sk FINANCE

Saath Aapke...Hamesha

"Growth is never by mere chance it is the result of forces working together."

-James Cash Penney

ESS KAY FINCORP PRIVATE LIMITED

23rd ANNUAL REPORT 2016-17

“ We thank our customers & patrons for supporting us throughout and to take big leaps ”



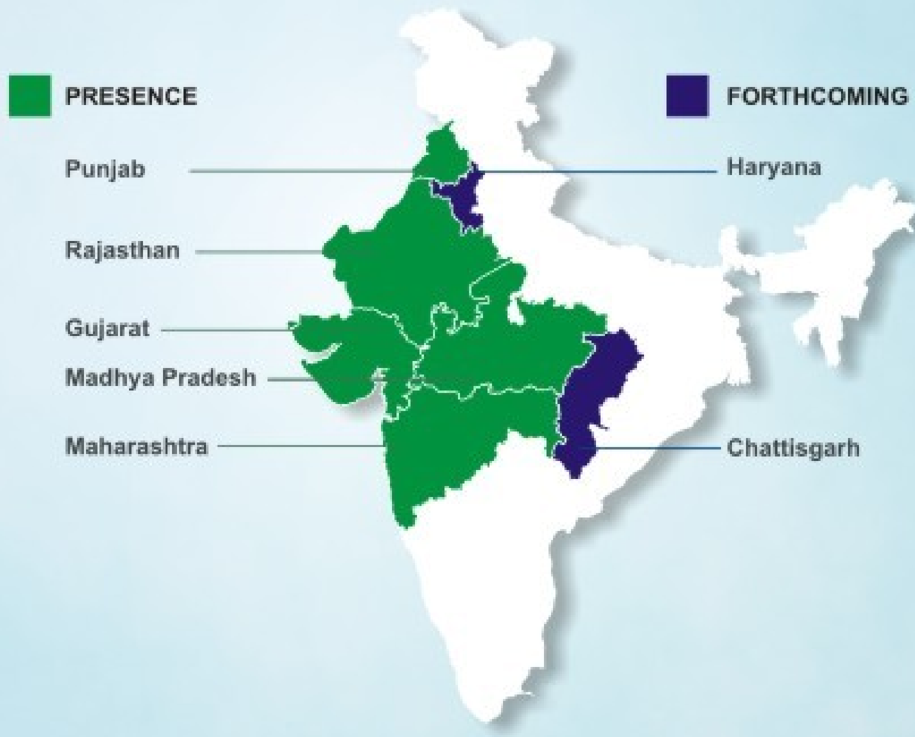






"Everything
Start with
the CUSTOMER"

23rd ANNUAL REPORT 2016-17



ESS KAY FINCORP PRIVATE LIMITED

(Formerly Known as Ess Kay Auto Finance Pvt. Ltd.)

CIN: U65923RJ1994PTC009051

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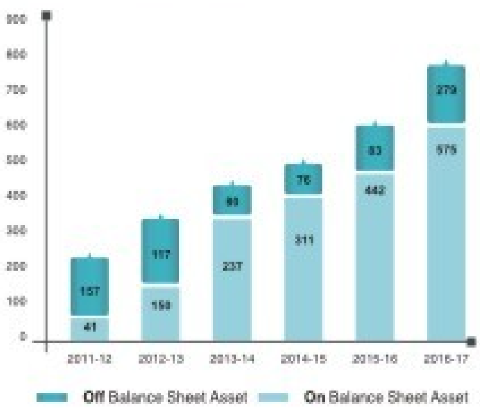
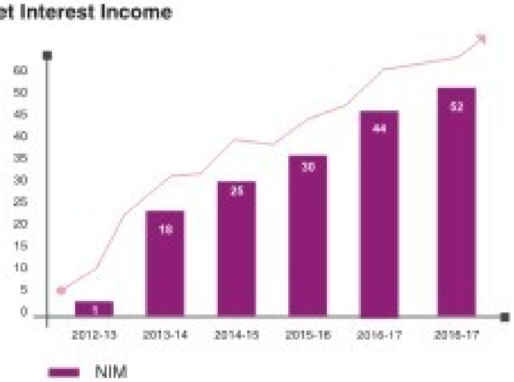
PERFORMANCE HIGHLIGHTS

Asset Under Management (Rs. in Crore)

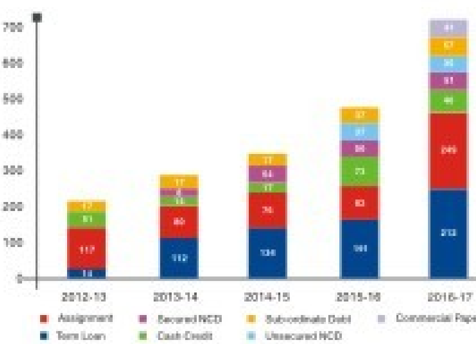


Disbursement (Rs. in Crore)

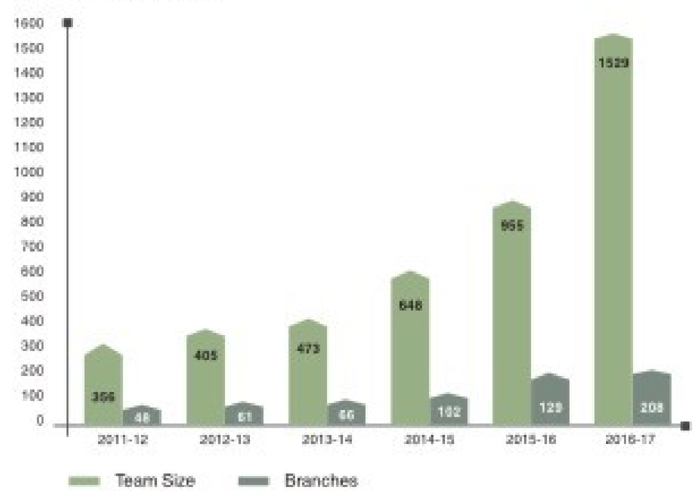
Net Interest Income



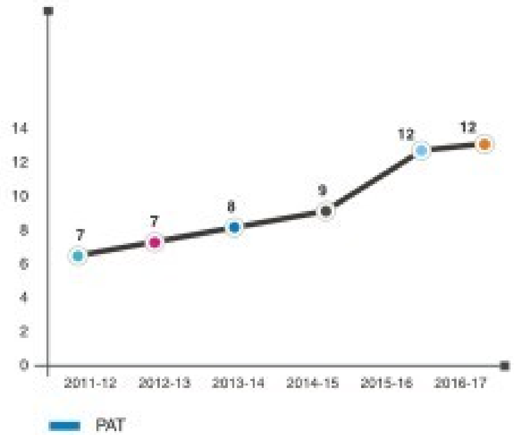
Funding Pattern (Rs. in Crore)



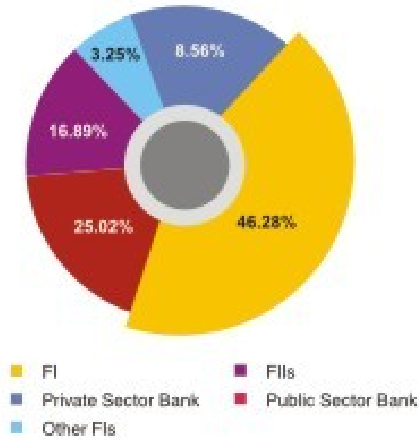
Branches & Team Size



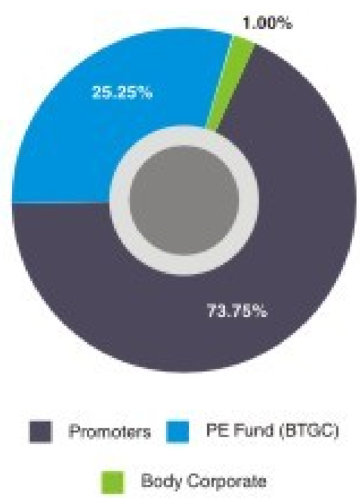
Profit After Tax (Rs. in Crore)



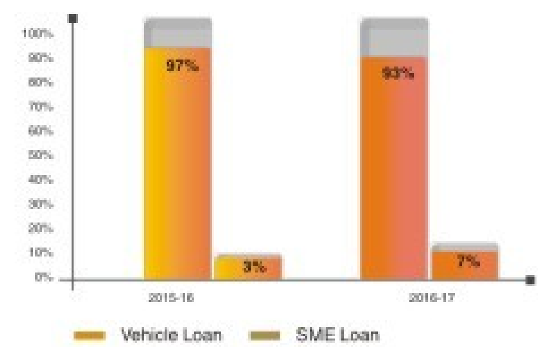
Funding Basket 2016-17 (%)



Shareholding Pattern 2016-17 (%)



Lending Basket 2016-17 (%)



"WHAT YOU GET BY ACHIEVING YOUR GOALS IS NOT IMPORTANT AS WHAT YOU BECOME BY ACHIEVING YOUR GOALS."

-Henry David Thoreau

CORPORATE INFORMATION

BOARD OF DIRECTORS

Rajendra Kumar Setia
Managing Director

Shalini Setia
Whole Time director

Sanjiv Singhal
Non-Executive-Nominee Director

Amar Lal Daultani
Non-Executive-Independent Director

Amar Chand Chug
Non-Executive-Independent Director

Govind Saboo
Non-Executive-Independent Director
(upto1.04.2016)

BOARD COMMITTEES

Audit Committee
Amar Lal Daultani
Amar Chand Chug
Sanjiv Singhal

Asset Liability Management Committee
Rajendra Kumar Setia
Shalini Setia
Amar Chand Chug

Corporate Social Responsibility Committee
Rajendra Kumar Setia
Amar Chand Chug
Amar Lal Daultani

Nomination & Remuneration Committee
Amar Lal Daultani
Sanjiv Singhal
Amar Chand Chug

Risk Management Committee
Rajendra Kumar Setia
Shalini Setia
Amar Lal Daultani

Executive Committee
Rajendra Kumar Setia
Shalini Setia
Atul Arora

Anagha Bangur
Company Secretary

Atul Arora
Chief Financial Officer

KEY MANAGEMENT TEAM

Sameer Arora
Senior Vice President (North)

Ritesh Sharma
Senior Vice President (West)

Harish Kamal Rao
Vice President
(Commercial Vehicle)

Amarpreet Singh Batra
Vice President (Tractor)

Mihir Vaishnav
Vice President (SME)

Rajeev Yadav
Vice President (Legal)

Abhijit Sharma
Senior Manager (Collection)

Harendra Singh Rathore
Associate Vice President (Collection)

Ritesh Kumar
Deputy Vice President (Operation)

Anil Sharma
Associate Vice President (HR)

Honey Jain
Associate Vice President (Accounts)

Feroz Khan
Senior Manager (SME Credit)

Pankaj Sharma
Vice President (Risk & Credit)

STATUTORY AUDITORS
M/s S. S. Kothari Mehta & Co.
Chartered Accountants
146-149, Tribhuvan Complex, Ishwar Nagar,
Mathura Road, New Delhi 110065

INTERNAL AUDITORS
M/s Gopal Ghiya & Associates
Chartered Accountants
B-49, Gautam Marg, Hanuman Nagar,
Jaipur-302021

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

TRUSTEES

Catalyst Trusteeship Limited
(Erstwhile GDA Trusteeship Limited)
Office No. 1, 2, and 3; 4th Floor, Rehematoola House, 7th Homji Street, Off,
P.M.Road, Fort, Mumbai- 400001

IDBI Trusteeship Services Limited
Asian Building, 17 R. Kamani Marg, Ballard Estate, Mumbai 400 001

Axis Trustee Services Limited
Axis House, 2nd Floor, Bombay Dyeing Mills
Compound, Near Hard Rock Café, Pandurang Budhkar Marg,
Worli Mumbai - 400 025

REGISTRAR & SECURITIES TRANSFER AGENT

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka,
Andheri (East) Mumbai 400 072.

PRIVATE EQUITY PARTNER

Banyan Tree Growth Capital LLC

PRIVATE EQUITY PARTNER

Ladderup Finance Limited

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

Corporate Office
G1& 2, Adarsh Plaza, Khasa Kothi Circle,
Jaipur - 302001 (Rajasthan)

List of Banks & FI's

Andhra Bank	AXIS BANK	Bank of India
Bank of Maharashtra	DCB BANK	HDFC BANK
IDBI BANK	Indian Overseas Bank	Karnataka Bank Ltd.
Karur Vysya Bank	Mahindra FINANCE	kotak Kotak Mahindra Bank
NABARD	RBL BANK	SBI
TMB	SOUTH INDIAN Bank	YES BANK
A.K. CAPITAL SERVICES LTD.	AU SMALL FINANCE BANK	CAPITAL FIRST
Deutsche Bank	HINDUJA LEYLAND FINANCE	IFMR Investments
FMO Entrepreneurial Development Bank	SIDBI	BanyanTree Growth Capital
mudra	Bank of Baroda	IFMR Capital

Our Network

Rajasthan

1 ACHROL
2 AJITGARH
3 AJMER
4 ALWAR
5 ANDHI
6 ANUPGARH
7 ASIND
8 BAGRU
9 BALESAR
10 BALOTRA
11 BANDIKUI
12 BANSUR
13 BANSWARA
14 BARAN
15 BARMER
16 BASSI
17 BEAWAR
18 BEHROR
19 BHANKROTA
20 BHILWARA
21 BHINMAL
22 BHOPAL GARH
23 BIDASAR
24 BIJAY NAGAR
25 BIKANER
26 BUNDI
27 CHAKSU
28 CHANDWAJI
29 CHITTORGARH
30 CHOMU
31 CHOMU
32 CHURU
33 DAUSA
34 DEEDWANA
35 DEGANA
36 DUDU
37 DUNGARGARH
38 DUNGARPUR
39 FATEHNAGAR
40 GACCHIPURA
41 GANGAPUR
42 GHARSANA
43 GHATWARI
44 GOGUNDA
45 GOVINDPURA
46 GUDA GAURJI
47 HANUMANGARH
48 HARMADA
49 JAIPUR DST
50 JAIPUR RURAL
51 JAIPUR SS
52 JAITARAN

Rajasthan

53 JALORE
54 JAMWARAMGARH
55 JHALAWAR
56 JHUNJHUNU
57 JOBNER
58 JODHPUR
59 KEKRI
60 KHAJUWALA
61 KHANDELA
62 KHATU SHYAMJI
63 KHERWARA
64 KHETARI
65 KHORA BHISAL
66 KISHANGARH
67 KOLAYAT
68 KOTA
69 KOTPUTLI
70 KUCHAMAN
71 LALSOT
72 LUNIYAWAS
73 LUNKARANSAR
74 MAHAJAN
75 MAHANDIPUR BALAJI
76 MAHUWA
77 MALPURA
78 MANDAL GARH
79 MANGALWAR
80 MANOHARPUR
81 NAGAUR
82 NAINWA
83 NAWA
84 NAWALGARH
85 NAWALGARH
86 NEEM KA THANA
87 NEWAI
88 NIMBAHERA
89 NOHAR
90 NOKHA
91 PADAMPUR
92 PALI
93 PALLU
94 PAWTA
95 PHAGI
96 PHALODI
97 PHULERA
98 PILIBANGA
99 PUGAL
100 RAI SINGH NAGAR
101 RAJGARH
102 RAJSAMAND
103 RAMGANJMANDI
104 RATANGARH

Rajasthan

105 RAWATSAR
106 RENGUS
107 RENWAL
108 SADRI
109 SAGWARA
110 SALUMBAR
111 SARDAR SAHAR
112 SATTASAR
113 SAWAI MADHOPUR
114 SHAHPURA
115 SHAHPURA-BHILWARA
116 SHRIMADHOPUR
117 SIKAR
118 SIROHI
119 SITAPURA
120 SRI VIJAY NAGAR
121 SRIGANGANAGAR
122 SUJANGARH
123 SUMERPUR
124 SURAT GARH
125 THANAGAZI
126 THANWALA
127 TODA RAISINGH
128 TONK
129 TP NAGAR
130 UDAIPUR
131 UDAIPURWATI
132 VIRATNAGAR
133 VKI

Gujarat

134 AHMEDABAD
135 AHMEDABAD SHYAMAL
136 AMRELI
137 ANAND
138 BARDOLI
139 BAREJA
140 BARODA
141 BAYAD
142 BECHRAJI
143 BHARUCH
144 BHAVNAGAR
145 BHILODA
146 BODELI
147 BORSAD
148 BOTAD
149 DABHOI
150 DAKOR
151 DEESA
152 DEHGAM
153 DEODHAR
154 DEVGADH BARIA

Gujarat

155 DHANDHUKA
156 DHOLKA
157 DWARKA
158 GANDHI NAGAR
159 GODHARA
160 HIMMAT NAGAR
161 IDAR
162 JAMKHAMBHALIYA
163 JAMNAGAR
164 JETPUR
165 JUNAGARH
166 KALOL
167 KATHLAL
168 LUNAWADA
169 MAHESANA
170 MODASA
171 MORBI
172 NADIAD
173 NAVSARI
174 PALAN PUR
175 PATAN
176 PORBANDAR
177 RADHANPUR
178 RAJKOT
179 RAJPIPLA
180 SANAND
181 SANTRAMPUR
182 SATLASANA
183 SURAT
184 SURENDRANAGAR
185 THARAD
186 UNA
187 VERAVAL
188 VIJAPUR
189 VIRAM GAM
190 VIS NAGAR
191 VYARA

Madhya Pradesh

192 AGAR
193 BADNAGAR
194 MANDSAUR
195 NEEMUCH
196 RATLAM
197 SHAMGARH
198 UJJAIN

Punjab

199 ABOHAR
200 BHATINDA
201 FAZILKA
202 MUKTSAR
203 MALOUT

Maharastra

204 DHULE
205 JALGAON
206 SHIRPUR
207 MALEGAON
208 NASHIK

FROM THE DESK OF MANAGING DIRECTOR

"I am happy to welcome you all to the 23rd Annual General Meeting of our Ess Kay family. Your continued trust and encouragement is testimony to your interest and involvement and I sincerely would like to thank you for that. It gives me immense pleasure to share with you key highlights of our Company's performance for FY 2017 against increasing optimism within the economy."

During the year gone by, amid political and economic uncertainty all key macro metrics that influence the growth of the economy have improved. India came out unscathed and is perceived as an oasis of growth leading from the front as a torchbearer of global growth. The fiscal deficit, current account deficit and core inflation except oil bucket have by and large stabilised. More relevant, these improvements are sustainable in nature as the policy framework, like aligning domestic oil prices to global movements, for instance have been implemented. Further, large ticket government investments in infrastructure and spending through increased rural budget will play a catalyst role in reviving the economy. Interest rates too are trending downwards on the back of macro economic reforms carried out by Government of India such as GST, widening scope of Aadhar biometric database which will eventually help plug leakages and better targeting of subsidies, surplus liquidity in formal banking channel on account of one off event of demonetisation and digital transformation carried out through active nudging. Moreover, a possibility of a normal to good monsoon shall add further impetus to overall growth. These factors will create a more enabling environment for many more individuals, small entrepreneurs and corporations who till date were fence sitters to finally take plunge and start making fresh investment to create a better and more inclusive society.

The new name i.e Ess Kay Fincorp Private Limited goes in complete synchronization with your current expansion plans ,where your company is extending finance arm for all sort of vehicle whether passenger or commercial vehicle, new or refinancing requirements, SME Lap backed by collaterals, Agri Products funding.

The theme with which your Company was founded was to create a product which serves the need of self employed individuals and small businesses in India through a differentiated business model providing a unique opportunity in Tier II and Tier III cities. For past 23 years your company has played credible role in financial inclusion of thousands of driver-turned-owner (DTO) and expansion of small businesses by offering affordable finance. Over the years your company has created "an ecosystem of empowerment" by expanding its products and services to encompass similar asset classes (light utility and multi-utility vehicles commercial vehicles, tractors, two wheelers, three wheelers etc). Going forward SME lending vertical will provide requisite acceleration to growth. Specifically company has identified some 20 odd retail cash flow driven businesses as primary area of operation and is assisting small entrepreneurs to scale up their dreams.

The Company has so far financed more than 100,000 self-employed individuals and MSMEs. Keeping in line with this theme, your Company has been consistent in its strategy to transform itself into a unique retail financial services institution over the past 23 years. Within this journey we have built a business spanning across 5 states with branch network of 208 branches. The Company has established for itself a unique franchise where it has developed the capability to provide small ticket loans.

100% of the Company's rural & semi-urban customers financed have been in the average range of Rs. 3,00,000 with an average tenor of 36 months. Your Company is working on the means to improve its capabilities to manage these accounts in a sustainable way and retain them for any of their future requirements. I am pleased to share with you that this year, our overall AUM has increased from Rs. 525 Crore in FY16 to 824.49 Crore in FY17, registering a growth of 57.81% primarily driven by the growth in the Commercial Vehicle & SME segments for which there is a vast untapped opportunity. The NII has grown by 18.18% to Rs. 52 Crore in FY17 from Rs. 44 Crore in FY16. The total income too grew by 35.34% to Rs. 157 Crore in FY17 from Rs. 115 Crore in FY16. Against the backdrop of such growth in assets and income, the operating expenses grew by 47.62% in FY17 over FY16 on account of increase in operating expenditure mainly related to recent expansion in the area of operation and entry in to newer geographies of Madhya Pradesh, Maharashtra and Punjab.

I am confident that the Company will continue to grow its business at a compounded rate demonstrated in past. Our Gross NPAs and Net NPAs have continued to remain low at 3.64% and 2.51% respectively, at 120 DPD NPA recognition norms which stood at 2.86% and 2.61% respectively in FY16. at 150 DPD NPA recognition norms. We are even more pleased that we have been able to maintain our asset quality inspite of delinquencies noticed during the demonetisation phase on account of currency shortage and were able to come out relatively unscathed compared to the industry standards. I'm confident that your Company will continue to maintain better asset quality in the years to come as compared to industry benchmarks.

I am happy to inform you that your Company continues to enjoy a credit rating of "BBB" on its long-term debt instruments and recently rating of subordinate debt has been upgraded to CARE (BBB). One of the remarkable successes for your Company in last year is that it has successfully diversified its lines of credit from a large number of institutions and now avails credit from over 30 reputed institutions including banks, Financial Institutions and Alternate Investment Funds. I am sincerely thankful to each and every one of these great institutions for extending their shoulders in building an institution that has great value addition to the social sector of this country mainly catering to underserved segment.

Our aspirations go beyond becoming a larger robust financial institution. We strive to contribute actively to bring about social impact by serving the underserved through adoption of innovative approach and validating the creditworthiness of the individuals and small business finding difficult to bridge the gap between the potential and reality which can bring social inclusiveness within the country.

During the year gone by, we have achieved tangible outcomes in terms of numbers of individuals and business benefited and would personally like to assure you that all our employees are working extremely hard with great dedication, high energy and strong commitment through the year for your Company. On your behalf, I would like to acknowledge the tremendous efforts of our employees, who are our most important asset. Their dedication, intellect, hard work and deep sense of values is what differentiates and drives our company forward. I sincerely thank them all vide this letter. I would also like to thank all our stakeholders for reposing their faith in us and thank our regulators, for their constant support and guidance.

I also express my thanks to all our Directors for their valuable contribution through their guidance and encouragement, which have been critical for the success of the Company. Finally, I thank each and every shareholder for their support and trust. I assure you that each one of us is committed to build a company that is high on corporate governance, is of great value for society and is a Company that each of one us will be proud of.

We have also taken couple of initiative within the company to bring about gender equality. Today, our workforce comprises of more 75 women employees in the total employee base. Moreover this number provides me immense confidence and let me personally assure you that I with my team would personally strive hard to make this place more women friendly to take this far more higher in the near future.

The Company continued to contribute actively to community welfare activities and took up several initiatives and measures related to education, women empowerment and healthcare.

I would like to inform that your company is initially engaged in providing the finance to Auto sector i.e. Vehicle financing, accordingly, the name of the company was taken as "Ess Kay Auto Finance Private Limited". Now the company has also started finance to other segments like SME Finance, Construction and agriculture equipment, Loan against Property & Housing Loan etc. The new name i.e Ess Kay Fincorp Private Limited goes in complete synchronization with the current expansion plans by adding in the bouquet a wider range of options for the customers.

Thank you,

RAJENDRA KUMAR SETIA

BOARD OF DIRECTORS

MR. RAJENDRA KUMAR SETIA
Managing Director

Mr. Rajendra Kumar Setia, the Managing Director of the company is having a wide experience of more than 2 decades 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 in the State of Rajasthan. He is a first generation leader who has strong decision making skills and is a good mentor to the employees.

MS. SHALINI SETIA
Whole Time Director

Ms. Shalini Setia, Whole Time Director of the company is Co-promoter of the Company. She has 7 years of experience in the industry. She actively participates in strategic decision making of the company. She is an eternal optimist and has promoted ethics in working environment by creating a work culture which provide a stabilized growth environment and motivation.

MR. AMAR CHAND CHUG
Independent Director

Mr. Amar Chand Chug, Independent Director of the company, Former Dy. G M of State Bank of Bikaner & Jaipur has more than 40 years of experience of working in various positions in the bank. Previously worked in Development Banking Department of State Bank of India at Corporate Centre and in State Bank of Patiala as Zonal Head. He has acquired a Ph. D. degree for research thesis on the subject of "Integrated Rural Development Programme". He is presently associated with Indian Institute of Banking and Finance, Mumbai, as a resource person and undertakes various types of works. He is also on the expert panel of "Finance Accreditation Agency" Malaysia and have advised them on various Banking related issues.

A

MR. AMAR LAL DAULTANI
Independent Director

Mr. Amar Lal Daultani, Independent Director of the company is a postgraduate in Economics from Agra University , joined Allahabad Bank as Management Trainee in 1978 and worked in different capacities in various branches of Allahabad Bank holding important assignments. He is a versatile banker having 34 years of rich experience in Credit, Forex and other General Banking Operations.He has completed his term of office in the Bank on attaining the age of superannuation. Before his elevation as Executive Director, He held the position of Field General Manager (South) at Chennai and handled the Bank's business development in Southern States.

S

MR. SANJIV SINGHAL
Nominee Director

Mr. Sanjeev Singhal, Nominee Director of the company is a MBA from Wharton Business School (USA), an MA with distinction from the University of Essex, UK and a BA with honors from Delhi University. Previously worked with SCB for 8 years, where he headed Structured Finance for India and later South East Asia out of Singapore. During his time within the Indian business, Sanjeev was involved in a number of complex financings for companies in special situations with total deal value of about $500 million. Sanjeev has spent 13 years in banking (firstly with Citibank and later with SCB) and he spent the first three years of his working life as an entrepreneur wherein he took over and turned around an ailing automobile components manufacturing company.

