median remuneration of the employee's of the company (times) for the FY 2018-19 :

Name	Designation	Remuneration of Directors' to median employees' remuneration (times)
Mr. Rajendra Kumar Setia	Managing Director	135.94
Mr. Shalini Setia	Whole Time Director	12.12

- b. The percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the FY 2018-19 is given below. Further details are given in MGT-9.

Name	Designation	Increase in Remuneration
Mr. Rajendra Kumar Setia	Managing Director	73.67%
Mr. Shalini Setia	Whole Time Director	5.35%
Ms Anagha Bangur	Company Secretary	42.12%
Mr. Atul Arora	CFO	13.76%

- c. The percentage decrease in the median remuneration of employees in FY 2018-19 stood at 14.75%.
- d. No of permanent employees on the rolls of the Company : 2763

- e. Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average percentile increase in the remuneration of all employees other than key managerial personnel was 11.80% for the FY 2018-19. The average increase in remuneration of the Key managerial personnel was 54.12%.

The average percentile increase in the remuneration of both, the managerial and non-managerial personnel was determined based on the overall performance of the Company.

Further, the criteria for remuneration of non-managerial personnel is based on an internal evaluation of key performance areas (KPA's), while the remuneration of the managerial personnel is based on the remuneration policy as recommended by the Nomination & Remuneration Committee and approved by the board of directors.

There were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.

- f. Affirmation that the remuneration is as per the remuneration policy of the company.

The Company affirms that the remuneration is as per the remuneration policy of the Company.

Information as per Rule 5 (2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (As Amended) is provided below:

- a. If employed throughout the financial year ,was in receipt of remuneration for that year which in the aggregate was not less than 1 crore and 2 lakhs : Not Applicable
- b. If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which in the aggregate was not less than 8 lakh 50 thousand Rupees per month : Not Applicable
- c. If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: Not Applicable

Top 10 Employees in terms of Remuneration drawn during the year:

Employee Name	Designation	Nature of Employment (Contractual / On Rolls)	Remuneration (P.A. in INR)	Date of Joining the Company	Educational Qualification	Age	Experience (In Years)	Last Employment	Percentage of the Equity held by the Employees
Rajendra Kumar Setia	Managing Director	On Rolls	1,28,20,868	01-Nov-94	B.Sc.	49	21		41.71
Amarpreet Singh Batra	Product Head Machine	On Rolls	45,25,850	15-Feb-16	B.Tech	42	16	Magma Fincorp Ltd	-
Ritesh Sharma	Head West Zone	On Rolls	61,17,017	01-Jul-99	C.A. Intermediate, B. Com Honors	45	18		-
Harish Kumar Rao	Product Head Commercial Vehicles	On Rolls	37,00,544	01-Jan-16	Post-Graduation in English	49	17	Fullerton India Credit Co Ltd	-
Mihir Vaishnav	Product Head MSME	On Rolls	29,15,718	14-Oct-15	MBA	52	25	ICICI Bank Ltd	-
Sameer Arora	Head North Zone	On Rolls	44,42,669	01-Apr-10	Civil Engineer	54	28	Self Employed	-
Pankaj Sharma	Head Credit & Risk	On Rolls	28,16,062	01-Dec-16	MBA MARKETING INSURANCE	38	16	Magma Fincorp Ltd	-
Atul Arora	CFO	On Rolls	23,55,089	01-Apr-12	C.A.	34	8	Taurian Manganese & Ferro Alloy Cisa	-
Vivek Haripal Singh	Head Treasury	On Rolls	28,76,250	21-Nov-16	C.A.	38	13	Reliance capital limited	
Ritesh Kumar	Deputy Vice President	On Rolls	18,10,456	20-Sep-08	Graduate	40	13		

- None of the employees listed above except Mr. Sameer Arora is a relative of Ms Shalini Setia, director of the company
- None of the employees listed above except Mr. Rajendra Kumar Setia hold 2% or more of the paid-up share capital of the company as at March 31, 2019.

Date: May 03, 2019
Place: Jaipur

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

Sd/-
Rajendra Kumar Setia
Managing Director
Din: 00957374

Sd/-
Shalini Setia
Whole-Time Director
Din: 02817624

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on the Code of Governance

Ess Kay pursues its long-term corporate goals on the bedrock of financial discipline, high ethical standards, transparency and trust. Enhancing shareholders' value protecting the interests of all stakeholders' is a tradition at Ess Kay. Every effort is made to follow best practices in all the functional areas and in discharging the Company's responsibilities towards all stakeholders and the community

2. Board of Directors ('Board')

2.1. Composition and Category

The Company has a judicious mix of Executive and Non-Executive Directors on its Board. There are 6 Directors on the

Board, with 2 Executive Directors which includes one Woman Director, 2 Nominee Directors and 2 Independent Directors.

None of the Directors are director in more than 20 Companies or member of more than 10 Committees or act as Chairman of more than 5 Committees across all Companies in which they are Directors. The Non-Executive Directors are appointed or re-appointed with the approval of shareholders. All the Non-Executive Directors are eminent professionals and bring the wealth of their professional expertise and experience to the management of the Company. The composition of the Board as on 31 March 2019 is as under:

Name of Directors	Category	Designation
Mr. Rajendra Kumar Setia	Promoter & Executive Director	Managing Director
Mrs. Shalini Setia	Promoter & Executive Director	Whole-Time Director
Mr. Amar Lal Daultani	Non-Executive Director	Independent Director
*Mr. Amar Chand Chug	Non-Executive Director	Independent Director
**Mr. Anand Raghvan	Non-Executive Director	Independent Director
***Mr. Rahul Bhasin(Mr. Munish Dayal being an alternate director attended the meeting on behalf of Mr. Rahul Bhasin)	Non-Executive Director	Nominee Director representing Baring Private Equity India AIF (Equity Investor)
****Mr. Munish Dayal	Non-Executive Director	Nominee Director Baring Private Equity India AIF (Equity Investor)
*****Gaurav Trehan	Non-Executive Director	Nominee Director representingTPG Growth IV SF PTE. Ltd (Equity Investor)

* Mr. Amar Chand Chug has ceased to be director with effect from w.e.f. May 08, 2018.

**Mr. Anand Raghvan, Independent Director of the Company was appointed w.e.f April 07, 2018.

***Mr. Rahul Bhasin resigned from the Board w.e.f. September 5, 2018 & cessation Mr. Munish Dayal being Alternate Director to Mr. Rahul Bhasin.

****Mr. Munish Dayal has been appointed as a Nominee Director w.e.f September 5, 2018.

*****Mr. Gaurav Trehan has been appointed as Nominee Director w.e.f October 31, 2018.

2.2 Board Meetings

Being the apex body constituted by shareholders for overseeing the functioning of the Company, the Board evaluates all the strategic decisions on a collective consensus basis amongst the Directors. The Board generally meets 4 times during the year. Additional Board meetings are convened to address the Company's specific needs. During the year Ess Kay's Board met 10 times on 08 May 2018, 18 May 2018, 29 May 2018, 28 June 2018, 01 August 2018, 22 October 2018,26 October 2018, 31 October 2018, 01 November 2018, and 21 February 2019.

The maximum interval between any two consecutive meetings was not more than 120 days. Agenda and Notes on the agenda

are circulated among the Directors, well in advance, in a structured format. All the Agenda items are supported by relevant information, documents and presentation to enable the Board to take informed decisions. Video/tele- conferencing facilities are used to facilitate Directors present at other locations, to participate in the meetings.

The status of attendance of each- Director at Board Meetings and the last Annual General Meeting (AGM) held on 11 September 2018 and the number of Companies and Committees where each of them is a Director/Member/ Chairman as on 31 March 2019 is given below:

Name of Director	Number of shares and convertible instruments held in the Company	F.Y. 2018-19 Attendance at		No. of Directorships in other Companies	Outside Committee Positions Held (**)	
		Board Meeting	Last AGM		Chairman	Member
Mr. Rajendra Kumar Setia	96,01,097	10/10	YES	-	3	3
Mrs. Shalini Setia	7,27,100	1/10	YES	-	0	2
Mr. Amar Lal Daultani	NIL	10/10	YES	2	1	4
*Mr. Amar Chand Chug	NIL	1/10	NO	-	0	0
**Mr. Anand Raghvan	NIL	6/10	NO	6	2	5
***Mr. Rahul Bhasin (Mr. Munish Dayal being an alternate director attended the meeting on behalf of Mr. Rahul Bhasin)	NIL	5/10	YES	2	0	2
***Mr. Munish Dayal	NIL	5/10	YES	9	0	2
****Mr. Gaurav Trehan	NIL	0/10	NO	5	0	5

Membership in other Board

Name of Director	Listed Companies	
	Name of the company	Category of Directorship
Executive & Whole Time Directors		
Mr. Rajendra Kumar Setia	Ess Kay Fincorp Limited	Managing Director
Mrs. Shalini Setia	Ess Kay Fincorp Limited	Whole Time Director
Independent Directors		
Mr. Amar Lal Daultani	Devenio Optimus Advisors Private Limited Viraj Profiles Limited Ativir Stock Broking Private Limited	Director
Mr. Amar Chand Chug	NIL	
Mr. Anand Raghvan	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	Director
Nominee Director		
Mr. Rahul Bhasin	1. Baring Private Equity India Advisors LLP 2. Baring Private Equity India Investment Managers LLP 3. Secova Eservices Private Limited 4. Ta Netgables Private Limited	Director
Mr. Munish Dayal	1. Proactive Data Systems Private Limited 2. Infrasoftware Technologies Limited 3. Infrasoftware Technologies Pte.Ltd., Singapore 4. Infrasoftware Technologies Sdn.Bhd., Malaysia 5. Infrasoftware Technologies Inc.,USA 6. Infrasoftware Technologies Limited, UK 7. Starkarma Realty Holdings 8. Manappuram Home Finance Limited	Director
Mr. Gaurav Trehan	1. Shriram Life Insurance Company Limited 2. Shriram General Insurance Company Limited 3. Five-Star Business Finance Limited 4. Jana Capital Limited 5. Manipal Health Enterprises Private Limited	Director

Non-Executive Directors of the company do not hold shares & Convertible instruments in the company

Skills/Expertise/Competence of Board of Directors

List of core skills/expertise/competencies identified by the Board for efficient functioning of the company. On the present business environment and those skills/expertise/competency actually available in the Board as follows

S.No.	Skills/Expertise/Competencies required by the Board		Status of availability with the Board
1.	Understanding of Business / Industry	Experience and knowledge of NBFCs and Banks.	Yes
2.	Strategy and strategic planning	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's policies and	Yes
3.	Critical and innovative	The ability to critically analyse the information and develop innovative approaches and solutions to the problems.	Yes
4.	Financial Understanding	Ability to analyse and understand the key financial statements, assess financial viability of the projects and efficient use of resources.	Yes
5.	Market Understanding	Understanding of Market.	Yes
6.	Risk and Compliance Oversight	Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks.	Yes

2.3 Pecuniary Relationship or Transactions

There was no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company during the year. None of the Directors are related to any other Directors on the Board except, Mrs. Shalini Setia is spouse of Mr. Rajendra Kumar Setia.

Independent directors are non-executive directors as defined under applicable provisions read with Sections 149 (6) of the Act along with rules framed thereunder. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of Independence and that they are independent of the management.

Mr. Amar Chand Chug, Independent Director who has resigned w.e.f from 8th May 2018 before the expiry of his tenure due to some personal commitment and also confirmed that there is no other material reasons as provided.

3. Committees

The Board has constituted Committees with specific terms of reference/scope to focus effectively on issues and ensure expedient resolution of diverse matters. These are the Audit Committee, Asset Liability Management Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, IT Strategy Committee and Executive Committee. The Company Secretary is the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by circular resolutions which are noted by the Board / respective Committees at their next meetings. The minutes of the meetings of all Committees of the Board are circulated to the Board of Directors, for their noting.

3.1 Audit Committee

3.1.1. Terms of reference

The terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Act, RBI Guidelines and Listing Regulations.

The terms of reference of the Audit Committee include the following:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.
- to review the functioning of the whistle blower mechanism;

3.1.2 Composition and Attendance

The Audit Committee met four times on May 08, 2018, June 13, 2018, August 01, 2018, October 31, 2018 and February 21, 2019.

The Board has accepted all the recommendations made by the Audit Committee during the year. The Board has adopted an Audit Committee Charter which defines the composition of the Audit Committee, its authority, role, responsibilities and powers and reporting functions in accordance with the Act and Guidelines issued by the RBI. The Charter is reviewed from time to time.

The composition and attendance details of the members of the Audit Committee are given below:

Name of the Director	Category	Designation	No. of Meetings in which Director/Member is entitle to attend	
			Held	Attended
# Mr. Anand Raghvan	Non-Executive	Chairman & Independent Director	5	5
*Mr. Amar Chand Chug	Non-Executive	Independent Director	5	1
*Mr. Amar Lal Daultani	Non-Executive	Independent Director	5	5
**Mr. Rahul Bhasin (Mr. Munish Dayal being an alternate director attended the meeting on Behalf Of Mr. Rahul Bhasin)	Non-Executive	Nominee Director	5	2
Mr. Munish Dayal	Non-Executive	Nominee Director	5	3
Mr. Gaurav Trehan	Non-Executive	Nominee Director	5	0

#Mr. Anand Raghvan is the Chairman of the Committee and was present at the last Annual General Meeting held on 11 September and was appointed w.e.f April 07, 2018.

* Mr. Amar Chand Chug has ceased to be director with effect from w.e.f. May 08, 2018.

***Mr. Rahul Bhasin resigned from the Board w.e.f. September 5, 2018 & Mr. Munish Dayal has been appointed as a Nominee Director in place of Mr. Rahul Bhasin.

Mr. Gaurav Trehan has been appointed as an Nominee Director w.e.f October 31, 2018.

4. Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of Section 177 of the Act, RBI Guidelines and Listing Regulations include the following

4.1 Terms of reference

1. Carry out evaluation of performance of all the directors of the Company;
2. Review overall compensation philosophy and framework of the Company;
3. Review outcome of the annual performance appraisal of the employees of the Company;
4. Conduct annual review of the Committee's performance and effectiveness at the Board level;
5. Examine and ensure 'fit and proper' status of the directors of the Company.

4.2 Approval of matters by the Committee

1. Formulate criteria for:
 - a. Determining qualifications, positive attributes and independence of a director;
 - b. Evaluation of independent directors and the Board;
2. Based on the Remuneration Policy of the Company, determine remuneration packages for the following:
 - a. Approve remuneration packages and service contract

terms of Senior Management (all the Direct Reportees to the Managing Director i.e. Excom Members of the Company) including the structure, design and target setting for short and long term incentives / bonus;

- b. Approve framework and broad policy in respect of all employees for increments;
- c. Recommend remuneration package of the Directors of the Company, including Commission, Sitting Fees and other expenses payable to Non-Executive Directors of the Company.
- d. Recommend changes in compensation levels and one time compensation related payments in respect of Managing Director/Whole-time Director/Executive Director.

3. Recommend & review succession plans for Managing Directors;

4. Evolve a policy for authorizing expenses of the Chairman and Managing Director of the Company.

4.3 Composition and Attendance

During the year committee met 3 times on May 08, 2018, October 31, 2018 and February 21, 2019. The composition and attendance details of the members of the Nomination and Remuneration Committee are given below:

Name of the Director	Category	Designation	No. of Meetings in which Director/Member is entitle to attend	
			Held	Attended
Mr. Anand Raghvan	Non-Executive	Chairman & Nominee Director	3	3
Mr. Amar Lal Daultani	Non-Executive	Independent Director	3	3
*Mr. Amar Chand Chug	Non-Executive	Independent Director	3	1
**Mr. Rahul Bhasin (Mr. Munish Dayal being an alternate director attended the meeting on Behalf of Mr. Rahul Bhasin)	Non-Executive	Nominee Director	3	1
Mr. Munish Dayal	Non-Executive	Nominee Director	3	2

*Mr. Amar Chand Chugh ceased to be a member w.e.f. April 6, 2018.

*Mr. Rahul Bhasin has resigned from the post of nominee director & Mr. Munish Dayal was appointed as Nominee Director w.e.f. September 05, 2018 in place of Mr. Rahul Bhasin

Mr. Anand Raghvan, Independent Director of the Company was appointed w.e.f April 07, 2018.

4. Remuneration of Directors

- Executive Directors: Remuneration payable to the Executive Directors are in line with the Act, Listing Regulations and Remuneration Policy for remunerating Directors/KMPs. Remuneration of Executive Director includes salary, perquisites, allowances, retinals viz. superannuation including gratuity and provident fund (fixed component) and commission (variable component). The remuneration to Managing Director and Executive Director is determined by the Nomination and Remuneration Committee which is subsequently approved by the Board of Directors as per the authority given by the shareholders at the General Meeting
- Non-Executive Directors Remunerations to Non-Executive Directors is paid by the way of Sitting Fee for attending the meetings of the Board / Committee. In addition, Independent Directors are paid Commission based on the profits of the Company not exceeding 1% of the net profit calculated in accordance with the Sections 198 of the Companies Act, 2013. The details of the remunerations paid to the Directors during the Financial Year ended 31 March 2019 and details of allowances/perquisites as provided by MGT-9 forming part of the Boards Reports

5. Performance Evaluation

Pursuant to the provisions of the Act, the Company has adopted the Remuneration Policy with the comprehensive procedure on performance evaluation. The Board has carried out the annual performance evaluation of its own performance, of individual Directors, the Chairman and that of its Committee. Also, the Nomination and Remuneration Committee has carried out evaluation of every director's performance and reviewed the self-evaluation submitted by the respective directors. The performance evaluation of the Independent Directors was

carried out by the entire Board, excluding the director being evaluated.

The detailed process of Performance Evaluation is given in the Board's Report.