OUR TEAM OUR STRENGTH

Anagha Bangur
Company Secretary

Atul Arora
Chief Financial Officer

Sameer Arora
Senior Vice President
(North)

Ritesh Sharma
Senior Vice President
(West)

Harish K Rao
Vice President
(Commercial Vehicle)

Amarpreet Singh Batra
Vice President (Tractor)

Mihir Vaishnav
Vice President (SME)

Rajeev Yadav
Vice President (Legal)

Abhijit Sharma
Senior Manager
(Collection)

Harendra Singh Rathore
Associate Vice President
(Collection)

Ritesh Kumar
Deputy Vice President
(Operation)

Anil Sharma
Associate Vice President
(HR)

Honey Jain
Associate Vice President
(Accounts)

Pankaj Sharma
Vice President
(Risk & Credit)

Feroz Khan
Senior Manager
(SME Credit)

Vision

To change lives of individuals in rural & semi –ubran proven areas by offering diversified range of financial services customized to fulfil their dreams come true and also by becoming most preferred financer while providing credible, professional and customer focused world-class finance services.

Mission

- **Extend** our sphere of influence through differentiated product offering helpful to him/her in his/her path to prosperity in the geographies in which we operate by reaching out to the remotest areas, including each village in each tehsil, to extend our services.
- **Reach** out to people at bottom of the pyramid who have no access to formal banking and with non-banking habits, and to educate them about finance and help to shape up a financially strong and inclusive society.
- **In** the spirit of promoting entrepreneurial skills, in rural and ultra rural areas ensure avoiding migration and bringing social and economic prosperity to the region, ensure that the customer is 'first- time buyer' and not a 'first-time user'.
- **Provide** unmatched excellence of service through complete knowledge of products, constant innovation in services and use of the latest technology.
- **Employ** teamwork as a tool to function as a family.

With experience of more than two decades, our business model works on the methodology quoted by Great Economists , Adam Smith which says that "All the money is matter of faith".

By adopting innovative approach we have mastered the art of measuring and validating credit worthiness of an individual by the very fact that " faith " is the buzz word and also have developed methodology to arrive at credit worthiness by scientific methods of evaluating scores and capturing credit history thereby arriving at credit decision. This faith has guided our journey from our pioneering days in financing two wheelers to present day leadership in used vechile & SME lending.

Head quartered at Jaipur , Ess Kay Fincorp has operations spanning wide network across five states viz Rajasthan, Gujarat, Punjab, Madhya Pradesh & Maharashtra. It plays a vital role in partnering the India's vision of financial inclusion by providing financial assistance to people of rural India having limited access to formal banking channel.

We work on the philosophy based on 3S i.e Speed, Simplicity & Solidarity. Swift and simple loan processes through identifiable faces as staff members make the dreary loan processes, an easy ride.

We at Ess Kay value and nurture the Core values which forms the philosophy are ethos to of the organization and is ingrained in the form main DNA formation of the organization. We believe deem and practice.

We are not only any source of borrowing for our Loan customers, but we invest in building relationship by partnering and participating in shaping our customer's thought into vision and dream and help fuel their passion for entrepreneurship.

Branch Expansion

Ess Kay Fincorp has spread its wings in three more States capturing Punjab, Maharashtra & Madhya Pradesh and will serve customers through an array of rural financing products like Commercial Vehicle loans which included tractors, cars, two wheeler loans and SME loans.

The launch of new branches reinstates the fact that company's strategy to strengthen its footprint across the length and breadth of the country. With the addition of this new branch, the total number branches of the company reaches 207.

We strongly believe in driving progressive development across the country through financial inclusion. We will continue to expand our presence as a leading rural financial solutions provider, by offering a wide range of products and services."

SME Business

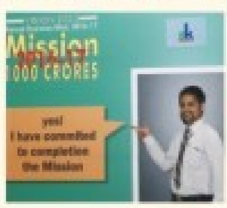
EssKay launched it's SME business in Sept, 2015. The concept was formulated to grow in such a manner to capture areas where the company has good hold. Hence business was commenced in and around Jaipur .After formulation of process and policies, the business was started initially with Bikaner Hub and expanded its horizon to Ganganagar, Kishangarh & Ajmer.

Company has disbursed Rs.49.20 Crores and total AUM of Rs.72 Crores. As on date ,it covers 30 branches and in current FY the company expects to expand its operations to Bhilwara , Udaipur and Jodhpur hubs along with market testing in Gujarat. We have a separate centralized Credit team for SME vertical and end to end file processing is well defined.To mitigate the risk we have internal and external legal and technical agencies .

Current manpower is approx 70 and is expected to further increase to 120 by FY end. Company recognizes the potential of SME and hence have taken a modest growth plan keeping in view the quality of the portfolio and hence has adopted concept of B by B building (Brick by brick) .Company caters the business needs by financing to business entities primarily retail businesses having inventory levels.

CSR
Activities

Events
at Ess Kay



NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting ("AGM")of the members of Ess Kay Fincorp Private Limited (Erstwhile Ess Kay Auto Finance Private Limited) will be held on Monday, 12th June, 2017 at 12.30 p.m at 202 (Conference Hall) Second Floor, Adarsh Plaza, Khasa Kothi Circle, Jaipur-302001 (Rajasthan) to transact the following business:

ORDINARY BUSINESS:

ITEM NO. 01 - To consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2017 together with the Reports of the Board of Directors and Auditors thereon.

ITEM NO 02- To declare dividend on preference shares @ 0.01% i.e INR 1,199/- on the aggregate Compulsory Convertible Preference Shareholder (CCPS) amounting to INR 11,994,000/- upto the date of conversion of CCPS i.e. March 27, 2017.

ITEM NO. 03 - To Ratify the Appointment of Statutory Auditors of The Company

To ratify the appointment of M/s. S.S Kothari Mehta & Co., Chartered Accountants (FRN: 000756N), New Delhi, as Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the resolution passed by the shareholders in the 20th AGM of the Company held on 30th September, 2014 , the appointment of M/s. S.S Kothari Mehta & Co., Chartered Accountants, New Delhi, (Firm Registration No. 000756N) as Statutory Auditors of the Company to hold office till the conclusion of 25th Annual General Meeting to be held in the calendar year 2019, which was subject to ratification at every AGM, be and is ratified for the financial year 2017-18 & the Board of Directors be and are hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

SPECIAL BUSINESS:

ITEM NO. 04: To Authorise the Board of Directors with respect to Increase in the borrowing power of the board of directors of the company from INR `1200 Crores To INR`1500 Crore u/s 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 earlier resolution(s), and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or any re-enactment(s) thereof for the time being in force) 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 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, 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 stock in trade (receivables), deposits or other security as they deem requisite for the purpose of the business of the Company, upto an amount of INR 1500 Crores (Indian Rupees One Thousand Five Hundred 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 and free reserves 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 INR 1500 Crores (Indian Rupees One Thousand Five Hundred 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. 05: To Authorise the Board Of Directors to sell in mortgage, create charge on all or any of the assets of the company u/s 180(1)(A) 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 earlier resolution(s) passed at the Twenty Second Annual General Meeting of the Company held on July 27, 2016 and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or any re-enactment(s) thereof for the time being in force), the consent of the members of the company be and is hereby accorded to authorize 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, lease, mortgage, create charge or otherwise dispose of whole or substantially the whole of the undertaking of the Company, mortgage and/or create charge(s), hypothecation(s) in addition to the existing mortgages, charge(s), hypothecation(s) created by the Company on all or any of the assets and properties both immovable and movable, tangible and/ or intangible properties, or such other assets of the Company wherever situated both present and future including whole or any part of the undertaking of the Company and further to issue covenants for negative pledges/negative liens in respect of the said assets and properties on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings of the Company in favor of any bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not, together with interest, cost, charges and expenses thereon for amount not exceeding INR 1500 Crores (Indian Rupees One Thousand Five Hundred 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 for the above mentioned purpose, the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient and further to execute the required documents including power(s) of attorney in favour of all or any of the persons, firms, bodies corporate, banks, financial institutions, trustees, as and by way of security for the due repayment of the sums of money together with interest or other money(ies) due thereon, if any, already borrowed or to be borrowed by the Company there from shall be within the overall limits of the borrowing powers of the Board of Directors of the Company as determined from time to time by the shareholders pursuant to Section 180(1)(c) of the Companies Act, 2013".

ITEM NO. 06: To Approve for Issuance of Non - Convertible Debentures, in one or more tranches for one year, i.e upto June 11, 2018

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 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read together with The Companies (Share Capital and Debentures) Rules, 2014 and The Companies (Prospectus and Allotment of Securities) Rules, 2014, (including any statutory modification(s), or re-enactment(s) thereof, for the time being in force) and pursuant to the provisions of the articles of association of the Company and in supersession of the earlier resolution(s) passed at the Twenty Second Annual General Meeting of the Company held on July 27, 2016, 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 issue, and to make offer(s) and/or invitation(s) to eligible persons to subscribe to, non-convertible debentures ("NCDs") on private placement basis, in one or more tranches, for a period of one year from the date of passing of this resolution, provided that the outstanding amount at any time during the period shall not exceed INR 750 crores (Indian Rupees Seven Hundred Fifty Crores Only) within the overall borrowing limits of the Company.

"RESOLVED FURTHER THAT pursuant to Section 180 (1)(a) of the Companies Act, 2013 and all other provisions of applicable law, if any, the consent of the shareholders be and is hereby accorded to the Board for the creation of such charges by way of hypothecation, in addition to the existing charges by the Company as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may direct, to or in favour of the Lending Agencies or trustees for the holders of debentures/bonds and/or other instruments or otherwise, to secure such NCDs, wherever required, of an aggregate value not exceeding INR 750 crores (Indian Rupees Seven Hundred Fifty Crores Only) together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the trustees under the trust deed and to the Lending Agencies under their respective agreements/loan agreements/security trustee agreements to be entered into by the Company in respect of the said issuance of NCDs."

"RESOLVED FURTHER THAT the said limit of INR 750 crores (Indian Rupees Seven Hundred Fifty Crores Only), shall be within the overall borrowing limit approved by the Members under Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange, settle and determine the terms and conditions (including without limitation, interest, repayment, security or otherwise) as it may think fit of such NCDs/bonds/other instruments, and to do all such acts, deeds, and things, and to execute all such documents, instruments and writings as may be required to give effect to these resolutions."

ITEM NO. 07: To Approve the Re-Appointment of Mr. Rajendra Kumar Setia as Managing Director of The Company and approve The Remuneration Payable to Him.

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

"RESOLVED THAT pursuant to Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Rajendra Kumar Setia having DIN- 00957374, be and is hereby re-appointed as the Managing Director of the Company for a period of 5 years commencing from May 19, 2017 till May 18, 2022 at a remuneration of INR 7,00,000 (Indian Rupees Seven Lakhs) per month exclusive of any remuneration directly or otherwise or by way of salary and perquisites, performance based rewards/incentives, on the terms and conditions as set out below, of the said appointment between the Board and Mr. Rajendra Kumar Setia.

Remuneration	INR 84,00,000 per annum (Indian rupees eighty four lakhs only)
Tenure	Tenure of this appointment shall be Five years with effect from May 19, 2017.
Terms and conditions of appointment or re-appointment	1. The Managing Director of the Company shall not be liable to retire by rotation. The Managing Director would be employed on a whole-time basis and will not be permitted to undertake any other business, work or public office, honorary or remunerative, except with the written permission of the Competent Authority in each case. 2. The Managing Director shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Companies Act, 2013. 3. The appointment shall be governed by Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made there under. 4. The separation from this engagement could be effected by either side giving three months notice.

RESOLVED FURTHER THAT in the event in any financial year during the tenure of the Managing Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the Managing Director, the above remuneration amount as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution."

ITEM NO. 08: To Approve the Re-Appointment of Mrs. Shalini Setia as Whole -Time Director of The Company and Approve Remuneration payable to her.

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

"RESOLVED THAT pursuant to Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mrs. Shalini Setia having DIN- 02817624, be and is hereby re-appointed as the Whole-Time Director of the Company for a period of 5 years commencing from May 19, 2017 till May 18, 2022 at a remuneration of INR 1,00,000 (Indian Rupees One Lakh) per month exclusive of any remuneration directly or otherwise or by way of salary and perquisites, performance based rewards/incentives, on the terms and conditions as set out below, of the said appointment between the Board and Mrs. Shalini Setia.

Remuneration	INR 12,00,000 per annum (Indian rupees twelve lakhs)
Tenure	Tenure of this appointment shall be Five years with effect from May 19, 2017.
Terms and conditions of appointment or re-appointment	1. The Whole-Time Director of the Company shall not be liable to retire by rotation. The Whole-Time Director would be employed on a whole-time basis and will not be permitted to undertake any other business, work or public office, honorary or remunerative, except with the written permission of the Competent Authority in each case. 2. The Whole-Time Director shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Companies Act, 2013. 3. The appointment shall be governed by Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made thereunder. 4. The separation from this engagement could be effected by either side giving three months notice.

"RESOLVED FURTHER THAT in the event in any financial year during the tenure of the Whole-Time Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the Whole-Time Director, the above remuneration amount as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.

By Order of the Board of Directors
For Ess Kay Fincorp Private Limited
(Erstwhile Ess Kay Auto Finance Private Limited)
Sd/-
Anagha Bangur
Company Secretary

Place: Jaipur
Date: May 19th 2017

Registered Office:
G 1-2, NEW MARKET, KHASA KOTHI, JAIPUR -302001
CIN: U65923RJ1994PTC009051

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM/MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxy forms in order to be effective should be duly stamped, filled, signed and must be received at the registered office of the Company not less than 48 hours before commencement of the meeting.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 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.

2. Shareholder Queries

   In case you have any query relating to the enclosed Financial Statements or about the operations of the Company, you are requested to send the same to the Company Secretary at the Registered Office of the Company at least seven (7) days before the date of Annual General Meeting so that the information can be made available at the meeting.

3. Members/proxies should bring the attendance slip duly filled in along with the copy of annual report for attending the AGM.

4. Members are requested to:

   a) Notify the change in address if any, with Pin Code numbers immediately to the Company.

   b) 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).

5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. 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 duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the AGM.

7. The Register of Directors and key managerial personnel and their shareholding maintained under section 170 of the Companies Act, 2013 and the register of Contracts/ Arrangements in which the Directors are interested, maintained under section 189 of Companies Act, 2013 will be available for inspection by the members at the AGM.

8. 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 AM to 5 PM upto the date of AGM.

9. 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.

10. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Share Transfer Agents, (RTA), for consolidation of such folios into a single folio.

11. The Members may contact their respective depository participants for making nominations as permitted under Section 72 of the Companies Act, 2013.

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

    Registrar & Securities Transfer Agent:

    Bigshare Services Private Limited

    E-2/3, Ansa Industrial Estate, Saki Vihar Road,

    Saki Naka Andheri (East) Mumbai 400 072
    Mail ID:- babu@bigshareonline.com

    Contact: 022 4043 0289

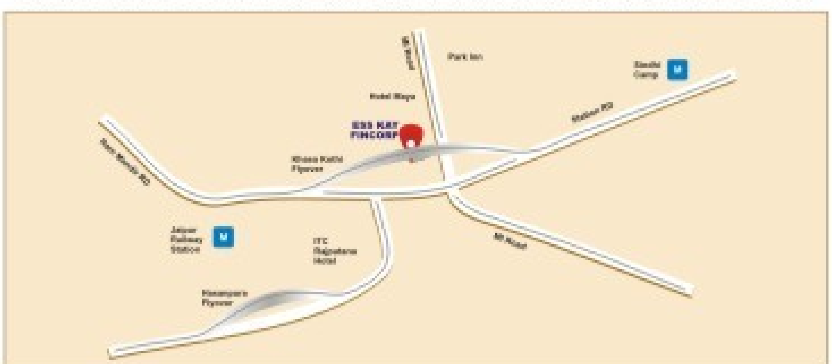
13. The Notice of AGM and the copies of audited financial statements, Board's report, auditors' report, etc. will also be displayed on the website of the Company at www.skfin.net and the other requirements as applicable will be duly complied with.

14. Electronic copy of the Annual Report and Notice of AGM for the financial year 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report and the notice along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

15. The Members who have not registered their email address so far, are requested to register their e-mail address 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. The route map showing the direction to reach the venue of AGM is attached at the end of the Report.

ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING



By Order of the Board of Directors
For Ess Kay Fincorp Private Limited
(Erstwhile Ess Kay Auto Finance Private Limited)

Place: Jaipur
Date: May 19th 2017

Sd/-
Anagha Bangur
Company Secretary

Registered Office:
G 1-2, NEW MARKET, KHASA KOTHI, JAIPUR -302001
CIN: U65923RJ1994PTC009051

ANNEXURE TO THE NOTICE THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) AND (2) OF THE COMPANIES ACT, 2013 WITH RESPECT TO THE SPECIAL BUSINESS UNDER ITEM NO. 04 TO ITEM NO. 08 AS SET OUT IN THE NOTICE IS ANNEXED HERETO.

ITEM NO. 04

At the 22nd Annual General Meeting of the Company held on July 27, 2016, consent of the shareholders was obtained u/s. 180(1)(c) and all other applicable provisions, if any, of the Companies Act 2013, by way of a special resolution, to the Board of Directors of the Company for borrowing monies in excess of the aggregate of the paid up capital and free reserves of the Company upto a sum of INR 1200 crores (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business). Further, with the business operations growing and the expected growth in the activities and operations of the Company the aforesaid limit of INR 1200 crores is likely to exceed in due course/in the near future.

In view of the overall increase in the business activities of the Company i.e., expected loan book size and considering the net owned funds and additional working capital requirements, it is considered desirable to increase the Company's existing borrowing limit of INR 1200 crores to INR 1500 Crores.

In order to comply with the requirements under Section 180(1)(c) of the Companies Act, 2013, consent of the members is sought through the resolution(s) proposed at Item No.4 by way of special resolution to enable the Board of Directors of the Company to borrow moneys upto a sum of INR 1500 Crores (Indian Rupees One Thousand Five Hundred Crores only).

Your Directors therefore, recommend the passing of the resolution proposed at Item No.4 of the Notice.

None of the Director or any key managerial personnel or the relatives of the directors or key managerial personnel is in any way concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 05

Standard market terms of long term or short term/debt finance include conditions to secure their financial assistance provided to the company, therefore, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers, Financial Institutions, Trustees etc. in the ordinary course of business)

The proposed borrowings of the Company under section 180 (1) (c) of the Companies Act, 2013, may, if necessary, be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the lenders/ holders of securities / trustees for the holders. As the documents to be executed between the lenders/security holders/ trustees for the holders of the said securities and the Company may contain provisions to take over movable or immovable assets of the Company in certain events, it is necessary to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charges/ mortgages/ hypothecations for an amount not exceeding INR 1500 Crores (Indian Rupees One Thousand Five Hundred Crores Only).

Your Directors therefore, recommend the passing of the resolution proposed at Item No 5 of the Notice.

None of the Director or any key managerial personnel or the relatives of the directors or key managerial personnel is in any way concerned or interested, financially or otherwise, in the said resolution

ITEM NO. 06

As per Section 42, 71 of the Act read with The Companies (Share Capital and Debentures) Rules, 2014 and The Companies (Prospectus and Allotment of Securities) Rules, 2014, a company offering or making an invitation to subscribe to Non-Convertible Debentures ("NCDs"), is required to obtain the prior approval of its members by way of a special resolution. Such approval by way of special resolution can be obtained once a year for all the offers and invitations made for such NCDs during the year.

The issuance of NCDs on a private placement basis is a cost effective and important source of funds for the Company.

In view of the above, the approval of the members by way of a special resolution under Section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 is being sought to enable and authorize the Company to raise funds by offering and issuing NCDs, in one or more tranches, for a period of one year from the date thereof, provided that the outstanding amount at any time during the period shall not exceed INR 750 crores (Indian Rupees Seven Hundred Fifty Crores Only) within the overall borrowing limits of the Company, with the authority to the Board to arrange, settle and determine the terms and conditions (including without limitation, interest, repayment, security or otherwise) as it may think fit of such NCDs/bonds/other instruments.

The Directors recommend the resolution at Item No. 6 of the accompanying notice, for the approval of the members of the Company by way of a special resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned with or interested, financially or otherwise, in the resolution set out at Item No.6

ITEM NO. 07

Mr. Rajendra Kumar Setia promoter and founder is affiliated with the Company since incorporation, and your Directors are in opinion to re-appoint him as Managing Director, therefore they have recommended to appoint Mr. Rajendra Kumar Setia as Managing Director of the Company on the remuneration as recommended by the Nomination and Remuneration Committee for a period of Five years, commencing from May 19, 2017 till May 18, 2022 subject to approval Shareholders.

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

Age	48 Years
Qualifications	B. Sc. from Rajasthan University.
Experience	Mr. Rajendra Kumar Setia, the Managing Director of the company is having a wide experience of more than 20 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 in the State of Rajasthan.
Terms and conditions of appointment or re-appointment	1. Tenure of this appointment shall be Five years with effect from May 19, 2017. 2. The Managing Director of the Company shall not be liable to retire by rotation. The Managing Director would be employed on a whole-time basis and will not be permitted to undertake any other business, work or public office, honorary or remunerative, except with the written permission of the Competent Authority in each case. 3. The Managing Director shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Companies Act, 2013. 4. The appointment shall be governed by Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made thereunder. 5. The separation from this engagement could be effected by either side giving three months notice.
Last drawn remuneration	INR 48,00,000 per annum (Indian Rupees Forty Eight Lakhs)
Date of first appointment on the Board	November 21,1994 (Since Incorporation)
No. of share held	99880 fully paid up Equity Shares of INR 100 each.
Relationship with Directors, Managers & KMP	Related with Mrs. Shalini Setia (Spouse)
Number of Board Meeting attended during FY 2016-17	6 (Six)
Other Directorship	SATYAM PREMISES PRIVATE LIMITED (CIN-U45201RJ2005PTC020566)
Chairman/ Member of the Committees of Boards of other companies	Not Applicable

INFORMATION PURSUANT TO REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015

A brief Resume	Mr. Rajendra Kumar Setia, Director of the company is having a wide experience of more than 20 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 in the State of Rajasthan. He has always tried to tap young talent that can develop with the growth of company and adopting changes in technology and moving towards ease of doing business by making best use of technological developments. Despite of all ups and downs during the business tenure, Mr. Rajendra Kumar Setia stands like a cliff.
Expertise in specific functional areas.	Banking and Financial Industries.
Disclosure of relationships between directors inter-se	Related with Mrs. Shalini Setia, Director and promoter in Company (Spouse)
Names of listed entities in which he also holds the directorship and the membership of Committees of the board	Not Applicable
Shareholding of non-executive directors.	Not Applicable

Your Directors therefore, recommend the passing of the resolution proposed at Item No.07 of the Notice.

Except Mr. Rajendra Kumar Setia and Mrs. Shalini Setia(Spouse),none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned with or interested, financially or otherwise, in the resolution set out at Item No.7

ITEM NO. 08

The Board considers that appointment of Mrs. Shalini Setia as Whole-Time Director would be of immense benefit to the Company and it is desirable to continue to avail the services, therefore, they have recommended to appoint Mrs. Shalini Setia as Whole-Time Director of the Company on the remuneration as recommended by the Nomination and Remuneration Committee for a period of Five years, commencing from May 19, 2017 till May 18, 2022 subject to approval Shareholders.

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

Age	45 Years
Qualifications	B. Sc. from Rajasthan University.
Experience	Ms. Shalini Setia, Director of the company is Co-promoter of the Company. She has more than 6 years of experience in the finance industry. She actively participates in strategic decision making of the company. She is an eternal optimist and has promoted ethics in working environment by creating a work culture which provide a stabilized growth environment and motivation.
Terms and conditions of appointment or re-appointment	1. Tenure of this appointment shall be Five years with effect from May 19, 2017. 2. The Whole-Time Director of the Company shall not be liable to retire by rotation. The Whole-Time Director would be employed on a whole-time basis and will not be permitted to undertake any other business, work or public office, honorary or remunerative, except with the written permission of the Competent Authority in each case. 3. The Whole-Time Director shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Companies Act, 2013. 4. The appointment shall be governed by Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made thereunder. 5. The separation from this engagement could be effected by either side giving three months notice.
Last drawn remuneration	INR 7,20,000 per annum (Indian Rupees Seven Lakhs Twenty Thousands)
Date of first appointment on the Board	December 18, 1994
No. of share held	99729 fully paid up Equity Shares of INR 100 each.
Relationship with Directors, Managers & KMP	Related with Mr. Rajendra Kumar Setia) (Spouse)
Number of Board Meeting attended during FY 2016-17	5 (Five)
Other Directorship	NIL
Chairman/ Member of the Committees of Boards of other companies	Not Applicable

INFORMATION PURSUANT TO REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015

A brief Resume	Mrs. Shalini Setia holds bachelor's degree in Science from University of Rajasthan. She has over more than 6 years of experience in banking and finance industry. She is the Director of the Company and devotes whole time attention to the management of the affairs of the Company and exercises powers under the supervision and superintendence of the Board of the Company
Expertise in specific functional areas.	Banking and Financial Industries.
Disclosure of relationships between directors inter-se	Related with Mr. Rajendra Kumar Setia, Managing Director and promoter in Company (Spouse)
Names of listed entities in which he also holds the directorship and the membership of Committees of the board	Not Applicable
Shareholding of non-executive directors.	Not Applicable

Your Directors therefore, recommend the passing of the resolution proposed at Item No.08 of the Notice.

Except Mrs. Shalini Setia and Mr. Rajendra Kumar Setia(Spouse),none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned with or interested, financially or otherwise, in the resolution set out at Item No.8.

Place: Jaipur
Date: May 19th 2017

By Order of the Board of Directors
For Ess Kay Fincorp Private Limited
(Erstwhile Ess Kay Auto Finance Private Limited)

Sd/-
Anagha Bangur
Company Secretary

Registered Office:
G 1-2, New Market, Khasa Kothi, Jaipur -302001
Cin: U65923RJ1994PTC009051

ATTENDANCE SLIP

ESS KAY FINCORP PRIVATE LIMITED
(ERSTWHILE ESS KAY AUTO FINANCE PRIVATE LIMITED)

CIN: U65923RJ1994PTC009051

REGD. OFC: G 1-2, NEW MARKET, KHASA KOTHI, JAIPUR-302001

I hereby record my presence at the 23rd ANNUAL GENERAL MEETING of ESS KAY FINCORP PRIVATE LIMITED on Monday, 12th day of June, 2017 at 12:30 P.M. at the registered office of the Company at 202 (Conference Hall) Second Floor, Adarsh Plaza, Khasa Kothi Circle, Jaipur-302001 (Rajasthan)

Folio No.. DP ID .... Client ID ....

Name of Member...

Name of Proxy Holder..

Number of Shares Held..

Signature of Member / Proxy

Note: Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.

Form No. MGT-11

Proxy Form

ESS KAY FINCORP PRIVATE LIMITED

(ERSTWHILE ESS KAY AUTO FINANCE PRIVATE LIMITED)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : **U65923RJ1994PTC009051**

Name of the Company : **ESS KAY FINCORP PRIVATE LIMITED (ERSTWHILE ESS KAY AUTO FINANCE PRIVATE LIMITED)**

Registered office : **G 1-2, NEW MARKET, KHASA KOTHI,JAIPUR-302001**

Name of the member(s):

Registered Address:

E-mail Id:

Folio No/Client Id:

DP ID:

I/We, being the member(s) of, ESS KAY FINCORP PRIVATE LIMITED (ERSTWHILE ESS KAY AUTO FINANCE PRIVATE LIMITED) holding_____________ shares of the above named company, hereby appoint

1. Name:…………………………………………………………………Address:…………………………………………………………………………………

   E-mail ID: ……………………………………………………………………… Signature ………………………………………………………… or failing him

2. Name:…………………………………………………………………Address:…………………………………………………………………………………

   E-mail ID: ……………………………………………………………………… Signature ………………………………………………………… or failing him

3. Name:…………………………………………………………………Address:…………………………………………………………………………………

   E-mail ID: ……………………………………………………………………… Signature ………………………………………………………… or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the twenty third Annual General Meeting of the company, to be held on Monday, 12th day of June, 2017 at 12.30 P.M. at the registered office of the Company at 202 (Conference Hall) Second Floor, Adarsh Plaza, Khasa Kothi, Jaipur-302001 (Rajasthan) and/or at any adjournment thereof in respect of such resolutions as indicated below:-

S. No	Resolution	For	Against
1	To consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2017 together with the Reports of the Board of Directors and Auditors thereon.		
2	To declare dividend on preference shares @ 0.01% i.e Rs. 1,199/- on the aggregate Compulsory Convertible Preference Shareholder (CCPS) amounting to Rs.11,994,000/- upto the date of conversion of CCPS i.e. March 27, 2017.		
3	To Ratify the Appointment Of Statutory Auditors Of The Company		
4	To Authorise the Board Of Directors With Respect To Increase In The Borrowing Power Of The Board Of Directors Of The Company From INR 1200 Crores To INR 1500 Crore U/S 180(1)(C) Of The Companies Act, 2013		
5	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		
6	To Approve for issuance of Non - Convertible Debentures, in One or More Tranches For One Year, i.e upto June 11, 2018		
7	To Approve The Re-Appointment of Mr. Rajendra Kumar Setia As Managing Director of The Company And Approve The Remuneration Payable To Him.		
8	To Approve The Re-Appointment of Mrs. Shalini Setia As Whole -Time Director Of The Company And Approve Remuneration Payable To Her.		

Signed this______ day of______ 2017__________.

Signature of Shareholder

Signature of Proxy Holder(s)

Affix
Rs 1/- Revenue
Stamp here

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company addressed to the "Company Secretary", not later than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than 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 proxy for any other person or Member.

* It is optional to put a( ) in the appropriate column against the resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

BOARD'S REPORT

To,

The Members,

Your Directors are glad to take this opportunity to present the 23rd Annual Report on the business and operations of the Company together with the audited financial statements for the Financial Year ended March 31, 2017.

1. **Financial Highlights**

The financial performance of the company for Financial Year 2016-17 is summarized here below:

INR (Crores)

Financial Highlights		**Amount In Crores**
Particulars	**2016-17**	**2015-16**
Total Income	157.21	115.78
Less: Operating expenses	63.75	44.96
Less: Provisions		
a. For NPA	2.79	0.30
b. for standard assets	0.40	0.73
c. contingent provisions	0.67	0.10
Profit before Interest & Depreciation	89.59	67.87
Less: Interest & finance charges	69.16	50.23
Less: Depreciation	1.61	0.87
Profit before tax	18.82	18.59
Tax expenses(Net Off Deferred Tax)	6.52	6.58
Profit after tax	12.30	12.01

2. **DIVIDEND**

In order to fill the long term requirements and enhancing the growth of business, 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 2016-17.

Your board of directors are pleased to recommend a dividend on preference shares @ 0.01% i.e Rs. 1,199/- on the aggregate Compulsory Convertible Preference Shareholder (CCPS) amounting to Rs.11,994,000/- upto the date of conversion of CCPS i.e. March 27, 2017.

3. **RESERVES**

The company transferred Rs. 2.46 Cr to statutory reserves out of the amount available for appropriation and company propose to retain balance amount of Rs. 46.7 Cr in the profit and loss account for the financial year 2016-17.

4. **OPERATIONAL HIGHLIGHTS**

a) Disbursements

During the year under review, the Company has disbursed loans amounting to Rs. 698.23 Cr as compared to Rs. 433.48 Cr in the previous year and clocked a growth of 61.08%.

Your company have diversified product portfolio which enhances its ability to align the disbursement growth strategy to reflect market realities. The change engineered in the product mix has resulted in an increase in the yields of the asset finance business.

b) Assets Under Management (AUM)

During the year under review the company has successfully record a growth of 56.78% and reported Assets under Management(AUM) as on March 31,2017 of Rs. 824.49 Cr against of Rs. 525.89 Cr as March 31,2016

c) Performance Review

Your Company has registered a reasonably good performance in FY 2016-17 in spite of the continuing challenges across segments of the asset financing industry. Ess Kay's core strategy has always been to focus on customer, product and innovation, helping the Company to manage its risk exposures.

In line with Ess Kay's philosophy, your Company shifted focus towards consolidation of the existing business and improvement of operational efficiency in FY 2016-17. During the year company has taken various initiatives that will enhance the ability to manage growth in a sustainable manner.

Your Company has exhibited reasonable performance which was driven by multiple initiatives taken to drive profitable growth as well as measures to optimise the bottom line, thereby driving profitability and has clocked healthy growth on all key financial parameters.

The Company's total Income grew by 35.77% from Rs.115 Crores to Rs.157 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 FY 2016-17.

5. RESOURCE MOBILISATION

a) Borrowings from Banks

During the year under review, your company mobilized funds amounting to Rs. 257.58 Crore from Bank Borrowings as against Rs. 264.54 Crores in the 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 (BBB), which signifies degree of safety for timely servicing of debt obligations.

During the year Company has successfully added six new banks namely DCB Bank, Kotak Mahindra Bank, Axis Bank, Mudra Bank and Yes Bank & Andhra Bank which reduces our aggregate cost of borrowings from banks by 200 basis points. This provides us an opportunity to be the smart leader in the financial market.

b) Borrowings from Financial Institutions

Borrowings from financial institutions have been increased to Rs.173.37 Crores (Current Year) to Rs. 90.79 Crores (previous year) which indicates stability in long term funds.

Under review, your company has progressively reduced its dependency on high cost loans from financial institutions by raising low cost NCDs & commercial paper.

c) Debentures

(i) Secured Non-Convertible Debentures

During the financial year 2016-17,company has issued Secured Redeemable Non-Convertible Non-Cumulative Debentures (SRNCD) amounting to Rs. 15.00 crores through private placement to A.K Capital Services Limited, SEBI registered Category-I Merchant Banker. The Company's secured NCDs have been listed on the Wholesale Debt Market segment of BSE and have been awarded 'BBB' rating from Credit Analysis & Research Limited (CARE).

The aggregate NCDs as on March 31, 2017 stood at Rs. 51.11 Crores as against March 31, 2016 at Rs.49.53 Crores. During the fiscal, company has done early redemption of the Secured Redeemable Non-Convertible Non-Cumulative Debentures (SRNCD) amounting to Rs. 11.00 Crores issued to Kotak Mahindra International India Limited.

These are not mere source of funds but also helped in Asset Liability Management and strengthened the long term resource base of the company.

(ii) Unsecured Non-Convertible Debentures

During the year ,the Company has raised Rs. 20.00 Crores from IFMR Fimpact Long Term Multi Asset Class Fund, is a Category II Alternative Investment Fund (AIF) registered with SEBI and Rs. 15.00 Crores from A.K Capital Services Limited, SEBI registered Category-I Merchant Banker in form of unsecured non-convertible debentures, which were issued at lower rate of interests and has been awarded (CARE BBB) rating from Credit Analysis & Research Limited(CARE).

Subordinated Debt

As on March 31 ,2017 , the outstanding subordinated debt (comprises of Unsecured Non-Convertible Debentures & Unsecured Term Loan) stood at Rs. 56.50 crore which includes fresh issue of Unsecured Non-Convertible Debentures (Tier-II) to IFMR Capital Finance Private Limited amounting to Rs 20.00 Crores against March 31,2016 which stood at Rs.36.50 Crores.

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

d) Securitization/ Assignment:

During the year under review, your Company assigned /securitized its loan portfolio having principle value of Rs.310.47 Crores of which Rs. 265.06 crore were securitize through PTC mode in 6 tranche and Rs. 45.41 Crore was assigned /securitized in DA mode in 1 tranche.

e) Commercial Papers :

Your company mobilized funds in the Money Market instruments through private placement of commercial papers in form of Usance Promissory Notes (UPNs).

Commercial papers have been issued in two tranches. Earlier UPNs has been issued to IFMR Capital Finance Private Limited against the amount of Rs. 22.00 crores and later one was issued to IFMR Fimpact Medium Term Microfinance Fund against the amount of Rs. 19.05 crores, having maturity period of 364 days and has been awarded rating from [CARE A3+]. The Company has been regular in servicing all its debt obligations.

6. CAPITAL ADEQUACY

The company's capital adequacy stood at 17.76 % as on March 31,2017 which is significantly above the threshold limit of 15% as prescribed by the Reserve Bank of India.

7. HUMAN RESOURCE DEVELOPMENT

Your company has people who are the key drivers in making our brand prominent and promising. We aim to enhance their skills in every possible way, so that they can add more value to the Company and at the same time accelerate their career progression.

We focused on building a versatile team, capable of efficiently managing multiple business functions, thereby increasing productivity. Day by day we are evolving in streamlining of HR & and business structures; and HR gradually moving into a partnering role wherein, it plays a pivotal role in enabling business and functions/departments in shaping the strategy of growth for future.

Currently 1529 pioneer employees are engaged in pulling the win chariot of the company.

8. BRANCH NETWORK

Company has spread its wings across more than 5 states in India through over 208 points of presence in rural and semi urban area, which enables us to materialize the dreams of a common man.

9. TECHNOLOGY INITIATIVES

Despite of traditional data sources, company has focused on investing in technology and analytics to develop advanced financing models to extend lending. Some of the technical developments done throughout the F.Y 16- 17 are as beneath:-

• Ess Kay has entered in Merchant Agreement with Vodafone M-Pesa Limited (VMPL) to collect loan repayments from customers. Users of M-Pesa application can pay EMIs at anywhere, without approaching the outlets of Ess Kay and it is a step towards cashless mode of payment by helping the customers who can pay their monthly installments (EMIs) through Vodafone M-Pesa Application.

• To contribute towards 'Digital India' and 'Cashless India', Ess Kay has associated with State Bank of India to accept the point of sale terminals, which is secured by payment card industry data security standards. Ess Kay enables its customers to pay their monthly instalments through one of the digital mode i.e. Debit/Credit Card & POS machines are available at outlets of the Company.

• During the year company has developed mobile application for its two wheeler segment only. The service is available for internal employees of Ess Kay, on Android mobile phones (with or without GPRS) /i-phones and reduces paperwork, quick processing, helps in database management .It also saves cost and time, easy access to customers.

• Company has also made available the option for customers to pay monthly instalments through digitized mode i.e. available on website of the company.

Further, to improve operational efficiency, your Company has taken other technology initiatives like introduction of ESS Portal regarding convenient attendance system.

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

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relate and the date of this Report.

11. CHANGE IN NAME OF THE COMPANY

Your company has started providing finance to other segments like SME Finance, Construction and agriculture equipment, Loan against Property etc. Therefore, the word "Auto" in the name of Company does not completely depict the activities; accordingly, the company has changed its name from Ess Kay Auto Finance Private Limited to Ess Kay Fincorp Private Limited.

Ess Kay Fincorp delineates core values as well as vision and mission of the Company. Word "Fincorp" outlines our other finance segments like SME finance, Loan against Property, agriculture equipment finance etc. It relates our alliances and protocols with bankers, Investors, Depositories, Debenture Trustees, stakeholders and customers. Ess Kay is confident that this change in name will be beneficial to the business, and that the members of our field organization will find it direct value in introducing the products.

Company has initiated the process of conversion from Private to Public Limited with regulators.

12. DIRECTORS & KEY MANAGERIAL PERSONNEL

a) Changes in Directors

Mr. Amar Lal Daultani , Independent Director has been appointed on the board w.e.f from 1st April,2016 and he brings immense wealth of experience and insights that will enrich your company.

Mr. Govind Saboo, Independent Director resigned from the board due to his pre-occupations w.e.f 1st April, 2016. The board places on record its deep appreciation for the contributions made by him as a member of the board and its committees during his tenure in office.

b) Declaration by an Independent Director(s)

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

c) 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 Audit, Nomination & Remuneration, Corporate Social Responsibility, Asset Liability Management, Risk Management & Executive Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report forming part of this report as annexed.

13. BOARD MEETINGS

The Board met seven times during the year 2016-17 viz 28th May, 2016; 23rd August, 2016; 09th September, 2016; 12th November, 2016; 23rd January, 2017; 15th March, 2017 and 27th March, 2017. 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.

The related details, are made available in the Report of Directors on Corporate Governance forming part of the annual report.

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

The company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the corporate governance report, which forms part of the Board report. The detailed Nomination & Remuneration Policy is available on the website of the company at http://skfin.net/investors/disclosures.

15. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis.

16. BOARD COMMITTEES

Your Company has 6 committees of Board, viz,

1. Audit Committee
2. Nomination and Remuneration Committee
3. Asset Liability Management Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee
6. Executive Committee

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

17. STATUTORY AUDITORS

M/s S.S Kothari Mehta & Co., Chartered Accountants, New Delhi, Statutory Auditors of the Company (Firm Registration No.000756N) were appointed by the members at the 20th Annual General Meeting (AGM) of the Company held on Sept 30th, 2014 for a period of five years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors for the financial year 2017-18 is being recommended by the Board of Directors and sought from the members. The company has received letter from M/s. S.S Kothari Mehta & Co., Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013 and that they are not disqualified for appointment within the meaning of Section 141 of the said Act.

18. AUDITORS' REPORT

There is no reservation, qualification or adverse remark contained in the Auditor's Report attached to Financial Statements of company as at 31st March, 2017. The information referred in Auditor's Report is self-explanatory and do not call for any further comments.

19. INTERNAL AUDITOR

During the year under review, pursuant to the provisions of Section 138 and all other applicable provisions, if any of Companies Act, 2013 and rules made there under, M/s Gopal Ghiya & Associates, Chartered Accountant (Firm Registration No 003876C) are appointed as an Internal Auditors to carry out internal audit of the company for the Financial Year 2016-17.

The Board has re-appointed M/s Gopal Ghiya & Associates, Chartered Accountant, Jaipur as Internal Auditor to carry out internal audit of the Company for the financial year 2017-18.

20. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

Pursuant to the provisions of section 204(1) of the companies act, 2013 read with The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the board of directors had appointed M/s V.M. & Associates, a firm of Company Secretaries in Practice(Firm Registration No P1984RJ039200) to undertake the secretarial audit of the company for the financial year ended March 31,2017.

Secretarial Audit Report issued in Form MR-3 for the financial year 2016-17 is annexed which forms part of this report . The said report contains observation as under

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above *except expense on CSR activities below the prescribed limit.*

The Company has not met the prescribed CSR spend, the Company has committed to increase expenditure for CSR initiatives in the coming years through structured programmes and projects that are on-going and have a life cycle of 3 to 5 years. The Company is still in initial stages of setting up the requisite infrastructure for identifying and carrying out suitable and sustainable CSR activities in line with the requirements of Schedule VII. However, the Company will try to ensure compliance with the requirements in future.

The Board has re-appointed M/s V. M. & Associates, Company Secretaries in Practice, Jaipur as Secretarial Auditor of the Company to carry out secretarial audit of the Company for the Financial year 2017-18.

21. RISK MANAGEMENT

The Company has a robust business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on its business objectives and enhance its competitive advantage. It defines the risk management approach across the Company at various levels including the documentation and reporting. At present, the Company has not identified any element of risk which may threaten its existence.

In line to control the risk elements, Company has a well established a

Risk Management Committee as specified by the Reserve Bank of India under the provisions of Companies Act, 2013.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Since the Company is a Non Banking Financial Company, provisions of section 186 of the Companies Act 2013 relating to loans made, guarantees given or securities provided are not applicable to the company.

As regards investments made by the Company, the details of the same are provided under Note to Accounts forming part of the annual accounts of the Company for the year ended March 31, 2017.

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of every contract or arrangement entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are disclosed in Form No. AOC -2 annexed herewith which forms part of this report.

24. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The company has always epitomized philanthropy, ethical practices and an untiring quest for national betterment and also believes in social equity and the principle of equal opportunity, irrespective of gender, religion, caste or creed.

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has undertaken projects in the areas of rural development, education & healthcare. These projects are in accordance with Schedule VII of the Companies Act, 2013. The Annual Report on CSR activities for the financial year 2016-17 is annexed herewith which forms a part of this report. CSR Policy is available on the company website at www.skfin.net.

Ess Kay was required to spend `0.31 crores towards CSR activities during the year. Ess Kay has approved CSR proposals aggregating to `0.20 crores and incurred CSR expenditure of ` 0.10 crores during the year. Cumulatively, Ess Kay has to incur CSR expenditure of `0.44 crores.

Ess Kay has approved CSR proposals in the field of providing education, promoting health care, sanitation, education for differently abled children, promoting vocational skills, empowerment of women and afforesation.

25. SHARE CAPITAL

During the year under review ,company has converted its compulsory convertible preference shares(CCPS) into equity shares of the company on the notice of conversion received by the Banyan Tree Growth Capital LLC and after post conversion paid up capital stood at Rs 2.71 Crores as on March 31,2017.

26. EXTRACT OF THE ANNUAL RETURN

The extract of the annual return as required under section 92(3) of the Companies Act, 2013 in Form No. MGT 9 is annexed herewith which forms part of this report.

27. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Board's Report.

28. DEPOSITS FROM PUBLIC

The Company did not hold any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review and resolution has been passed for the same by the board of directors.

29. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

A. Conservation of Energy

- The Company uses energy for its office equipment such as computers, lighting and utilities at its work premises. As an ongoing process the following measures are undertaken to conserve energy:

  a) Implementation of viable energy saving proposals.

  b) Installation of automatic power controllers to save maximum charges and energy.

  c) Awareness and training sessions, at regular intervals, to concerned operational personnel on opportunities of energy conservation and their benefits.

- The Company, being a nonbanking finance company (NBFC), does not have any manufacturing activity. Besides, your company supports 'Go Green' initiative by Institute of Company Secretaries of India, which reduces paper working to save the most important natural resource i.e. TREES.
- Company is looking for alternative sources of energy like roof top solar power plant to make safe and healthy environment.

The Capital investment on energy conservation equipment is Rs. 1.19 Crores during the financial year 2016-17

B. Technology Absorption

- The Company is investing in cutting edge technologies to upgrade its infrastructure set up and innovative technical solutions, thereby increasing customer delight & employee efficiency.

C. Foreign Exchange Earnings & Outgo

The particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are as under:

Foreign Exchange Earnings & Outgo		2016-17
a.	Foreign Exchange Earnings	0.00
b.	CIF Value of Imports	0.00
c.	Expenditure in Foreign Currency	1,05,01,692

30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, is annexed herewith which forms part of this Report.

31. CORPORATE GOVERNANCE

The Company has been practicing principles of good Corporate Governance over the years. The endeavor of the Company is not only to comply with the regulatory requirements but also to practice good Corporate Governance that lays strong emphasis on integrity, transparency and overall accountability. The report on corporate governance forms integral part of this annual report.

Since the equity shares of the company are not listed on any stock exchange(s), the code of Corporate governance as provided with pursuant to SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 has duly complied.

32. COMPLIANCE UNDER THE COMPANIES ACT, 2013

Your Company has duly comply with the requirements of the Companies Act, 2013 within time frame.

33. RBI GUIDELINES

The company continuesly 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, no frauds have, been occurred & 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, as amended from time to time.

34. 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 Bombay Stock Exchange Ltd, Mumbai. The Company has listed its three more tranches of debentures which gives total to eight.

35. 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.

During the year under review, the Company has not received any complaints in this regard and also constituted a committee to inquire into complaints of sexual harassment and recommend appropriate action.

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

The details for the same has been mentioned in MGT -9 which is annexed herewith form part of the report.

37. VIGIL MECHANISM

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations and aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The detail is annexed in the corporate governance report which part of the report.

38. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(5) of the Companies Act, 2013 the Board of Directors hereby state and confirm that:

(1) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(2) 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;

(3) 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;

(4) the directors have prepared the annual accounts on a going concern basis;

(5) 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

(6) 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.

]

39. ACKNOWLEDGEMENTS

Your Directors wish to place on record for their appreciation for the contributions made by employees at all levels, towards the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders, investors of the Company for their continued support.

Your directors also appreciate & value the contribution made by every member of Ess Kay Family.

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

Sd/-	Sd/-
Rajendra Kumar Setia	**Shalini Setia**
Managing Director	Whole Time Director
Din No.: 00957374	Din No.: 02817624

Place: Jaipur
Date: 19th May, 2017

Registered Office:
G 1-2, NEW MARKET, KHASA KOTHI, JAIPUR -302001
CIN: U65923RJ1994PTC009051

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2017

[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 Private 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 Private Limited [Erstwhile Ess Kay Auto Finance PrivateLimited] (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, 2017('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, 2017 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;(Not applicable to the Company during the Audit Period)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;(Not applicable to the Company during the Audit Period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008and as amended from time to time;

(f) 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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) (h)The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the Audit Period) and

(i) 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; and

(f) 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 Agreements 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. as mentioned above ***except expense on CSR activities below the prescribed limit.***

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 thatthere 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) Changed its name from Ess Kay Auto Finance Private Limited to Ess Kay Fincorp Private Limited and has received Certificate of Incorporation pursuant to Change of Name dated October 7, 2016 from the Registrar of Companies, Rajasthan;

(b) 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. 1200 Crores (Rupees One Thousand Two Hundred Crores Only);

(c) Issued and allotted 821(Eight Hundred and Twenty One) Commercial Papers ("CP") of Rs. 5,00,000/-(Rupees Five Lakh only) each aggregating to Rs. 41,05,00,000/- (Rupees Forty One Crore Five Lakhs Only)in multiple tranches;

(d) Issued and allotted 3400 (Three Thousand Four Hundred) Redeemable Non-convertible Debentures aggregating to Rs. 70,00,00,000/- (Rupees Seventy Crores only) on private placement basis in multiple tranches;

(e) Allotted 68,294 (Sixty Eight Thousand Two Hundred and Ninety Four) equity shares of Rs. 100/- (Rupees One Hundred Only)each on conversion of 1,19,940 (One Lakh Nineteen Thousand Nine Hundred and Forty) Compulsorily Convertible Preference Shares of Rs. 100/- (Rupees One Hundred Only)each at a price of Rs. [] per share; and

(f) Initiated the process of conversion of the Company from private limited to public limited and has altered the regulations contained in the Articles of Association of the Company accordingly ;

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

Annexure A

To,
The Members,
Ess Kay Fincorp Private Limited
(Erstwhile Ess Kay Auto Finance Private Limited)
G 1-2, New Market, Khasa Kothi
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.

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.

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

Sd/-
CS Vikas Mehta
Partner
ACS28964
C P No.: 12789

Place: Jaipur
Date: 19th May, 2017

Annexure II

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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 arms length transactions under third proviso thereto:

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

(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 arrangements or transactions at arm's length basis:

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount in (Rs.)	Date(s) of approval by the Board, if any	Justification for entering into such contracts or arrangements or transactions	Amount paid as advances, if any:
Rendering Services							
Surendra Kumar Setia	Brother of Mr. Rajendra Kumar Setia	1 yr.	Acting as Commission Agent	8,68,880	28/05/2016	Regular and ordinary course of business	Nil
Raj Kumar Setia	Brother of Mr. Rajendra Kumar Setia	1 yr.	Acting as Commission Agent	8,75,977	28/05/2016	Regular and ordinary course of business	Nil
Raina Nagpal	Sister of Mr. Rajendra Kumar Setia	1 yr.	Acting as Commission Agent	8,99,481	28/05/2016	Regular and ordinary course of business	Nil
Shubham Leasing & Finance Co.	Brother of Rajendra Kumar Setia (MD) is Proprietor	1 yr.	Acting as Commission Agent	2,89,710	28/05/2016	Regular and ordinary course of business	Nil
V.R Financers	Father of Atul Arora (CFO) is Partner	1 yr.	Acting as Commission Agent	10,989	28/05/2016	Regular and ordinary course of business	Nil
Friend Software Services	Brother of Atul Arora (CFO) is Proprietor	1 yr.	Acting as Commission Agent	90,080	28/05/2016	Regular and ordinary course of business	Nil
Service Provider Charges							
M/s Sharma Brothers	Brother of Rajendra Kumar Setia (Managing Director) is Partner	1 yr.	Facilitates Vehicle Running & Maintenance	3,20,592	28/05/2016	Regular and ordinary course of business	Nil
M/s Chamunda Computers	Sister of Rajendra Kumar Setia (Managing Director) is Partner	1 yr.	Procuring services of purchase or sale of goods, materials.	79,625	28/05/2016	Regular and ordinary course of business	Nil
Mr. Sameer Arora	Brother of Shalini Setia (Whole Time Director)	1 yr.	Appointed as COO @ Rs. 1,65, 000 Per Month	19,80,000	28/05/2016	Appointed based on qualification	Nil
Mr. Sanjiv Arora	Brother of Shalini Setia (Whole Time Director)	1 yr.	Appointed as Yard Manager @ Rs 46,000 Per Month	5,93,329	28/05/2016	Appointed based on qualification	Nil

Place: Jaipur
Date: 19th May, 2017

For and on behalf of Board of Directors
For Ess Kay Fincorp Private 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

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]

1. 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.

CSR policy is stated herein below:

CSR Policy

(Approved by the Board of Directors on 30.01.2015)

This policy, which encompasses the company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community.

Objectives

The objectives of the Ess Kay's CSR Policy are to:

I. Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.

II. To directly or indirectly take up programmes that benefit the communities over a period of time, in enhancing the quality of life & economic well-being of the local populace. The Company and the employees are to actively involve and participate in social welfare projects by voluntarily taking time off from work.

III. To generate, through its CSR initiatives, a community goodwill for Ess Kay and and help reinforce a positive & socially responsible image of Ess Kay as a corporate entity.

During F.Y. 2016-17, Ess Kay has undertaken various activities in the sectors of:

1. Education: Our endeavour is to spark the desire for learning and enlighten minds. We may undertake 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.
2. Health care: Our goal is to render quality health care facilities which we may provide 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.
3. Promoting Poor Relief (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 sing Mobile Medicare Unit;

Web Link: http://skfin.net/investors/disclosures

2. Composition of the CSR Committee.

Name of the Director	Category
Mr. Rajendra Kumar Setia	Executive Director
Mr. Amar Chand Chug	Independent Director
Mr. Amar Lal Daultani	Independent Director

3. Average net profit of the company for last three financial years

Average net profit: Rs. 15,79,43,242 /-

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

The company is required to spend Rs. 31,58,865/-

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: Rs. 31,58,865/-

(b) Amount carried forward this year: Rs 20,91,835/-

(c) Amount unspent: Rs.44,99,569/-

(d) Manner in which the amount spent during the financial year is detailed below.