6. Corporate Social Responsibility (CSR) Committee

6.1 Terms of reference

The Board has constituted CSR Committee to formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company, as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the CSR activities and to monitor the CSR Policy of the Company from time to time. The detailed report on CSR activities as required under The Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached in 'CSR Activities' head to this annual report.

Some of the important terms of reference of the Committee are as follows:

Formulation and ensuring compliance of CSR Policy; Identifying the CSR activities and the geographic distribution of CSR; Identifying structure for CSR implementation; Execution, implementation, monitoring and reporting of CSR activities; Formulate and recommend to the Board for its approval and implementation, the Business Responsibility (BR) Policy of the Company;

- Oversee and review the Company's BR performance;
- Such other acts as may be delegated by the Board from time to time.

6.2 Composition and Attendance

The CSR Committee met once during the year on 08 May 2018 to discharge its functions. The composition and attendance details of the members of the CSR Committee are given below:

Name of the Director	Category	No. of Meetings in which Director/ Member is entitled to attend	
		Held	Attended
Mr. Rajendra Kumar Setia	Executive Director (Chairman)	1	1
Mr. Amar Lal Daultani	Non-Executive & Independent Director	1	1
Mr. Anand Raghvan	Non-Executive & Independent Director	1	1
Mr. Amar Chand Chugh	Non-Executive & Independent Director	1	1
Mr. Gaurav Trehan	Non-Executive & Nominee Director	1	0

7. Risk Management Committee

7.1 Terms of reference

Some of the important terms of reference of the Committee are as follows:

The object of Risk Management Committee is to monitor and review the risk management plans for the Company including identification therein of elements of risks if any, which may threaten the existence of the Company and such other functions. The Board of Directors on the recommendation of the Risk Management Committee has approved the Risk Management Policy for the Company in accordance with the provisions of the Companies Act, 2013.

The Risk Policy document has in its scope, the establishment of

a process for risk assessment, identification of risks both internal and external and a detailed process for evaluation and treatment of risks. The risks identified and the steps taken to mitigate risks shall be reviewed by the Risk Management Committee and shall be placed before the Board.

Further, the Audit Committee and the Board of Directors review the key risks associated with the business of the Company, the procedures in place to assess the risks and the mitigation mechanisms.

7.2 Composition and Attendance

The Risk Management Committee met 2 times during the year on 08 May 2018 and 31 October 2018. The composition and attendance details of the members of the Risk Management committee are given below:

Name of the Director	Category	No. of Meetings in which Director/ Member is entitled to attend	
		Held	Attended
Mr. Rajendra Kumar Setia	Executive Director (Chairman)	2	2
Mr. Shalini Setia	Executive Director	2	1
Mr. Amar Lal Daultani	Non-Executive & Independent Director	2	2
Mr. Gaurav Trehan	Non-Executive & Nominee Director	2	0

Mr. Rajendra Kumar Setia, acts as the Chairman of the Committee.

8. Asset Liability Management Committee

The Asset Liability Management Committee reviews the assets and liabilities position of the Company and gives directions to the finance teams in managing the same. Under the Schedule III of Companies Act, 2013, the classification of assets and liabilities into current and non-current is based on their contracted maturities. The classification of assets and liabilities by the Company into various maturity buckets reflects adjustments for prepayments and renewals in accordance with the guidelines issued by Reserve Bank of India.

8.1 Terms of reference

Some of the important terms of reference of the Committee are as follows:

The ALCO Committee is authorized by the Board:

- to investigate any activity within its terms of reference;
- to seek any information it requires and

- subject to the Company's procedure for seeking external advice, to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The duties of the ALCO Committee shall be:

- To review Asset Liability Mismatch with regard to ALM Statement on Quarterly Basis
- To monitor the asset liability gap and strategize action to mitigate the risk associated.
- Review of the lending facilities and their outstanding status & review of cost of borrowing.

8.2 Composition and Attendance

The Asset Liability Management Committee met 2 times on 08 May 2018 and 31 October 2018 to discharge its functions. The composition and attendance details of the members of the Asset Liability Management Committee are given below:

Name of the Director	Category	No. of Meetings in which Director/ Member is entitled to attend	
		Held	Attended
Mr. Rajendra Kumar Setia	Executive Director (Chairman)	2	2
Mr. Shalini Setia	Executive Director	2	1
Mr. Amar Chand Chug*	Non-Executive & Independent Director	2	2
Mr. Anand Raghvan	Non-Executive & Independent Director	2	2
Mr. Gaurav Trehan	Non-Executive & Nominee Director	2	0

9. Means of Communication with Shareholders

- Half Yearly results
The quarterly/half yearly/un-audited/audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors. These results are simultaneously posted on the web address of the Company at www.skfin.in pursuant to Regulation 47 of Listing Regulations. The results of the Company were published local and national dailies.
- The 'Investors' section on the Company's website keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, etc.
- The half-yearly Financial Results of the Company are submitted to the Stock Exchanges in accordance with the SEBI LODR Regulations and are published in Economic Times and Financial Express and also communicated to the Debenture holders every six months through a half-yearly communication. Official news releases, including the half-yearly results, are also posted on the Company's website <http://www.skfin.net/investors/financial-report>.

- The Management, Discussion and Analysis Report forms a part of this Annual Report.

- Website
The Company's web address is www.skfin.in. The website contains a complete overview of the Company. The Company's Annual Report, financial results, details of its business, shareholding pattern, compliance with Corporate Governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, the distribution schedule, credit ratings and Code of Conduct are uploaded on the website.
- Press releases
Press reports are given on important occasions. They are sent to Stock Exchanges and also placed on the Company's website www.skfin.in
- BSE Corporate Compliance & Listing Centre (the Listing Centre)
BSE's Listing Centre is a web-based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

- d. **SEBI Complaints Redress System (SCORES)**
The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- e. **Fair Practice Code**
The Company adheres to the Fair Practices Code (FPC)

recommended by sector regulator, the Reserve Bank of India seek to promote good and fair practices by setting minimum standards in dealing with customers while doing lending business. Moreover, the comprehensive Know Your Customer (KYC) Guidelines and Anti Money Laundering Standards, is issued by the RBI, in the context of recommendations made by the Financial Intelligence Unit on Reporting Standards.

10. General Body Meeting

- a. Location and time of the last three Annual General Meeting:-

Financial Year	Date	Location of Meeting	Time
2018-19	September 11, 2018	202 (Conference Hall) Second Floor, Adarsh Plaza, KhasaKothi Circle, Jaipur-302001 (Rajasthan)	12:30 p.m.
2017-18	June 12, 2017	Room no. 202, Adarsh Plaza, KhasaKothi, Jaipur -302001 (Rajasthan)	12:30 p.m.
2016-17	July 27, 2016	G1-2, New Market, KhasaKothi, Jaipur -302001 (Rajasthan)	02:00 p.m.

- b. Location and time of the last three Extra Ordinary General Meeting where Special Resolutions has been passed:

Financial Year	Date	Time	Venue	Special Resolution passed
2018-19	June 19, 2018	09:30 A.M.	202, Second Floor, Adarsh Plaza, KhasaKothi Circle, Jaipur – 302001 (Rajasthan)	01/2018-19 EGM was called To Authorize The Board Of Directors With Respect To Increase In The Borrowing Power Of The Board Of Directors Of The Company From Inr 1500 Crores To Inr 2500 Crore Uis 180(1)(C) Of The Companies Act, 2013: And To Authorise The Board Of Directors To Sell, Mortgage, Create Charge On All Or Any Of The Assets Of The Company U/S 180(1)(A) of The Companies Act, 2013
	October 26, 2018	05:00 P.M.	202, Second Floor, Adarsh Plaza, KhasaKothi Circle, Jaipur – 302001 (Rajasthan)	02/2018-19 EGM was called for Approval Of The Issue Of The Subscription Shares On Private Placement Basis
	October 31, 2018	07:00 P.M.	202, Second Floor, Adarsh Plaza, KhasaKothi Circle, Jaipur – 302001 (Rajasthan)	02/2018-19 EGM was called for Adoption Of Restated Articles Of Association, Appointment of Mr. Gaurav Trehan (Din: 03467781) As Director and Approval To Modify The Esskay Employee Stock Option Plan 2018
2017-18	December 5, 2017	10:30 A.M.	202 (Conference Hall) Second Floor, Adarsh Plaza, KhasaKothi Circle, Jaipur-302001 (Rajasthan)	01/2017-18 EGM was called to approve Reclassification Of 1,25,000 Compulsorily Convertible Preference Shares OfRs 100/- Each Into 1,25,000 Equity Shares Of Rs 100/- Each Ranking PariPassu To Existing Equity Shares the company and second item was to approve Issuance Of Equity Shares To: (1) Norwest Venture Partners X – Mauritius; (2) Karma Holdings Mauritius Limited; (3) Baring Private Equity India AIF; And (4) Evolve India Fund Li Ltd On Private Placement Basis.
	December 30, 2017	07:30 P.M.	202 (Conference Hall) Second Floor, Adarsh Plaza, KhasaKothi Circle, Jaipur-302001 (Rajasthan)	02/2017-18EGM was called for (1).Adoption Of New Set Of Articles Of Association (Restated Charter Documents) (2). Appointment Of Mr. Rahul Bhasin As Nominee Director (3).Issue Of Warrants, Convertible Into Equity Shares On Preferential Basis
	March 21, 2018	01.00 P.M.	Hotel Taj Lands End, Bandstand Fort, Byramji Jeejeebhoy Road, Mount Mary, Bandra West, Mumbai, Maharashtra 400050	03/2017-18 EGM was called for Utilisation Of Securities Premium Account

2016-17	September 21, 2016	10:30 AM	G-1&2 New Market, KhasaKothi, Jaipur 302001	01/2016-17 EGM was called to approve the change in name of the company from Ess Kay Auto Finance Private Limited ToEss Kay Fincorp Private Limited
	October 24, 2016	3:00 P.M	G-1 & 2 New Market Khasa Kothi, Jaipur 302001 (Rajasthan)	02/2016-17 EGM was called for private placement of money market instruments like commercial papers and bonds etc.
	December 08, 2016	10.00 A.M	G-1 & 2 New Market Khasa Kothi, Jaipur 302001 (Rajasthan)	03/2016-17 EGM was called to convert the company from private limited to public limited company.
	March 20, 2017	10.00 A.M	G-1 & 2 New Market Khasa Kothi, Jaipur 302001 (Rajasthan)	04/2016-17 EGM was called to give option to lenders to convert their loan into ordinary capital of the Company.

During the Financial year, no special resolutions and ordinary resolutions were being passed by the Postal Ballot

12. General Shareholder Information

25 th Annual General Meeting	Date & Time -15 th June, 2019 at 10:00 A.M. Venue- G 1&2, New Market, KhasaKothi Circle, Jaipur-302001 (Rajasthan)	
Financial Year of the Company	The financial year covers the period from 1 st April to 31 st March and financial results will be declared as per the following schedule :-	
	Half yearly results	Second week of November, 2019
	Yearly results	Second week of May, 2020
Dividend Payment Date	Not Applicable	
Listing of Specified Securities on Stock Exchange	Privately placed Debentures are listed on BSE Limited (BSE) 25th Floor, P.J Towers, Dalal Street, Mumbai 400001 Annual listing fee for all the aforesaid Stock Exchange have been paid for the financial year ended March 31,2019	
Corporate Identity Number(CIN) of the company	U65923RJ1994PLC009051	
Registrars and transfer Agents	Karvy Fintech Private Limited. Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032	
Debenture Trustees	1. Axis Trustee Services Limited Axis Bank Ltd, Corporate Banking Branch, 2nd Floor, Red Fort Capital Parsvnath Tower, Bhai Vir Singh Marg ,New Delhi-110001 Contact Person: Shwetha Sundaram Email; shwetha.sundaram@axistrustee.com • Tel Direct 022 - 62260081 2. Beacon Trusteeship Limited 4 C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai – 400 051 Contact Person: Paridhi Vora Email: paridhi@beacontrustee.co.in • Off: 022 26558759 (Ext No. 20) 3. Catalyst Trusteeship Limited Address : Office No. 83 – 87,8th Floor , 'Mittal Tower', 'B' Wing, Nariman Point, Mumbai – 400021 Website: www.catalysttrustee.com Contact Person: Deesha Trivedi Email: deesha.trivedi@ctltrustee.com • Office : 022-49220506 • Fax: 022-49220505 4.IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Website: http://www.idbitrustee.com Contact Person: Swapneil Tiwari E Mail: swapneil.tiwari@idbitrustee.com • T: (91) (22) 40807068	
Share Transfer System	100 % of the equity shares of the company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the company.	
Address for Correspondence	Anagha Bangur Company Secretary G 1&2, New Market, KhasaKothi Circle, Jaipur-302001 (Rajasthan)	

List of all Credit Ratings (along with revisions) obtained by the Company during the financial year ended March 31, 2019:

The complete details on Credit Ratings obtained by the Company during the financial year ended March 31, 2019, are placed in the Board's Report.

The Debentures issued on a private placement basis are listed on the Wholesale Debt Market Segment of BSE Ltd. The following are the details of the Company's debentures:

Series	ISIN	Scrip Code	Address
NCD-01	INE124N08026	948348	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai –400 001. www.bseindia.com
NCD-03	INE124N07028	950276	
NCD-04	INE124N07036	953132	
NCD-05	INE124N08042	955663	
NCD-06	INE124N07051	956018	
NCD-07	INE124N08059	956019	
NCD-08	INE124N08067	957464	
NCD-09	INE124N07069	956813	
NCD-10	INE124N07077	957467	
NCD-11	INE124N07085	957383	
NCD-12	INE124N07085	957383	
NCD-13	INE124N07093	957413	
NCD-14	INE124N07101	957696	
NCD-15	INE124N07119	Unlisted	
NCD-16	INE124N07127	957954	
NCD-17	INE124N07176	957968	
NCD-18	INE124N07143	958002	
NCD-19	INE124N07150	958070	
NCD-20	INE124N07168	958188	
NCD-21	INE124N07184	958212	
NCD-22	INE124N07226	958293	
NCD-23	INE124N07200	958293	
NCD-24	INE124N07242	958461	

12.1 Shareholding as on 31 March, 2019

a. Distribution of equity shareholding as on 31 March 2019

Number of Shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
Upto 50,00,000	77,68,985	33.75%	9	81.82%
50,00,001- 1,00,00,000	1,52,47,144	66.25%	2	18.18%
Above 1,00,00,000	Nil	Nil	Nil	Nil
	2,30,16,129	100%	11	100%

b. Categories of equity shareholders as on March 31, 2019

Category	No of equity shares	Percentage of Holding
Promoters- Individual	10,391,997	45.15%
Banks/FI	15,40,400	6.69%
Foreign Banks/FI	1,10,83,082	48.15%
Others	650	0.0028%
	2,30,16,129	100.00%

c. Top ten equity shareholders of the company as on March 31st, 2019.

Investor	Face Value	No. of shares	% of the paid-up share capital on a fully diluted basis
Promoter Group Shareholding			
Rajendra Kumar Setia	2	96,01,097	41.71%
Shalini Setia	2	7,27,100	3.16%
Yash Setia	2	650	0.00%
Bhajan Devi Setia	2	650	0.00%
Rajendra Kumar Setia HUF	2	62,500	0.27%
Investors' Shareholding			
Norwest Venture Partners X- Mauritius	2	56,46,047	24.53%
Baring Private Equity India AIF	2	15,40,400	6.69%
Karma Holdings Mauritius Limited	2	4,64,850	2.02%
EvolveCoinvest I	2	18,99,647	8.25%
TPG Growth IV SF Pte Limited	2	30,72,538	13.35%
Atul Arora	2	650	0.00%
TOTAL		2,30,16,129	100%

d. Outstanding GDR/Warrants/Convertible Instruments

The Shareholders of the Company has approved the issue of 15,093 (Fifteen Thousand Ninety Three) promoter warrants that has been now converted to equity Shares.

e. Management Discussion and Analysis Report form part of this Annual Report The complete reports on Management Discussion and Analysis report are placed in the separate section of the Annual Report.

13. Other Disclosures

Disclosure on materially significant related party transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were usually in the ordinary course of business. There have been no material significant related party transactions between the Company and its directors, their relatives, subsidiaries or associates. All Related Party Transactions are placed before the Audit Committee. Disclosure of transactions with related parties is provided in notes to the financial statements, forming part of this Report.

Details of non - compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on the matter related to capital markets, during the last three years.

The company has complied with all the requirement of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on the matter related to capital markets, during the last three years.

Vigil mechanism / Whistle Blower

The Company has in place Board approved Policy on Breach of Integrity and Whistle Blower (Vigil mechanism). The Policy was framed with an objective to deal with issues pertaining integrity, encouraging the employees and Directors of the Company to raise any concern about Company's operations and working environment, including possible breaches of Company's policies and standards, without fear of adverse managerial action being taken against such employees. It provides a channel to the employees and Directors to report to

the management concerns about unethical behaviour, actual or suspected fraud or violation of any code of conduct or policy in force. Instances of such suspected or confirmed incident of fraud/misconduct may be reported on the designated email id i.e. info@skfin.in which is managed by the fraud control team. A Disciplinary Committee as constituted under the vigil mechanism looks into the complaints raised and their redressal. The Committee reports to the Audit Committee.

The mechanism also provides for adequate safeguards against victimization of employees to avail of the mechanism and direct access to the Chairman of the Audit Committee to report instances of fraud/misconduct. During the year under review, no employee was denied access to the Audit Committee.

Disclosures regarding web link of the Company

The Policy on Related Party Transactions as approved by the Board is available on the Company's website at its weblink i.e. <http://www.skfin.in/disclosures.php>.

Details of compliance with mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and adoption of the non- mandatory requirements of Regulation 27(1) of the Listing Regulations.

The Company is in compliance with all the mandatory provisions related to Corporate Governance pursuant to the requirement of the Listing Regulations read with other applicable provisions, if any. The status of compliance with non-mandatory requirements of Regulation 27(1) read with Part E of Schedule II of the Listing Regulations are as under:

- (b) Shareholders' Rights: As the half-yearly financial performance are published in the newspapers and are also posted on the Company's website. The Company also used to report significant events to the stock exchanges from time to time.

- (c) **Audit Qualifications:** During the period under review, there is no audit qualifications in the Company's financial statements. Ess Kay continues to adopt best practices to ensure a regime of unqualified financial statements.
- (d) **Reporting of Internal Auditor:** The Company is having independent Internal Auditors (separate from the employees) for all the division. The Internal Auditors used to send their reports to the CFO / person authorised for this purpose and in turn the reports were circulated to the members of the Audit Committee for their perusal.

Details of utilization of funds raised through preferential allotment or qualified institutional placement (QIP) as specified under regulation 32(7A)

This clause is applicable to the Company as the Company has raised any funds through preferential allotment for general corporate purpose.

Disclosures in Relations to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013).

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19:

Complaints at the beginning of the year	Complaints received during the year	Complaints resolved during the year	Complaints pending at the end of the year
Nil	Nil	Nil	Nil

Total fees for all services paid by Ess Kay , to B S R & Co. LLP , the statutory auditor is, included in the financial statements of the Company for the year ended March 31, 2019,

Code of Conduct

A Code of Conduct stating framework of Directors and senior management personnel is adopted by the Board of Directors. For the year under review, all the Directors and senior management personnel have affirmed compliance with the provisions of the said Code. The code is available on our website on following link:<http://skfin.net/investors/corporate-governance>

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management Personnel have affirmed to the compliances for the financial year ended March 31, 2019.

By Order of the Board of Directors
For Ess Kay Fincorp Limited

Sd/-
Rajendra Kumar Setia
Managing Director
(DIN: 00957374)

Sd/-
Shalini Setia
Whole-Time Director
(DIN: 02817624)

Place: Jaipur
Date: May 03, 2019

■ MANAGEMENT DISCUSSION AND ANALYSIS REPORT ■

1. MACROECONOMIC ENVIRONMENT AT A GLANCE

FY 2018-19 was marked by a number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. However, India's economy grew at an impressive 8.2 per cent in the first quarter of 2018-19 financial year ending June 30. The economy registered a growth rate of 7% during the period 2018-19 as per the Central Statistical Office. We believe that India's economic outlook remains promising for FY 2019-20 and is expected to strengthen further in FY 2020-21. Over the next few years, India is expected to grow at well over 7 percent per year.

As you are aware that 17th Lok Sabha elections will be conducted this year which will support near-term growth. As India marches ahead on a solid growth trajectory to complete 75 glorious years of independence, Indian Industry remains committed to building a better India by actioning its agenda for the year 2019-20.

Growth in the agriculture sector is expected to moderate. The Indian Meteorological Department has indicated that monsoons will not be abnormal in India during this year and this would assist in growth of the farming sector.

The manufacturing sector is expected to post robust growth. Growth in the sectors including trade, hotel, transport, communication and services related to broadcasting, which is expected to pick up on account of improved domestic demand conditions.

In February 2019, the government provided further capital infusions to public sector banks. These measures, combined with the application of the Prompt Corrective Action framework, which requires timely recognition of bad loans, and resolution of bad loans through the Insolvency and Bankruptcy Code, are helping to address solvency and asset quality challenges.

2. FINANCIAL SERVICES SECTOR

Indian financial services sector comprises of banks/co-operative banks, non-banking financial companies, insurance companies, pension / mutual funds and other various entities. Scheduled Commercial Banks' credit growth on a year-on-year (y-o-y) basis improved across bank groups between March and September 2018, largely driven by the private sector banks (from 21.30% in March 2018 to 22.5% in September 2018). Private sector banks' deposit growth continued to be robust at 18.40%. The performance of the Public Sector Banks (PSBs) has witnessed an overall improvement with credit growth increasing from 5.90% in March 2018 to 9.10% in September 2018 and deposit growth increasing from 3.20% to 5.00% in the same period. While, Non-Prompt Corrective Action (NPCA) PSBs' credit growth improved from 9.10% in March 2018 to 13.60% in September 2018 and deposits increased from 6.10% to 7.90% in the same period, the PCA-PSBs registered negative growth in both credit and deposits. In order to develop and deepen the corporate bonds market, SEBI has recently issued a circular on fund raising by issuance of debt securities mandating the large corporates to raise 25% of their incremental borrowings from the financial year 2019-20 onwards through corporate bond market. This will address concentration risk in the banking system.

3. NBFC OUTLOOK

In the past few years, NBFCs have filled the void created by PSU banks, which have been crippled for capital. These so-called shadow bankers bring new borrowers into the ambit of formal

finance by developing unique underwriting standards and inculcating financial discipline. However, NBFCs have been facing pressures on the liquidity front. The market was gripped by risk aversion which affected the flow of credit to NBFCs.

The market share of NBFCs would continue to expand. The expansion would be supported by NBFCs' ability to customize products, price the risk and manage ultimate credit costs, especially related to small-ticket loans, viz., light commercial vehicle (CV), used CV, small-ticket housing loans and loan against property. However, competition is likely to intensify in certain segments such as large-ticket new heavy CV and large-ticket loan against property.

4. FINANCIAL AND OPERATIONAL PERFORMANCE

S.No.	Particulars	2018-19
1.	Total Income (including exceptional items)	364.93
2.	Net Interest Income	155.50
3.	Capital Adequacy Ratio	32.84%
4.	Assets Under Management	2001.84
5.	Securitization done during the year	442.03

S.No.	Particulars	FY 2018	FY 2019
1.	Interest Coverage Ratio	1.37	1.55
2.	Current Ratio	0.91	1.61
3.	Debit Equity Ratio	4.35	2.34
4.	Operating Profit Margin	51.8%	56.6%
5.	Net Profit Margin	9.7%	14.3%

Financial and Operational performance is discussed in point no. 01 and 02 of the Board's Report, which forms part of this Annual Report.

5. OPPORTUNITY AND THREATS

The Company is amongst the few NBFCs that offers a full range of retail financial products and services. The Company believes that its digital assets across social, mobile and web providing reach, operating efficiency and improved customer experience will be an opportunity for us to capitalize on in the coming years. The projected growth in the Indian economy at 7%+ in FY 2019-20 would open up vast opportunities for us to grow our various diversified businesses.

While the opportunities landscape is promising, the threats could dampen the growth of financial services sector in India. Global economy could slip into turmoil if the current trade and tariffs war between USA and China intensifies. Impending Lok Sabha elections could lead to uncertainties in the environment.

Opportunities

- Large untapped rural and urban markets.
- Growth in Commercial Vehicles, Passenger Vehicles and Tractors market.
- Use of digital solutions for business/collections.

Threats

- High cost of funds.
- Rising NPAs.
- 17th Lok Sabha elections and volatility in monsoon.
- Competition from other NBFCs and banks.

6. BUSINESS SEGMENT

The industry produced a total 30,915,420 vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycles in April-March 2019 as against 29,094,447 in April-March 2018, registering a growth of 6.26% over the same period last year.

The sale of passenger vehicles grew by 2.70% in April-March 2019 over the same period last year. Within the passenger vehicles, the sales of passenger cars, utility vehicle and vans grew by 2.05%, 2.08% and 13.10% respectively in April-March 2019 over the same period last year. The overall commercial vehicles segment registered a growth of 17.55% in April-March 2019 as compared to the same period last year. The sale of Medium & Heavy Commercial Vehicles (M&HCVs) increased by 14.66% and the sale of Light Commercial Vehicles grew by 19.46% in April-March 2019 over the same period last year. The Three-Wheelers, passenger carrier sales registered a growth of 10.62% and goods carrier grew by 8.75% in April-March 2019 over April-March 2018. Two- Wheelers sales registered a growth at 4.86% in April-March 2019 over April-March 2018. Within the Two-Wheelers segment, scooters sales declined marginally by 0.27%, whereas the sale of Motorcycles and Mopeds grew by 7.76% and 2.41% respectively in April-March 2019 over April-March 2018.

7. PRE-OWNED COMMERCIAL VEHICLES

The pre-owned commercial vehicles segment has been the focus area for the Company ever since its inception. The pre-owned commercial vehicles are affordable to aspiring owner-cum-drivers who are small road transport operators with limited banking habits and credit history for verification of creditworthiness. The pre-owned commercial vehicles financing industry in India is dominated by private financiers in the unorganized sector. The Company intends to continue to strategically expand our marketing and customer network by entering into partnerships and co-financing arrangements with private financiers across India involved in commercial vehicle financing. As the market for commercial vehicle financing, especially pre-owned commercial vehicle financing, is fragmented, the Company believe our credit evaluation techniques, relationship-based approach, extensive branch network and strong valuation skills make our business model unique and sustainable as compared to other financiers. The Company believes that our business model is easily scalable at local levels throughout India. The Company has an established track record of developing and training recruits on our internally developed valuation techniques, substantial customer knowledge and relationship culture the Company have developed over the past four decades. The Company believes this is a key strength which enables us to provide finance to pre-owned commercial vehicle operators at favourable interest rates and repayment terms as compared to private financiers in the unorganised sector. The Company has been engaged in the initiative to corporatize the pre-owned CV financing business. We have established its leadership in the segment and created sustainable competitive advantage

through deep understanding of the borrower profile and their credit behavior.

8. OVERVIEW OF ESS KAY

Ess Kay is registered with Reserve Bank of India as "NBFC-ND-SI-AFC", engaged in the business of providing financing for income generation activity (Mainly Commercial vehicle and SME lending (secured by self-occupied property)). The target customer base is self-employed individuals from rural and semi-urban areas. We truly believe we have created a product which serves the need of self-employed individuals and small businesses in India. Traditional underwriting methods in India exclude majority of creditworthy individuals and SME's. It is this fundamental premise on which our business was built and we have a mission to bring a social impact in this segment. We cater to this under-served market by adopting an innovative approach and validating the creditworthiness of the individuals and small business. We do so by looking at variety of factors such as performance, stability, social net etc. instead of just focusing on financial history. Not only do we have modern underwriting methods, but we have also made our loan repayment extremely flexible by making it in tune with your business cycles. Behind the functioning of the organization, is the belief that each customer is an asset in the growth of our business. Ess Kay is one of the key market players in the commercial vehicle finance and MSME lending in the state of Rajasthan and Gujarat.

i. Product Portfolio

Ess kay has built Strong Recognition and Trusted Brand in "Rurban" India by Diverse Product Offerings. Ess Kay is financing for MSME Business, Heavy Commercial Vehicle (MCV's), Car, Three Wheeler, Two Wheeler, Construction Equipment and Agriculture Equipment/ Construction Equipment.

ii. Branch Operations

Ess Kay has its widespread network of 262 branches across the six states namely Rajasthan, Gujarat, Punjab, Maharashtra, Madhya Pradesh and Haryana.

iii. Funding Source

We currently deal with more than 50 Banks and Financial Institutions by obtaining financial assistance in form of Term Loan, Cash Credit (including WCDL), Non-Convertible Debentures, and Commercial Papers etc.

9. RISK MANAGEMENT

Financial Services Industry has seen significant shifts in business practices in last one year with the digital revolution making the environment dynamic. Risk Management practices, therefore, require a dynamic, proactive and efficient approach to keep pace with the constant change.

We continue to improve our policies and implement our policies rigorously for the efficient functioning of our business. As a lending institution, we are exposed to various risks that are related to our lending business and operating environment. The major types of risk we face in our businesses are credit risk, interest rate risk, operational risk, liquidity risk, cash management risk, asset risk, business risk, regulatory risk and human capital risk. Some of the risks involved are discussed as follow:

i. Regulatory Compliance Risk

All the periodic guidelines issued by the RBI are fully adhered to and complied with by the Company. The Company strictly adheres to the Capital Adequacy, Fair Practices Code, the RBI Reporting, Asset Classification and

Provisioning Norms, etc. with a zero-level tolerance on the non-compliance aspect.

ii. Interest Rate Risk

Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. The Company maintains Interest Rate Policy and Procedures, which has been approved and adopted by the Asset Liability Committee of the Board.

iii. Credit Risk

Customer defaults and inadequate collateral may lead to higher NPAs. Our credit approval policy includes a proposal evaluation and investigation procedure for credit appraisal. We manage our credit risk by evaluating the creditworthiness of our customers, carrying out cash flow analysis, setting credit limits, obtaining collateral and setting prudent LTV ratios. Actual credit exposures, credit limits and asset quality are regularly monitored at various levels.

iv. Liquidity Risk

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate price and tenure. The Company attempts to minimize this risk through a mix of strategies, including assignment of receivables and short-term funding. The Company also monitors liquidity risk through the Asset Liability Committee of the Board.

v. Asset risk

The selling price of a re-possessed asset may be less than the total amount of loan and interest outstanding in such borrowing and we may be unable to realize the full amount lent to our customers due to such a decrease in the value of the collateral. We may also face certain practical and execution difficulties during the process of seizing collateral. We engage experienced repossession agents to repossess assets of defaulting customers. We ensure that these repossession agents follow legal procedures and take appropriate care in dealing with customers for seizing assets.

vi. Human Capital Risk

Our success depends on our ability to retain and attract qualified personnel. We have a policy of providing excellent working environment for employees across all sections for better work-life balance. The compensation paid by the Company is comparable with other companies of its class and size in the industry.

vii. Natural Disaster Risk

To mitigate any such type of Natural Risk such as Flood, Draught etc, we have ensured a proper well expanded network in 06 states so that we will not be purely dependent upon a single area of lending and our book covers different geographical areas.

10. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The Company also has a team of internal auditors to conduct internal audit which ensure that all transactions are correctly authorized and reported. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of

the internal controls in the Company. The Company has put in place an adequate internal control system to safeguard all its assets and ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance.

11. DIGITAL PLATFORM

The Company has continued to evolve on its digital journey – and has, over the last year, invested in building a comprehensive set of products and a slew of new-to market processes to improve efficiency, deliver best-in-class solutions to its customers and enhance productivity.

The Company strongly believes that analytics, backed by top-of-the-line technology is core to the Company's business strategy. It plays a key role in customer acquisition, developing predictive models to help while creating a more personalized and seamless customer experience across all platforms and building superior underwriting capabilities.

12. HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Your Company believes that people perform to the best of their capability in organizations to which they feel truly associated. Your Company focuses on widening organizational capabilities and improving organizational effectiveness by having a competent and engaged workforce. The company had 2763 permanent employees on the rolls of the company as at March 31, 2019.

Optimizing Human Resources: Hiring of apt talent and ensuring role optimization to improve efficiencies has been a key focus area. The Company has further optimized Operations manpower by enhancing supervisory ratios.

Capability Building: With a rigorous recruitment programmer and comprehensive training initiatives, the Company ensures that its new and existing talent pool is groomed to deliver the highest level of customer service.

For and on behalf of the Board of Directors

Sd/-
Rajendra Kumar Setia
Managing Director
Din: 00957374

Sd/-
Shalini Setia
Whole-Time Director
Din: 02817624

Place: Jaipur
Date: May 03, 2019

Note:

CAUTIONARY STATEMENT: Statements made in this Annual Report may contain certain forward looking statements, which are tentative, based on various assumptions of the Company's present and future business strategies and the environment in which we operate. Actual results may differ substantially or materially from those expressed or implied due to risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and internationally, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements.

INDEPENDENT AUDITORS' REPORT

To

The Members

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 confirm 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.

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	
<i>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"</i>	
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;	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.

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.	Substantive tests • Test of details over of 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.
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.

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.
- 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 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.

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.

- (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 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/W-100022

Place: Jaipur
Date: May 03, 2019

Sd/-
Manoj Kumar Vijai
Partner
Membership No: 046882

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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.

- 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 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 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.
- (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

Sd/-

Manoj Kumar Vijai

Partner

Place: Jaipur

Date: May 03, 2019

Membership No: 046882

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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 2(A)(F) 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.

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.

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

Sd/-

Manoj Kumar Vijai

Partner

Membership No: 046882

Date: May 03, 2019

Place: Jaipur

AUDITORS' ADDITIONAL REPORT

To

Board of Directors

Ess Kay Fincorp Limited

Report on the Financial Statements

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 2019 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 Direction to the extent applicable.

Management's Responsibility for the financial statements

The Company's management is 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 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 in section 133 of the Act, read with relevant rules issued thereunder.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 (as updated on 16 April 2019) (the 'Master Direction'). This responsibility includes the design, implementation and maintenance of internal control relevant to the compliance with the Master Direction.

Auditor's Responsibility

Pursuant to the requirements of the Direction, it is our responsibility to examine the books and records of the Company and report on the matters specified in the Direction to the extent applicable to the Company.

We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016)' (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical

requirements of the Code of Ethics issued by the ICAI.

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

Based on our examination of the financial statements as at and for the year ended 31 March 2019, 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 No. B-10.00080 from Reserve Bank of India ('RBI') dated 16 October 1998, in pursuance of section 45-IA of RBI Act, 1934;
- 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 2019.
- iii. In our opinion and to the best of our information and according to the explanations given to us, the Company is meeting the 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 8 May 2019 for non-acceptance of public deposits during the year ended 31 March 2019;
- v. The Company has not accepted any public deposits during year ended 31 March 2019;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Master Direction in the preparation of the financial statements for the year ended 31 March 2019;
- 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 2019:
 - a) The capital adequacy ratio as disclosed in the quarterly return shared with us pre submission to RBI in form NBS 7 as at 31 March 2019, has been correctly arrived at and such ratio is in compliance with the minimum capital to risk assets ratio ('CRAR') prescribed by RBI; and
 - b) The Company has furnished to the RBI, a provisional quarterly statement of capital funds, risk assets/exposures and risk asset ratio ('form NBS-7') for the year ended 31 March 2019 on 15 April 2019 within the stipulated period.

viii. Based on the criteria set forth by RBI in paragraph 3 (xx) 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 2019.