S. 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 implementing agency
1.	Eradicating hunger, poverty and malnutrition through provision of food, nutrition supplement, clothes etc for the poor, children and other deprived sections of the society. Supporting nutrition in anganwadi centres and building capacities of anganwadi workers to this effect and provision of shelter for homeless and promoting sanitation, making available safe drinking water and preventive health care programme	Preventing Poor Relief & Promoting Health Care	Jaipur, Rajasthan	15 Lakh	3,42,530	3,42,530	Implementing Agency
2.	Promoting education providing quality education initiatives or by financial assistance to the poor and needy students, vocational education, adult education programs	Poor Reilef	Jaipur, Rajasthan	12 lakh	6,66,500	10,09,030	Implementing Agency
3.	Ensuring environmental sustainability and ecological balance through plantation drives in schools, villages, our manufacturing units & offices/business premises and other areas in general and Animal welfare and veterinary services.	Environmental Sustainability and Ecological Balance	Suratgarh Begus Rajasthan	5 lakh	58,000	10,67,030	Implementing Agency
	Total			**32 Lakh**	**10,67,030**	**10,67,030**	

Details of implementing agency: Hari Krishna Movement Trust, Jaipur; Abhiyan Bharat Foundation,Jaipur; Ashwani Kumar Bagai Memorial Trust; Adarsh Shiksha Samiti ; Gau Shala Seva Samiti Begus.

The implementing agency is in the process of spending the amount.

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

The Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates.

During the financial year 2016-17, your Company endeavored to meet the budgeted expenditure by contributing in various eligible CSR activities in the field providing education, promoting health care, sanitation, education for differently abled children, promoting vocational skills, empowerment of women and afforestation and has committed to incur expenditure for CSR initiatives in the coming years through structured events or programs and projects.

Your Company has taken steps in the right direction and going forward and taken initiative in setting up the requisite infrastructure for identifying and carrying out suitable and sustainable CSR activities in line with requirements of Schedule VII however, the Company will try to ensure compliance with requirements in future

The implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

Date: 19th May, 2017
Place: Jaipur

Sd/-
Rajendra Kumar Setia
Managing Director & Chairman

Sd/-
Amar Lal Daultani
Member of CSR Committee

Sd/-
Amar Chand Chug
Member of CSR Committee

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31st, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U65923RJ1994PTC009051
Registration Date	21st November 1994
Name of the Company	Ess Kay Fincorp Private Limited (Erstwhile Ess Kay Auto Finance Private Limited)
Category / Sub- Category of the Company	Company Limited By Shares/Non-Govt.Company
Address of the Registered Office and contact details	G 1-2, New Market ,Khasa Kothi, Jaipur-30200,Rajasthan 0141-4161300/200 I Email: info@skfin.in
Whether listed company	Yes - Debt Listed Company
Name, address and contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited E-2/3, Ansa Industrial Estate Saki Vihar Road Saki Naka Andheri (East) Mumbai 400 072. Direct:-022 4043 0289/022 4043 0262

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	Financial Services	64920	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
	Nil				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	Tot% of total shares	De-mat	Physical	Total	Tot% of total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	199648	-	199648	98.63%	199635	-	199635	73.74%	(24.89%)

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	Tot% of total shares	De-mat	Physical	Total	Tot% of total shares	
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub -Total (A)(1):	199648	-	199648	98.63%	199635	-	199635	73.74%	(24.89%)
(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)	199648	-	199648	98.63%	199635	-	199635	73.74%	(24.89%)
B. Public Shareholding		-				-			
(1) Institutions		-				-			
a) Mutual Funds /UTI	-	-	-	-	-	-	-	-	-
b) Banks/ FI	2707	-	2707	1.34%	2707	-	2707	1.00%	(0.34%)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	60	-	60	0.03%	68354	-	68354	25.25%	25.22%
h) Foreign Venture	-	-	-	-	-	-	-	-	-
Capital Funds	-	-	-	-	-	-	-	-	-
I) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	2767	-	2767	1.37%	71061	-	71061	26.25%	24.88%
(2) Non-Institutions		-				-			
a) Bodies Corporate		-				-			
I) Indian	-	-	-	-	-	-	-	-	-
II) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals i Individual Shareholders holding nominal share capital upto 1 Lakh	-	-	-	-	13	-	13	0.01%	0.01%

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	Tot% of total shares	De-mat	Physical	Total	Tot% of total shares	
ii. Individual Shareholders holding nominal share capital in excess of 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
i. Shares held by Pakistani Citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii. Other Foreign Nationals	-	-	-	-	-	-	-	-	-
iii. Foreign Bodies	-	-	-	-	-	-	-	-	-
iv. NRI/ OCBs	-	-	-	-	-	-	-	-	-
v. Clearing Members / Clearing House	-	-	-	-	-	-	-	-	-
vi. Trusts	-	-	-	-	-	-	-	-	-
vii. Limited Liability Partnership	-	-	-	-	-	-	-	-	-
viii. Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
ix. Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	0	-	0	0.0%	13	-	13	0.01%	0.01%
Total Public Shareholding) (B)=(B)(1)+(B)(2)	2767	-	2767	1.37%	71074	-	71074	26.26%	24.89%
C. Shares held by Custodian for GDRs & ADRs	0	-	0	0.0%	0	-	0	0.0%	0
Grand Total (A+B+C)	202415	-	202415	100.00%	270709	-	270709	100.00%	0.0

(ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	99880	49.34%	-	99880	36.89%	-	12.45%
Shalini Setia	99768	49.29%	49.26%	99729	36.84%	36.84%	12.45%
Yash Setia	-	-	-	13	0.01%	0	0.01%
Bhajan Devi Setia	-	-	-	13	0.01%	0	0.01%
Total	199648	98.63%	49.26%	199635	73.74%	36.84%	24.88%

(III). CHANGE IN PROMOTERS' SHAREHOLDING

Shareholders 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. Rajendra Kumar Setia	At the beginning of the year	99880	49.34%	99880	49.34%
	Due to conversion of CCPS into Equity on 27th March, 2017, net shareholding decreased.	-	(12.44%)	99880	36.89%
	At the end of the year	99880	36.89%	99880	36.89%
2. Shalini Setia	At the beginning of the year	99768	49.29%	99768	49.29%
	Share transferred on 12th November, 2016	39	(12.45%)	39	(12.45%)
	At the end of the year	99729	36.84%	99729	36.84%
3. Yash Setia	At the beginning of the year	-	-	-	-
	Shares received from Shalini Setia on 12th November, 2016	13	0.01%	13	0.01%
	At the end of the year	13	0.01%	13	0.01%
4. Bhajan Devi Setia	At the beginning of the year	-	-	-	-
	Shares received from Shalini Setia on 12th November, 2016	13	0.01%	13	0.01%
	At the end of the year	13	0.01%	13	0.01%

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS
(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Shareholders 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. Banyan Tree Growth Capital LLC	At the beginning of the year	60	0.03%	60	0.03%
	Allotment (Due to conversion of CCPS on 27th March, 2017	68294	25.22%	68294	25.22%
	At the End of the year	68354	25.25%	68354	25.25%
2. LadderUp Finance Limited	At the beginning of the year	2707	1.34%	2707	1.34%
	Due to conversion of CCPS into Equity on 27th March, 2017, net shareholding decreased.	-	0.34%	2707	1.00%
	At the End of the year	2707	1.00%	2707	1.00%
3. Atul Arora	At the beginning of the year	-	-	-	-
	Shares received from Shalini Setia on 12th November, 2016	13	0.01%	13	0.01%
	At the End of the year	13	0.01%	13	0.01%

(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Name	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	At the beginning of the year	99880	49.34%	99880	49.34%
	Due to conversion of CCPS into Equity on 27th March, 2017, net shareholding decreased.	-	(12.44%)	99880	36.89%
	At the end of the Year	99880	36.89%	99880	36.89%

Name	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
Shalini Setia	At the beginning of the year	99768	49.29%	99768	49.29%
	Share transferred on 12th November, 2016	39	0.015%	99729	36.84%
	At the end of the Year	99729	36.84%	99729	36.84%
Amar Chand Chug	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	-	-	-	-
Govind Saboo	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	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	At the beginning of the year	-	-	-	-
	Shares received on 12.11.2016	13	0.01%	13	0.01%
	At the end of the Year	13	0.01%	13	0.01%
Anagha Bangur	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	-	-	-	-

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:-

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
-i) Principal Amount	2,61,55,54,703	86,50,00,000		3,48,05,54,703
ii) Interest due but not paid				
iii) Interest accrued but not due	3,81,28,393	1,08,62,040		4,89,90,433
Total (i+ii+iii)	**2,65,36,83,096**	**87,58,62,040**		**3,52,95,45,136**
Change in Indebtedness during the financial year				-
Additions	4,22,51,97,530	1,27,80,00,000		5,50,31,97,530
Reduction	2,73,45,00,091	56,28,12,500		3,29,73,12,591
Net Change	**1,49,06,97,439**	**71,51,87,500**		**2,20,58,84,939**
Indebtedness at the end of the financial year				
i) Principal Amount	4,10,62,52,142	1,58,01,87,500		5,68,64,39,642
ii) Interest due but not paid				
iii) Interest accrued but not due	2,40,38,743	2,98,29,652		5,38,68,395
Total (i+ii+iii)	**4,13,02,90,885**	**1,61,00,17,152**		**5,74,03,08,037**

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No.	Particulars of Remuneration	Name of MD/WTD/ 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	48,00,000	7,20,000	55,20,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961.	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	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)	48,00,000	7,20,000	55,20,000
	Ceiling limit is not applicable on Private Limited Company			

B: Remuneration To Other Directors

S.No.	Particulars of Remuneration	Name of the Directors		Total Amount (In Rs.)
		Amar Chand Chug	Amar Lal Daultani	
	1. Independent Directors • Fees for attending Committee meetings • Commission • Others	3,00,000 Nil Nil	3,00,000 Nil Nil	6,00,000
	Total(1)	**3,00,000**	**3,00,000**	**6,00,000**
	2. Other Non-Executive Directors • Fees for attending Board Meetings/ Committee Meetings • Commissions • Others	Nil Nil	Nil Nil	
	Total (2)	**3,00,000**	**3,00,000**	**6,00,000**
	Total (B)=(1+2)	**3,00,000**	**3,00,000**	**6,00,000**
	Total Managerial Remuneration			

C. Remuneration To Key Managerial Personnel Other Than MD/ Manager / WTD

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	4,51,487	12,00,517	16,52,004
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	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)	**4,51,487**	**12,00,517**	**16,52,004**

VIII. 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	Section 12 (3) of the Companies Act, 2013	Corporate Identification Number not mentioned on the letter head of the Company.	Penalty of Rs. 30,000/- imposed on the Company	Registrar of the Companies Rajasthan	NA
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	Section 12 (3) of the Companies	Corporate Identification Number not mentioned on the letter head of the Company.	Penalty of Rs. 30,000/- imposed on the Managing Director and Whole-Time Director separately.	Registrar of the Companies Rajasthan	NA
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding	NIL				

For and on behalf of Board of Directors
For Ess Kay Fincorp Private 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 : 19th May 2017

DISCLOSURES ON MANAGERIAL REMUNERATION

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

a. No of permanent employees on the rolls of the Company : 1259

b. The percentage increase in the median remuneration of employees in FY 2017 stood at 15.41%.

c. 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.

The average increase in the remuneration of all employees other than key managerial personnel was 8.44 % for the FY 2016-17. The average increase in remuneration of the Key managerial personnel was 3.66%.

The average 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 (KPAs), 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.

d. Percentage increase in the remuneration of each director and key managerial personnel in FY 2016-17 is given below. Further details are given in MGT-9.

Name	Designation	Increase in Remuneration
Mr. Rajendra Kumar Setia	Managing Director	0.00%
Mr. Shalini Setia	Whole Time Director	0.00%
Ms Anagha Bangur	Company Secretary	25.00%
Mr. Atul Arora	CFO	16.28%

e. Remuneration of each director to the median employees' remuneration (times) for FY 2016-17 :

Name	Designation	Remuneration of Directors' to median employees' remuneration (times)
Mr. Rajendra Kumar Setia	Managing Director	58.81
Mr. Shalini Setia	Whole Time Director	8.82

f. Key parameters for any variable component of remuneration availed by the directors: No variable component in remuneration of directors.

g. Affirmation that the remuneration is as per the remuneration policy of the company.

Information as per Rule5(2) of Chapter XII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

Employee Name	Designation	Educational Qualification	Experience (In Years)	Remuneration (P.A. in INR)
Rajendra Kumar Setia	Director	B.Sc.	20	48,00,000
Amarpreet Singh Batra	VP	B.Tech	15	25,62,719
Ritesh Sharma	COO (West)	MBA finance	17	19,80,000
Sameer Arora	COO (North)	Civil Engineer	27	19,80,000
Harish Kumar Rao	VP	Post Graduation in English	16	19,20,000
Mihir Vaishnav	VP	MBA	24	18,00,000
Rajeev Kumar Yadav	AVP	PGDBM	15	14,23,979
Harendra Singh Rathore	State Collection Manager	B.Com	22	13,83,184
Sant Prakash Mishra	State Product Manager	B.Tech	12	12,60,448
Atul Arora	CFO	C.A.	7	12,00,517

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

Sd/-
(Rajendra Kumar Setia)
Managing Director
(Din- 00957374)

Sd/-
(Shalini Setia)
Director
(Din - 02817624)

Place : Jaipur
Date : 19th May 2017

Corporate Governance Report

1. **Our Philosophy on Corporate Governance**

   Our Corporate Governance encompasses simple tenets of integrity, transparency, accountability and fairness in whatever the Company does and what it basically aims at achieving is a complete adherence to the applicable laws while at the same time ensuring complete commitment to values and the highest ethical standards in every facet of its operations and in each of its functional areas. Good governance facilitates efficient, effective and entrepreneurial management that can deliver stakeholder value over the long term. It is about commitment to values and ethical business conduct. It is a set of laws, regulations, processes and customs affecting the way a company is directed, administrated, controlled or managed.

   The effectiveness of corporate governance in the Company depends on regular review, preferably regular independent review. The Company considers fair and transparent corporate governance as one of its most core management tenets. Some of the important and best practices of Corporate Governance are as follow:-

   - Composition of Board of Directors and committees thereof, and experience and commitment to discharge their responsibilities and duties, with transparency and independence in the functions of the Board.
   - Flow of information within the stipulated and sufficient time gaps to the Board and its Committees to enable them to discharge their functions effectively.
   - Transparent and independent verification and assured integrity of financial reporting.
   - Disclosure of all material information concerning the Company to all stakeholders for protection of their rights and interests.
   - Controlling with application of risk management, internal control, and anti-bribery and anti-corruption business practices.
   - Compliance with all applicable laws, rules and regulations within prescribed time and spirit.
   - Management is the trustee of shareholders' capital and not the owner.

2. **Board of Directors:**

   i. **Composition**

   The composition and category of Directors as on 31st March 2017 are as follows:

Name of Director	Materially significant, Pecuniary or business Relationship with the Company	No. of Directorship in Boards (Excluding Ess Kay Fincorp Private Limited.)		No. of Chairmanship/Membership in other Board Committees (Excluding Ess Kay Fincorp Private Limited.)	
		Public	Private	Chairmanship	Membership
Mr. Rajendra Kumar Setia	Promoter & Executive Director	0	1	0	1
Mrs. Shalini Setia	Promoter & Executive Director	0	0	0	0
*Mr. Sanjiv Singhal	Nominee Director represents Banyan Tree Growth Capital LLC, a strategic investor in the Company.	0	2	0	2
Mr. Amar Chand Chug	Independent & Non-Executive Director	0	0	0	0
**Mr. Amar Lal Daultani	Independent & Non-Executive Director	0	1	0	1
***Mr. Govind Saboo	Independent & Non-Executive Director	0	1	0	1

The composition of the Board of Directors is in accordance with the provisions of Companies Act 2013. Non- Executive Independent Directors of your Company have no pecuniary relationship or any transaction with your Company.

** Mr. Amar Lal Daultani was appointed as an Independent Directors on the Board w.e.f. April 01, 2016

** *Mr. Govind Saboo has resigned from the Board of the company w.e.f. April 01, 2016

ii. **Board Meetings**

Being the vertex body constituted by shareholders for governing the functioning of the Company, the Board evaluates all the strategic decisions on a collective consensus basis amongst the Directors. The Company strictly adhere to met at regular intervals between any two consecutive meetings should not more than 120 days and hold at least four Board meetings in a year, one in each quarter inter-alia to review the business activities of the Company and financial results twice in a year.

Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation.

Video/tele-conferencing facilities are used to facilitate Directors present at other locations, to participate in the meetings. Every Director on the Board is free to suggest any item for inclusion in the agenda for the consideration of the Board.

iii. **Attendance, Other Directorship & Membership**

During the year the board met 7 times on the following dates as mentioned below:

Name/Date	28.05.16	23.08.16	09.09.16	12.11.16	23.01.17	15.03.17	27.03.17	Total
Mr. Rajendra Kumar Setia	✓	✓	✓	✓	✓	✓	✗	6
Mrs. Shalini Setia	✓	✗	✓	✓	✗	✓	✓	5
Mr. Amar Lal Daultani	✓	✓	✓	✓	✗	✓	✓	6
Mr. Amar Chand Chug	✓	✓	✓	✗	✓	✓	✓	6
*Mr. Govind Saboo	✗	✗	✗	✗	✗	✗	✗	0
Mr. Sanjiv Singhal	✗	✓	✗	✓	✓	✗	✓	3

*Mr. Govind Saboo has resigned from the Board of the company w.e.f. April 01, 2016.

Besides, Directors of the Company has passed resolution by circulation viz April 16, 2016; September 29, 2016; September 30 2016; December 01, 2016; January 31, 2017; February 01, 2017; March 20, 2017 and March 21, 2017.

Attendance of each Director at the Board of Directors' Meetings held during the year 2016-17 and the last Annual General Meeting held on 27th July'2016 and the number of other Directorship/ Membership and chairmanship of Board and Committees as on 31st March 2017 is given below:

- None of the Directors on the Board is a member of more than 10 Committees or chairman of more than 5 committees (as specified in Regulation 26 of SEBI (LODR) Regulations, 2015) across all public limited companies in which he is a director.
- No shares & Convertible instruments are held by Non-Executive Directors of the company

3. Committees of the Board

i. **Audit Committee**

In line to comply with the provisions of the Regulation 18 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and provisions of section 177 of the Companies Act, 2013 as per the guidelines prescribed by the Reserve Bank of India, Company has an Audit Committee consisting of three directors namely Mr. Amar Chand Chug, Independent Director & Chairman and Mr. Amar Lal Daultani, Independent Director and Mr. Sanjiv Singhal, Nominee Director (Mr. Govind Saboo, Independent Director has resigned w.e.f April 01, 2017, consequently Audit Committee was reconstituted by the Board Members).

The Audit committee provides directions to the audit and risk management function in the Company and monitors the quality of internal audit and management audit with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

Meetings of the Audit Committee were scheduled well in advance. The Audit Committee met four times during the year 2016-17 on May 28, 2016, September 09, 2016, November 12, 2016 and March 15, 2017. The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular Director, attendance of the members at the meetings are mentioned hereunder:

Name of Director	Category	No of Meetings during the Financial Year 2016-17 in his tenure	
		Held	Attended
Mr. Amar Chand Chug	Chairman	4	3
Mr. Amar Lal Daultani	Member	4	4
Mr. Sanjiv Singhal	Member	4	2

Mr. Govind Saboo has ceased from the committee w.e.f from 1st April, 2016

The core function area of Audit Committee is as follow:

- 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;
- Examination of the financial statement and the auditors' report thereon;
- 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.

ii. Nomination & Remuneration Committee

The Company has a Nomination and Remuneration Committee in terms of Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, consisting of consisting of three directors namely Mr Amar Lal Daultani, Independent Director & Chairman, Mr. Amar Chand Chug, Independent Director and Mr. Sanjiv Singhal, Nominee Director.(The new constitution was consequent to resignation of Mr. Govind Saboo)

During the year 2016-17, committee met 4 times on May 28, 2016, September 09, 2016, November 12, 2016 and March 15, 2017. The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular Director, attendance of the members at the meetings are mentioned hereunder:

Name of Director	Category	No of Meetings during the Financial Year 2016-17 in his tenure	
		Held	Attended
Mr. Amar Chand Chug	Chairman	4	3
Mr. Amar Lal Daultani	Member	4	4
Mr. Sanjiv Singhal	Member	4	2

Mr. Govind Saboo has ceased from the committee w.e.f from 1st April, 2016

The terms of reference of the Committee in brief pertain to, interalia, formulation of criteria for determining qualifications, positive attributes and independence of a director, recommending persons to be appointed in Board and Senior Management, recommendation of remuneration policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the Board, devising a policy on board diversity, etc.

Remuneration of Directors

During the year under review, the Company has paid Rs. 48.00 Lakhs towards remuneration to Mr. Rajendra Kumar Setia, Managing Director of the Company, and paid Rs.7.20 Lakhs towards remuneration to Mrs. Shalini Setia details of which are provided in the extract of the annual return in form MGT- 9 as annexed to the Board's Report .

Extracts of Nomination and Remuneration Policy of the Company

1. Criteria Of Selection Of Non-Executive Directors

The manner of selection of the Board of Directors, senior management and their compensation has been derived in N&R policy, which was set out by the Nomination and Remuneration Committee. The Non-Executive Directors shall be of high integrity, with relevant expertise and experience so as to have the diverse

Board with Directors having expertise in the fields of finance, banking, regulatory, taxation, law, governance and general management.

In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company shall be ensured. The N&R Committee shall consider qualification ,experience, expertise of the incumbent, and shall also ensure that such other criteria with regard to age and other qualification etc., as laid down under the Companies Act,2013 or other applicable laws are fulfilled, before recommending to the Board, for their appointment as Directors.

2. Positive Attributes Of Directors

The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

i. Qualification, expertise and experience of the Directors in their respective fields;

ii. Personal, Professional or business standing;

iii. Diversity of the Board.

In case of re-appointment of Non-executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

Sitting Fees shall be paid to Non-executive Directors for each meeting of the Board attended by them, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and reimbursement of expenses for participation in the Board Meetings.

CEO & Executive Chairman / Director Criteria for selection /appointment

The incumbent for the positions of Executive Directors and/or at senior management, shall be the persons of high integrity, possesses relevant expertise, experience and leadership qualities, required for the position.

Remuneration Criteria At the time of appointment or re-appointment, the CEO &Executive Chairman / Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Committee and the Board of Directors) and CEO & Executive Chairman / Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO & Executive Chairman / Director comprises of fixed and variable component as per the provisions of Companies Act, 2013. The fixed component comprises salary, allowances, perquisites, amenities and retrial benefits.

Remuneration Policy for the Senior Management Employees In determining the remuneration of the Senior Management Employees the Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Executive Chairman will carry out the individual performance review based on the respective defined objectives, qualification, expertise, experience and other factors whilst recommending the annual increment and performance incentive to the Committee for its review and approval.

ROLE OF INDEPENDENT DIRECTORS

Independent Directors are inseparable part of Corporate Governance. They constitute such category of Directors who are expected to have impartial and objective judgment for the proper functioning of the company. The appointment of Independent Directors ensures an effective and balanced composition of the Boards. Independent Directors play a pivotal role in building a strong footholdof Corporate Governance is an organization and bring to the company their wide experience in the fields of finance, banking housing, accountancy, law and public policy. This wide knowledge of both, their filed of expertise and boardroom practices helps foster varied unbiased, independent and experienced perspectives. The company benefits immensely from their inputs in achieving strategic direction. The Audit Committee, the Nomination & Remuneration Committee, and the CSR Committee) consisting majority of Independent Directors. These committees function with defined terms of reference in accordance with Companies Act 2013 and as approved by the board from time to time. Board members ensure that their work in other capacities do not impringe on their fiduciary responsibilities as directors of the company.

iii. Risk Management Committee

The Risk Management committee was constituted in compliance with the RBI guidelines. The Risk Management Committee of the Company comprises of three directors namely Mr. Rajendra Kumar Setia Managing Director & Chairman, Mr. Amar Lal Daultani, Independent Director and Mrs. Shalini Setia Whole Time Director who have many years of experience in the industry and have put in place preventive mechanisms to contain various risks. The Risk Management Committee met 4 times during the year to identify, measure, monitor and control various risks the Company was exposed to.

During the year 2016-17, committee met 4 times on May 28, 2016, September 09, 2016, November 12, 2016 and March 15, 2017 . The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular Director, attendance of the members at the meetings are mentioned hereunder:-

Name of the Committee Members	Category	No of Meetings during the Financial Year 2016-17 during his tenure	
		Held	Attended
Mr. Rajendra Kumar Setia	Chairman	4	4
Mrs. Shalini Setia	Member	4	4
Mr. Amar Lal Daultani	Member	4	4

Mr. Govind Saboo has ceased from the committee w.e.f from 1st April, 2016

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 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.

IV. Asset Liability Management Committee(ALCO)

The Asset Liability Management Committee of the Board ofDirectors actively 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.

The Asset Liability Management Committee of the Company comprises of three directors namely Mr. Rajendra Kumar Setia Managing Director & Chairman, Mr. Amar Chand Chug, Independent Director and Mrs. Shalini Setia, Whole Time Director

During the year committee met 4 times on May 28, 2016, September 09, 2016, November 12, 2016 and March 15, 2017. The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular Director, attendance of the members at the meetings are mentioned hereunder:

Name of the Members	Category	No of Meetings during the Financial Year 2016-17 during his tenure	
		Held	Attended
Mr. Rajendra Kumar Setia	Chairman	4	4
Mrs. Shalini Setia	Member	4	4
Mr. Amar Chand Chug	Member	4	4

Mr. Govind Saboo has ceased from the committee w.e.f from 1st April,2016

The Asset Liability Management ALCO Committee is authorized by the Board:

(a) to investigate any activity within its terms of reference;

(b) to seek any information it requires and

(c) 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:

a. To review Asset Liability Mismatch with regard to ALM Statement on Quarterly Basis

b. To monitor the asset liability gap and strategize action to mitigate the risk associated.

c. Review of the lending facilities and their outstanding status & review of cost of borrowing.

V. Corporate Social Responsibility Committee (CSR)

The Board has constituted CSR Committee in line with the requirements of the Section 135 of the Companies Act, 2013, read with its applicable rules. The Committee was constituted to approve and recommend to Board about the areas on which the company can spend, towards CSR activities specified in Schedule VII of the said act. The Committee has approved company's CSR Policy, covering various procedural and other aspects of CSR Activities, to be undertaken by the company.

The CSR Committee of the Company comprises of three directors namely Mr. Rajendra Kumar Setia Managing Director & Chairman, Mr. Amar Chand Chug, Independent Director and Mr. Amar Lal Daultani, Independent Director

The detailed annual 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.