Restrictions of use

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: 101248 W/W-100022

Sd/-

Manoj Kumar Vijai

Partner

Date: May 03, 2019

Place: Jaipur

Membership No: 046882

UDIN: 9046882AAAAABH1346

BALANCE SHEET

Balance Sheet as at March 31, 2019

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	46,032,258	35,091,900
(b) Reserves and surplus	4	5,505,813,960	2,027,916,175
		5,551,846,218	2,063,008,075
Non-current liabilities			
(a) Long-term borrowings	5	8,026,179,330	4,281,515,840
(b) Deferred tax liabilities (net)	12	-	-
(c) Other long-term liabilities	6	314,045,763	143,046,376
(d) Long-term provisions	7	102,480,047	59,411,321
		8,442,705,140	4,483,973,537
Current liabilities			
(a) Short-term borrowings	8	650,467,288	852,307,264
(b) Trade payables	9	-	-
i) Total outstanding dues to micro and small enterprises; and		299,563,327	303,759,323
II) Total outstanding dues of creditors other than micro and small enterprises		4,790,318,782	4,351,722,236
(c) Other current liabilities	10	196,597,470	155,250,730
(d) Short-term provisions	7	5,936,946,867	5,663,039,553
		19,931,498,225	12,210,021,165
TOTAL ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	170,376,667	122,986,722
(ii) Intangible assets	11	5,942,878	2,703,701
(iii) Capital work-in-progress	11	629,562	9,686,434
(b) Non-current investments	15 (a)	46,666,786	46,666,786
(c) Deferred tax assets (net)	12	82,423,239	62,363,995
(d) Long-term loans and advances	17	9,917,286,530	6,699,284,236
(e) Other non-current assets	13	169,610,375	125,931,059
		10,392,936,037	7,069,622,933
Current assets			
(a) Current investments	15 (b)	110,000,000	-
(b) Trade receivables	14	265,143	2,384,111
(c) Cash and bank balance	16	2,776,066,660	293,715,247
(d) Short-term loans and advances	17	6,462,365,981	4,636,188,943
(e) Other current assets	18	189,864,404	208,109,931
		9,538,562,188	5,140,398,232
TOTAL		19,931,498,225	12,210,021,165
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

For **B S R & Co. LLP**
Chartered Accountants
Firms' Registration No: 101248W/W-100022
Sd/-
Manoj Kumar Vijai
Partner
M. No. : 046882

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

Sd/-
Rajendra Kumar Setia
Managing Director
DIN- 00957374

Sd/-
Shalini Setia
Director
DIN - 02817624

Sd/-
Atul Arora
Chief Financial Officer

Sd/-
Anagha Bangur
Company Secretary

Place : Jaipur
Date : May 03, 2019

Place : Jaipur
Date : May 03, 2019

Statement of Profit & 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	3,493,420,320	2,208,387,225
Other income	20	155,925,688	64,912,101
Total Revenue		3,649,346,008	2,273,299,326
Expense:			
Employee benefit expenses	21	708,448,411	500,204,879
Finance costs	22	1,384,621,714	894,506,497
Depreciation and amortisation expenses	23	32,124,975	23,362,425
Provisions and write offs	24	291,800,049	216,879,313
Other expenses	25	477,440,526	309,101,175
Total expenses		2,894,435,675	1,944,054,289
Profit before tax		754,910,333	329,245,037
Tax Expenses			
a. Current tax		254,907,427	141,966,102
b. Deferred tax	12	(29,948,680)	(19,091,848)
c. Taxes for earlier year		7,649,612	(13,151,530)
Total tax expense		232,608,359	109,722,724
Profit for the year		522,301,974	219,522,312
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

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

Firms' Registration No: 101248W/W-100022

Sd/-

Manoj Kumar Vijai

Partner

M. No. : 046882

For and on behalf of the Board of Directors of

Ess Kay Fincorp Limited

Sd/-

Rajendra Kumar Setia

Managing Director

DIN- 00957374

Sd/-

Shalini Setia

Director

DIN - 02817624

Sd/-

Atul Arora

Chief Financial Officer

Sd/-

Anagha Bangur

Company Secretary

Place : Jaipur

Date : May 03, 2019

Place : Jaipur

Date : May 03, 2019

Cash Flow Statement for the year ended March 31, 2019

(Amount in Rs.)

Particulars	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	1,30,96,28,308	84,78,65,330
Interest income	(2,86,46,20,337)	(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	1,65,40,400
(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	(3,21,78,11,794)	(3,00,31,20,509)
(Increase) / decrease in other non-current assets	(4,36,79,316)	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	17,09,99,387	8,16,57,019
Increase / (decrease) in other short-term provisions	79,71,198	(1,199)
Increase / (decrease) in other long-term provisions	(20,00,583)	(16,14,853)
Increase/ (decrease) in bank deposits (having original maturity more than three months)	(1,83,14,92,970)	(4,84,88,306)
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	(5,86,11,52,026)	(4,06,82,85,014)
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	11,91,78,946
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	2,95,55,95,812	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	(1,41,54,61,362)	(76,21,96,969)
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)	(3,70,48,96,750)
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)	6,98,18,96,257	3,81,09,40,140
Net increase / (decrease) in cash and cash equivalent (A+B+C)	65,08,58,443	(30,90,30,902)
Add:- Cash and cash equivalent at the beginning of the year	9,18,92,940	40,09,23,842
Cash and cash equivalent at the end of the year*	74,27,51,383	9,18,92,940
*Components of cash and cash equivalents		
Balances with banks	64,45,85,195	1,28,79,290
Fixed deposits (having original maturity less than 3 months)	79,07,887	30,22,401
Cash on hand	9,02,58,301	7,59,91,249
Total	74,27,51,383	9,18,92,940

As per our report of even date attached

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

Sd/-
Manoj Kumar Vijai
Partner
M. No. : 046882

Place : Jaipur
Date : May 03, 2019

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

Sd/-
Rajendra Kumar Setia
Managing Director
DIN- 00957374

Sd/-
Atul Arora
Chief Financial Officer
Place : Jaipur
Date : May 03, 2019

Sd/-
Shalini Setia
Director
DIN - 02817624
Sd/-
Anagha Bangur
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Ess Kay Fincorp Limited ("the Company") is a Limited Company incorporated under the provisions of Companies Act, 1956. The Company is engaged in the business of providing finance and allied activity.

The Company is holding 'CoR' and registered as a systemically important non-deposit taking Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934 and is primarily engaged in the business of lending and distribution of third party financial products.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention as a going concern and on accrual basis of accounting, unless otherwise stated, and in accordance with the generally accepted accounting principles in India ('Indian GAAP') and conform to the statutory requirements, circulars and guidelines issued by the RBI from time to time to the extent they have an impact on the financial statements and current practices prevailing in India. The financial statements have been prepared to comply in all material respects with the Accounting Standards ('AS') notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.

2.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) as of the date of financial statements and the reported amounts of income and expenses for the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements. Management believes that the estimates used in the preparation of these financial statements are prudent and reasonable. Any revision to accounting estimates are recognized prospectively in the current and future periods.

2.3 Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

2.3 Current and non-current classification

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being

exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company considers its operating cycle to be within a year.

2.4 Revenue recognition

- Interest income from finance activities is recognized in the statement of profit and loss on accrual basis. In case of Non-Performing Assets ('NPA'), interest income is recognized upon realization as per RBI guidelines. Interest accrued and not realized before the classification of assets as an NPA is reversed and credited to the interest suspense account.
- Income from other financial charges are recognized on accrual basis, except in case of cheque bouncing charges, foreclosure charges which are accounted as and when received.

Upfront / processing fees collected from the customer are recovered and recognized at the time of disbursement of loan.

Income from other financial support services and interest on fixed deposit are accounted on accrual basis.

2.5 Income on direct assignment/ securitization

The Company enters into arrangements for sale of loan receivables through direct assignment / securitization. The said assets are de-recognised upon transfer of significant risks and rewards to the purchaser and on meeting the true sale criteria.

The Company retains the contractual right to receive share of future monthly interest i.e. excess interest spread ("EIS") on the transferred assets which is the difference between the pool IRR and the yield agreed with the portfolio buyer.

The Company recognizes gain / excess interest spread on direct assignment / securitization transactions in line with RBI Master Direction – Non Banking Financial Company – Systemically Important Non-deposit taking Company and

Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (as amended). Accordingly direct assignment / securitization transactions effected post issuance of the said guidelines are accounted as under:

- (i) Gain/income realized on direct assignment / securitization of loan receivables arising under premium structure is recognised over the tenure of securities issued by Special Purpose Vehicle ("SPV") / agreements. Loss, if any, is recognised upfront.
- (ii) EIS under par structure of securitization / direct assignment of loan receivables is recognised only when redeemed in cash, over the tenure of the securities issued by SPV / agreements. Loss, if any, is recognised upfront.

2.6 Advances

Advances are classified as standard, sub-standard and doubtful assets as per the Company policy approved by the board and in conformity with RBI guidelines. Interest on non-performing advances is transferred to an interest suspense account and not recognized in the statement of profit and loss until received. Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date and loans assigned and the amount pending to be disbursed.

2.7 Employee stock option scheme ('ESOS')

The ESOS provides for grant of the equity shares of the Company to employees. The scheme provides that employees are granted an option to subscribe to the equity shares of the Company that vest in the graded manner. The option may be exercised within the specified period. The Company follows the intrinsic value method to account for its stock based employee compensation plan. The expense or credit recognised in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of the period.

2.8 Provision for Non-Performing Assets ("NPA") and Doubtful Debts

Non-performing assets ('NPA') including loans and advances, receivables are identified as sub-standard/doubtful based on the tenor of default. NPA provisions are made based on the management's assessment of the degree of impairment and the level of provisioning and meets the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 prescribed by Reserve Bank of India vide circular dated on 01 Sept, 2016 (updated 31 May, 2018), as amended and the related notifications (collectively referred to as 'the framework'). These provisioning norms are considered the minimum and additional provision is made based on perceived credit risk where necessary.

All contracts which as per the management are not likely to be recovered are considered as loss assets and written-off as bad debts. Recoveries made from written off contracts are included in "Other Income".

All contracts, which are settled as per the authorization of management at the time of termination of contract, are considered as write off.

2.9 Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefit / functioning capability from / of such assets.

2.10 Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years (Currently 3 Years) from the date when the asset is available for use. Any expenses on intangible assets for support and maintenance payable annually are charged to the statement of profit and loss.

2.11 Depreciation on tangible assets / amortization of intangible assets

- Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives as per Schedule II of Companies Act, 2013. The Company has estimated 5% residual value at the end of the useful life for all block of assets except in software and leasehold improvements.
- For assets purchased and sold during the year, depreciation is provided on pro rata basis by the Company.
- Improvements to lease hold premises are charged off over the primary period of lease or its useful life, whichever is lower.

2.12 Impairment of Tangible and Intangible fixed assets

Assets are reviewed for impairment at each balance sheet date. In case, events and circumstances indicate any impairment, the recoverable amount of these assets is determined. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the statement of profit and loss in the period in which an asset is defined as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount and such loss either no longer exists or has decreased.

2.13 Investments

Investments intended to be held for not more than a year from the reporting date are classified as current investments. All other investments are classified as long

term investments. Current investments are carried at cost or fair market value whichever is less and long term investments are carried at cost. However, provision is recognized only in case of diminution, which is other than temporary in nature.

2.14. Employee Benefits

a) Gratuity

The Company provides for gratuity to all employees. The benefits is in the form of lump sum payments to vested employees on resignation, retirement or death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable to each completed year of service. Vesting occurs after completion of five years of service. The same is valued by an independent external actuary as at the balance sheet date using the projected unit credit method to determine the present value of defined benefit obligation and the related service costs. Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise.

b) Provident fund

In accordance with the applicable law, all employees of the Company are entitled to receive benefits under the Provident Fund Act, 1952. The Company contributes an amount, on a monthly basis, at a determined rate to the pension scheme administered by the Regional Provident Fund Commissioner ('RPFC') and the Company has no liability for future provident fund benefits other than its annual contribution. Since it is a defined contribution plan, the contributions are accounted for on an accrual basis and recognized in the statement of profit and loss.

c) Compensated absences

The company accounts for the liability for compensated absence based on an independent actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at the Balance Sheet date. Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise.

2.15 Taxation

Tax expense comprises of current and deferred tax charged or credited to the statement of profit and loss for the year.

- a. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.
- b. Deferred tax charge or credit reflects the tax effects of

timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date. Deferred Tax Asset and Liability are netted off and disclosed in the balance sheet under the Head 'Deferred Tax Asset / Liability'.

2.16 Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with AS 20, Earnings per Share issued, by the Institute of Chartered Accountants of India. Basic earnings per equity share have been computed by dividing net profit / loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit attributable to the equity shareholders after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

2.17 Borrowing Cost

Borrowing costs consists of interest and other ancillary cost that an entity incurs in connection with borrowing of funds. Ancillary costs incurred in connection with the arrangement of borrowings are amortized over the tenor of borrowings. Unamortized borrowing costs remaining, if any, are fully expensed off as and when the related borrowing is prepaid & cancelled.

2.18 Segment Reporting

The Company's primary business comprises only of financing related activities i.e. lending by way of secured and unsecured Loans to various types of customers. For the purpose of AS-17, the Company operates only in India hence it has only one geographical segment viz. India.

2.19 Operating Lease

Lease rentals in respect of assets taken on operating leases are charged to the Statement of Profit and Loss account over the lease term in accordance with AS -19, Leases, issued by the Institute of Chartered Accountants of India.

2.20 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.21 Cash & Cash Equivalent

Cash and Cash equivalent comprise of cash and cash on deposit with bank. The Company considers all investments as highly liquidated if the investment having an original maturity at the date of purchase of three months or less and they are readily convertible.

2.22 Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes provision when there is present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. In cases where the available information indicates that the loss on the contingencies is reasonable possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements. Provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A disclosure of contingent liabilities is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements.

2.23 Provision on receivables from financing activity

Provision is made for Secured /Unsecured loans/ advances and Contingent assets as per Company's policy subject to the minimum provision required as per Non-Banking Finance Companies Prudential Norms (Reserve Bank) Directions, 2016. The details of which are as under:-

Particulars	F.Y. 2018-2019
a. Standard Assets	
Upto 90 days past due	0.40% of outstanding amount
b. Substandard Assets	
Upto 2 month	10.00% of outstanding amount
More than 2 months upto 3 months	15.00% of outstanding amount
More than 3 months upto 9 months	20.00% of outstanding amount
More than 9 months upto 12 months	50.00% of outstanding amount
c. Doubtful assets	
Upto 2 month	50.00% of outstanding amount
More than 2 month	100.00% of outstanding amount
d. Assigned Cases	Provisioning norms will be at par with Own Books provisioning.

2.24 Loan origination costs

Brokerages, commission, incentive to employees etc. paid at the time of acquisition of loans are charged to revenue.

NOTES TO THE FINANCIAL STATEMENTS

ESS KAY FINCORP LIMITED

Notes to the financial statements for the year ended March 31, 2019

3 Share capital

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Authorised		
2,87,50,000 equity shares of Rs 2 each (year ended March 31, 2018 : 5,75,000 equity shares of Rs. 100 each) (refer note 3.5)	5,75,00,000	5,75,00,000
Issued , subscribed and paid up		
23,01,61,29 equity shares of Rs 2 each year ended March 31, 2018 : 3,50,919 equity shares of Rs. 100 each	4,60,32,258	3,50,91,900
Total	4,60,32,258	3,50,91,900

3.1 Reconciliation of number of shares

(Amount in Rs.)

Particulars	March 31, 2019		March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 100 each fully paid up				
Shares outstanding at the beginning of the year	3,50,919	3,50,91,900	2,70,709	2,70,70,900
Shares issued - Preferential issue	-	-	80,210	80,21,000
Shares split during the year	(3,50,919)	(3,50,91,900)	-	-
Shares outstanding at the end of the year of Rs. 100 each	-	-	3,50,919	3,50,91,900
Equity shares of Rs. 2 each fully paid up				
Shares outstanding at the beginning of the year	-	-	-	-
Shares split during the year	1,75,45,950	3,50,91,900	-	-
Shares issued - Preferential issue	47,15,529	94,31,058	-	-
Shares issued - Share warrants	7,54,650	15,09,300	-	-
Shares issued - Exercise for ESOP scheme	-	-	-	-
Equity shares outstanding at the end of the year of Rs. 2 each	2,30,16,129	4,60,32,258	-	-

3.2 Terms and rights attached to equity shares

The Company has only one class of outstanding equity shares having a par value of Rs. 2 per share. Each shareholder is entitled to one vote per share. During the year the company has not declared and paid any dividend. In the event of the liquidation of the company, the holder of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion of the number of the equity shares held by the equity share holders.
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3.3 Details of shareholders holding more than 5% equity shares are as under:

Particulars	March 31, 2019		March 31, 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity shares of Rs. 2 each				
Rajendra Kumar Setia	96,01,097	41.71%	-	-
Norwest Venture Partners X - Mauritius	56,46,047	24.53%	-	-
TPG Growth IV Sf Pte. Ltd.(SC)	30,72,538	13.35%	-	-
Baring Private Equity India AIF	15,40,400	6.69%	-	-
EvolvanceCoinvest I	18,99,647	8.25%	-	-
Equity shares of Rs. 100 each				
Rajendra Kumar Setia	-	-	1,80,283	51.38%
Norwest Venture Partners X - Mauritius	-	-	85,824	24.46%
Baring Private Equity India AIF	-	-	30,808	8.78%
EvolvanceCoinvest I	-	-	28,876	8.23%

3.4 Number of shares reserved for ESOPs

Particulars	March 31, 2019	March 31, 2018
Equity shares of Rs. 2 fully paid up		
Number of shares reserved for ESOPs (Refer Note 27B)	4,05,250	-

- 3.5** During the year ended March 31, 2019, the authorized share capital of the Company having Face value of Rs. 100 each was split into 50 shares of Rs. 2 each.
- 3.6** Pursuant to the approval of the shareholders of the Company w.e.f. September 11, 2018 ("Record date") 350,919 equity shares of face value of Rs. 100 each were sub-divided into 17,545,950 equity shares of face value of Rs. 2 each.
- 3.7** During the year, the Company has issued 4,715,529 equity shares by way of private placement having face value of Rs. 2 each at a premium of Rs. 594.29 per equity shares.
- 3.8** During the year, Rajendra Kumar Setia (Promoter) exercised the option to convert 15,093 warrants, issued on preferential basis, upon payment of Rs. 1,881.68 lakhs and accordingly, 754,650 equity shares of the face value of Rs. 2 each were allotted to Rajendra Kumar Setia on October 13, 2018 at a premium of Rs. 247.35 per equity share. The funds received upon allotment have been utilised for meeting funding requirements of the business activities of the Company as per the objects of the issue.

4 Reserves and surplus

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Securities premium account		
Opening balances	1,22,35,39,844	25,07,87,004
Additions during the year on account of issue of shares	2,98,90,59,643	99,19,77,925
Deduction during the year on account of issue of shares(refer note 4.1)	3,34,63,831	1,92,25,085
Closing Balance	4,17,91,35,655	1,22,35,39,844
Statutory reserve		
Opening balances	16,08,54,729	11,69,50,266
Add:- Addition during the year	10,44,60,395	4,39,04,463
Closing balance	26,53,15,124	16,08,54,729
Surplus in the statement of profit and loss		
Opening balances	64,35,21,602	46,79,03,752
Add: Profit for the year	52,23,01,974	21,95,22,313
Less: Transfer to statutory reserve (refer note 4.2)	10,44,60,395	4,39,04,463
Closing balance	1,06,13,63,181	64,35,21,602
Total	5,50,58,13,960	2,02,79,16,175

- 4.1** Expenses incurred in connection with issue of fresh equity shares have been charged off against the available balance of the 'Securities Premium Account' in accordance with the provisions of Section 52(2)(c) of the Companies Act, 2013.
- 4.2** In accordance with the provisions of section 45-IC of the RBI Act, 1934, the Company has created a Statutory Reserve and during the year the Company has transferred 20% profit after tax to the said Statutory Reserve.

5 Long-term borrowings

(Amount in Rs.)

Particulars	Non-Current		Current*	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(A) Privately placed redeemable non-convertible debentures				
Secured (refer note 5.1)	4,56,99,99,997	77,84,85,841	1,87,84,85,839	1,01,04,61,357
Unsecured (refer note 5.2)	45,00,00,000	45,00,00,000	-	7,50,00,000
	5,01,99,99,997	1,22,84,85,841	1,87,84,85,839	1,08,54,61,357
(B) Term loans				
Secured				
From banks (refer note 5.3)	1,29,63,57,180	1,55,84,59,117	1,37,70,77,600	1,44,92,57,163
From others (refer note 5.4)	1,30,98,22,154	1,09,45,70,882	1,05,94,73,264	1,13,68,44,108
	2,60,61,79,334	2,65,30,29,999	2,43,65,50,864	2,58,61,01,271
(C) Privately placed subordinated (Tier II) redeemable bonds				
Unsecured NCD (refer note 5.5)	20,00,00,000	20,00,00,000	-	-
Unsecured term loan (refer note 5.5)	20,00,00,000	20,00,00,000	-	17,09,37,500
	40,00,00,000	40,00,00,000	-	17,09,37,500
TOTAL(A+B+C)	8,02,61,79,330	4,28,15,15,840	4,31,50,36,703	3,84,25,00,128
Secured	7,17,61,79,330	3,43,15,15,840	4,31,50,36,703	3,59,65,62,628
Unsecured	85,00,00,000	85,00,00,000	-	24,59,37,500
Total	8,02,61,79,330	4,28,15,15,840	4,31,50,36,703	3,84,25,00,128

*Disclosed under the head "other current liability" (refer note 10)

5.1 Schedule of secured privately placed non-convertible redeemable debentures

ISIN	Face value	No of debentures	First redemption Date	Final redemption date	Rate	Amount outstanding
INE124N07234	100	50,00,000	05-Mar-24	05-Mar-24	11.16%	50,00,00,000
INE124N07127	1,00,000	2,500	12-Nov-21	12-Nov-21	10.85%	25,00,00,000
INE124N07143	10,00,000	500	11-Jun-21	11-Jun-21	10.90%	50,00,00,000
INE124N07168	10,00,000	750	11-Jun-21	11-Jun-21	10.90%	75,00,00,000
INE124N07200	10,00,000	750	11-Jun-21	11-Jun-21	10.90%	75,00,00,000
INE124N07176	10,00,000	1,500	25-Nov-18	24-May-21	11.23%	1,25,00,00,000
INE124N07226	10,00,000	750	25-Sep-20	25-Sep-20	11.14%	75,00,00,000
INE124N07184	10,00,000	250	31-Aug-20	31-Aug-20	11.14%	25,00,00,000
INE124N07077	20,000	7,500	18-Aug-20	18-Aug-20	11.75%	7,00,00,000
INE124N07093	10,00,000	350	17-Jan-20	17-Jan-20	10.60%	14,58,33,333
INE124N07085	10,00,000	200	27-Dec-19	27-Dec-19	10.85%	11,25,00,000
INE124N07085	10,00,000	300	27-Dec-19	27-Dec-19	10.85%	7,50,00,000
INE124N07101	10,00,000	250	27-Dec-19	27-Dec-19	10.60%	10,22,72,727
INE124N07150	10,00,000	750	27-Sep-19	27-Sep-19	10.85%	75,00,00,000
INE124N07119	1,00,000	2,000	12-Sep-19	12-Sep-19	9.75%	9,23,07,692
INE124N07028	10,00,000	480	30-May-19	30-May-19	14.75%	5,33,33,334
INE124N07036	500	1,88,955	05-Feb-19	05-May-19	12.05%	4,72,38,750
Total						6,44,84,85,836

Note:-

The total amount of personal guarantee given by directors and others, against the NCD amounts to Rs. 2,027,913,756 during the year ended March 31, 2019 as compared to Rs. 1,384,469,698 during the year ended March 31, 2018.

5.2 Schedule of unsecured privately placed non-convertible redeemable debentures

ISIN	Face value	No of debentures	First redemption Date	Final redemption date	Rate	Amount outstanding
INE124N08034	10,00,000	200	29-Sep-22	29-Sep-22	13.00%	20,00,00,000
INE124N08067	10,00,000	250	12-Jan-21	12-Jan-21	12.75%	25,00,00,000
Total						45,00,00,000

5.3 Schedule of secured term loans from Bank

Particulars	Initiation date	Maturity date	Sanctioned loan	March 31,2019	March 31,2018
Andhra Bank Limited-26930100007532	31-Mar-17	29-Jun-20	15,00,00,000	6,25,38,771	11,25,56,764
AU Small Finance Bank-9001130101100220	28-Mar-17	05-Jul-20	55,00,00,000	22,56,41,005	39,48,71,785
AU Small Finance Bank-9001130114744581	10-May-18	05-Dec-21	25,00,00,000	19,64,28,571	-
Axis Bank Limited-917060028955174	28-Apr-17	30-Jun-20	25,00,00,000	10,52,61,948	18,92,73,756
Bank of Baroda-39500600000047	30-Mar-15	01-Sep-18	15,00,00,000	-	2,47,50,000
Bank of India-665564610000028	08-Nov-16	30-Apr-20	15,00,00,000	-	10,39,57,047
Bank of Maharashtra-60207878814	14-Mar-16	01-Jul-18	25,00,00,000	-	2,00,56,276
DCB Bank-11155100000073	19-Aug-16	31-Aug-19	10,00,00,000	1,32,00,000	4,68,00,000
DCB Bank-11155100000134	06-Nov-17	31-Oct-20	13,00,00,000	6,88,00,000	11,20,00,000
HDFC Bank -63893142	05-Feb-19	05-Jan-23	4,00,000	3,89,626	-
HDFC Bank-39188919	23-Apr-16	05-May-21	6,00,000	2,95,070	4,12,140
HDFC Bank-39277263	26-Apr-16	05-May-21	12,00,000	5,90,128	8,24,270
HDFC Bank-39514994	01-May-16	05-May-21	3,00,000	1,47,548	2,06,081
HDFC Bank-39808570	21-May-16	05-May-21	13,50,000	6,58,657	9,20,001
HDFC Bank-40098748	01-Jun-16	07-Jun-21	6,08,000	3,09,326	4,27,024
HDFC Bank-40099350	01-Jun-16	07-Jun-21	3,95,000	2,00,956	2,77,422
HDFC Bank-40114343	01-Jun-16	07-Jun-21	6,72,000	3,41,870	4,71,961
HDFC Bank-40114505	01-Jun-16	07-Jun-21	6,72,000	3,41,870	4,71,961
HDFC Bank-40114606	01-Jun-16	07-Jun-21	3,99,000	2,02,977	2,80,220
HDFC Bank-40249906	06-Jun-16	07-Jun-21	3,34,000	1,69,924	2,34,581
HDFC Bank-40250682	08-Jun-16	07-Jun-21	6,08,000	3,09,311	4,27,012
HDFC Bank-40251335	08-Jun-16	07-Jun-21	6,08,000	3,09,311	4,27,012
HDFC Bank-40255133	08-Jun-16	07-Jun-21	3,31,000	1,68,398	2,32,474
HDFC Bank-40256686	08-Jun-16	07-Jun-21	3,99,000	2,02,990	2,80,231
HDFC Bank-40256999	08-Jun-16	07-Jun-21	3,82,000	1,94,344	2,68,292
HDFC Bank-40257717	08-Jun-16	07-Jun-21	4,00,000	2,03,499	2,80,933
HDFC Bank-40348817	22-Jun-16	05-Jul-21	4,00,000	2,10,235	2,87,061
HDFC Bank-40349410	22-Jun-16	05-Jul-21	5,95,000	3,12,719	4,26,999
HDFC Bank-40349870	29-Jun-16	05-Jul-21	7,00,000	3,67,903	5,02,350
HDFC Bank-40357760	22-Jun-16	05-Jul-21	7,00,000	3,67,903	5,02,350
HDFC Bank-40358424	22-Jun-16	05-Jul-21	5,51,000	2,89,594	3,95,423
HDFC Bank-40358804	22-Jun-16	05-Jul-21	9,44,000	4,96,152	6,77,462
HDFC Bank-40359170	22-Jun-16	05-Jul-21	3,59,000	1,88,688	2,57,639
HDFC Bank-40404311	22-Jun-16	05-Jul-21	4,00,000	2,10,235	2,87,061
HDFC Bank-40596985	29-Jun-16	05-Jul-21	7,00,000	3,67,903	5,02,350
HDFC Bank-40700985	06-Jul-16	05-Jul-21	6,03,000	3,16,924	4,32,740

HDFC Bank-40706585	06-Jul-16	05-Jul-21	5,51,000	2,89,594	3,95,423
HDFC Bank-40706883	29-Jun-16	05-Jul-21	10,00,000	5,25,584	7,17,649
HDFC Bank-40881610	21-Jul-16	05-Aug-21	5,23,000	2,83,618	3,83,279
HDFC Bank-47817782	31-May-17	05-Jun-22	9,00,000	6,27,297	7,88,057
HDFC Bank-48843353	30-Jun-17	05-Jul-22	7,00,000	4,98,730	6,22,885
HDFC Bank-49118300	30-Jun-17	05-Jul-22	9,88,000	7,03,924	8,79,158
HDFC Bank-49926491	09-Aug-17	07-Aug-22	7,00,000	5,09,482	6,32,764
HDFC Bank-49927120	08-Sep-17	07-Sep-22	4,00,000	2,97,236	3,67,186
HDFC Bank-50281029	22-Aug-17	05-Sep-22	6,00,000	4,45,848	5,50,776
HDFC Bank-50284044	24-Aug-17	05-Sep-22	7,00,000	5,20,159	6,42,574
HDFC Bank-50288515	22-Aug-17	05-Sep-22	6,00,000	4,45,848	5,50,776
HDFC Bank-50292660	26-Aug-17	05-Sep-22	6,00,000	4,45,848	5,50,776
HDFC Bank-50543628	30-Aug-17	05-Sep-22	7,00,000	5,20,159	6,42,574
HDFC Bank-59080119	17-Jul-18	07-Jul-23	7,00,000	6,24,219	-
HDFC Bank-60555445	05-Nov-18	05-Oct-23	4,00,000	3,73,413	-
HDFC Bank-60840381	07-Oct-18	07-Sep-23	20,00,100	18,36,800	-
HDFC Bank-81662324	24-Sep-15	07-Oct-18	15,00,00,000	-	3,32,83,594
HDFC Bank-82324547	28-Nov-16	07-Dec-19	10,00,00,000	2,79,27,150	6,24,31,687
HDFC Bank-83121958	31-Mar-18	07-Apr-21	10,00,00,000	7,27,13,737	10,00,00,000
HDFC Bank-83374483	07-Mar-19	07-Mar-22	25,00,00,000	25,00,00,000	-
HDFC Bank-83383566	06-Sep-18	07-Sep-22	15,00,00,000	13,45,10,750	-
IDBI Limited-0142673200000851	26-Aug-15	01-Nov-18	10,00,00,000	-	2,22,22,216
IDBI Limited-0142673200000888	18-Oct-16	01-Jan-20	15,00,00,000	-	9,12,00,000
Indusind Bank Limited-733000000016	06-Dec-17	30-Nov-20	25,00,00,000	14,83,45,588	22,55,77,382
Indusind Bank Limited-7330000000137	04-Nov-18	04-Nov-22	15,00,00,000	13,96,86,749	-
Karnataka Bank Limited-3647001600351901	10-Aug-16	10-Feb-20	5,00,00,000	1,63,86,462	3,31,98,957
KarurVysya Bank-4501742000000023	30-Jun-15	30-Nov-18	15,00,00,000	-	3,75,00,000
Lakshmi Vilas Bank-0341785000000015	30-Dec-15	30-Jun-19	10,00,00,000	-	4,16,66,669
Oriental Bank of Commerce-00617025004561	29-Oct-15	31-Jan-19	20,00,00,000	-	6,52,87,862
Oriental Bank of Commerce-00617025006071	18-Feb-17	31-May-20	10,00,00,000	4,16,16,303	7,49,98,520
Ratanakar Bank-909000027225	30-Jun-16	30-Jun-18	10,00,00,000	-	1,25,00,000
Ratanakar Bank-909000043881	28-Aug-17	28-Feb-20	15,00,00,000	5,50,00,000	11,50,00,000
Ratanakar Bank-909000052098	28-Feb-18	28-Feb-21	22,90,00,000	15,43,74,236	22,33,40,302
Ratanakar Bank – III	08-Mar-19	08-Mar-22	32,00,00,000	32,00,00,000	-
Small Industrial and Development Bank of India-I	30-Nov-16	10-May-22	15,00,00,000	9,50,00,000	12,50,00,000
South Indian Bank Limited-0157652000006491	23-Feb-16	23-Feb-20	5,00,00,000	1,33,26,000	2,66,62,000
South Indian Bank Limited-0157652000006510	05-Oct-16	05-Oct-20	12,00,00,000	5,25,00,000	8,25,00,000
State Bank of India-61311295566	31-Mar-16	31-Mar-19	15,00,00,000	-	4,97,04,702
Tamilnad Mercantile Bank-214700470100023	28-Oct-15	21-Apr-19	10,00,00,000	27,77,805	3,61,11,129
Ujjivan Small Finance Bank-1102220270000000	31-Dec-18	31-Dec-20	20,00,00,000	17,50,00,000	-

Utkarsh Small Finance Bank-I	21-Dec-17	21-Mar-21	20,00,00,000	13,33,33,336	20,00,00,000
Vijaya Bank-702709051000001	19-May-17	30-Apr-22	5,00,00,000	3,42,46,215	4,53,70,375
Yes Bank-I	20-Oct-16	20-Oct-18	12,00,00,000	-	2,75,00,000
Yes Bank-II	05-Jan-18	20-Feb-20	27,25,00,000	11,77,08,334	25,39,58,333
Total				2,67,34,34,780	3,00,77,16,280

Note:-

The interest rate subsisting as on March 31, 2019 from banks is in the range between 8.50% to 13.00%.

The loans are secured by the personal guarantee of Mr. Arjun Das Setia, who is relative of Mr. Rajendra Kumar Setia.

The total amount of personal guarantee given by directors and others, against the borrowings from banking institutions, amounts to Rs. 2,656,322,321 in FY ended on March 31, 2019 as compared to Rs. 2,864,279,356 in FY ended March 31, 2018.