During the year 2016-17, committee met 4 times on May 28, 2016, September 09, 2016, November 12, 2016 and March 15, 2017. The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular Director, attendance of the members at the meetings are mentioned hereunder:

Name of the Committee Members	Category	No of Meetings during the Financial Year 2016-17 during his tenure	
		Held	Attended
Mr. Rajendra Kumar Setia	Chairman	4	4
Mr. Amar Lal Daultani	Member	4	4
Mr. Amar Chand Chug	Member	4	3

Mr. Govind Saboo has ceased from the committee w.e.f from 1st April,2016

Executive Committee

For the administrative and functional convenience and to grab the short term opportunity during the day to day functions of the company, Executive Committee has been formed by the Board Members on 28th May,2015 and re-constituted vide resolution dated 28th May'2016 . A separate framework was provided by the Board of Directors for Executive Committee to discharge the responsibilities of the company's Board of Directors relating to routine, administrative matters that occur between regularly scheduled meetings of the Board of Directors. The terms of reference of executive committee are as follows:

- Managing the day to day business and affairs of the Company;
- Establishing best management practices and functional standards and secretarial standards.
- Senior management appointments and monitoring the performance of senior management; and
- Borrow moneys and exercise all powers to borrow moneys (otherwise than by issue of debentures) not exceeding Rs.1500 crore in aggregate at any time and taking all necessary actions connected therewith within the limit prescribed under law.
- Provide guarantee including performance guarantee, issue letter of comfort and providing securities and taking all necessary actions connected therewith (subject to compliances under sections 185 and 186 of Companies Act, 2013).
- Review of banking arrangement and taking all necessary actions connected therewith including refinancing for optimization of borrowing costs (subject to overall limit of borrowing).
- Investment of the funds of the Company (subject to compliance of all applicable provisions of Companies Act, 2013).
- Review of the Company's financial policies, strategies and capital structure.
- Adoption & Amendment of any policy
- Advise on financial matters/policies in overall interest of Company.
- Opening of bank account or operation of bank account
- Appointment of employee/ officers and assignment of their duties for legal representations on behalf of company to present before the court or any other governing body.
- Appointment of employee/ officers and assignment of their duties for Securitization of its Receivables.
- Make recommendations to the Board relating to matters beyond the scope of its authority

The Executive Committee of the Company comprises of three directors namely Mr. Rajendra Kumar Setia Managing Director & Chairman, Mrs. Shalini Setia, Whole-Time Director & Mr. Atul Arora, Chief Financial Officer

During the year 2016-17, the Executive Committee met 27 times on April 04, 2016; April 21, 2016; May 18, 2016; May 30, 2016; June 10, 2016; June 18, 2016; June 28, 2016; July 13, 2016; July 22, 2016; August 10, 2016; August 24, 2016;August 31, 2016; September 19, 2016; September 29, 2016; October 10, 2016;October 24, 2016; November 04,2016;November 23, 2016; December 08, 2016; December 23 2016; January10 2017; January 27, 2017; February 08 2017; February 17 2017; March 15, 2017;March 24, 2017 and March 28, 2017.The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular Director, attendance of the members at the meetings are mentioned hereunder:

Name of the Member	Category	No of Meetings during the Financial Year 2016-17 during his tenure	
		Held	Attended
Mr. Rajendra Kumar Setia	Chairman	27	27
Mrs. Shalini Setia	Member	27	27
Mr. Atul Arora	Member	27	27

Mr. Govind Saboo has ceased from the committee w.e.f from 1st April,2016

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and Regulation 17(10) of Listing Regulations, 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 and that of its Committee. Also, the Nomination and Remuneration Committee has carried out evaluation of every director's performance. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the director being evaluated. The Directors expressed their satisfaction with the evaluation process.

Independent Directors Meeting

During the year under review, the Independent Directors met on March 15, 2017, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;

2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Non-executive Directors.

3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

General Body Meetings

I. General Meeting

a. Annual General Meeting

Financial Year	Date	Time	Venue	Special Resolution passed
2013-14	30th September,2014	11.00 am	G1-2, New Market, Khasa Kothi, Jaipur -302001	Nil
2014-15	24th September,2015	1.00 pm		Nil
2015-16	27th July, 2016	11.00 am		• Authorisation to borrow money in excess of paid up capital and free reserve of the Company u/s 180(1)(C) of the Companies Act, 2013 • Authorisation to sell, lease or otherwise dispose of the assets of the Company for such borrowings under section 180(1)(a) of the Companies Act, 2013 • Private Placement of Non-Convertible Debentures pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013

b. Extraordinary General Meeting:

Special Resolutions:

Financial Year	Date	Time	Venue	Special Resolution passed
2013-14	13th September,2013	11.00 am	G1-2, New Market, Khasa Kothi, Jaipur -302001	• Authorisation to borrow money in excess of paid up capital and free reserve of the Company u/s 180(1)(C) of the Companies Act, 2013 • Authorisation to sell, lease or otherwise dispose of the assets of the Company for such borrowings under section 180(1)(a) of the Companies Act, 2013
2014-15	12th May, 2014	1.00 pm		For the approval of the members to the Board of directors to issue Non-convertible Debentures on the private placement basis by way of a special resolution under Section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014
2015-16	19th Oct, 2016	11.30 am		For the approval of the members to the Board of directors to issue Non-convertible Debentures on the private placement basis by way of a special resolution under Section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014

Disclosures

a. Related Party Transactions

There were no material transactions with related parties that may have potential conflict with the interest of the Company. Details of related party transactions entered into by the Company in the ordinary course of its business and at arm's length price are included in the notes forming part of the financial statements. There were no financial or commercial transactions by the senior management with the Company where they have personal interests that may have a potential conflict with the interests of the Company at large. The policy is available on our website of the company.

b. Code of Conduct

A Code of Conduct stating framework for 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

C. Vigil Mechanism / Whistle Blower Policy

The Company has established a vigil mechanism for Directors and employees to report genuine concerns to the management viz. instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct. The Company has also formulated Whistle Blower Policy ("Policy") which provides for adequate safeguard against victimization of persons and has a provision for direct access to the chairman of Audit Committee.

A whistle-blowing 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 details of the Whistle Blower Policy are available on our website on following link http://skfin.net/investors/disclosures

d. **Fair Practices Code**

The Company adheres to the Fair Practices Code (FPC) as prescribed 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.

e. The Company has complied with all applicable Accounting Standards in preparation of its financial statements pursuant to the amended Schedule III of Companies Act, 2013.

VI. Means of Communication

1. The half yearly and annual results of the company are published in at least one leading newspapers in India and available at the following weblink http://www.skfin.net/investors/financial-report.
2. The Management, Discussion and Analysis Report forms a part of this Annual Report.

VII. General Shareholder Information

AGM Date Time and Venue	12th June 2017 at 12:30 P.M 202, (Conference Hall) Second Floor, Adarsh Plaza,Khasa Kothi Circle, Jaipur - 302001
Dividend	Nil
Financial Calendar	April to March Announcement of Audited / Un-audited Results (tentative) Half Yearly Results - First week of November Annual Results - Last week of May
Debt Securities Listing	(Wholesale Debt Market Segment) BSE Limited 25th Floor, P.J Towers, Dalal Street, Mumbai 400001
Corporate Identity Number(CIN) of the company	U65923RJ1994PTC009051
Registrars and transfer Agents	Bigshare Services Private Limited E-2/3, Ansa Industrial Estate Saki Vihar Road Saki Naka Andheri (East) Mumbai 400 072.
Debenture Trustees	CATALYST TRUSTEESHIP LIMITED (Erstwhile GDA Trusteeship Limited) Office No. 1, 2, and 3; 4th Floor, Rehematoola House, 7th Homji Street, Off, P.M.Road, Fort, Mumbai- 400001 IDBI Trusteeship Services Limited Asian Building, 17 R. Kamani Marg, Ballard Estate, Mumbai 400 001 Axis Trustee Services Limited Axis House, 2nd Floor,Bombay Dyeing Mills, Compound Near Hard Rock Café, Pandurang Budhkar Marg, Worli Mumbai 400 025
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.

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

Series	ISIN	Scrip Code	BSE Limited Address
NCD-01	INE124N08026	948348	Phiroze JeejeebhoyTowers, DalalStreet, 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	

VIII. Shareholding as on March 31, 2017

a. Distribution of equity shareholding as on March 31,2017

Number of Shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
1-10000	2746	1.02%	4	57.14%
10001-50000	NIL	NIL	NIL	NIL
50001-100000	267963	98.98%	3	42.86%
	270709	**100%**	**4**	**100%**

b. Categories of equity shareholders as on March 31,2017:

Category	No of equity shares	Percentage of Holding
Promoters- Individual	199635	73.75%
Banks/FI	2707	1.00%
Foreign Banks/FI	68354	25.25%
	270709	**100.00%**

c. a.Top ten equity shareholders of the company as on March 31, 2017

S No.	Name of the shareholder	No of equity shares held	Percentage of Holding
1	Rajendra Kumar Setia	99880	36.90%
2	Shalini Setia	99729	36.84%
3	BanyanTree Growth Capital LLC	68354	25.25%
4	LadderUp Finance Limited	2707	1.00%
5	Yash Setia	13	0.01%
6	Bhajan Devi Setia	13	0.01%
7	Atul Arora	13	0.01%
	Total	**270709**	**100.00%**

IX. Dematerialization of shares

The Company's shares enjoy demat facility with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for Equity Shares and Non Convertible Debentures .

As on 31 March 2017, 2,70,709 Equity Shares constituting 100% of the total holding of the Company were held in demat mode.

X. Outstanding GDR/Warrants/Convertible Instruments

The Company has no outstanding GDRs/Warrants/ Non-Convertible Instruments on March 31, 2017.

By Order of the Board of Directors
For Ess Kay FincorpPrivate Limited
(Erstwhile Ess Kay Auto Finance Private Limited)

Place: Jaipur
Date: 19th May, 2017
Registered Office:
G 1-2, NEW MARKET, KHASA KOTHI, JAIPUR -302001
CIN: U65923RJ1994PTC009051

Sd/-
(Rajendra Kumar Setia)
Managing Director
(Din- 00957374)

Sd/-
(Shalini Setia)
Whole Time Director
(Din - 02817624)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. MACROECONOMIC ENVIRONMENT AT A GLANCE

1.1 FY 2016-17, despite a tentative global economic environment, the Indian economy, strongly driven by domestic consumption, continued to exhibit resilience and registered a growth of 7.1%. In addition to healthy GDP growth, the year also proved to be stable by mix of macro level matrix supplemented by positive factors such as moderating inflation, continued improvement in fiscal situation and balance of payments. This strengthens macroeconomics fundamentals by improving the growth-inflation mix in a slow but steady manner. India's GDP Growth rate in current fiscal decelerated 80 basis points vis-a-vis FY 2015-16 due to moderation in private consumption led by one of event of demonetization and dearth of private investment. Investments, particularly private, will continue to be drag. We expect private investments to trail GDP growth in Fiscal 2018 and to see a material pick up only in FY 2019. Indian economy is expected to grow by 40 to 60 basis points during the FY 2017-18 inching up to 8% thereafter.

1.2 Focus on digitalization will usher in efficiency gains in the medium term over a board spectrum of activities. A rise in digitalization and its consequent adoption by large mass will bring in transparency and surplus liquidity in formal and organized channel thereby leading to multiplier effect. These positive spillover effects will have a huge bearing on monetary policy. Digitalization will also complement to GST in formulating the economy. While complete implementation of GST is expected to bring efficiency gains and lead to higher tax compliances in the long run, there are expected to be disruptions and likely loss of revenue in the short run as the economy shifts to this new regime.

1.3 However, challenges still remain; the hardest hit was the informal sector, where the primary medium of transaction continues to remain through cash mode.-Demonetization not only affected the ability of the sector to transact, but also adversely impacted income and employment. For sustainable growth, revival in private sector investment and exports is essential. Once business conditions become favorable (or when capacity utilization improves and companies deleverage), better ease of doing business and ongoing reforms can hasten private investments. If we talk about net effect, the impact or effect of demonetization has already faded and the economy on back on track to achieve its long term potential.

1.4 As India looks likely to receive higher monsoon rainfall than previously forecasted, all sectors will get requisite boost in the form of consumption from rural segment thereby boosting growth rate. Inflation has moderated last year and continues to remain range bound. Moreover with prospect of good monsoon should augur well for headline inflation numbers and leaving scope for further rate reduction.

1.5 The government's commitment to fiscal targets, and focus on programmes like the "startup", "Digital India" initiative should improve investment climate further. Household demand is expected to improve driven by the implementation of the Seventh Pay Commission award, continued low commodity prices, and interest rate cuts.

2. NBFC OUTLOOK

FY 2017-18, So far, non-banking finance companies (NBFCs) have scripted a great success story. The operating environment for non-banking financial companies (NBFCs) seems to be improving. Due to subdued economic environment, the last two years have been challenging for the NBFC sector with moderation in rate of asset growth, rising delinquencies resulting in higher provisioning thereby impacting profitability. However, the comfortable capital adequacy, shift towards secured lending, lower ALM risk have helped the sector absorb cyclical stress on asset quality and profitability.

The regulations will make the NBFC sector structurally stronger, increase transparency and improve their ability to withstand asset quality shocks in the long run. The success of NBFCs can be clearly attributed to their better product lines, lower cost, wider and effective reach, strong risk management capabilities to check and control bad debts, and better understanding of their customer segments. Not only have they shown success in their traditional bastions (passenger and commercial vehicle finance) but they have also managed to build substantial assets under management (AUM) in the personal loan and housing finance sector which have been the bread and butter of traditional banking sector.

3. OPPORTUNITY AND THREATS

The Company aims to build a stable, secure and sustainable business that is focused on maximizing growth opportunities within the industry. Your directors believe that due to boost to affordable vehicle financing will increase our market segment.

Although finance business is highly fragmented, we believe that we are well positioned to take advantage of this environment because, as a larger company, we have more extensive resources and certain compelling competitive advantages.

3.1 Clients are more comfortable with uniform high quality and quick service and process across the enterprise.

3.2 There are good prospects for expanding further activities in this direction. The company is also facing competition from other peer companies.

Besides, Company is facing challenges like heightened competition, attraction and retention of human capital, Regulatory changes etc.

4. BUSINESS SEGMENT

A growth of 4.16% has been recorded by the Commercial Vehicles segment during FY 2016-17. Medium & Heavy Commercial Vehicles (M&HCVs) grew by 0.04% percent and Light Commercial Vehicles grew by 7.41 percent during FY 2016-17 over the same period last year.

Two Wheelers sales registered a growth at 6.89 percent during FY 2016-17 over FY 2015-16. Within the Two Wheelers segment, Scooters, Motorcycles and Mopeds grew by 11.39 percent, 3.68 percent and 23.02 percent respectively in FY 2016-17.

Category	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Passenger Vehicles	26,29,839	26,65,015	25,03,509	26,01,236	27,89,208	30,46,727
Commercial Vehicles	8,09,499	7,93,211	6,32,851	6,14,948	6,85,704	7,14,232
Three Wheelers	5,13,281	5,38,290	4,80,085	5,32,626	5,38,208	5,11,658
Two Wheelers	1,34,09,150	1,37,97,185	1,48,06,778	1,59,75,561	1,64,55,851	1,75,89,511
Grand Total	1,73,61,769	1,77,93,701	1,84,23,223	1,97,24,371	2,04,68,971	2,18,62,128

Source: SIAM (Automobile Domestic Sales Trends)

5. PRE-OWNED COMMERCIAL VEHICLES

Indeed, pre-owned commercial vehicle financing is core business area of Ess Kay. Our 70-80% of total portfolio covered by pre-owned financing of vehicles. These pre-owned vehicles being affordable for small aspiring owner-cum-drivers are preferred to initiate their entrepreneurial journey as a Small Road Transport Operator (SRTO). The company empowers such small SRTOs and new drivers with affordable financing and advice regarding the commercial vehicles.

6. OVERVIEW OF ESS KAY

Ess Kay Fincorp Private Limited (formerly known as Ess Kay Auto Finance Pvt Ltd.), a registered NBFC with RBI as "NBFC-ND-SI-AFC" is 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 cater to this under-served market by adopting an innovative approach and validating the creditworthiness of the individuals and small business. Ess Kay is one of the largest market player in the commercial vehicle finance and SME lending in the state of Rajasthan and Gujarat. In fiscal 2017 Ess kay has expanded its geographical presence in Madhya Pradesh, Maharashtra and Punjab.

6.1 Product Portfolio

At Ess Kay, we finance Small and Medium Enterprises - (secured by self-occupied property), Light Commercial Vehicle (LCV's), Multi Utility Vehicle (MUV's), Medium & Heavy Commercial Vehicle (MCV's), Car, Three Wheeler, Two Wheeler, Construction Equipment and Agriculture Equipment.

6.2 Branch Operations

Ess Kay has its widespread network of 208 branches across the five states namely Rajasthan, Gujarat, Punjab, Maharashtra & Madhya Pradesh. As a part branch expansion strategy Ess Kay opened 78 new branches in financial year 2016-17.

6.3 Funding Source

We currently deal with more than 30 Banks and Financial Institutions by obtaining financial assistance in form of Term Loan, Cash Credit (including WCDL), Non-Convertible Debentures, Commercial Papers etc. In FY 2016-17 company has added 6 new banks and issued two tranches of Commercial Papers (Details of which is delineated in Board Report which is part of this Annual Report).

7. Risk Management

In light of economic uncertainties, Ess Kay has in place proper risk redressal mechanism to identify risk and ways to mitigate risk thereby enhancing stakeholder's value.

Risk management in Ess Kay has evolved gradually over time and the Risk Management committee is actively involved in identification and mitigation of the risks, its functioning is covered in corporate governance report separately.

7.1 Regulatory Compliance Risk

Business performance is subjected to regulatory environment and scrutiny. Ess Kay is well acquainted with the importance of regulatory framework, its challenges and compliance hence anticipating the regulatory requirement and integrating the same in business strategy is the key mitigant.

7.2 Interest Rate Risk

Major risk for Ess Kay is Interest Rate Risk which include exposure to movements in interest rates due to policy changes and foreign exchange movement. Ess Kay largely depends on banks and FIs for funding requirement and has a mix of borrowing on floating and fixed rate of interest to limit risk due to fluctuation of interest rate to some extent.

7.3 Credit Risk

Ess Kay is exposed to credit risk as target customers are rural based, un-banked, self employed individual with no documented income proof but it has succeeded in managing the risk so far through deep understanding of nature of borrower and business activity which has established credit norms and policies. Besides it, the loans are secured by the hypothecation of vehicle, in case of default the company has legal rights to repossess and sell the vehicle to recover its loan overdue. For valuation of used vehicles, the company has empanelled third party valuers. Decision of loan amount depends on valuation report of the vehicle and internal grid, whichever is lower.

7.4 ALM Risk

Ess Kay had a total borrowing of 614.62 crores as on March 31, 2017. The Company's Asset-Liability Committee (ALCO), monitors asset-liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet. The functions of the committee are given separately in corporate governance report.

8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Ess Kay has established adequate internal controls to monitor every financial transaction on both sides of balance sheet followed by dual reporting to further eliminate any single occurrence of risk factor. A team of internal auditors from a reputed firm are dedicatedly engaged to scrupulously record and monitor all transactions on daily basis.

8.1 The Company has proper and adequate internal control systems to ensure that all the assets are safeguarded and that all transactions are authorized recorded and reported correctly.

8.2 The Board of Directors has been entrusted with the responsibility of reviewing the findings and to investigate and take necessary actions wherever required.

9. CAUTIONARY STATEMENT

Management Discussion and analysis described overall view of management and objectives which are based on economic prediction and financial projections under applicable law. Actual results may vary significantly from the statement given in this report subject to various risks involved in the business viz. economic risk, political scenario, volatility in market conditions regulatory norms and interest rate risk etc. The Company does not undertake to update these statements.

10. HUMAN RESOURCES/ INDUSTRIAL RELATIONS

The Management of Company truly believes that organizational success is deeply vested in the success of the human resources. The Company provided excellent working environment so that the individual staff can reach his/her full potential. The Company believes in creating business leaders by employing best talent in the industry, providing opportunities, empowerment by delegations, training and taking care of their growth.

Independent Auditor's Report

To

The Members

Ess Kay Fincorp Private Limited

(Erstwhile Kay Auto Finance Private Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Ess Kay Fincorp Private Limited (Erstwhile Kay Auto Finance Private Limited),which comprise the balance sheet as at March 31, 2017, the Statement of Profit And Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

(a) We have sought and except for the matter referred to para g (iv) below and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards)Amendment Rules,2016;

(e) On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The company has disclosed the impact of pending litigation on its financial position in its financial statements – Refer note 28 to financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Invest or Education and Protection Fund by the Company.

iv The company has provided disclosures in Note 40 in the financial statements as to the holding of specified banks on November8,, 2016 to December 30, 2016 as well as dealing in specified banks notes during the period from November 9, 2016 to December 30,2016 read together with point a & b mentioned below .Based on our audit procedures and relying on the management representation regarding the holding & nature of cash transactions ,including those on specified bank notes ,we report that these disclosures are in accordance with the books of accounts maintained by the company and as produced to us by the management.

(a) As stated in note 40(1) in the financial statements the company has maintained information of various denomination into two category namely 'SBN' and Other Denomination; Separate Denomination wise details under each category is not available for the period 8th November,2016 to30th December 2016.

(b) Further, as stated in note 40(2), the customer of the company have directly deposited cash in the company's bank accounts and we were report we were not made available sufficient and appropriate audit evidence to report on the matter of denomination wise details of such deposits, the details of which, as represented to us, are not available with the company.

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

We have audited the accounts of the company for the year ending 31st March, 2017 and we report in respect of the matters specified in "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016" issued by the Reserve Bank of India to the extent they are applicable to the company as follows:

a. The Company is engaged in the business of Non-Banking Financial Institutions and is registered with the Reserve Bank of India as provided in section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and it has obtained the registration certificate from the Reserve Bank of India.

b. The Company is entitled to continue to hold the certificate of registration in terms of its assets/income as on March 31, 2017

c. The Company has been correctly classified as Asset Management Company.

d. The Board of Directors of the Company has passed resolution on May 19, 2017 resolving not to accept any deposits from public.

e. The company is meeting the required net owned fund requirement as laid down in Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

f. As per the certificate received from the practicing Company Secretary, the Company has not accepted any deposits from public during year under audit.

g. According to information & Explanation given to us, the Company has duly complied with prudential norms relating to the income recognition, Accounting Standards, assets classification and provisioning for bad and doubtful debts.

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

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

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Reg. No. : 000756N

Place: Jaipur
Date: 19th May, 2017

Sd/-
Yogesh K. Gupta
Partner
Membership No.:093214

"Annexure A" to the Independent Auditors' Report

The Annexure as referred in paragraph (1) 'Report on Other Legal and Regulatory Requirements of our Independent Auditors' Report to the members of Ess Kay Fincorp Private Ltd(ErstwhileEss Kay Auto Finance Private Limited)on the financial statements for the year ended March 31, 2017, we report that:

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company does not hold any immovable properties. Accordingly, the provisions of clause 3(ii) (c) of the Order are not applicable.

ii. The company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the order are not applicable.

iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted unsecured loans to the parties covered in the Register maintained under section 189 of the Act.

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

(c) The loans were repayable on demand. Accordingly, the provisions of clause 3(iii) (b) & (c) of the order are not applicable.

iv. According to the information and explanations given to us, the company have complied with the provisions of section 185 and I86 of the Companies Act, 2013 with respect to the loans, investments made.

v. According to the information and explanations given to us, during the year the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.

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

vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales-tax, wealth tax, income tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues with the appropriate authorities to the extent applicable and further, there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March31, 2017.

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

Name of the Statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act , 1994	Service Tax and Penalty	53,037,596	December 2010 to March 2015	Joint Commissioner (Appeals), Jaipur

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

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

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

xi. The Company is a private limited company and section 197 is not applicable on private limited company. Accordingly, paragraph 3(xi) of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the record of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the company.

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Reg. No. : 000756N

Sd/-
Yogesh K. Gupta
Partner
Membership No.:093214

Place: Jaipur
Date: 19th May, 2017

"Annexure B" to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of EsskayFincorp Private Limited (Erstwhile Ess Kay Auto Finance Private Limited)as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Reg. No. : 000756N

Sd/-
Yogesh K. Gupta
Partner
Membership No.:093214

Place: Jaipur
Date: 19th May, 2017

Notes To Financial Statements For The Year Ended On March 31, 2017

1. CORPORATE INFORMATION

Ess Kay Fincorp Private Limited is a Private Limited Company incorporated under the provisions of Companies Act, 1956 in the state of Rajasthan. The company is engaged in the business of providing finance and allied activity.

The Company is holding 'CoR' as Non-Banking Financial Institution, without accepting public deposits, registered with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and is primarily engaged in the lending and distribution of third party financial products.

1.1 Change in Accounting Policy:

- **PROVISIONING OF NPA ASSETS**

  During the year the Company has changed its provisioning norms on NPA Assets. The new and old provisioning norms are given below-

Particulars	F.Y. 2016-2017
a. Standard Assets	
upto 4 months	0.35% of outstanding amount
b. Substandard Assets	
Upto 1 month	10.00% of outstanding amount
More than 1 months upto 2 months	15.00% of outstanding amount
More than 2 months upto 8 months	20.00% of outstanding amount
More than 8 months upto 13 months	50.00% of outstanding amount
More than 13 months upto 14 months	100.00% of outstanding amount
c. Doubtful assets	100.00% of outstanding amount
d. On Assigned Cases	Provisioning norms will be at par with Own Books provisioning.

Particulars	F.Y. 2015-2016
a. Standard Assets	
Upto 4 months	0.30% of outstanding amount
More than 4 months upto 5 months	5.00% of outstanding amount
b. Substandard Assets	
Upto 1 month	15.00% of outstanding amount
More than 1 months upto 7 months	25.00% of outstanding amount
More than 7 months upto 11 months	50.00% of outstanding amount
More than 11 months upto 16 months	100.00% of outstanding amount
c. Doubtful assets	100.00% of outstanding amount
d. On Assigned Cases	Provisioning norms will be at par with Own Books provisioning.

During the current year, the Company has changed its NPA provisioning policy based on RBI Notification No. DNBR.009/CGM(CDS)-2015 dated March 27 , 2015 pursuant to which loans outstanding for a period exceeding 120 days are classified as substandard assets and sub standard assets for a period exceeding 14 months are classified as doubtful debts. Due to this, the profit for the year has been decreased by Rs 123.51 lacs.

Also during the current year, the company has changed its provisioning policy of NPA assets due to this the provision for NPA assets has been decreased by Rs 66.42 lacs and profits has been increased by Rs 66.42 lacs. The revised provisioning norms are well within the prudential norms of RBI

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and on accrual basis of accounting in accordance with generally accepted accounting principles in India and comply in material aspect with the measurement and recognition principals of Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act"), read with rule 7 of Companies (Accounts) Rules,2014and the Companies (Accounting Standards) Amendment Rules, 2016,the Reserve Bank of India ('RBI') Act 1934 and Non- Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008. The accounting policies have been consistentlyapplied by the company and are consistent with those used in previous year except for the changes in accounting policy explained below, if any.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2 USE OF ESTIMATES

The presentation of Financial Statements requires estimates and assumptions to be made thataffect the reported amount of assets and liabilities (including contingent liability) on the date of financial statements and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the financial statements are based upon the Management's evaluation of the relevant facts and circumstances as on the date of financial statements. Management believes that the estimates used in the preparation of these financial statements are prudent and reasonable. Difference between the actual results and estimates are recognized in the period in which results are known / materialized.

2.3 REVENUE RECOGNITION

a. The company follows the accrual method of accounting for its income and expenditures unless disclosed specifically.

b. Interest income from financial activities is recognized on accrual basis and is calculated as per the agreement made with the borrower. Interest on delayed paymentis accounted in the period in which the default is made, at the ultimate expected rate. Reported figures of Income in respect of non-performing and other classes of assets are made based on periodic review of receivables and guidelines issued by Reserve Bank of India.

c. Income from Assignment/ Securitization

In case of assignment / securitization of receivables, the assets are de-recognised in the books as all the rights, title, future receivables and interest thereof are transferred to the purchaser. The gain arising on such transfer is accounted over the tenure of the assets. In case of loss if any, the same is charged to the statement of profit and loss immediately at the time of transfer.