5.4 Schedule of Secured term loan from others

Particulars	Initiation date	Maturity date	Sanctioned loan	March 31,2019	March 31,2018
Audi Financial Services-I	03-Nov-16	03-Oct-20	30,00,000	13,14,066	20,55,116
Bajaj Finance Limited-I	29-Sep-17	29-Mar-21	20,00,00,000	12,30,76,910	18,46,15,382
Bajaj Finance Limited-II	31-Mar-19	28-Feb-22	25,00,00,000	24,30,55,555	-
Bmw Financial Services-I	16-Nov-15	16-Oct-18	66,00,000	-	14,27,514
Clix Finance India Private Limited	01-Dec-17	30-Nov-20	30,00,00,000	17,84,78,118	27,11,35,975
IDFC First Limited-I	06-Feb-17	05-Feb-19	15,00,00,000	-	7,50,00,000
Fedbank Financial Services Limited-I	01-Feb-18	01-Jan-19	10,00,00,000	-	10,00,00,000
Fedbank Financial Services Limited-II	01-Feb-18	01-Jan-22	5,00,00,000	4,04,35,279	5,00,00,000
Fedbank Financial Services Limited-III	31-Jul-18	01-Aug-22	5,00,00,000	4,85,64,453	-
Fedbank Financial Services Limited-IV	31-Jul-18	01-Aug-19	5,00,00,000	2,77,51,125	-
Hinduja Leyland Finance Limited-I	29-Feb-16	07-Mar-19	5,00,00,000	-	1,87,44,409
Hinduja Leyland Finance Limited-II	12-Aug-16	07-Aug-19	10,00,00,000	1,61,02,681	5,16,12,511
Hinduja Leyland Finance Limited-III-I	31-Mar-17	07-Apr-20	10,00,00,000	4,00,83,213	7,30,38,576
Hinduja Leyland Finance Limited-III-II	07-Jun-17	07-May-20	7,00,00,000	2,99,20,223	5,26,55,187
Hinduja Leyland Finance Limited-IV	07-Aug-17	07-Jul-20	7,00,00,000	3,40,40,668	5,64,59,309
Hinduja Leyland Finance Limited-V	10-Dec-17	10-Nov-20	7,50,00,000	4,46,66,426	6,78,06,100
Hinduja Leyland Finance Limited-VI	30-Apr-18	31-Mar-21	20,00,00,000	14,03,27,604	20,00,00,000
Magma Fincorp Limited-I	29-Jan-18	29-Jan-21	10,00,00,000	6,47,11,600	9,52,13,085
Mahindra and Mahindra Financial Services Limited-4958695	21-Dec-17	21-Sep-18	20,00,00,000	-	10,26,07,680
Mahindra and Mahindra Financial Services Limited-4958718	21-Dec-17	21-Mar-20	10,00,00,000	4,34,23,807	8,21,98,429
Mahindra and Mahindra Financial Services Limited-5324999	25-Jun-18	20-Mar-19	25,00,00,000	-	25,00,00,000
Mahindra and Mahindra Financial Services Limited-5381630	23-Apr-18	23-Apr-19	25,00,00,000	6,49,88,651	-
Manappuram Finance Limited-I	30-Nov-17	31-May-20	25,00,00,000	16,07,14,285	23,21,42,857
Manappuram Finance Limited-II	18-Mar-19	18-Mar-22	50,00,00,000	50,00,00,000	-
Nabkisan Finance Limited-I	31-Oct-17	31-Jan-22	15,00,00,000	11,24,45,812	14,99,97,260
Nabkisan Finance Limited-II	31-Jul-19	30-Apr-24	7,75,00,000	7,81,96,042	-
Tata Capital Financial Services Limited-20754602	22-Jun-18	20-Jun-21	5,00,00,000	3,74,99,900	-

Tata Capital Financial Services Limited-7470504	25-Jul-17	25-Jun-20	10,00,00,000	4,16,66,200	7,49,99,800
Tata Capital Financial Services Limited-7772720	25-Sep-17	25-Jun-20	5,00,00,000	2,20,58,600	3,97,05,800
Vivriti Capital Private Limited-I	27-Apr-19	29-Sep-22	10,00,00,000	10,00,00,000	-
Volkswagen Finance Private Limited-I	01-Dec-18	01-Nov-21	20,00,00,000	17,57,74,200	-
Total				2,36,92,95,418	2,23,14,14,990

Note:-

The interest rate subsisting as on March 31, 2019 from Financial Institutions is in the range between 9.04% to 13.98%.

The total amount of personal guarantee given by directors and others, against the borrowings from Financial Institutions amounts to Rs. 1,433,346,017 in financial year ended on March 31, 2019 as compared to Rs. 1,365,667,302 in financial year ended on March 31, 2018.

5.5 Schedule of privately placed subordinated (Tier II) redeemable bonds

Loan ID number	Category	Initiation date	Maturity date	Sanctioned loan	March 31,2019	March 31,2018
IDFC First bank Limited	Subordinates debts	01-Jan-19	31-Aug-22	20,00,00,000	20,00,00,000	20,00,00,000

Note:-

Privately placed subordinated (Tier II) redeemable bonds are covered by the Personal Guarantee of Director amounting to Rs. 200,000,000 in financial year ended on March 31, 2019 as compared to Rs. 200,000,000 in financial year ended on March 31, 2018.

ISIN	Face value	No of debentures	First redemption Date	Final redemption date	Rate	Amount outstanding
INE124N08042	10,00,000	200	03-Feb-23	03-Feb-23	13.50%	20,00,00,000

6 Other long-term liabilities

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Unrealised gain on loan transfers under securitisation transactions	8,63,56,705	11,53,28,821
Interest accrued but not due	22,76,89,058	2,77,17,555
TOTAL	31,40,45,763	14,30,46,376

7 Long-term and short-term provisions

(Amount in Rs.)

Particulars	Non Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(a) Provision for employee benefits				
- Gratuity	2,37,43,567	1,52,02,620	27,88,622	17,44,096
- Leave encashment	2,63,33,213	1,60,71,376	50,19,586	28,77,745
- Provision for bonus and incentives	-	-	79,71,198	-
(b) Other provisions				
- Provision for income taxes	-	-	6,15,342	3,41,84,613
- Contingent provision against other advances	-	-	2,67,11,314	2,40,05,346
- Contingent provision against standard assets	3,69,42,156	2,44,54,213	2,19,01,324	1,46,00,044
- Provision on sub-standard assets	1,54,61,111	36,83,112	7,76,24,108	6,79,29,332
- Provision on doubtful and loss assets	-	-	5,39,65,976	99,09,554
TOTAL	10,24,80,047	5,94,11,321	19,65,97,470	15,52,50,730

8 Short-term borrowings

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Secured		
Loan repayable on demand	25,74,87,727	35,93,03,659
Working capital demand loan	39,29,79,561	49,30,03,605
TOTAL	65,04,67,288	85,23,07,264

Note:-

The total amount of personal guarantee given by directors and others, against the cash credit Limits amounts to Rs. 257,487,727 in financial year ended on March 31, 2019 as compared to Rs. 359,303,659 in financial year ended on March 31, 2018.

The total amount of personal guarantee given by directors and others, against the working capital demand loans amounts to Rs. 392,979,561 in financial year ended on March 31, 2019 as compared to Rs. 493,003,605 in financial year ended on March 31, 2018.

9 Trade payables

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Trade payables (refer note 35)		
i) total outstanding dues to micro and small enterprises, and	-	-
ii) total outstanding dues to creditors other than micro and small enterprises	29,95,63,327	30,37,59,323
TOTAL	29,95,63,327	30,37,59,323

10 Other current liabilities

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
(a) Current maturities of term loans from banks and non-convertible debentures (refer note 5)	4,31,50,36,703	3,84,25,00,128
(b) Other payables		
Overdue balances in current account with banks	37,292	49,74,568
Interest accrued but not due	9,00,64,614	5,40,42,570
Unrealised gain on loan transfers under securitization transactions	19,39,53,417	26,20,49,998
Statutory dues payables	3,39,38,025	2,22,86,150
Dividend payable	5,995	5,995
Other advances	8,04,00,489	10,30,05,849
Creditors for other expenses (refer note 10.1)	7,68,82,247	6,28,56,978
TOTAL	4,79,03,18,782	4,35,17,22,236

10.1 Creditors for other expenses includes Rs. Nil (Previous year: Rs. Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this Act. The above is based on the information available with the Company which has been relied upon by the auditors.

10.2 In terms of the accounting policies stated in 2.5, securitisation income is recognised as per RBI guidelines dated 21.08.2012. Accordingly, interest only (I/O) strip representing present value of interest spread receivable has been recognised and reflected under loans and advances (refer note 17) and equivalent amount of Unrealised gain has been recognised as liabilities (refer note 6 and 10).

11 Fixed Assets

(a) for the financial year ended on March 31, 2019:

Description	Gross Block			Depreciation & amortization			Net block
	Opening balance	Addition	Adjustment/ Deletion	Opening balance	Addition	Adjustment/ Deletion	
Tangible assets							
Land	8,88,365	-	-	-	-	-	8,88,365
Leasehold improvements	1,52,31,413	3,28,99,055	10,01,471	15,39,939	28,15,445	1,60,464	4,29,34,077
Furniture and fixtures	5,50,90,216	1,51,98,600	-	1,42,06,326	61,86,444	-	4,98,96,047
Computers	4,09,54,217	1,50,77,340	-	2,33,90,082	98,93,577	-	2,27,47,898
Vehicles	5,07,50,023	46,89,125	7,70,000	1,14,08,646	62,57,394	1,40,473	3,71,43,581
Office equipments	1,80,93,535	1,02,10,286	16,585	74,76,054	40,44,482	-	1,67,66,700
Total	18,10,07,769	7,80,74,406	17,88,056	5,80,21,047	2,91,97,343	3,00,937	17,03,76,667
Intangible assets							
Software	71,32,091	61,66,808	-	44,28,390	29,27,632	-	59,42,878
Total	71,32,091	61,66,808	-	44,28,390	29,27,632	-	59,42,878
Capital work-in-progress (CWIP)							
Leasehold improvements (building)	96,86,434	2,52,29,308	3,42,86,180	-	-	-	6,29,562
Total	96,86,434	2,52,29,308	3,42,86,180	-	-	-	6,29,562
Grand Total (other than CWIP)	18,81,39,860	8,42,41,215	17,88,056	6,24,49,437	3,21,24,975	3,00,937	17,63,19,545

(b) for the financial year ended on March 31, 2018:

Description	Gross Block			Depreciation & Amortization			Net Block
	Opening balance	Addition	Adjustment/ Deletion	Opening balance	Addition	Adjustment/ Deletion	
Tangible assets							
Land	-	8,88,365	-	-	-	-	8,88,365
Leasehold improvements	78,13,752	74,17,661	-	2,48,104	12,91,835	-	1,36,91,474
Furniture and fixtures	4,52,03,549	98,86,667	-	93,91,690	48,14,636	-	4,08,83,890
Computers	2,97,16,638	1,12,37,579	-	1,58,90,050	75,00,032	-	1,75,64,135
Vehicles	4,20,85,144	92,60,395	5,95,516	59,06,681	55,72,612	70,647	3,93,41,377
Office equipments	1,29,61,233	51,32,302	-	47,18,480	27,57,574	-	1,06,17,481
Total	13,77,80,316	4,38,22,969	5,95,516	3,61,55,005	2,19,36,689	70,647	12,29,86,722
Intangible assets							
Software	51,74,059	19,58,032	-	30,02,654	14,25,736	-	27,03,701
Total	51,74,059	19,58,032	-	30,02,654	14,25,736	-	27,03,701
Capital work-in-progress (CWIP)							
Lease hold improvements (building)	-	96,86,434	-	-	-	-	96,86,434
Total	-	96,86,434	-	-	-	-	96,86,434
Grand Total (other than CWIP)	14,29,54,375	4,57,81,001	5,95,516	3,91,57,659	2,33,62,425	70,647	12,56,90,423

12 Deferred tax assets (net):

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Deferred tax liabilities		
Depreciation and amortisation	7,01,315	21,72,116
Deferred tax liabilities	7,01,315	21,72,116
Deferred tax asset		
Provision on loans and advances	6,77,34,864	5,00,36,800
Provision on rent straight lining	8,07,332	-
Provision for employee benefit expenses	1,45,82,358	1,44,99,311
Deferred tax assets	8,31,24,554	6,45,36,111
Net deferred tax assets	8,24,23,239	6,23,63,995

13 Other non-current assets

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Term deposits, lien with banks (refer note 16.1)	3,88,38,778	1,19,00,000
Term deposits, lien with securitisation trust (refer note 16.1)	9,63,75,905	8,51,51,357
Unamortised borrowing cost	2,03,81,841	2,34,06,221
Prepaid expenses	1,40,13,852	54,73,481
Total	16,96,10,375	12,59,31,059

14 Trade receivables

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Trade receivable (unsecured considered good)		
Outstanding less than six months	-	23,75,132
Outstanding above six months	2,65,143	8,979
TOTAL	2,65,143	23,84,111

15 (a) Non-current investments

(Amount in Rs.)

Particulars	March 31, 2019		March 31, 2018	
	No of Units	Amount	No of Units	Amount
Non trade unquoted investment (valued at cost unless stated otherwise)				
Pass through certificates for securitisation / assignment of loan assets (Face value Rs. 1 each, Previous year Rs. 1 each)	4,66,66,786	4,66,66,786	4,66,66,786	4,66,66,786
TOTAL	4,66,66,786	4,66,66,786	4,66,66,786	4,66,66,786
Particulars	March 31, 2019		March 31, 2018	
	Cost	Market value*	Cost	Market value*
Aggregate value of unquoted investments	4,66,66,786	-	4,66,66,786	-
Aggregate provisions for diminution of quoted investments	-	-	-	-

*Investments being unquoted so market value of the same is not available

15 (b) Current investments

(Amount in Rs.)

Particulars	March 31, 2019		March 31, 2018	
	No of Units	Amount	No of Units	Amount
Non trade unquoted investment				
Investments in Mutual funds				
SBI Magnum Medium Duration Fund Regular Growth (NAV: Rs. 30.6916)*	1,62,911	50,00,000	-	-
SBI Dual Advantage Fund-Series XXIX-Regular Growth (NAV: Rs. 10)*	5,00,000	50,00,000	-	-
Northern Arc Money Market Alpha Fund (NAV: Rs. 100)	10,00,000	10,00,00,000	-	-
Aggregate amount of book value of unquoted investment	16,62,911	11,00,00,000	-	-
Aggregate amount of market value of unquoted investment	16,62,911	11,08,62,711		

*Mutual fund earmarked in favour of State Bank of India

16 Cash and bank balance

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
(a) Cash and cash equivalents		
Cash in hand	9,02,58,301	7,59,91,249
Balances with bank	64,45,85,195	1,28,79,290
Deposits (having original maturity less than three months)	79,07,887	30,22,401
(b) Other bank balances		
Term deposits, lien with banks (Refer Note 16.1)	4,52,15,829	14,65,48,270
Term deposits, lien with securitisation trust (Refer Note 16.1)	7,81,99,448	5,52,74,037
Deposit (maturity less than twelve months)	1,90,99,00,000	-
TOTAL	2,77,60,66,660	29,37,15,247

16.1 FDR balances with bank (kept as margin money against guarantees/loan)

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
-Maturity within 3 months from date of acquisition	79,07,887	30,22,401
-Maturity after 3 months to 1 year from date of acquisition	5,58,06,833	4,41,44,287
-Maturity within 1 year from reporting date	6,76,08,443	15,76,78,020
Shown under cash and bank balances	13,13,23,163	20,48,44,708
-Maturity more than 12 months	13,52,14,683	9,70,51,357
Shown under other non-current assets (refer note 13)	13,52,14,683	9,70,51,357
TOTAL	26,65,37,846	30,18,96,065

17 Loans and advances

(Amount in Rs.)

Particulars	Non Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Receivable under financing activity				-
Secured				-
Standard	9,23,00,14,324	6,11,35,53,320	5,43,28,03,631	3,88,29,07,720
Sub-standard	15,25,52,511	2,04,111	32,28,93,553	32,13,64,219
Doubtful	-	81,888	10,34,57,029	1,91,06,414
Unsecured				
Standard	55,24,811	-	4,25,27,309	97,78,759
Sub-standard	20,58,597	-	46,58,797	-
Doubtful	-	-	3,68,835	-
Trade Advances	-	-	1,99,60,413	3,61,87,101
Other loans and advances				-
Unsecured advances, considered good				
Advance to staff	-	-	24,88,269	22,09,637
Other advances	-	-	6,15,49,025	5,97,47,882
Security deposits	85,05,335	63,13,136	-	-
Secured advances				
Retained interest under securitisation / assignment transactions	43,02,03,211	46,15,38,925	26,53,32,745	3,31,02,648
Interest only strip (I/O) strip (refer note 10.2)	8,63,56,705	11,53,28,821	19,39,53,417	26,20,49,998
Other statutory receivables	20,71,035	22,64,035	1,23,72,958	97,34,565
TOTAL	9,91,72,86,530	6,69,92,84,236	6,46,23,65,981	4,63,61,88,943

18 Other current assets

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Prepaid expenses	89,56,050	50,12,807
Unamortised borrowing cost and servicing fees	3,10,09,206	2,32,29,812
Incomes accrued but not received	14,98,99,148	17,98,67,312
TOTAL	18,98,64,404	20,81,09,931

19 Revenue from operations

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue		
Interest income	2,86,46,20,337	1,65,60,98,335
Income from assignments	25,94,20,717	31,22,94,091
Total revenue	3,12,40,41,053	1,96,83,92,426
Other operating revenue		
Other financing fee income	36,93,79,267	23,99,94,799
Total other operating revenue	36,93,79,267	23,99,94,799
TOTAL	3,49,34,20,320	2,20,83,87,225

20 Other income

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Income from support services	4,31,20,094	1,13,30,793
Write offs recovered	3,88,04,455	1,45,94,912
Income from fixed deposits	6,82,04,217	3,27,95,453
Gain on sale of current investments	4,18,652	7,95,569
Interest from margin money deposits	51,94,797	41,67,736
Miscellaneous income	1,83,473	12,27,638
TOTAL	15,59,25,688	6,49,12,101

21 Employee benefit expenses

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	63,56,02,498	44,58,88,154
Contribution to provident and other funds	3,73,74,359	3,00,96,354
Gratuity and leave encashment expenses (refer note 27A)	2,41,34,741	1,64,05,663
Staff welfare expenses	1,13,36,813	78,14,708
TOTAL	70,84,48,411	50,02,04,879

22 Finance cost

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expenses	1,30,96,28,308	84,78,65,330
Other borrowing costs	7,49,93,406	4,66,41,167
TOTAL	1,38,46,21,714	89,45,06,497

23 Depreciation and amortisation expenses

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on tangible assets	2,91,97,343	2,19,36,689
Amortisation of intangible assets	29,27,632	14,25,736
TOTAL	3,21,24,975	2,33,62,425

24 Provisions and write offs

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Bad debts write offs	20,37,75,660	15,05,10,292
Provision on Non-performing assets	6,55,29,197	3,47,52,159
Contingent provision against standard assets	1,97,89,223	1,84,02,877
Contingent provision against other advances	27,05,968	1,32,13,985
Total provisions	8,80,24,388	6,63,69,021
TOTAL	29,18,00,049	21,68,79,313

25 Other expenses

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent (refer note 25.2)	4,41,82,261	3,50,70,797
Rates and taxes	66,92,836	1,42,46,840
Commission and brokerage	17,10,73,406	10,56,54,829
Advertisement and publicity	57,25,678	47,59,399
Travelling and conveyance	3,92,26,645	2,64,63,694
Director sitting fees	10,79,350	-
Repair and maintenance		
(i) buildings	29,96,637	23,12,297
(ii) others	16,42,654	13,57,972
Legal and professional charges	6,11,40,640	3,29,76,741
Printing and stationery	1,21,98,562	88,15,695
Auditor's remuneration (refer note 25.1)	29,00,000	36,65,000
Postage and telegram	79,60,460	55,01,462
Electricity and water expenses	1,04,73,457	74,92,769
Telephone expenses	1,27,09,156	85,94,216
Office expenses	5,85,97,039	2,51,72,096
Collection expenses	2,17,33,901	1,64,73,972
Business promotion expenses	88,37,652	87,45,680
CSR expenses (refer note 32)	81,75,665	17,56,607
Loss on sale of fixed assets	94,527	41,110
TOTAL	47,74,40,526	30,91,01,175

25.1 Auditor's remuneration

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
As Auditor		
Audit fees	23,27,500	23,00,000
In other capacity		
Limited review	4,72,500	4,00,000
Certification fees	1,00,000	9,65,000
TOTAL	29,00,000	36,65,000

25.2 Operating leases

i. Future lease rental payments

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Not later than one year	1,08,50,968	-
Later than one year, but less than three years	2,07,53,278	-
More than three years	4,24,80,916	-

ii. The Company is a lessee under various cancellable and non-cancellable operating leases. Rental expense for operating leases for the years ended March 31, 2019 and March 31, 2018 was Rs. 44,182,261 and Rs. 35,070,797 respectively.

iii. General description of leasing arrangement

- Leased assets: Premises
- Future lease rentals are determined on the basis of agreed terms.

26 Earnings per share

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Basic earnings per share		
Net profit available for equity shareholders	52,23,01,974	21,95,22,313
Weighted average number of equity shares	1,98,46,171	1,45,57,303
Basic earnings per share	26.32	15.08
Diluted earnings per share		
Weighted average number of equity shares	1,98,46,171	21,95,22,313
Effect of dilution	-	-
Weighted average number of equity shares in dilution	1,98,46,171	21,95,22,313
Diluted earnings per share	26.32	15.08

*Pursuant to the approval of the shareholders of the Company w.e.f. September 11, 2018 ('Record date') 350,919 equity shares of face value of Rs. 100 each were sub-divided into 17,545,950 equity shares of face value of Rs. 2 each and the Earnings per share ('EPS') has been arrived for all reporting periods after considering such sub division.

27A Employment benefits plan
a) Defined contribution plans:-

The Company has recognised an expense of Rs. 37,374,359 (for year ended March 31, 2018 :Rs. 30,096,354) towards the defined contribution plan.

b) Defined¹ benefits plan

(Amount in Rs.)

Particulars	Gratuity benefit plan (Unfunded)		Leave encashment plan (Unfunded)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Changes in present value of benefit obligation				
Opening present value of obligation	1,69,46,716	1,01,60,072	1,89,49,121	1,10,71,600
Interest cost	11,70,848	7,42,915	12,96,267	7,95,030
Current service cost	60,67,084	37,10,350	84,88,862	53,40,810
Past service cost	-	10,12,552	-	-
Benefits paid	(7,71,848)	(5,87,994)	(12,28,735)	(10,26,859)
Actuarial (gain) / loss	31,19,389	19,08,821	38,47,284	27,68,540
Closing present value	2,65,32,189	1,69,46,716	3,13,52,799	1,89,49,121
Component of employers expense				
Current service cost	60,67,084	37,10,350	84,88,862	53,40,810
Interest cost	11,70,848	7,42,915	12,96,267	7,95,030
Expected return on plan assets	-	-	-	-
Net actuarial (gain)/ loss recognise in the year	31,19,389	19,08,821	38,47,284	27,68,540
Past service cost	-	10,12,552	-	-
Expenses recognised in statement of profit and loss	1,03,57,321	73,74,638	1,36,32,413	89,04,380
Movement in net liability recognised in balance sheet				
Opening net liability	1,69,46,716	1,01,60,072	1,89,49,121	1,10,71,600
Expenses recognised in statement of profit and loss	1,03,57,321	73,74,638	1,36,32,413	89,04,380
Contribution	(7,71,848)	(5,87,994)	(12,28,735)	(10,26,859)
Closing balance	2,65,32,189	1,69,46,716	3,13,52,799	1,89,49,121

Actuarial assumptions				
Discount rate	7.07%	7.53%	7.07%	7.53%
Salary escalation rate	10.00%	7.50%	10.00%	7.50%
Demographic assumption				
Mortality*	IALM 2012 - 2014 ultimate	IALM 2006 - 2008 ultimate	IALM 2012 - 2014 ultimate	IALM 2006 - 2008 ultimate
Retirement age (in years)	60	60	60	60
Withdrawal rate	18.00%	15.00%	18.00%	15.00%

(Mortality IALM*: Indian assured lives mortality)

Note:

- 1) Discount rate is based on the prevailing market yields.
- 2) The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

As per revised AS-15 provision for gratuity and leave encashment for the current year has been calculated as under:-

Gratuity

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Value of obligation	2,65,32,189	1,69,46,716	1,01,60,072	63,60,505	50,94,852
Fair value of plan assets	-	-	-	-	-
Balance sheet liability/(asset)	2,65,32,189	1,69,46,716	1,01,60,072	63,60,505	50,94,852
Profit and loss -(income)/expenses	1,03,57,321	73,74,638	38,19,466	13,62,674	(12,28,679)
Experience adjustment on plan liabilities (gain) / loss	8,78,099	23,28,748	4,94,375	(3,75,810)	(28,23,687)

Leave encashment

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Value of obligation	3,13,52,799	1,89,49,121	1,10,71,600	93,45,273	52,62,445
Fair value of plan assets	-	-	-	-	-
Balance sheet liability/(asset)	3,13,52,799	1,89,49,121	1,10,71,600	93,45,273	52,62,445
P&L -(Income)/expenses	1,36,32,413	89,04,380	26,28,752	45,46,639	29,10,634
Experience adjustment on plan liabilities (gain) / loss	9,34,619	31,57,229	-20,16,368	12,77,932	15,93,081

The Company has provided for compensatory leaves which can be availed and not encashed as per policy of the Company as present value obligation of the benefit at related current service cost measured using the projected unit credit method on the basis of an actuarial valuation.

The estimates of future salary increases, considered in actuarial valuation, are on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

27B Accounting for employee share based payments (ESOP)

In accordance with resolution approved by the Shareholders, the Company has reserved shares, for issue to employees through ESOP Schemes. On the approval of Nomination and Remuneration Committee (NRC), each ESOP scheme is issued. The NRC has approved stock option schemes on dated October 15, 2018, Under the term of the scheme, the Company may issue stock option to employees and directors of the Company, each of which consist of one equity shares.

Such option vest at definite date, save for specific incidents, prescribed in the schemes as framed/ approved by NRC. Such options are exercisable for a period following vesting at the discretion of the NRC, subject to a maximum of 36 months from the date of vesting for ESOP Schemes

Method used for accounting for shared based payments plan.

The Company uses intrinsic value method to account for the compensation cost of stock options to employees of the Company.

Movement in the options outstanding under the employees stock options plan (ESOP)

Particulars	March 31, 2019		March 31, 2018	
	Options	Weighted average exercise price (per share)	Options	Weighted average exercise price (per share)
ESOP - I				
Options outstanding, beginning of year	-	-	-	-
Granted during the year	4,06,750	249.35	-	-
Exercised during the year	-	-	-	-
Forfeited / lapsed during the year	1,500	249.35	-	-
Options outstanding, at the end of year	4,05,250	249.35	-	-

Following summarizes the information about stock options outstanding as at March 31, 2019

Plan	Exercise price	Number of shares arising out of options	Weighted average remaining contractual life (in months)	Weighted average exercise price
ESOP-I	249.35	4,05,250	35	249.35

Fair value methodology

The fair value of options used to compute pro forma net income and earnings per equity share have been estimated on the dates of each grant using the Black-Scholes model. The shares of Company are not listed on any stock exchange. Accordingly, the Company has considered the volatility of the Company's stockprice as zero, since historical volatility of similar listed enterprise was not available. The various assumptions considered in the pricing model for the stock options granted by the Company during the year ended March 31, 2019 are:

Particulars	March 31, 2019	March 31, 2018
Dividend yield	0.00%	-
Expected volatility	29.85%	-
Risk - free interest rate	7.81%-7.98%	-
Expected life of the option	6 years	-

Impact of fair value method on net profit and EPS

Had compensation cost for the Company's stock option plans outstanding been determined based on the fair value approach, the Company's net profit and earnings per share would have been as per the pro-forma amounts indicated below:

Particulars	March 31, 2019	March 31, 2018
Net profit (as reported)	52,23,01,974	-
Stock based compensation expense determined under fair value based method: (pro forma)	82,91,763	-
Net profit (pro forma)	51,40,10,211	-
Basic earnings per share (pro forma)	25.90	-
Vesting period (in years)	2-6	-
Exercise period from the date of vesting (in years)	2	-
Diluted earnings per share (pro forma)	25.90	-

28 Segment reporting

The Company's primary business comprises only of Financing related activities i.e. lending by way of secured and unsecured Loans for the purpose of AS-17. The Company operates only in India hence it has only one geographical segment viz. India.

29 Related party disclosures

As per the Accounting Standard 18 on 'Related party disclosures', the disclosure of related parties of the Company are as follows:

List of related party : where control exist

Company has no subsidiary and holding company

A Major equity shareholder

Rajendra Kumar Setia

Norwest Venture Partners X - Mauritius

B Key management personnel

Rajendra Kumar Setia	Managing Director
Shalini Setia	Director
Amar Chand Chug	Independent Director
Amar Lal Daultani	Independent Director
Anand Raghavan	Independent Director
Munish Dayal	Independent Director
Atul Arora	Chief Financial Officer
Anagha Bangur	Company Secretary

C. Relatives of key management personnel

Arjun Das Setia	Father of Rajendra Kumar Setia
Raj Kumar Setia	Brother of Rajendra Kumar Setia
Surendra Kumar Setia	Brother of Rajendra Kumar Setia
Sameer Arora	Brother of Shalini Setia
Sanjeev Arora	Brother of Shalini Setia
Yash Setia	Son of Rajendra Kumar Setia

D. Enterprises owned and significantly influenced by key management personnel or their relatives

Sharma Brothers (Partnership firm)	Brother of Rajendra Kumar Setia (Managing Director) is Partner
Shubham Leasing & Financial Company (Sole proprietorship)	Brother of Rajendra Kumar Setia (Managing Director) is Proprietor
Diamond Capfin Pvt. Ltd	Brother of Rajendra Kumar Setia (Managing Director) is Director
Chamunda Computers (Partnership firm)	Sister of Rajendra Kumar Setia (Managing Director) is Partner
Rakam Credit Private Limited	Brother of Rajendra Kumar Setia (Managing Director) is Director

(Amount in Rs.)

Nature of transaction	Particulars	March 31, 2019	March 31, 2018
Expenditure			
Salary	Key management personnel		
	Rajendra Kumar Setia	1,32,11,912	77,13,401
	Shalini Setia	11,71,812	11,12,299
	Atul Arora	24,72,806	21,45,834
	Anagha Bangur	7,70,980	5,42,485
	Relative of key management personnel		
	Sameer Arora	46,17,744	26,71,296
	Sanjeev Arora	8,74,248	7,12,980
	Yash Setia	6,39,216	-
Sitting fees	Key management personnel		
	Amar Chand Chug	1,15,000	4,00,000
	Amar Lal Daultani	4,15,000	4,00,000
	Anand Raghavan	4,15,000	-
	Munish Dayal	70,000	-
Insurance expenses	Key management personnel		
	Rajendra Kumar Setia	4,29,000	4,29,000
Commission	Relative of key management personnel		
	Surendra Kumar Setia	-	3,93,360
	Raj Kumar Setia	11,82,465	-
	Enterprises under significant influence		
	Shubham Leasing & Finance Company	13,25,342	6,00,382
	Diamond Capfin Private Limited	-	21,601
Rent expenses	Key management personnel		
	Shalini Setia	31,25,000	25,00,000
Vehicle running & maintenance	Enterprises under significant influence		
	Sharma Brothers	5,15,756	4,54,485
Issue of share capital	Major equity shareholder		
	Norwest Venture Partners X - Mauritius	80,51,74,543	54,99,47,318
	Rajendra Kumar Setia	18,66,59,055	-

(Amount in Rs.)

	Balances with related parties	Particulars	March 31, 2019	March 31, 2018
	Salary payable	Key management personnel		
		Rajendra Kumar Setia	52,57,529	4,15,761
		Shalini Setia	85,775	95,251
		Atul Arora	2,72,782	-
		Anagha Bangur	55,522	-
		Relative of key management personnel		
		Sameer Arora	3,25,466	-
		Sanjeev Arora	59,120	-
		Yash Setia	78,102	-
	Advance salary	Key management personnel		
		Atul Arora	50,000	87,500
	Sitting fees payable	Independent director		
		Amar Chand Chug	-	90,000
		Amar LalDaultani	-	90,000
	Commission payable	Relative of key management personnel		
		Surendra Kumar Setia	-	3,00,873
		Shubham Leasing & Finance Company	1,28,642	-
	Vehicle running & maintenance payable	Enterprises under significant influence		
		Sharma Brothers	39,443	-
	Advance receivable	Relative of key management personnel		
		Raj Kumar Setia	2,08,468	-

(Amount in Rs.)

Particulars	Opening balance	Given	Taken	Interest	Closing balances
<u>Advances given</u>					
Key managerial personnel					
Arjun Das Setia	-	-	-	-	-
	(0)	(79,70,840)	(81,25,095)	(1,54,255)	(0)
Enterprises under significant Influence					
Diamond Capfin Pvt. Ltd.	-	-	-	-	-
	(34,41,995)	(0)	(38,53,063)	(4,11,068)	(0)
Sharma Brothers	-	-	-	-	-
	(0)	(31,00,000)	(31,08,838)	(8,838)	(0)
Chamunda Computers	-	-	-	-	-
	(0)	(55,00,000)	(55,01,749)	(1,749)	(0)
<u>Advances taken</u>					
Enterprises under significant Influence					
Rakam Credit Private Limited	-	-	-	-	-
	(0)	(1,34,00,000)	(1,35,02,611)	(1,02,611)	(0)

Figures in () are related to financial year ended March 31, 2018

(Amount in Rs.)

Particulars	Opening	Addition	Transfer/Sell	Closing
Major Equity Shareholder				
Share capital				
Rajendra Kumar Setia	1,80,28,300	15,09,300	3,35,406	1,92,02,194
Norwest Venture Partners X - Mauritius	85,82,400	27,09,694	-	1,12,92,094
No of Shares (refer note 3.5)				
Rajendra Kumar Setia	90,14,150	7,54,650	1,67,703	96,01,097
Norwest Venture Partners X - Mauritius	42,91,200	13,54,847	-	56,46,047

30 Contingent liabilities, capital and other commitments

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
(i) Contingent liabilities:-		
(a) Claims against the Company not acknowledged as debt		
- Service tax liability	9,97,27,239	5,50,37,596
(b) Guarantees:-		
- Corporate guarantees towards assignment transaction	4,32,50,726	4,32,50,726
- Towards law suits, claims and proceedings, including collection and repossession related matters, which arise in the ordinary course of business.	1,76,500	10,000
(ii) Commitments:-		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	20,06,450
(b) Other commitments (specify nature)		
- Agreement with Nucleus Software Exports Limited	50,00,000	-

- a. Demand raised by the Office of Commissioner, Central Excise, Jaipur for the period 2009-10 to June 30, 2017 (in year ended March 31, 2018 : 2009-10 to 2014-15) for non-payment of service tax on services rendered towards provision of collection of receivables and liquidity facilities in respect of Securitisation / Direct assignments. Company has filed an appeal against this order with the CESTAT, New Delhi and has deposited an amount equal to 7.5% of the demand i.e. Rs. 3,046,340 (March 31, 2018 - Rs. 2,063,535) under protest.
- b. There are numerous interpretative issues relating to the honourable Supreme Court ('SC') judgement on PF dated 28th February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

There is no capital commitment on the part of the Company

- 31 The Company's pending litigations comprises of claims against the company by the customer and proceedings pending with other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements. (refer note 30)

32 Corporate social responsibility

In line with the provisions of Section 135 of Companies Act 2013, the Company was required to spend Rs 5,465,072/- towards CSR expenditure in the Financial Year ended on March 31, 2019. However the Company actually spent Rs 8,175,665/- for the same including previous year carry forward balances.

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
(i) Construction/ acquisition of any asset	-	-
(ii) On purpose other than (i) above	81,75,665	62,56,176

- 33 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provisions as required under any law / accounting standards for material for seeable losses on such long term contracts has been made in the books of accounts, if required.

34 Dividend distributed to equity shareholders

The Board has not declared any interim dividend or final dividend during the financial year ended March 31, 2019 and March 31, 2018.