Company`s contractual rights to receive the share of future interest (i.e. interest spread), in the transferred assets from the SPV is capitalized at the present value as Interest Only (I/O) strip with a corresponding liability created for unrealized gain on loan transfer transactions.

The excess interest spread on the securitization / assignment transactions are recognized as and when it is redeemed by the SPV / Assignment agreement.

d. Income from other financial support services and interest on fixed deposit are accounted on accrual basis and other incidental income i.e. delay charges etc., are generally recognized as and when same is received.

2.4 PROVISION FOR NON-PERFORMING ASSETS ("NPA") AND DOUBTFUL DEBTS

Non-performing assets ('NPA') including loans andadvances, receivables are identified as sub-standard/ doubtful based on the tenor of default. The tenor is set at appropriate levels for each product. NPAprovisions are made based on the management's assessment of the degree of impairment and the levelof provisioning and meets the Systemically Important Non-Banking Financial (Non-Deposit Accepting orHolding) Companies Prudential Norms (Reserve Bank) Directions, 2015 prescribed by Reserve Bank of Indiavide circular dated 01July 2015, as amended and the related notifications (collectively referred to as 'theframework'). These provisioning norms are considered the minimum and additional provision is made basedon perceived credit risk where necessary.

All contracts which as per the management are notlikely to be recovered are considered as loss assetsand written-off as bad debts. Recoveries made fromwritten off contracts are included in "Other Income".

2.5 Property, plant and equipment(PPE)

Property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognized includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged over the estimated useful life of PPE on a straight-line method on the basis of useful life specified in schedule II of the Companies Act, 2013. The useful lives of the groups of PPE are given below.

Asset	Useful life
Furniture and fixture	10 Years
Vehicles	8 Years
Computers	3 Years
Office Equipment's	5 Years

Assets purchased/sold during the year are depreciated on a pro-rata basis for the actual number of days the asset has been capitalized.

Leasehold improvements are amortized over the period lease.

2.6 INTANGIBLE ASSETS

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Computer software which is not an integral part of the related hardware is classified as an Intangible asset and is being amortized over the estimated useful life which the company has estimated as three years.

Intangible assets are amortized over a period of three years.

2.7 FOREIGN CURRENCY TRANSACTION

Transactions in foreign currency entered into during the year are recorded at the exchange rates prevailing on the date of transaction.

Foreign currency monetary items are reported using the closing rate.

Any gain or loss on account of exchange difference arising either on the settlement or on reinstatement of foreign currency monetary items is recognized as Profit/Loss, except exchange difference arising on long term foreign currency monetary items relating to acquisition of depreciable fixed assets, which is adjusted to the carrying amount of such assets. An asset shall be designated as a long term foreign currency monetary item, if the asset or liability is expressed in foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

2.8. INVESTMENTS

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost and fair market value whichever is less and Long term investments are carried at cost. However provision in diminution have been made to recognize a decline, other than temporary, in the carrying value of each investment.

2.9. EMPLOYEE BENEFITS

Short term employee benefits are recognized as an expenses at the undiscounted amount in the year in which the related service is rendered Provident fund and Employee State Insurance are defined contribution plans. The contribution to the same are deposited in relevant Govt. administered funds and is charged to the Statement of Profit and Loss in the year to which it relates. The Company has no obligation other than the contribution payable to the Employee Provident Fund Scheme and Employee State Insurance. The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service. The company accounts for the liability for gratuity benefits payable in future 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 are recognized as and when incurred. The company does not have any fund for payment of gratuity. 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.

2.10 TAXATION

The Tax Liability is estimated considering the provisions of the Income Tax Act, 1961. Deferred Tax is recognized subject to the consideration of prudence, on time differences being the differences between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods in due recognitions of AS-22, issued by MCA.

2.11 EARNING PER SHARE

In determining the earning per share, the company considers the net profit after tax. The number of shares used in computing Basic Earnings per share is the weighted average number of shares outstanding during the year.

For the purpose of calculating diluted earnings per share the net profit or loss for the period attributable to equity shareholder and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

2.12 IMPAIRMENT OF TANGIBLE AND INTANGIBLE 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 lossin 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 BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sales. Borrowing costs and other ancillary cost is amortized over the tenure of loan. Unamortized borrowing costs remaining, if any, is fully expensed off as and when the related borrowing is prepaid & cancelled

2.14 SEGMENT REPORTING

The Company's primary business comprises only of Financing related activities i.e. lending by way of secured and unsecured Loans to corporate and others for the purpose of AS-17. The Company operates only in India hence it has only one geographical segment viz. India.

2.15 OPERATING LEASE

Lease rentals in respect of assets taken on operating leases are charged to the Statement of Profit and Loss account with reference to lease terms and other consideration.

2.16 CASH FLOW STATEMENT

Cash-flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Cash Flow Statements (AS-3). The cash flows from regular revenue generating, financing and investing activity of the Company are segregated.

2.17 CASH & CASH EQUIVALENT

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

2.18 PROVISIONS, CONTINGENT LIABILITIES, AND CONTINGENT ASSETS

i. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. The provisions are measured at an on an undiscounted basis. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

ii. 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, 1998. The details of which are as under: -

Particulars	F.Y. 2016-2017
a. Standard Assets	
Upto 4 months	0.35% of outstanding amount
b. Substandard Assets	
Upto 1 month	10.00% of outstanding amount
More than 1 months upto 2 months	15.00% of outstanding amount
More than 2 months upto 8 months	20.00% of outstanding amount
More than 8 months upto 13 months	50.00% of outstanding amount
More than 13 months upto 14 months	100.00% of outstanding amount
c. Doubtful assets	100.00% of outstanding amount
d. On Assigned Cases	Provisioning norms will be at par with own books provisioning.

iii. General Provisions is made to meet any foreseeable potential losses which are inherent and not yet identified and are disclosed in the long term provisions.

BALANCE SHEET AS AT 31ST MARCH 2017

S. No.	PARTICULARS	NOTE NO.	AMOUNT AS AT 31-Mar-2017	AMOUNT AS AT 31-Mar-16
I	**Equity And Liabilities**			
1	**Shareholder`s Funds**			
	Share Capital	3	27,070,900	32,235,500
	Reserves And Surplus	4	835,641,022	707,492,272
	Money Received Against Share Warrants		-	-
	Total (1)		**862,711,922**	**739,727,772**
2	**Share Application Money Pending Allotment**			
3	**Non-current Liabilities**		-	-
	Long Term Borrowings	5	3,019,750,623	2,261,469,212
	Deferred Tax Liabilities (net)		-	-
	Other Long-term Liabilities	6	61,389,357	5,051,377
	Long-term Provisions	7	30,323,936	19,880,063
	Total (3)		**3,111,463,916**	**2,286,400,652**
4	**Current Liabilities**			
	Short Term Borrowings	8	459,717,039	733,082,729
	Trade Payables		-	-
	Other Current Liabilities	9	3,227,915,025	1,457,194,302
	Short Term Provisions	7	93,427,655	35,382,677
	Total (4)		**3,781,059,719**	**2,225,659,708**
	Total (1+2+3+4)		**7,755,235,557**	**5,251,788,132**
II	**Assets**			
1	**Non-current Assets**			
	Fixed Assets			
	i) Property Plant & Equipment	11(a)	101,625,311	49,773,246
	ii) Intangible Assets	11(b)	2,171,405	1,911,401
	iii) Capital Work In Progress			
	iv) Intangible Assets Under Development			
	Non-current Investments		-	-
	Deferred Tax Assets (net)	10	43,272,147	17,697,256
	Long-term Loans And Advances	16	3,696,059,281	2,434,487,203
	Other Non-current Assets	12	140,676,550	33,687,974
	Total (1)		**3,983,804,694**	**2,537,557,080**
2	**Current Assets**			
	Current Investments	14	165,050,163	-
	Inventories			-
	Trade Receivables	13	18,924,511	12,248,165
	Cash And Bank Balance	15	554,257,843	265,124,076
	Short-term Loans And Advances	16	2,668,043,993	2,216,036,809
	Other Current Assets	17	365,154,353	220,822,002
	Total (2)		**3,771,430,863**	**2,714,231,052**
	Total (1+2)		**7,755,235,557**	**5,251,788,132**

Overview and significant accounting policies — **1 & 2**
The accompanying notes are an integral parts of the financial Statements
As per our report of even date

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

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

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Yogesh Gupta)	**(Rajendra Kumar Setia)**	**(Shalini Setia)**	**(Atul Arora)**	**(Anagha Bangur)**
Partner	Managing Director	Whole Director	Chief Financial Officer	Company Secretary
(M. No - 093214)	(Din- 00957374)	(Din - 02817624)		

Place : Jaipur
Date : 19th May 2017

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH 2017

S. No.	PARTICULARS	NOTE NO.	AMOUNT AS AT 31-Mar-2017	AMOUNT AS AT 31-Mar-16
	REVENUE			
I	Revenue from Operations	18	1,499,722,355	1,105,272,613
II	Other Income	19	72,338,478	52,576,317
III	**TOTAL REVENUE (I+II)**		**1,572,060,833**	**1,157,848,930**
IV	**EXPENSES:**			
	Employee Benefit Expenses	20	316,712,858	179,541,912
	Finance Cost	21	691,553,369	502,321,495
	Depreciation And Amortization Expenses	22	16,132,389	8,684,425
	Provisions and bad debts written off	23	55,992,900	43,602,174
	Other Expenses	24	303,446,636	237,816,714
V	**TOTAL EXPENSES**		**1,383,838,152**	**971,966,720**
VI	**PROFIT BEFORE TAX (III-V)**		**188,222,681**	**185,882,210**
VII	**TAX EXPENSE**			
	(1). CURRENT TAX		90,604,692	71,644,577
	(2). EARLIER YEARS TAX		207,280	-
	(3). DEFERRED TAX		(25,574,891)	(5,871,484)
VIII	**PROFIT AFTER TAX**		**122,985,600**	**120,109,117**
XVI	EARNING PER EQUITY SHARE	25		
	(1). BASIC		606	593
	(2). DILUTED		454	444
	Nominal Value of Equity Shares		100	100

Overview and significant accounting policies
The accompanying notes are an integral parts of the financial Statements — 1 & 2
As per our report of even date

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

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

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Yogesh Gupta)	**(Rajendra Kumar Setia)**	**(Shalini Setia)**	**(Atul Arora)**	**(Anagha Bangur)**
Partner	Managing Director	Whole Director	Chief Financial Officer	Company Secretary
(M. No - 093214)	(Din- 00957374)	(Din - 02817624)		

Place : Jaipur
Date : 19th May 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

S. No.	PARTICULARS	AMOUNT AS AT 31-Mar-2017		AMOUNT AS AT 31-Mar-16	
1	**CASH FLOW ARISING FROM OPERATING ACTIVITIES:**				
	Profit Before Tax		188,222,681		185,882,210
	ADJUSTMENT FOR:				
	Depreciation and Amortisation		16,132,389		8,684,425
	Provisions and bad debts written off		55,992,900		43,602,174
	Loss on Sale of Fixed Assets		385,457		179,670
	Operating Profit before working capital Changes		**260,733,427**		**238,348,479**
	MOVEMENT IN WORKING CAPITAL CHANGES				
			(6,676,346)		(7,385,351)
	(Increase) / Decrease in Trade Receivables		(469,343,017)		(632,825,729)
	(Increase) / Decrease in Short term Loans and Advances		(1,261,572,078)		(756,737,279)
	(Increase) / Decrease in Long term Loans and Advances		(106,988,576)		7,909,661
	(Increase) / Decrease in Other Non -Current Assets		(144,332,351)		(272,272)
	(Increase) / Decrease in Other Current Assets		323,115,996		11,640,026
	Increase / (Decrease) in Other Current Liability		56,337,980		(4,662,688)
	Increase / (Decrease) in Other Long term Liabilities		(126,895)		624,394
	Increase / (Decrease) in Other Short term provision		5,652,789		4,724,134
	Increase / (Decrease) in Other Long term provision				
	Increase/(Decrease) in Bank Deposits (Having Maturity more than three months shown in Cash and Bank Balance)		58,164,639		(4,893,303)
2	**Cash generated from Operations before tax**		**(1,285,034,432)**		(1,143,529,928)
	Net Taxes Paid	**(66,506,083)**	**(66,506,083)**	(73,416,179)	**(73,416,179)**
	Net Cash Flows from Operating activities (A)		**(1,351,540,515)**		**(1,216,946,107)**
	CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
	Purchase of Investments		(165,050,163)		9,280,866
	Purchase of Fixed Assets		(69,623,914)		(27,559,562)
	Sale of Fixed Assets		994,000		1,667,201
	Net cash flow in cases of Investing Activities(B)		**(233,680,077)**		**(16,611,475)**
3	**CASH FLOW ARISING FROM FINANCING ACTIVITIES**				
	Amount received from issuance of Non Convertible Debentures		700,000,000		94,477,500
	Repayment of Non Convertible Debentures		(134,166,565)		(134,166,768)
	Amount received from long term borrowings		3,702,784,000		2,761,600,000
	Repayment of borrowings		(2,062,732,496)		(2,045,231,290)
	Short Term Borrowings (Net)		(273,365,690)		568,043,480
	Corporate dividend tax paid		(251)		(251)
	Net Cash flow in cases of Financing Activities (c)		**1,932,518,998**		**1,244,722,671**
	Net Increase/(Decrease) in Cash and Cash equivalent (A+B+C)		347,298,406		11,165,089
	cash and cash equivalent as at the beginning of the year		53,625,436		42,460,347
	Cash and Cash Equivalent at the End of the year as per books		400,923,842		53,625,436
	Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following:-				
	i) Cash Balance on Hand		46,154,424		34,485,641
	ii) Balance with Banks :		340,410,797		19,139,795
	-In Current Accounts		14,358,621		-
	-In Fixed Deposits(Having Maturity less than 3 Months)				
	Total		**400,923,842**		**53,625,436**
	Non Cash Items				

During the year , 68,294 equity shares having face value of Rs 100/- were issued and allotted by the company to preference share holders at a premium of Rs 75.623 /- per equity share on conversion of 1,19,840 compulsory convertible preference shares. Consequently Rs 51,64,600/- have been transferred in Security Premium Account.

Summary of significant accounting policies **2.1**

The accompanying notes are an integral parts of the financial Statements As per our report of even date

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

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

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Yogesh Gupta)	**(Rajendra Kumar Setia)**	**(Shalini Setia)**	**(Atul Arora)**	**(Anagha Bangur)**
Partner	Managing Director	Whole Director	Chief Financial Officer	Company Secretary
(M. No - 093214)	(Din- 00957374)	(Din - 02817624)		

Place : Jaipur
Date : 19th May 2017

NOTES TO FINANCIAL STATEMENTS

3	SHARE CAPITAL:	AMOUNT AS AT 31-Mar-2017		AMOUNT AS AT 31-Mar-16	
	Particulars	**Number**	**Amount**	**Number**	**Amount**
	Authorised				
	Equity Shares of 100/- each				
	Opening	450,000	45,000,000	450,000	45,000,000
	Additions	-	-	-	-
	Deductions	-	-	-	-
	Closing	**450,000**	**45,000,000**	**450,000**	**45,000,000**
	Preference shares of Rs. 100/ each				
	Opening	125,000	12,500,000	125,000	12,500,000
	Additions	-	-	-	-
	Deductions	125,000	125,000	-	-
	Closing	-	-	125,000	12,500,000
	Total	**575,000**	**57,500,000**	**575,000**	**57,500,000**
	Issued , Subscribed and Paid Up				
	Equity Shares of 100/- each				
	Opening	202,415	20,241,500	202,415	20,241,500
	Additions	68,294	6,829,400	-	-
	Deductions	-	-	-	-
	Closing	**270,709**	**27,070,900**	**202,415**	**20,241,500**
	Preference shares of Rs. 100/ each				
	Opening	119,940	11,994,000	119,940	11,994,000
	Additions	-	-	-	-
	Deductions	119,940	11,994,000	-	-
	Closing	-	-	119,940	11,994,000
	Total	**270,709**	**27,070,900**	**322,355**	**32,235,500**

Terms/ rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs 100/- 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 any of 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.

Terms/ rights attached to Preference Shares

The 119940 Compulsory convertible Preference Shares (CCPS) were issued in the year 2012 having face value of Rs. 100/- each fully paid-up at a premium of Rs. 1400/- Per share to Banyan Tree Growth Capital LLC . CCPS shall rank senior to all present and future preference shares and/or equity shares issued by the company. CCPS shall be entitled to dividend of 0.01% annually plus conditional dividend which shall be equal to dividend on any other class of shares / share equivalent. . During the year , 68,294 equity shares having face value of Rs 100/- were issued and allotted by the company to preference share holders at a premium of Rs 75.623 /- per equity share on conversion of 1,19,940 compulsory convertible preference shares. Consequently Rs 51,64,600/- have been transferred in Security Premium Account. The converted shares shall rank pari passu with existing equity shares.

Details of shareholder holding more than 5% shares are as under:

	As at 31st March 2017		As at 31 March 2016	
Name of Shareholder	**No. Of Shares Held**	**% of Holding**	**No. Of Shares Held**	**% of Holding**
Equity Shares				
Rajendra Kumar Setia	99,880	36.90%	99,880	49.34%
Shalini Setia	99,729	36.84%	99,768	49.29%
BanyanTree Growth Capital LLC	68,354	25.25%	60	0.03%
Preference Shares				
BanyanTree Growth Capital LLC	-		119,940	100%

NOTES TO FINANCIAL STATEMENTS

4	RESERVE & SURPLUS:		
	Particular	**As at 31 March 2017**	**As at 31 March 2016**
A	**SECURITIES PREMIUM RESERVE**		
	Balance as per the last financial Statements	245,622,404	245,622,404
	Additions during the year	5,164,600	-
	Deletion during the year	-	-
	Closing Balance	**250,787,004**	**245,622,404**
B	**STATUTORY RESERVE**		
	Balance as per the last financial Statements	92,353,146	68,331,323
	Additions during the year	24,597,120	24,021,823
	Deletion during the year	-	-
	Closing Balance	**116,950,266**	**92,353,146**
C	**SURPLUS/ (DEFICIT)IN THE STATEMENT OF PROFIT AND LOSS**		
	Balance as per last financial Statement	369,516,722	273,430,878
	Add: Profit for the Year	122,985,600	120,109,117
	Less: Appropriations		
	Dividend	1,199	1,199
	Tax on Dividend	251	251
	Transfer to Statutory Reserve	24,597,120	24,021,823
	Net Surplus/ (deficit)in the Statement of Profit and loss	**467,903,752**	**369,516,722**
	Total Reserve and Surplus	**835,641,022**	**707,492,272**
4.1	In accordance with the provisions of section 45-IC of the RBI Act, 1934, the Company has created a Reserve Fund (Statutory Fund) and during the period the Company has transferred 20% profit after tax to the said Reserve Fund.		

5	LONG TERM BORROWINGS				
	Particular	**Non Current Portion**		**Current Maturities**	
		31-Mar-17	**31-Mar-16**	**31-Mar-17**	**31-Mar-16**
A	**DEBENTURES**				
	Secured				
	Redeemable Non Convertible Debentures (Refer Note No 5.3)	329,477,501	361,144,168	181,666,666	134,166,564
	Unsecured				
	Redeemable Non Convertible Debentures*** (Refer Note 5.4)	475,000,000	165,000,000	240,000,000	-
	Total (A)	**804,477,501**	**526,144,168**	**421,666,666**	**134,166,564**
B	**LOANS**				
	Secured				
	From Banks (Refer Note No 5.1)	1,039,297,871	979,613,841	1,076,774,208	932,687,161
	From others (Refer Note No 5.2)	805,037,751	55,711,203	673,998,145	152,231,766
	Unsecured loans				
	Loan From Others***	370,937,500	700,000,000	494,250,000	-
	Total(B)	**2,215,273,122**	**1,735,325,044**	**2,245,022,353**	**1,084,918,927**
	TOTAL(A+B)	**3,019,750,623**	**2,261,469,212**	**2,666,689,019**	**1,219,085,491**
	Secured	2,173,813,123	1,396,469,212	1,932,439,019	1,219,085,491
	Unsecured	845,937,500	865,000,000	734,250,000	-
	Total	**3,019,750,623**	**2,261,469,212**	**2,666,689,019**	**1,219,085,491**
	Less Amount disclosed under the head Other Current Liabilities	-	-	(2,666,689,019)	(1,219,085,491)
	Total	**3,019,750,623**	**2,261,469,212**	-	-

***Unsecured loans from others contains an amount of Rs 20 crores (P.Y. - Rs 20 crores) which is a Tier II capital which is in accordance with the guidelines issued by RBI. Unsecured Non Convertible Debentures contain an amount of Rs 36.50 crores (P.Y. - 16.50 crores) which is a Tier II capital which is in accordance with the guidelines issued by RBI. Also Unsecured Loan from others are covered by the Personal Guarantee of Director amouting to Rs 15,00,00,000/- in FY 2016-17 as compared to Rs. 50,00,00,000 /- in FY 2015-16.

NOTES TO FINANCIAL STATEMENTS

5.1	SCHEDULE OF SECURED TERM LOAN FROM BANKS	Non Current Portion		Current Maturities	
	Particular	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	Andhra Bank The loan is repayable in 12 equal quarterly installments of Rs. 1,25,00,000.00/- each excluding interest from 29.09.2017. The Loan is secured against the first and exclusive charge by way of assignment/ hypothecation of the receivables and personal guarantees of Promoter Directors of the company. The loan will get repaid in 40 months in 12 installments from balance sheet date.	112,500,000	-	37,500,000	-
	BANK OF BARODA (Term Loan - I)** The loan is repayable in 36 monthly installments comprising 35 installment of Rs. 7,000,000/- each and last installment of Rs. 5,000,000/- excluding interest from 01.10.2014. The Loan is secured against the exclusive charge on the receivables and personal guarantees of Promoter Directors of the company. The loan will get repaid in 6 months in 6 installments from balance sheet date	-	40,000,000	40,000,000	84,000,000
	BANK OF BARODA (Term Loan - II)** The loan is repayable in 36 monthly installments comprising 35 installments of Rs. 4,175,000/- each and last installment of Rs. 3,875,000/- excluding interest from 01.10.2015. The same is secured against the exclusive charge on the receivables and personal guarantees of Promoter Directors of the company. The loan will get repaid in 18 months in 18 installments from balance sheet date	24,750,000	74,850,000	50,100,000	50,100,000
	BANK OF INDIA The loan is repayable in 36 monthly installments comprising first 35 installments of Rs. 2,778,000/- last installment being of Rs. 2,770,000/- excluding interest from March 2014. The Loan is secured against the exclusive hypothecation charge on specific receivables covered by hire purchase/Loan Agreements, cash collateral and personal guarantees of Promoter Directors of the company. The loan will get repaid in 1 month in 1 installment from balance sheet date	-	2,770,000	2,770,000	33,336,000
	BANK OF INDIA The loan is repayable in 36 monthly installments comprising first 35 installments of Rs. 4,167,000/- last installment being of Rs. 4,155,000/- excluding interest from May 2017. The loan is secured against the exclusive hypothecation of specific receivables/ Loan assets, cash collateral and personal guarantees of Promoter Directors of the company. The loan will get repaid in 37 months in 36 installments from balance sheet date	104,163,000	-	45,837,000	-
	BANK OF MAHARASTRA** The loan is repayable in 12 quarterly installments of which 11 installments of Rs.2.09 Cr and last installments of Rs. 2.01 Cr. excluding interest from 30.10.2015. The Loan is secured against the hypothecation of loan receivables and personal guarantees of Promoter Directors of the company. The loan will get repaid in 16 months in 5 installments from balance sheet date	40,999,423	103,958,288	62,700,000	83,333,332
	CENTRAL BANK OF INDIA (Term Loan - I)** The loan is repayable in 36 monthly installments of Rs. 2,777,778/- excluding interest from 31.05.2014. The Loan is secured against the hypothecation charge on receivables covered by loan agreement and bank lien on FDR with bank and personal guarantees of Promoter Directors of the company.	-	13,888,664	-	33,333,336
	CENTRAL BANK OF INDIA (Term Loan - II)** The loan is repayable in 36 monthly installments of Rs. 2,777,778/- excluding interest from 31.05.2014. The Loan is secured against the hypothecation charge on receivables covered by loan agreement and bank lien on FDR with bank and personal guarantees of Promoter Directors of the company.	-	13,888,664	-	33,333,336
	DCB BANK The loan is repayable in 36 monthly installments comprising of 35 installments of Rs. 28,00,000 and last installment of Rs 20,00,000/- excluding interest from 31.08.2016. The Loan is secured against the first and exclusive charge on identified portfolio receivables of vehicle loan and personal guarantees of Promoter Directors of the company. The loan will get repaid in 29 months in 29 installments from balance sheet date.	46,800,000	-	33,600,000	-

NOTES TO FINANCIAL STATEMENTS

SCHEDULE OF SECURED TERM LOAN FROM BANKS	Non Current Portion		Current Maturities	
Particular	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
HDFC BANK LTD (Term Loan - III) The loan is repayable in 36 monthly installments of Rs. 5,036,049/- each including interest from 07.09.2013. The Loan is secured against the hypothecation of specific receivables on hypothecated book debts and personal guarantee of Promoter Director of the company.	-	-	-	24,397,114
HDFC BANK LTD (Term Loan - IV) The loan is repayable in 36 monthly installments of Rs.5,007,259, /- each including interest from 07.11.2015. The Loan is secured against the first and exclusive charge in favour of the bank by way of hypothecation of receivables and personal guarantee of Promoter Directors of the company. .The loan will get repaid in 19 months in 19 installments from balance sheet date.	33,558,281	86,013,900	52,362,595	46,308,415
HDFC BANK LTD (Term Loan - V) The loan is repayable in 36 monthly installments of Rs.33,09,504 /- each including interest from 07.01.2017. The Loan is secured against the exclusive hypothecation over book Debts/ receivables and personal guarantee of Promoter Director of the company. .The loan will get repaid in 33 months in 33 installments from balance sheet date.	62,544,352	-	30,395,959	-
HDFC BANK LTD (Vehicle Loans) The pool consists of 29 cars each having repayment period of 60 months. The loans is secured against first and exclusive charge on vehciles. .The loan will get repaid in 51 to 54 Installments in 51months to 54 months from balance sheet date.	11,809,067	-	3,435,276	-
IDBI BANK LIMITED (Term Loan - I)** The loan is repayable in 36 monthly installments comprising 35 installments of Rs. 2,800,000/- each and last installment of Rs. 2,000,000/- excluding interest from 01.01.2014. The Loan is secured against hypothecation on immovable property and personal guarantees of Promoter Directors of the company along with cash collateral.The loan is also secured by personal guarantee of Mr. Arjun Das Setia and Mrs. Bhajan Devi Setia.	-	-	-	24,400,000
IDBI BANK LIMITED (Term Loan - II)** The loan is repayable in 36 monthly installments comprising 35 installments of Rs. 4,200,000/- each being last installment of Rs. 3,000,000/- excluding interest thereof from 03.04.2014. The Loan is secured against the exclusive charge of receivables under financing activities and personal guarantees of Promoter Directors of the company along with Cash Collateral. The loan is also secured by personal guarantee of Mrs. Bhajan Devi Setia.	-	-	-	49,200,000
IDBI BANK LIMITED (Term Loan - III)** The loan is repayable in 36 equal monthly installments of Rs. 27,77,777.78 /- each excluding interest from 01 Dec.2015. The Loan is secured against the exclusive hypothecation against receivables and personal guarantees of Promoter Directors of Company and Cash Collateral . The loan is also secured by personal guarantee of Mr. Arjun Das Setia and Mrs. Bhajan Devi Setia. .The loan will get repaid in 20 months in 20 installments from balance sheet date.	22,222,216	55,555,564	33,333,336	33,333,324
IDBI BANK LIMITED (Term Loan - IV)** "Repayment of tem loan will be made in 35 monthly installments of Rs 42,00,000/- and the last single installment of Rs 30,00,000/- excluding interest . Exclusive charge on the receivables under financing activities. Extension of charge on equitable mortgage of immovable property. Personal guarantee of Promoter Directors of the company.The loan is also secured by personal guarantee of Mrs. Bhajan Devi Setia." .The loan will get repaid in 34 months in 34 installments from balance sheet date.	91,200,000	-	50,400,000	-
KARNATAKA BANK LIMITED The loan is repayable in 12 quarterly installments i.e. 11 installments of Rs. 83,00,000 and last installments of Rs. 87,00,000/- excluding interest from 19.03.2015 . The Loan is secured against the exclusive hypothecation charge on the specific receivables of the company and personal guarantees of Promoter Directors of the company. .The loan will get repaid in 9 months in 3 installments from balance sheet date.	-	25,299,754	25,299,999	33,200,000

NOTES TO FINANCIAL STATEMENTS

SCHEDULE OF SECURED TERM LOAN FROM BANKS	Non Current Portion		Current Maturities	
Particular	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
KARNATAKA BANK LIMITED 2 The loan is repayable in 12 quarterly installments i.e. 11 installments of Rs. 42,00,000 and last installments of Rs. 38,00,000/- excluding interest from 10.05.2017. The Loan is secured against the exclusive hypothecation charge on the specific receivables of the company and personal guarantees of Promoter Directors of the company. The loan will get repaid in 35 months in 12 installments from balance sheet date. The loan will get repaid in 35 months in 12 installments from balance sheet date.	33,199,994	-	16,800,000	-
KARUR VYSYA BANK (TERM LOAN)** The loan is repayable in 12 quaterly installments of Rs 1,25,00,000/- excluding interest from 29.02.2016. The Loan is secured against the exclusive hypothecation first charge over specific standard book Debts/ receivables and personal guarantee Promoter Directors of the company. The loan will get repaid in 22 months in 07 installments from balance sheet date.	37,500,000	87,500,000	50,000,000	50,000,000
KOTAK MAHINDRA BANK The loan is repayable in 24 equal monthly installments of Rs. 41,66,666/- each excluding interest from 30.06.2016. The Loan is secured against exclusive hypothecation charge over specific receivables and personal guarantees of Promoter Directors of the company. The loan will get repaid in 14 months in 14 installments from balance sheet date.	8,333,329	-	50,000,004	-
LAKSHMI VILAS BANK The loan is repayable in 12 quaterly installments with a moratorium of 6 months of Rs 83,33,333/- excluding interest from 30.09.2016 The Loan is secured against hypothecation of exclusive receivables and personal guarantee of Promoter Directors of the company. The loan will get repaid in 27months in 09 installments from balance sheet date.	41,666,669	75,000,001	33,333,332	24,999,999
ORIENTAL BANK OF COMMERCE (Term Loan 1) The loan is repayable in 12 equal quarterly installments, comprising of 11 installments of Rs. 1,66,66,667/- each excluding interest and last installment of Rs 1,53,66,667/- starting from 30.04.2016. The Loan is secured against the exclusive hypothecation charge on standard standard loan receivables of the company and personal guarantees of Promoter Directors of the company. The loan will get repaid in 24 months in 08 installments from balance sheet date.	65,338,857	133,333,332	66,666,668	66,666,668
ORIENTAL BANK OF COMMERCE (Term Loan 2) The loan is repayable in 12 equal quarterly installments of Rs. 83,33,333/- each excluding interest from August 18, 2017. The Loan is secured against the exclusive hypothecation charge on standard loan receivables and personal guarantees of Promoter Directors of the company. The loan will get repaid in 39 months in 12 installments from balance sheet date.	75,000,001	-	24,999,999	-
RATNAKAR BANK LTD (Term Loan - I)** The loan is repayable in 45 monthly installments of Rs.34,42,813 /- each including interest from 02.01.2013. The Loan is secured against the exclusive hypothecation charge on specific future receivables covered by loan agreement and bank lien on FDR and personal guarantees of Promoter Directors of the company	-	-	-	16,101,880
RATNAKAR BANK LTD (Term Loan - II)** The loan is repayable in 36 monthly installments of Rs. 2,777,778/- each excluding interest from 14.10.2013 . The Loan is secured against the exclusive hypothecation first charge over specific book Debts/ receivables and bank lien on FDR and personal guarantees of Promoter Directors of the company.	-	-	-	16,666,667
RATNAKAR BANK LTD (Term Loan - III)** The loan is repayable in 36 monthly installments of Rs. 2,777,778/- each excluding interest from the 31.01.2015. The Loan is secured against the exclusive hypothecation first charge over specific book Debts/ receivables and bank lien on FDR with bank and personal guarantees of Promoter Directors of the company. The loan will get repaid in 09 months in 09 installments from balance sheet date.	-	24,999,997	25,000,000	33,333,336
RATNAKAR BANK LTD (Term Loan - IV)** The loan is repayable in 24 monthly installments of Rs. 37,50,000/- each excluding interest from the 31.10.2015 . The Loan is secured against the exclusive hypothecation charge on specific receivables covered by hire purchase/Loan Agreements and cash margin to be lienmarked as Fixed deposit for the facility and Personal Guarantee of Promoter Directors of the company. The loan will get repaid in 06 months in 06 installments from balance sheet date.	-	22,500,000	22,500,000	45,000,000

NOTES TO FINANCIAL STATEMENTS

SCHEDULE OF SECURED TERM LOAN FROM BANKS	Non Current Portion		Current Maturities	
Particular	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
RATNAKAR BANK LTD (Term Loan - V) The loan is repayable in 24 monthly installments of Rs. 41,66,667/- each excluding interest from the 01.07.2016 .The Loan is secured against the exclusive hypothecation charge on specific receivables covered by hire purchase/Loan Agreements and cash margin to be lienmarked as Fixed deposit for the facility and Personal Guarantee of Promoter Directors of the company.The loan will get repaid in 15 months in 15 installments from balance sheet date.	124,99,996	-	500,00,004	-
STATE BANK OF BIKANER & JAIPUR** The loan is repayable in 12 equal quarterly installments comprising of 11 installments of Rs. 1,25,00,000/- each excluding interest and last installment of Rs 1,22,00,000/- from 30.06.2016. The Loan is secured against the exclusive charge on hypothecation on pool of receivables extension charge on property and bank lien on FDR pledged with bank along with charge on immovable property and personal guarantees of Promoter Directors of the company. The loan will get repaid in 24 months in 8 installments from balance sheet date.	49,746,080	49,999,992	50,000,000	25,000,000
STATE BANK OF INDIA** The loan is repayable in 12 equal quarterly installments of Rs. 1,25,00,000 each excluding interest from 01.04.2015. The Loan is secured against the hypothecation first charge on the standard and unencumbered exclusive receivables/ books debts/ loans and advances disbursed by the company and bank lien on FDR pledged with bank and personal guarantees of Promoter Directors of the company. The loan will get repaid in 9 months in 3 installments from balance sheet date.	-	37,495,397	37,186,400	50,000,000
STATE BANK OF PATIALA The loan is repayable in 84 equal monthly installments of Rs. 15,322/- inclusive of interest from 20.09.2014 The loan is secured against hypothecation of car and personal guarantee of Promoter Director of the company. The loan will get repaid in 50 months in 50 installments from balance sheet date.	-	595,612	584,312	108,430
TAMILNAD BANK The loan is repayable in 36 equal Monthly installments of Rs.27,77,777/- each excluding interest from 21.05.2016. The Loan is secured against the exclusive hypothecation first charge over specific standard book Debts/ receivables and the personal guarantees of Promoter Directors of the company. The loan will get repaid in 25 months in 25 installments from balance sheet date.	36,304,606	66,666,676	33,333,324	33,333,324
THE SOUTH INDIAN BANK LIMITED (Term Loan - I) The loan is repayable in 12 quarterly installments i.e. 11 installments of Rs. 83,00,000/- and last installments of Rs. 87,00,000/- excluding interest from 22.03.2015. The Loan is secured against the exclusive charge on underlying receivables both present and future of the borrower on standard assets portfolio and personal guarantees of Promoter Directors of the company. The loan will get repaid in 9 months in 3 installments from balance sheet date.	-	25,300,000	25,300,000	33,200,000
THE SOUTH INDIAN BANK LIMITED (Term Loan - II) The loan is repayable in 15 quaterly installments comprising of first 14 installments of Rs 33,34,000/- excluding interest and last installment of Rs 33,24,000/- from 23.08.2016. The Loan is secured against the exclusive charge on underlying receivables both present and future of the borrower and personal guarantee of Promoter Directors of the company. The loan will get repaid in 36 months in 12 installments from balance sheet date.	26,662,000	39,998,000	13,336,000	10,002,000
THE SOUTH INDIAN BANK LIMITED (Term Loan - III) The loan is repayable in 16 quaterly installments of Rs 75,00,000/- excluding interest from 31.01.2017. The Loan is secured against the exclusive charge on underlying receivables both present and future of the borrower and personal guarantee of Promoter Directors of the company. The loan will get repaid in 43 months in 15 installments from balance sheet date.	82,500,000	-	30,000,000	-

NOTES TO FINANCIAL STATEMENTS

	SCHEDULE OF SECURED TERM LOAN FROM BANKS	Non Current Portion		Current Maturities	
	Particular	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	YES BANK The loan is repayable in 6 equal quarterly installments of Rs. 2,00,00,000/- each excluding interest from 21.01.2017. The Loan is secured against the exclusive charge on standard specific receivables of the company and personal guarantees of Promoter Directors of the company. The loan will get repaid in 13 months in 5 installments from balance sheet date.	200,00,000	-	800,00,000	-
	Total	1,039,297,871	979,613,841	1,076,774,208	932,687,161

Note :

*Range of rate of interest : The interest rate subsisting as on 31st March 2017 from banks is in the range between 9.15 % to 13.50%

**Personal Guarantee : The loans are secured by the personal guarantee of Mr. Arjun Das Setia , who is also the ex-director of the company

***The total amount of personal guarantee given by directors and others , against the borrowings from banking institutions , amounts to Rs 210,02,43,424/- in FY 2016-17 as compared to Rs 191,15,96,960 /- in FY 2015-16.

NOTES TO FINANCIAL STATEMENTS

5.2

SCHEDULE OF SECURED TERM LOAN FROM OTHERS	Non Current Portion		Current Maturities	
Particular	**31-Mar-17**	**31-Mar-16**	**31-Mar-17**	**31-Mar-16**
AUDI FINANCIAL SERVICES	2,055,116	-	677,228	-
AU FINANCIERS INDIA LIMITED				
Loan Account No 1	-	-	-	84,238,607
Loan Account No 2	395,558,535		154,441,465	-
Loan Account No 3	-		200,000,000	
BMW FINANCIAL SERVICES	1,528,604	3,721,858	2,177,574	2,065,289
CAPITAL FIRST LIMITED	75,000,000	-	75,000,000	-
HINDUJA LEYLAND FINANCE LTD.	18,744,409	35,369,345	16,624,937	14,630,655
Loan Account No 1	51,612,511		31,495,517	-
Loan Account No 2	73,038,576	-	26,961,424	
Loan Account No 3				
IFMR CAPITAL FINANCE PVT LTD.				
Loan Account No 1	62,500,000	-	125,000,000	-
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)				
Loan Account No 1	-	16,620,000	16,620,000	16,680,000
Loan Account No 2	125,000,000	-	25,000,000	-
SUNDARAM FINANCE LTD.	-	-	-	34,617,215
TOTAL	**805,037,751**	**55,711,203**	**673,998,145**	**152,231,766**

Loan from Audi Financial Services is repayable in 48 monthly installments of Rs.74,719/- including interest from 03.11.2016. The Loan is secured against charge created by way of hypothecation of the vehicle. The loan will get repaid in 43 months in 43 installments from balance sheet date.

Loan from AU Financiers (India) Pvt Ltd- Loan No 1 is repayable in 36 monthly installment comprising of 35 installments of Rs 1,39,00,000 eachand last installment being Rs 1,35,00,000/- . The Loan is secured against exclusive hypothecation of present and future loan receivables and personal guarantee of Promoter Director of the company.The loan will get repaid in 40 months in 39 installments from balance sheet date.

The loan from AU Financiers (India) Pvt. Ltd. - Loan No 2 is repayable in 39 equal montly installments of Rs. 1,41,02,565/- each excluding interest from 05.05.2017. The Loan is secured against exclusive hypothecation of present and future loan receivables and personal guarantee of Promoter Director of the company. The loan will get repaid in 43 months in 15 installments from balance sheet date.

The loan from AU Financiers (India) Pvt. Ltd. - Loan No 3 is repayable on demand or other wise within 12 months from the first draw down. The Loan is secured against exclusive hypothecation of present and future loan receivables and personal guarantee of Promoter Director of the company.

Loan from BMW Financiers is repayable in 36 monthly installments comprising first installment of Rs.2,00,205/- and balance 35 installments of Rs. 2,10,226/- including interest from 17.11.2015. The Loan is secured against the hypothecation of car and personal guarantees of Promoter Directors. The loan will get repaid in 19 months in 19 installments from balance sheet date.

Loan from Capital First Limited is repayable in 2 installments at the end of 18 months and 24th month from the date of disbursement and interest amount is payable on monthly basis. The Loan is secured against the hypothecation by way of first exclusive charge over loan receivables and investments and personal guarantee of the Promoter Director of the company. The loan will get repaid in 16 months in 2 installments from balance sheet date.

The loan no. 1 from Hinduja Leyland is repayable in 36 Monthly installments of Rs 16,66,500 including interest from 07.04.2016 The Loan is secured against the exclusive first charge on portfolio of receivables. The loan will get repaid in 24 months in 24 installments from balance sheet date.

The loan no. 2 from Hinduja Leyland is repayable in 36 Monthly installments of Rs 33,18,850 including interest from 07.09.2016 The Loan is secured against the exclusive first charge on portfolio of receivables. The loan will get repaid in 29 months in 29 installments from balance sheet date.

The loan no. 3 from Hinduja Leyland is repayable in 36 Monthly installments of Rs 32,88,900 including interest from 06.05.2017. The Loan is secured against the exclusive first charge on portfolio of receivables. The loan will get repaid in 37 months in 36 installments from balance sheet date.

Loan from IFMR Capital is repayable in 4 equal half yearly installments Rs. 6,25,00,000/- excluding interest from 31.10.2016. The Loan is secured against the exclusive first charge over the portfolio created by deed of hypothecation along with personal guarantee of Promoter Director of the company. The loan will get repaid in 13 months in 3 installments from balance sheet date.

Loan from SIDBI is repayable in 54 monthly installments comprising first 53 installments of Rs.13,90,000/- each and last installment of Rs. 13,30,000/- excluding interest from 23.10.2013. The Loan is secured against exclusive first charge by way of hypothecation on specific book debts and personal guarantees of Directors of the company. The loan will get repaid in 12 months in 12 installments from balance sheet date.

Loan from SIDBI is repayable in 60 monthly installments of Rs.25,00,000/- each having a moratorium period of 6 months excluding interest from 10.06.2017. The Loan is secured against the exclusive first charge by way of hypothecation of book debts, receivables and current assets and personal guarantees of Promoter Directors of the company. The loan will get repaid in 63 months in 60 installments from balance sheet date.

Loan from Sundaram Finance is repayable in 36 monthly installments comprising first installment of Rs.33,60,200/- and balance 35 installments of Rs. 3,373,000/- including interest from 31.03.2014. The Loan is secured against the charge of receivables by way of hypothecation of cars and commercial vehicles funded.

***Note : Range of rate of interest . The interest rate subsisting as on March 2017 from Financial Institutions is in the range between 11.00 % to 14.25%

***The total amount of personal guarantee given by directors and others , against the borrowings from Financial Institutions amounts to Rs 107,03,26,178/- in FY 2016-17 as compared to Rs 15,79,42,969 /- in FY 2015-16.

NOTES TO FINANCIAL STATEMENTS

5.3

SCHEDULE OF REDEEMABLE SECURED DEBENTURES	Non Current Portion		Current Maturities	
Particular	**31-Mar-17**	**31-Mar-16**	**31-Mar-17**	**31-Mar-16**
ESSENTIAL CAPITAL CONSORTIUM B.V.	94,477,500	94,477,500	-	-
FMO (NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V)	160,000,001	266,666,668	106,666,666	106,666,666
A.K. CAPITAL SERVICES	75,000,000	-	75,000,000	-
KOTAK MAHINDRA (INTERNATIONAL) LTD.	-	-	-	27,499,898
Total	**329,47,7501**	**361,144,168**	**181,666,666**	**134,166,564**

The Company had issued and allotted 1,88,955 , 12.05% Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 500/- each, aggregating up to Rs.9,44,77,500/- on 19.12.2015 which's interest is payable semi-annually on 5th May and 5th Nov of every calendar year untill maturity date and first redemption date being 5th Feb 2019 and the final redemption date being 5th May 2019. The NCD's are secured against the charge created by issue in favour of Debenture Trustee being an exclusive first ranking charge by way of hypothecation over specific loan receivables/ book debts , present and future , representing amount due from the various borrowers of the Company . These Non-Convertible Debentures ("NCDs") are listed BSE (WDM) and are privately placed.

The Company had issued and allotted 480, 14.75% Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 100,000/- each, aggregating up to Rs.480,000,000/- on 28.05.2014 which are repayable in 9 equal semi annually installments of Rs 53,333,333/- excluding interest from 30.05.2015 and final redemption date being 30 May 2019 and were privately placed. The NCD's are secured against the hypothecation of exclusive first charge over book debts/ receivables or 100% of outstanding principal plus future interest which ever is higher. These Non-Convertible Debentures ("NCDs") are listed BSE (WDM).

The Company had issued and allotted 1500, 11.50% Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 100,000/- each, aggregating up to Rs.150,000,000/- on 20.09.2016 which's interest compounded monthly and payable quarterly which are redeemable from 20.12.2017 and final redemption will be on 20.09.2018. The NCD's are secured against first ranking and exclusive charge via a deed of hypothecation over specific standard assets portfolio of receivables. These were privately placed and are listed on BSE (WDM).

The Company had issued and allotted 1100, 12.20% Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 100,000/- each, aggregating up to Rs.110,000,000/- on 15.10.2013 which are repayable in 4 equal annual installments of Rs 2,75,00,000/- excluding interest from 31.03.2014 and final redemption date being 31st March 2017 and were privately placed. The NCD's are secured against the hypothecation of book receivables and personal guarantee of Director of the company and are privately placed. The NCD's are secured against the hypothecation of book receivables and personal guarantee of Director of the company and are privately placed. These Non-Convertible Debentures ("NCDs") are listed BSE (WDM).

The total amount of personal guarantee given by directors and others , against the NCD's amounts to Rs 15,00,00,000/- in FY 2016-17 as compared to Rs 2,74,99,898/- in FY 2015-16.

5.4

SCHEDULE OF REDEEMABLE UNSECURED DEBENTURES	Non Current Portion		Current Maturities	
Particular	**31-Mar-17**	**31-Mar-16**	**31-Mar-17**	**31-Mar-16**
Unsecured Non Convertible Debentures				
BanyanTree Growth Capital LLC	-	165,000,000	165,000,000	-
A.K. Capital Services	75,000,000	-	75,000,000	-
IFMR Fimpact Long Term Multi Asset Class Fund	200,000,000	-	-	-
IFMR Capital Finance Private Limited	200,000,000	-	-	-
Total	**475,000,000**	**165,000,000**	**240,00,0000**	-

The Company had issued and allotted 1650, 18% Unsecured Non-Convertible Debentures ("NCDs") of face value of Rs. 100,000/- each, aggregating up to Rs.16,50,00,000/- on 15.10.2012, which are redeemable on 15.10.2017. These debentures are privately placed and also form part of Tier- II capital as per the RBI guidelines,the same is being listed on BSE (WDM).

The Company had issued and allotted 1500, 12.50% Unsecured Non-Convertible Debentures ("NCDs") of face value of Rs. 100,000/- each, aggregating up to Rs.150,000,000/- on 21.09.2018, which are redeemable on 03.02.2023. The interest on these NCD is compounded monthly payable on quarterly basis. These were privately placed and are listed on BSE (WDM).

The Company had issued and allotted 200, 13% Unsecured Non-Convertible Debentures ("NCDs") of face value of Rs. 10,00,000/- each, aggregating up to Rs.200,000,000/- on 29.09.2016, which are redeemable on 29.09.2022, these were privately placed and are unlisted.

The Company had issued and allotted 200, 13.50% Unsecured Non-Convertible Debentures ("NCDs") of face value of Rs.10,00,000/- each, aggregating up to Rs.200,000,000/- on 31.01.2017 , which are redeemable on 03.02.2023. These debentures are privately placed and also form part of Tier- II capital as per RBI guidelinesand the same is being listed on BSE (WDM).

In respect of privately placed Non Convertible Debentures (NCD), no Debenture Redemption Reserve (DRR) is required in terms of the clarification issued by Ministry of Law Justice and Company Affairs by Circular No. 11/2/2012-CL.V(a) dated February 11, 2013 as the Company is registered with Reserve Bank of India under Section 45-IA of the RBI (Amendment) Act, 1997, similarly as per the Rule 18(7)(b)(ii) of Companies (Share Capital and Debentures) Rules, 2014 no DRR is required to be maintained in case of privately placed debentures by NBFCs.

NOTES TO FINANCIAL STATEMENTS

6	OTHER LONG TERM LIABILITIES				
	Particular		**31-Mar-17**		**31-Mar-16**
	" Unrealised Gain on Loan transfers under Securitization transactions (refer note no. 31 (c)) "		61,389,357		5,051,377
	Total		**61,389,357**		**5,051,377**

7	PROVISIONS	LONG TERM		SHORT TERM	
	Particular	**31-Mar-17**	**31-Mar-16**	**31-Mar-17**	**31-Mar-16**
	PROVISIONS FOR EMPLOYEES BENEFITS				
	Gratuity	9,170,652	5,031,515	989,420	1,328,990
	Leave Encashment	9,433,732	7,920,080	1,637,868	1,425,193
	OTHER PROVISIONS				
	Provision for Income Tax(Net of Advance Tax)	-	-	24,305,890	-
	Proposed Dividend on Preference Shares	-	-	1,199	1,199
	Provision for Dividend distribution Tax	-	-	251	251
	Contingent Provisions on other Advances	16,564	12,666	10,774,796	4,073,684
	PROVISION ON ASSETS				
	on Standard assets	11,702,988	6,915,802	8,948,392	9,717,252
	on Sub Standard, Doubtful and Loss assets	-	-	46,769,839	18,836,108
	Total	**30,323,936**	**19,880,063**	**93,427,655**	**35,382,677**

8	SHORT - TERM BORROWINGS:				
	Particular		**As at 31-Mar-17**		**As at 31-Mar-16**
	Loan Repayble on Demand From Banks		69,739,514		733,082,729
	Working Capital Demand Loan From Bank		389,977,525		-
	Total		**459,717,039**		**733,082,729**

The Cash Credit facility from IDBI bank is secured against Exclusive Charge on receivables in respect of loans disbursed and is personally guaranteed by Promoter Directors of the Company. It is further secured against collateral security of equitable Mortgage of immovable properties and lien on FDR with Bank . In addition to guarantee from the promoter directors it is also personally guaranteed by Mrs. Bhajan Devi Setia and Mr. Arjun Das Setia.

The Cash Credit facility from SBBJ is secured against the exclusive charge on hypothecation on pool of receivables and bank lien on FDR pledged with bank along with charge on immovable property and personal guarantees of Promoter Directors of the company.In addition to guarantee from the promoter directors it is also personally guaranteed by Mr. Arjun Das Setia & Mrs. Bhajan Devi Setia.

The Cash Credit facility from Ratnakar Bank Limited is secured agianst exclusive hypothecation charge on specific receivables covered by loan agreeemnts and lien on FDR with bank. The loan is also personally guaranteed by Promoter Directors of the Company.

The Cash Credit facility from State Bank of India is secured against the hypothecation first charge on the standard and unencumbered exclusive receivables/ books debts/ loans and advances disbursed by the company and bank lien on FDR pledged with bank and personal guarantees of Promoter Directors of the company.

The Cash Credit facility from HDFC Bank Limited is secured against the first and exclusive charge in fovour of the bank by way of hypothecation of receivables and personal guarantee of Promoter Directors of the company.

The Cash Credit facility from Bank of Maharashtra is secured against exclusive charge on receivables and FDR with Bank and is guaranteed personally by Promoter Directors of the Company. In addition to guarantee from the Promoter Directors it is also personally guaranteed by Mr. Arjun Das Setia.

The Cash Credit facility from State Bank of Patiala is secured against first exclusive Hypothecation charge on loans receivables and collateral security of Lien on FDR and is guaranteed personally by Promoter Directors of the Company.

The Cash Credit facility from Indian Overseas bank is secured against Exclusive Hypothecation charge on standard loan receivables and is guaranteed personally by Promoter Directors of the company. It is further secured against lien on FDR with banks. In addition to guarantee from the Promoter directors it is also personally guaranteed by Mr. Arjun Das Setia.

The Cash Credit facility from Bank of India is secured against the exclusive hypothecation of specific book debts/ receivables and collateral security of lien on FDR with Bank and personal guarantees of Promoter Directors of the company.

The WCDL from SBBJ is made by carving out of cash credit facility of 20 crore and the same was disbursed is disbursed on 06.01.2017 for a period of 90 days. The Loan is secured against the exclusive charge on hypothecation on pool of receivables and bank lien on FDR pledged with bank along with charge on immovable property and personal guarantees of Promoter Directors of the company.

The WCDL limit from SBI is made by carving out of cash credit facility of 25 crore from SBI will be repaid after the 7 days from the date of sanction of facility and the same will be repaid on 6th April 2017 .

***Note : Range of rate of interest: The interest rate subsisting as on March 2017 from Cash Credit & WCDL is in the range between 9.15 % to 12.95%.

**The total amount of personal guarantee given by directors and others , against the Cash Credit Limits amounts to Rs 6,97,39,514/- in FY 2016-17 As compared to Rs 73,30,82,729 /- in FY 2015-16.