35 Details of dues under micro, small and medium enterprises

Dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), to the extent identified and information available with the Company pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, details are mentioned below:

Particulars	March 31, 2019	March 31, 2018
Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-
The amount of interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount if interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

36.1 Capital Adequacy Ratio as per clause 3.1 of annexure XIV of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Particulars	March 31, 2019	March 31, 2018
CRAR (%)	33.02%	20.46%
CRAR-Tier- I Capital (%)	31.17%	16.87%
CRAR-Tier- II Capital (%)	1.85%	3.59%
Amount of subordinated debt raised as Tier-II capital (Rs. in lacs)	4,000	4,000
Amount raised by issue of Perpetual Debt Instruments (Rs. in lacs)	-	-

36.2 Investments

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	15,66,66,786	4,66,66,786
(b) Outside India	-	-
(ii) Provision for Dimunition		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	15,66,66,786	4,66,66,786
(b) Outside India	-	-
(2) Movement of provisions held towards dimunition on investments		
(i) Opening Balances	-	-
(ii) Add: Provision made during the year	-	-
(iii) Less: Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

36.3 Derivatives

The Company has not entered into any derivatives contracts during the year ended March 31, 2019
(for year ended March 31, 2018 - Nil).

36.4 Disclosure related to securitisation transaction

(Amount in Rs.)

S. No.	Particulars	March 31, 2019	March 31, 2018
1	No of SPVs (i.e. special purpose vehicle) sponsored by the NBFC for securitisation transactions	9	11
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	2,78,13,25,590	2,41,30,44,362
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	* First Loss	4,32,50,726	4,32,50,726
	* Others	-	-
	b) On-balance sheet exposures		
	* First Loss	14,88,91,254	12,94,69,305
	(Cash collateral term deposits with banks)		
	* Others	44,30,89,394	45,76,70,108
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	* First Loss	-	-
	* Others	-	-
	ii) Exposure to third party securitisations		
	* First Loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	* First Loss	-	-
	* Others	4,66,66,786	4,66,66,786
	(Investment in Pass- through Certificates (PTC))	-	-
	ii) Exposure to third party securitisations		
	* First Loss	-	-
	* Others	-	-

Disclosure related to Direct assignments

(Amount in Rs.)

S. No.	Particulars	March 31, 2019	March 31, 2018
1	No of transactions assigned by the Company	11	7
2	Total amount outstanding	1,94,02,86,837	36,97,14,650
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	* First Loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	* First Loss	-	-
	(Cash collateral term deposits with banks)		
	* Others	25,24,46,562	3,69,71,465
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	* First Loss	-	-
	* Others	-	-
	ii) Exposure to third party securitisations		
	* First Loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own assigned transaction		
	* First Loss	-	-
	* Others	-	-
	(Investment in Pass- through Certificates (PTC))		
	ii) Exposure to third party assigned transaction		
	* First Loss	-	-
	* Others	-	-

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

The Company has not sold any financial assets to securitisation / reconstruction company during the financial year ended March 31, 2019 and March 31, 2018.

36.6 Details of Assignment transactions

(Rs in Lacs)

Particulars	March 31, 2019	March 31, 2018
(i) No. of accounts	8,885	1,387
(ii) Aggregate value (net of provisions) of accounts sold	18,842.47	3,312.69
(iii) Aggregate consideration	16,383.09	2,981.42
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

Details of Securitisation transactions

(Rs in Lacs)

Particulars	March 31, 2019	March 31, 2018
(i) No. of accounts	14,110	11,198
(iii) Aggregate value (net of provisions) of accounts sold	25,360.08	21,328.24
(iii) Aggregate consideration	22,767.42	19,195.41
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

36.7 Details of non-performing financial assets purchased / sold

The Company has not purchased and sold any non-performing financial assets during the financial year ended March 31, 2019 and March 31, 2018.

36.8 Asset liability management

Maturity pattern of certain items of Assets and Liabilities as per RBI guidelines.

For the Financial year 2018-19

(Rs in Crores)

Particulars	Liabilities		Assets		
	Borrowings from banks	Market Borrowings	Advances	Deposits	Investments
1 day to 30/31 days (One month)	15.96	21.70	43.09	0.99	10.00
Over one month to 2 months	24.20	50.34	45.40	0.68	-
Over 2 months upto 3 months	16.04	52.47	59.19	2.14	-
Over 3 months to 6 months	61.92	76.77	129.94	117.70	-
Over 6 months to 1 year	84.64	92.51	269.91	87.28	1.00
Over 1 year to 3 years	123.13	577.75	709.92	6.82	4.67
Over 3 years to 5 years	6.50	94.85	192.71	2.03	-
Over 5 years	-	0.39	79.53	-	-
Total	332.39	966.78	1,529.69	217.64	15.67

For the Financial year 2017-18

(Rs in Crores)

Particulars	Liabilities		Assets		
	Borrowings from banks	Market Borrowings	Advances	Deposits	Investments
1 day to 30/31 days (One month)	15.12	9.50	32.32	2.35	-
Over one month to 2 months	8.93	20.57	34.43	-	-
Over 2 months upto 3 months	17.39	38.82	44.47	1.42	-
Over 3 months to 6 months	85.13	57.38	101.92	7.49	-
Over 6 months to 1 year	100.61	116.05	176.12	8.30	-
Over 1 year to 3 years	144.82	211.57	510.69	10.63	-
Over 3 years to 5 years	1.53	70.22	105.70	-	4.67
Over 5 years	-	-	29.05	-	-
Total	373.52	524.13	1,034.70	30.19	4.67

36.9 Exposure to real estate sector

The Company does not have any direct or indirect exposure to real estate sector during the year ended on March 31, 2019 and March 31, 2018.

36.10 Exposure to capital market

The Company has no exposure to capital market during year ended March 31, 2019 (for March 31, 2018 : Nil)

36.11 Details of financing of parent company products

There is no financing during the year ended on March 31, 2019.

36.12 Details of single borrower limit ('SGL') / group borrower limits ('GBL') exceeded by NBFC's

The Company has not exceeded the single borrower limits / group borrowers limits during the financial year ended March 31, 2019 and March 31, 2018 as set as Reserve Bank of India.

36.13	Schedule to the Balance Sheet of a non deposit taking Non-Banking Financial Company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)
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(Rs. In Lacs)

Particulars			
Liabilities Side:		Amount outstanding	Amount overdue
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	66,427.17	-
	: Unsecured	7,586.26	-
	(Other than falling within the meaning of public deposits*)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans From bank	28,843.71	-
	(d) Inter-corporate loans and borrowing	23,732.55	-
	(e) Commercial Paper	-	-
	(f) Other Loans (Specify nature)	-	-
	Loan from:		
	(i) Directors	-	-
	(ii) Shareholders	-	-
	(iii) CC Limit from Bank	6,504.67	-
	(iv) Un Loan from Bank and Inst	6,504.67	-
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-
Assets side:		Amount outstanding	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured		1,59,372.57
	(b) Unsecured		1,366.48
4	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors		
	(a) Financial lease		-
	(b) Operating lease		-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		1,60,739.05

5	Break-up of Investments:		
	Current Investments:		
	1. Quoted:		
	(i) Shares: (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (please specify)		-
	2. Unquoted:		
	(i) Shares: (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds	1,100.00	-
	(iv) Government Securities		-
	(v) Others (please specify)		-
	Long term investments		
	1. Quoted:		
	(i) Shares: (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (please specify)		-
	2. Unquoted:		
	(i) Shares: (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (Pass through Certificates)		466.67
6	Borrower group-wise classification of assets finances as in (3) and (4) above:		
	Category	Amount net of provisions	
		Secured	Unsecured
			Total
	1. Related Parties **		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	1,57,386.41	1,293.70
	Total	1,57,386.41	1,293.70
			1,58,680.11

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties **		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	1,662.91	1100.00
	Total		

** As per Accounting Standard of ICAI

8	Other information	
	Particulars	Amount
1	Gross Non-Performing Assets	
	(a) Related Parties	-
	(b) Other than related parties	5,859.89
ii	Net Non-Performing Assets	
	(a) Related Parties	-
	(b) Other than related parties	4,389.38
iii	Assets acquired in satisfaction of debt	-

36.14 Unsecured Advances

The Company has not given any unsecured advances against intangible securities such as charge over the rights licenses, authority, etc. during the financial year ended March 31, 2019 and March 31, 2018.

37.1 Registration under other regulators

The Company is not registered under any other regulator other than Reserve Bank of India.

37.2 Details of penalties imposed by RBI and other regulators

During the year ended March 31, 2019, penalty amounting to Rs 12,500 has been imposed for Late Fee on FC-TRS (i.e. penalty due to delay in submission of declaration regarding transfer of shares to non-resident within 60 days to the designated AD branch from the date of receipt of funds) by Reserve Bank of India, the same has been deposited (penalty during the year ended March 31, 2018 was Nil)

37.3 Details of Ratings assigned by credit rating agencies and migration of ratings during the year

Products	Month of rating assigned*	Rating assigned	Previous rating assigned
(a) Secured debentures	June - 2018 March - 2018	CARE A- BWR A	CARE BBB+ BWR A
(b) Unsecured debentures	June - 2018 June - 2018	CARE A- (Tier-II) CARE A-	CARE BBB (Tier-II) CARE BBB+
(c) Subordinated term loan	June - 2018	CARE A-	CARE BBB
(d) Bank loan facility	June - 2018 June - 2018	CARE A- BWR A	CARE BBB+ -
(e) Commercial papers	June 2018 December 2018	CARE A2+ Withdrawn	CARE A3+

(* Month of rating assigned relates to rating valid on March 31, 2019)

37.4 Remuneration of Non-Executive Directors

(Amount in Rs.)

	Name of Director	Nature of payment	March 31, 2019	March 31, 2018
	1. Mr. Amar LalDaultani	Sitting Fees	4,15,000	4,00,000
	2. Mr. Amar Chand Chug	Sitting Fees	1,15,000	4,00,000
	3. Mr. AnandRaghavan	Sitting Fees	4,15,000	-
	4. Mr. MunishDayal	Sitting Fees	70,000	-

38.1 Provisions and contingencies

(Amount in Rs.)

	Break up of 'Provisions and contingencies' shown under the head expenditure in statement of profit and loss account	March 31, 2019	March 31, 2018
	Provision towards NPA	6,55,29,197	3,47,52,159
	Provision made towards Income tax	23,26,08,359	10,97,22,724
	Other provision and contingencies	27,05,968	1,32,13,985
	Provision for standard assets	1,97,89,223	1,84,02,877

38.2 Draw Down from Reserves

The Company has adjusted the share issue expenses amounting to Rs. 3,34,63,831 from Securities Premium Reserves during the year ended March 31, 2019 (during the year ended March 31, 2018 : Nil).

38.3 Concentration of Advances, Exposures and NPA's

(Rs in Lacs)

i)	Particulars	March 31, 2019	March 31, 2018
	Concentration of Advances		
	Total advances to twenty largest borrowers	578.70	549.00
	Percentage of advances to twenty largest borrowers to total advances	0.38%	0.54%
ii)	Particulars	March 31, 2019	March 31, 2018
	Concentration of Exposures		
	Total exposure to twenty largest borrowers / customers	578.72	521.17
	Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers/ customers	0.38%	0.52%
iii)	Particulars	March 31, 2019	March 31, 2018
	Concentration of NPA's		
	Total exposure to top four NPA accounts	52.05	37.75
iv)	Sector wise NPA	% of NPAs to total advances in that sector	
		March 31, 2019	March 31, 2018
	(i) Agriculture & allied activities	-	-
	(ii) MSME	-	-
	(iii) Corporate borrowers *	-	-
	(iv) Services	-	-
	(v) Unsecured personal loans	-	-
	(vi) Auto loans	4.20%	3.72%
	(vii) Other personal loans**	1.55%	0.58%

Note:-

* Corporate borrowers are included in respective sectors

** Other Personal Loans include: Loan against Property and top-up facilities

38.4 Movement of Non-Performing Assets (NPA's)

(Amount in Rs.)

	Particulars	March 31, 2019	March 31, 2018
i)	Net NPAs as on advances (%)	2.87%	2.57%
ii)	Movement of NPAs (gross)		
	a) Opening balance	34,07,56,632	24,28,59,972
	b) Addition during the year	53,42,98,320	31,93,96,671
	c) Reduction during the year	28,90,65,630	22,15,00,011
	d) Closing balance	58,59,89,322	34,07,56,632
iii)	Movement of net NPAs		
	a) Opening balance	25,92,34,634	19,60,90,133
	b) Addition during the year	39,51,93,695	25,12,11,486
	c) Reduction during the year	21,54,90,202	18,80,66,985
	d) Closing balance	43,89,38,127	25,92,34,634
iv)	Movement of provision for NPAs		
	a) Opening balance	8,15,21,998	4,67,69,839
	b) Provision made during the year	13,91,04,625	6,81,85,185
	c) Write-off / write-back of excess provisions	7,35,75,428	3,34,33,026
	d) Closing balance	14,70,51,195	8,15,21,998

Note:-

The movement of gross NPA's, provisions for NPA and net NPA presented above excludes NPA identified and regularized in the same financial year.

38.5 Overseas assets (for those with Joint ventures and subsidiaries abroad)

There are no overseas assets owned by the Company.

38.6 Off-balance sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms during year ended March 31, 2019 (during year ended March 31, 2018 : Nil).

39 Customer complaints

Particulars	March 31, 2019	March 31, 2018
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	36	26
No. of complaints redressed during the year	36	26
No. of complaints pending at the end of the year	-	-

40 There were no cases of frauds during the year ended March 31, 2019 and March 31, 2018.

41 Clause 16 of the listing agreement for debt securities

- i) The Company has maintained the minimum security cover (i.e. 100% security cover ratio) for listed secured debt securities at all times.
- ii) The Company has registered the charges on the assets where secured debt securities are issued.
- iii) The Company has no default in repayment of interest and principal on non convertible debentures.
- iv) The Company has made the payment in accordance with applicable norms of Reserve Bank of India.
- v) The Company has complied with all the requirements of Securities and Exchange Board of India, 1992, the Securities Contracts (Regulation) Act, 1956, and rules and the regulations made thereunder as applicable to further issuance, if any, of debt securities.

42 Additional Notes

- a. Earnings in foreign during the year ended March 31, 2019: Nil (year ended March 31, 2018 - Nil)
- b. Expenditure in foreign currency on account of professional fees during the year ended March 31, 2019: Nil (year ended March 31, 2018 - Nil)
- c. Expenditure in foreign currency on account of payment of interest during the year ended March 31, 2019: Nil (year ended March 31, 2018 Rs 11,944,758)

- 43 Certain items reported in the financial statement as at 31 March 2019 have been regrouped to confirm to current year's classification and does not impact recognition and measurement principles followed for preparation of financial statements. The following table shows the amounts reported in the financial statements for the year ended 31 March 2018 and how these amounts would have appeared in the financial statements for the year ended 31 March 2018 if the current year grouping/classification were applied:

Particulars	Classified from	Classified to	Amount
Non-current portion of interest accrued but not due, reclassified from other current liabilities	Other current liabilities	Other long-term liabilities	2,77,17,555
Non-current portion of provision on sub-standard assets, reclassified from short term provision	Short-term provisions	Long-term provisions	36,83,112
Creditors other than micro and small enterprises shown as a separate line item	Other current liabilities	Trade Payable	30,37,59,323
Trade advances has been shown as a separate line item under short term loans & advances	Short-term loans and advances	Short-term loans and advances	3,61,87,101
Standard assets of loans and advances has been reclassified from secured to unsecured	Short-term loans and advances	Short-term loans and advances	97,78,759
Non current portion of sub-standard assets, reclassified to long term loans and advances	Short-term loans and advances	Long-term loans and advances	2,04,111
Non current portion of sub-standard assets, reclassified to long term loans and advances	Short-term loans and advances	Long-term loans and advances	81,888
Non-current portion of unamortised borrowing cost, reclassified from other current assets	Other current assets	Other non-current assets	2,34,06,221
Non-current portion of prepaid expenses, reclassified to other non current assets	Other current assets	Other non-current assets	54,73,481
Incomes accrued but not received, reclassified	Other current assets	Short Term Loan & Advances	23,28,96,742

Interest from margin money deposits has been reclassified from revenue from operations	Other Income	Revenue from Operations	3,69,63,189
Gain on sale of current investment regrouped from miscellaneous income	Other Income	Other Income	7,95,569
Income from fixed deposits has been reclassified from Interest from margin money deposit	Revenue from operations	Other income	3,27,95,453
Rebate and claim has been reclassified to provision and write offs	Other expenses	Provisions and write offs	7,92,55,505
Reimbursement of Auditor expenses has been reclassified from Auditor remuneration to Legal and professional charges	Auditor's Remuneration	Legal and professional charges	42,117

44 Other Disclosures

- Security deposit for assigned cases is maintained as cash collateral deposits with banks under lien with respective trustee.
- Provision for impairment loss as required under AS-28 on impairment of assets is not necessary as in the opinion of management there is no impairment of the Company's assets in terms of AS-28.
- Previous year's figures have been audited by the predecessor auditors.

As per our report of even date attached

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

For B S R & Co. LLP
Chartered Accountants

Firms' Registration No:
 101248W/W-100022

Sd/-
Rajendra Kumar Setia
 Managing Director
DIN- 00957374

Sd/-
Shalini Setia
 Director
DIN - 02817624

Sd/-
Manoj Kumar Vijai
 Partner
 M. No. : 046882

Sd/-
Atul Arora
 Chief Financial Officer

Sd/-
Anagha Bangur
 Company Secretary

Place : Jaipur
 Date : May 03, 2019



Saath Aapke Hamesha

ESS KAY FINCORP LIMITED

(Formerly Known as Ess Kay Auto Finance Pvt. Ltd.)

CIN: U65923RJ1994PLC009051

GST NO.: 08AAACE5115F1Z2

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