**The total amount of personal guarantee given by directors and others , against the Working Capital Demand Loans amounts to Rs 38,99,77,525/- in FY 2016-17 as compared to Rs Nil, in FY 2015-16.

NOTES TO FINANCIAL STATEMENTS

9 OTHER CURRENT LIABILITIES

Particular	As at 31-Mar-17	As at 31-Mar-16
Current Maturities of Long term Debts	2,666,689,019	1,219,085,491
Interest Accrued but not due	53,868,395	48,990,433
Unrealised Gain on Loan transfers under Securitization transactions	177,191,845	31,950,184
Other Payable	246,247,887	90,603,466
Employee Payable	4,481,451	4,892,735
Expense Payable	35,613,207	15,583,191
Temporary credit balance in bank accounts	5,737,314	9,998,094
Unearned Securitization income	3,961,912	9,581,332
Other Advances	21,097,090	15,063,084
Dividend Payable	4,796	3,597
Statutory Dues Payables	13,022,109	11,442,695
Total	**3,227,915,025**	**1,457,194,302**

10 DEFERRED TAX ASSETS (NET):

Particular	As at 31-Mar-17	As at 31-Mar-16
Deferred Tax Liabilities		
Difference between Book and tax depreciation	3,019,882	1,427,572
Gross Deferred tax Liabilities	**3,019,882**	**1,427,572**
Deferred Tax Asset		
Provision on Loans and Advances	27,067,809	13,689,372
Other Expenses	19,224,220	5,435,456
Gross Deferred Tax Assets	**46,292,029**	**19,124,828**
Net Deferred Tax Assets	**43,272,147**	**17,697,256**

12 OTHER NON CURRENT ASSETS

Particular	As at 31-Mar-17	As at 31-Mar-16
Fixed Deposit		
Term Deposits under lien for Borrowings	64,215,618	15,000,000
Term Deposits under lien for Securitisation / Assignment	76,460,932	18,687,974
Total	**140,676,550**	**33,687,974**

13 TRADE RECEIVABLE

Particular	As at 31-Mar-17	As at 31-Mar-16
(Unsecured considered Good)		
(1) Outstanding for a period less than six months from the date of due for payment	18,905,055	12,248,165
(2)Outstanding for a period more than six months from the date of due for payment	19,456	-
Total	**18,924,511**	**12,248,165**

NOTES TO FINANCIAL STATEMENTS

11 Fixed Assets

TANGIBLE ASSETS	Gross Block				Depreciation & Amortization				Net Block	
Description of Assets	Opening Balance	Addition	Adjustment/ Deletion	TOTAL	Opening Balance	Addition	Adjustment/ Deletion	TOTAL	At 31-Mar-2017	At 31-Mar-2016
(a) **TANGIBLE ASSETS**										
Furniture and fixture	31,299,184	13,904,365	-	45,203,549	5,690,235	3,701,455	-	**9,391,690**	35,811,859	25,608,949
Vehicles	14,634,941	29,680,203	2,230,000	42,085,144	2,704,044	4,066,016	863,379	**5,906,681**	36,178,463	11,930,897
Office Equipments	8,162,702	5,055,231	256,700	12,961,233	2,973,279	1,989,065	243,864	**4,718,480**	8,242,753	5,189,423
Computers	17,866,222	11,850,416	-	29,716,638	10,822,244	5,067,806	-	**15,890,050**	13,826,588	7,043,978
Building	-	7,813,752	-	7,813,752	-	248,104	-	248,104	7,565,648	-
Assets Dep 100%	-		-	-	-	-	-	-	-	-
TOTAL	**71,963,049**	**68,303,967**	**2,486,700**	**137,780,316**	**22,189,802**	**15,072,446**	**1,107,243**	**36,155,005**	**101,625,311**	**49,773,246**
PREVIOUS YEAR	**49,575,762**	**25,708,221**	**3,320,934**	**71,963,049**	**15,514,207**	**8,149,659**	**1,474,064**	**22,189,802**	**49,773,246**	**49,773,246**
(b) **INTANGIBLE ASSETS**										
Software	3,854,112	1,319,947	-	5,174,059	1,942,711	1,059,943	-	**3,002,654**	2,171,405	1,911,401
TOTAL	**3,854,112**	1,319,947	-	**5,174,059**	**1,942,711**	1,059,943	-	**3,002,654**	**2,171,405**	1,911,401
PREVIOUS YEAR	**2,002,771**	1,851,341	-	**3,854,112**	**1,407,945**	534,766	-	**1,942,711**	**1,911,401**	**1,911,401**
Grand Total	**75,817,161**	**69,623,914**	**2,486,700**	**142,954,375**	**24,132,513**	**16,132,389**	**1,107,243**	**39,157,659**	**103,796,716**	**51,684,647**
Previous Year	**51,578,533**	**27,559,562**	**3,320,934**	**75,817,161**	**16,922,152**	**8,684,425**	**1,474,064**	**24,132,513**	**51,684,647**	**51,684,647**

14 INVESTMENTS

Particular	No of Units	As at 31-Mar-17	No of Units	As at 31-Mar-16
Investment in Mutual Fund				
BOI AXA Treasury Advantage Fund - Regular Plan - Growth (TFRGG)	84,760.355	165,050,163	-	-
Total		**165,050,163**		-
Agreegate amount of book value of quoted investment	84,760.355	165,050,163	-	-
Agreegate amount of Market value of quoted investment	84,760.355	165,488,643	-	-
Total		**165,050,163**		-

15 CASH & BANK BALANCES:

Particular	As at 31-Mar-17	As at 31-Mar-16
(a) CASH AND CASH EQUIVALENTS		
Cash on Hand	46,154,424	34,485,641
Balances with bank in current Accounts	340,410,797	19,139,795
Fixed Deposit(Having Maturity Less than three months)	14,358,621	-
(b) OTHER BANK BALANCES		
Term Deposits under lien for Borrowings	119,258,248	192,449,842
Term Deposits under lien for Securitisation / Assignment	34,075,753	19,048,798
Total	**554,257,843**	**265,124,076**

15.1 FDR Balances with Bank (Kept as margin money against guarantees/Loan)

Particular	As at 31-Mar-17	As at 31-Mar-16
-Upto 3 months maturity from date of acquisition	14,358,621	-
-Upto 12 months maturity from date of acquisition	117,052,789	193,878,479
-Maturity more than 12 months but within one year from the reporting date	36,281,212	17,620,161
Shown as Current Assets	**167,692,622**	**211,498,640**
-Maturity more than 12 months but after one year from the reporting date	140,676,550	33,687,974
Shown as Non-current Assets	**140,676,550**	33,687,974
Total	**308,369,172**	**245,186,614**

NOTES TO FINANCIAL STATEMENTS

16 LOANS & ADVANCES:

Particular	Non Current As at 31-Mar-17	Non Current As at 31-Mar-16	Current As at 31-Mar-17	Current As at 31-Mar-16
LOAN & ADVANCES				
(Unsecured considered good)				
Related Party	-	-	3,441,995	4,573,861
Advance to staff	-	-	1,527,721	1,621,245
Other Advances	4,732,679	4,222,119	57,476,390	31,982,340
Interest Only strip (I/O) strip under securitisation transactions (refer note no. 31 (c))	61,389,357	5,051,377	177,191,845	31,950,184
Security Deposits (others)	5,339,160	5,545,909		
Other Statutory Receivables	2,302,446	2,513,460	1,150,728	1,351,104
Secured Advances	264,557,819	111,887,038	33,161,354	28,835,511
Retained interest under Securitisation / Assignment Transactions				
LOAN (Secured Against Hypothecation of Vehicles etc.)				
Standard	3,357,737,820	2,305,267,300	2,151,233,988	2,033,925,481
Sub Standard	-	-	241,266,145	81,682,854
Doubtful	-	-	1,593,827	114,229
Total	**3,696,059,281**	**2,434,487,203**	**2,668,043,993**	**2,216,036,809**

17 OTHER CURRENT ASSETS:

Particular	As at 31-Mar-17	As at 31-Mar-16
Prepaid Expenses	39,203,673	1,093,312
Unamortised Borrowing cost & Servicing Fees	30,023,215	24,152,656
Income Accrued but not received	295,927,465	195,576,034
Total	**365,154,353**	**220,822,002**

18 Revenue from Operations

Particular	As at 31-Mar-17	As at 31-Mar-16
Revenue		
Interest on Hypothecation of Assets	1,177,643,110	914,444,518
Income from Assignments	159,153,541	84,392,732
Total Revenue	1,336,796,651	**998,837,250**
Other Operating Revenue		25,868,937
Interest from Margin Money Deposits	28,003,227	80,566,426
Income from Processing and other charges	134,922,477	
		106,435,363
Total Other Operating Revenue	162,925,704	
Total	**1,499,722,355**	**1,105,272,613**

19 OTHER INCOME:

Particular	As at 31-Mar-17	As at 31-Mar-16
Income from Insurance Support Services	55,143,586	46,072,382
Loans Written off recovered	16,948,201	6,430,140
Misc Income	246,691	73,795
Total	**72,338,478**	**52,576,317**

NOTES TO FINANCIAL STATEMENTS

20 EMPLOYEE BENEFITS EXPENSE

Particular	As at 31-Mar-17	As at 31-Mar-16
Salary and Wages	285,950,924	160,272,578
Contribution to Provident and Other Funds	18,338,337	9,545,075
Gratuity and Lease Encashments Expenses(Refer Note-26)	6,448,218	5,909,313
Staff Welfare Expenses	5,975,379	3,814,946
Total	**316,712,858**	**179,541,912**

21 FINANCIAL COSTS:

Particular	As at 31-Mar-17	As at 31-Mar-16
Interest		
To Bank	334,397,253	272,562,467
To Others	322,593,405	202,386,368
Other Borrowing Costs	34,562,711	27,372,660
Total	**691,553,369**	**502,321,495**

22 DEPRECIATION AND AMORTZATION EXPENSE:

Particular	As at 31-Mar-17	As at 31-Mar-16
Depreciation of Property Plant & Equipment	15,072,446	8,149,659
Amortization of Intangible Assets	1,059,943	534,766
Total	**16,132,389**	**8,684,425**

23 Provisions and Bad Debts written off

Particular	As at 31-Mar-17	As at 31-Mar-16
Bad Debts	17,335,833	32,217,362
Provision for NPA	27,933,731	3,038,452
Provision for Standard Assets	4,018,326	7,300,668
Contingent Provisions for other Advances	6,705,010	1,045,692
Total Provisions	**38,657,067**	**11,384,812**
Total	**55,992,900**	**43,602,174**

24 OTHER EXPENSES:

Particular	As at 31-Mar-17	As at 31-Mar-16
Rent Rates & Taxes	30,114,211	17,760,429
Commission & Brokerage	95,340,598	67,620,383
Advertisement & Publicity	2,969,317	3,165,144
Travelling & Conveyance	17,106,447	11,070,529
Repair & Maintenance		
(I) Buildings	1,693,329	1,398,634
(ii) Others	1,263,660	885,096
Legal & Professional Charges	28,777,425	26,665,795
Printing & Stationery	6,536,836	3,947,394
Audit Fees	2,527,695	1,465,035
Postage & Telegram	3,945,119	2,092,707
Electricity & Water	5,065,371	3,904,892
Telephone Expenses	8,149,570	4,511,983
Office expenses	23,960,181	13,362,782
Collection Expenses	17,255,901	25,618,120
Business Promotion Exp.	7,337,261	15,566,986
Rebate & Claim	47,859,393	35,621,348
CSR Expenses (Refer note 35)	3,158,865	2,979,787
Loss on Sale of Fixed Assets	385,457	179,670
Total (A+B)	**303,446,636**	**237,816,714**

NOTES TO FINANCIAL STATEMENTS

24.1 Payment to Auditors

Particular		As at 31-Mar-17		As at 31-Mar-16
As Auditor				
Audit Fees		1,400,000		1,000,000
				-
In Other Capacity				
Limited Review		300,000		250,000
Certification Fees		805,000		200,000
Reimbursement of Expenses		22,695		15,035
Total		**2,527,695**		**1,465,035**

24.2 MOVEMENT OF NPA's

	Particular		As at 31-Mar-17		As at 31-Mar-16
i)	Net NPA's as to Advances (%)		3.41%		1.42%
ii)	Movement of NPA's (Gross)				
	a) Opening balance		81,797,083		44,070,734
	b) Addition during the year		233,518,497		78,981,384
	c) Reduction during the year		72,455,608		41,255,035
	d) Closing balance		242,859,972		81,797,083
iii)	Movement of Net NPA's				
	a) Opening balance		62,960,975		28,273,078
	b) Addition during the year		187,761,985		61,924,670
	c) Reduction during the year		54,632,827		27,236,773
	d) Closing balance		196,090,133		62,960,975
iv)	Movement of provision for NPA's				
	a) Opening balance		18,836,108		15,797,656
	b) Provision made during the year		45,756,512		17,056,714
	c) Write-off / write-back of excess provisions		17,822,781		14,018,262
	d) Closing balance		46,769,839		18,836,108

The Company classifies non-performing assets (NPAs) at 4 months overdue and is compliant with the requirement for the financial year ending 31 March 2017.

24.3 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 31 March 2017 and 31 March 2016.

24.4 Lease Payment

The Company has taken certain offices on cancellable operating lease. Lease payments of Rs.2,37,25,443/- (PY Rs. 1,36,23,441/-) are charged to Statement of Profit & Loss during the year.

25 EARNING PER SHARE

Particular		As at 31-Mar-17		As at 31-Mar-16
Basic Earning Per Share				
Net Profit available for Equity Shareholders		122,985,600		120,109,117
Weighted Average No of Equity Shares		202,976		202,415
Basic EPS		**606**		**593**
Diluted Earning Per Share		202,976		202,415
Weighted Average No of Equity Shares		67,733		68,295
Effect of Dilution		270,709		270,710
Weighted Average No of Equity Shares in Dilution		**454**		**444**
Weighted Average Diluted EPS				

NOTES TO FINANCIAL STATEMENTS

26 EMPLOYMENT BENEFIT PLANS

As per revised AS-15 provision for gratuity for the current year has been calculated as under:-

a) Defined Contribution Plans:-

The Company has recognised an expense of Rs. 1,83,38,337/- (Previous Year Rs. 95,45,075/-) towards the defined contribution plan.

b) Defined benefits plans - as per actuarial valuation

	Gratuity Benefit Plan (Unfunded)		Leave Encashment Plan (Unfunded)	
Particular	**As at 31-Mar-17**	**As at 31-Mar-16**	**As at 31-Mar-17**	**As at 31-Mar-16**
Changes in Present value of benefit obligation				
Opening present Value of Obligation	6,360,505	5,094,852	9,345,273	5,262,445
Interest Cost	450,254	386,550	630,589	385,339
Current Service Cost	2,581,450	1,292,573	3,732,663	2,815,234
Past service Cost	-	-	-	-
Benefits Paid	(19,899)	(97,021)	(902,425)	(463,811)
Actuarial Gain / Loss	787,762	(316,449)	(1,734,500)	1,346,066
Closing present Value	**10,160,072**	**6,360,505**	**11,071,600**	**9,345,273**
Component of Employers Expense				
Current Service Cost	2,581,450	1,292,573	3,732,663	2,815,234
Interest Cost	450,254	386,550	630,589	385,339
Expected return on plan assets	-	-	-	-
Net actuarial Gain/ Loss recognise in the year	787,762	(316,449)	(1,734,500)	1,346,066
Past service Cost	-	-	-	-
Expenses recognised in P & L A/c	**3,819,466**	**1,362,674**	**2,628,752**	**4,546,639**
Movement in net liability recognised in balance sheet				
Opening net Liability	6,360,505	5,094,852	9,345,273	5,262,445
Expenses Recognised in P & L	3,819,466	1,362,674	2,628,752	4,546,639
Contribution	(19,899)	(97,021)	(902,425)	(463,811)
Closing Balance	**10,160,072**	**6,360,505**	**11,071,600**	**9,345,273**
Actuarial Assumptions				
Discount Rate	7.09%	7.66%	7.09%	7.66%
Salary Escalation rate	7.50%	7.50%	7.50%	7.50%
Withdrawal Rate	1%	1%	1%	1%

Gratuity

Particular	**31-03-2017**	**31-03-2016**	**31-03-2015**	**31-03-2014**	**31-03-2013**
Value of Obligation	10,160,072	6,360,505	5,094,852	6,323,531	3,370,014
Fair Value of Plan Assets	-	-	-	-	-
Balance Sheet Liability / (Asset)	10,160,072	6,360,505	5,094,852	6,323,531	3,370,014
P&L – (Income)/Expenses	3,819,466	1,362,674	(1,228,679)	2,953,517	925,964
Experience adjustment on Plan Liabilities (Gain) / Loss	494,375	(375,810)	(2,823,687)	1,850,301	211,093

Leave Encasement

Particular	**31-03-2017**	**31-03-2016**	**31-03-2015**	**31-03-2014**	**31-03-2013**
Value of Obligation	11,071,600	9,345,273	5,262,445	2,718,229	588,819
Fair Value of Plan Assets	-	-	-	-	-
Balance Sheet Liability/(Asset)	11,071,600	9,345,273	5,262,445	2,718,229	588,819
P&L –(Income)/Expenses	2,628,752	4,546,639	2,910,634	2,219,144	588,819
Experience adjustment on Plan Liabilities (Gain) / Loss	(2,016,368)	1,277,932	1,593,081	1,353,491	-

"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."

NOTES TO FINANCIAL STATEMENTS

27 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
Shalini Setia
Banyan Tree Growth Capital LLC

B. Key Management Personnel

Rajendra Kumar Setia	Managing Director
Arjun Das Setia (till 29.09.2015)	Director
Shalini Setia	Whole Time Director
Govind Saboo (till 1.04.2016)	Independent Director
Amar Chand Chug	Independent Director
Amar Lal Daultani	Nominee Director
Atul Arora	CFO
Sanjeev Singhal	Nominee Director
Anagha Bangur	Company Secretary

C. Relatives of Key Management Person

a.. Raj Kumar Setia	Brother of Rajendra Kumar Setia
b.. Surendra Kumar Setia	Brother of Rajendra Kumar Setia
c.. Sameer Arora	Brother of Shalini Setia
d. Sanjeev Arora	Brother of Shalini Setia
e. Raina Nagpal	Sister of Rajendra Kumar Setia
f. Deepika Dhingra	Wife of Atul Arora

D. Enterprises owned and significantly influenced by key management personal or their relatives

• Sharma Brothers	Brother of Rajendra Kumar Setia (Managing Director) is Partner
• Shubham Leasing & Financial co.	Brother of Rajendra Kumar Setia (Managing Director) is Proprietor
• Diamond Capfin Pvt. Ltd	Brother of Rajendra Kumar Setia(Managing Director) is Director
• Artha Sarathi India Private Limited	Govind Saboo (Director) is Director in the Company
• Govind Saboo & Sons	Govind Saboo (Director) is Karta of HUF
• Girdhar Lal M. Mohatta	Brother of Arjun Das Setia is Partner
• V. R. Financers	Father of Atul Arora (CFO) is Partner
• Friend Software Services	Brother of Atul Arora (CFO) is Proprietor
• Chamunda Computers	Sister of Rajendra Kumar Setia (Managing Director) is Partner

NATURE OF TRANSACTION		As at 31-Mar-17		As at 31-Mar-16
EXPENDITURE				
Salary	**Key Management Personnel**			
	Rajendra Kumar Setia	4,800,000		4,800,000
	Arjun Das Setia	-		600,000
	Shalini Setia	720,000		720,000
	Atul Arora	1,200,517		1,032,397
	Anagha Bangur	451,487		374,413
	Relative of Key Management personnel			
	Sameer Arora	1,980,000		1,020,000
	Sanjeev Arora	593,329		476,086
	Deepika Dhingra	-		600,000
Sitting Fees	**Key Management Personnel**			
	Amar Chand Chug	300,000		124,000
	Amar Lal Daultani	300,000		-
Provident Fund paid	Atul Arora	21,600		-
	Anagha Bangur	20,160		16,032
	Sanjeev Arora	21,600		20,904
Insurance Expenses	**Key Management Personnel**			
	Rajendra Kumar Setia	429,000		429,000
Commission	**Relative of Key Management personnel**			
	Surendra Kumar Setia	868,880		591,000
	Raj Kumar Setia	875,977		20,000
	Raina Nagpal	899,481		327,691
	Enterprises under significant influence			
	Shubham Leasing & Finance Co.	289,710		843,728
	V.R Financers	10,989		186,415
	Friend Software Services	90,080		686,875
Legal & Professional Fees	**Enterprises under significant influence**			
	Artha Sarathi India Private Limited	-		250,000
	Govind Saboo & Sons	-		750,000
Vehicle Running & Maintenance	**Enterprises under significant influence**			
	Sharma Brothers	320,592		37,397
	Girdhar Lal M. Mohatta	-		283,106
Business Promotion	**Enterprises under significant influence**			
	Chamunda Computers	7,000		141,500
Purchase of Fixed Assets	**Enterprises under significant influence**			
	Chamunda Computers	72,625		-

NOTES TO FINANCIAL STATEMENTS

Particular	Open Balance	Given	Taken	Interest	Closing
Advances Given					
Key Managerial Personnel					
Arjun Das Setia	733,397	33,194,600	34,218,470	290,473	-
Enterprises under significant Influence					
Diamond Capfin Pvt. Ltd.	3,840,464	1,000,000	1,844,615	446,146	3,441,995
Sharma Brothers	-	11,500,000	11,519,398	19,398	-
Chamunda Computers	-	22,050,000	23,954,103	1,904,103	-

28 **CONTINGENT LIABILITY, CAPITAL AND OTHER COMMITMENTS**

Particular		As at 31-Mar-17		As at 31-Mar-16
(a) Claims against the company not acknowledged as debt		-		-
(b) Guarantees		-		
		-		-
Bank Guarantee given to Judicial Magistrate Class I for " Supurdgi" of vehicle no RJ 12 T 0253		-		86,491
Bank Guarantee given to President , DCF , Nagaur against legal matter of vehicle no RJ 21 GA 5066		7,500		7,500
Income Tax deposited under protest		294,946		505,960
Service Tax Liability		55,03,7596		-

During the Financial Year 2016-17 , a demand raised by the Office of Commissioner , Central Excise , Jaipur for the period 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, shown as an contingent liability. Consequently the 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. 20,63,535/- under protest against and is hopeful that no such liability exist as pointed out by service tax department and no provision is considered appropriate.

There is no capital commitment on the part of the company

29 **DETAILS OF DUES UNDER MSMED ACT**

There are no outstanding liability of the undertaking which are registered under the Micro, Small and Medium Enterprises, Development Act, 2006. The information required under the said Act has been complied by the company and this has been relied upon by the auditors.

30 **SUPPLEMENTRY STATUTORY INFORMATION IN PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

There are no transactions which are required to be disclosed separately under this clause.

31 **SECURITISATION / ASSIGNMENT TRANSACTIONS**

a. During the year, the company has with recourse securitised vide PTC route, loan receivables of 14335 contracts (2788) amounting to Rs. 2,65,05,58,362/- (P.Y. Rs. 47,74,89,631/) for a consideration of Rs. 2,65,05,58,362/- (Rs. 47,74,89,631/-) and de-recognised the assets from the books.

b. During the year, the company has without recourse assigned loan receivables of 2492 contracts (P.Y. 3077 contracts) amounting to Rs. 45,41,41,697/- (P.Y. Rs. 51,91,34,211/-) for a consideration of Rs. 40,87,27,527/- (P.Y. Rs 45,32,04,167/-) and de-recognised the assets from the books.

c. In terms of the accounting policies stated in 2.3 (c), 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 no. 16) and equivalent amount of Unrealised gain has been recognised as liabilities (refer note no. 6 & 9)

d. Excess Interest spread redeemed during the year by the Special Purpose Vehicle Trust (SPV Trust) has been recognised as income & included in income from assignment/ securitisation.

e. Disclosure in the notes to accounts in respect of securitisation transactions as required under revised guidelines on securitisation transactions issued by RBI vide circular no. DNBS.PD.No.301/3.10.01/2012-13 dated 21.08.2012. Applicable for transactions effected after the date of circular

f. Details of Financial Assets sold to Securitization / Reconstruction company for Asset Reconstruction : The Company has not sold any financial assets to securitisation / reconstruction company during the financial year ended 31 March 2017 and 31 March 2016.

NOTES TO FINANCIAL STATEMENTS

S. No.	Particular	No. / Amount
1	No of SPVs sponsored by the NBFC for securitisation transactions	8
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	2,195,692,271
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	95,435,644
	(Cash collateral term deposits with banks)	
	* Others	253,522,239
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	
	(Investment in Pass- through Certificates(PTC))	
	ii) Exposure to third party securitisations	
	* First Loss	
	* Others	

9 Disclosure in the notes to accounts in respect of assignment transactions as required under revised guidelines on securitisation transactions issued by RBI vide circular no. DNBS.PD.No.301/3.10.01/2012-13 dated 21.08.2012.

Applicable for transactions effected after the date of circular

S. No.	Particular	No. / Amount
1	No. of the transactions assigned by the company	7
2	Total amount outstanding	441,969,340
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	-
	* Others	44,196,934
4	Amount of exposures to assignment transactions other than MRR	
	a) Off-balance sheet exposures	
	i) Exposure to own assigned transactions	
	* First Loss	-
	* Others	-
	ii) Exposure to third party assigned transactions	
	* First Loss	-
	* Others	-
	b) On-balance sheet exposures	
	i) Exposure to own assigned transactions	
	* First Loss	-
	* Others	-
	ii) Exposure to third party assigned transactions	
	* First Loss	-
	* Others	-

32 **There were no cases (P.Y. Nil cases) of frauds amounting to Rs NIL (P.Y. NIL) reported during the year.**

33 **DISCLOSURE AS PER RBI NBFC (NON-DEPOSIT ACCEPTING) DIRECTIONS, 2007**

33.1 Disclosure as per RBI Guidelines of systematic Important Non Deposit taking Non Banking Financial Company pertaining to capital to Risk Asset Ratio (CRAR)

Particulars	2016-17	2015-16
CRAR (%)	17.76%	20.12%
CRAR-Tier- I Capital (%)	11.56%	14.60%
CRAR-Tier- II Capital (%)	6.20%	5.52%
Amount of subordinated debt raised as Tier-II capital (Rs. in Lacs)	2,000	2,000
Amount raised by issue of Perpetual Debt Instruments (Rs. in Lacs)	-	-

33.2 **Exposure to Real Estate Sector both Direct and Indirect**

The company does not have any direct or indirect exposure to real estate sector during the year ended on March 31, 2017 and March 31, 2016

33.3 **Exposure to Capital Market**

The company has no exposure to the Capital market in current year (Prev FY exposure : Nil)

33.4 **Details of Single Borrower Limit (SGL) / Group Borrower Limits (GBL) exceeded by NBFC's**

The Company has not exceeded the prudential exposure limits during the financial year ended 31 March 2017 and 31 March 2016.

33.5 **Unsecured Advances**

Particulars	As at 31st March 2017		As at 31st March 2016	
	Non Current	Current Maturities	Non Current	Current Maturities
1. Unsecured Advances	4,732,679	60,918,385	4,222,119	36,556,201

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 31 March 2017 and 31 March 2016

33.6 **Asset Liability Management**

Maturity pattern of certain items of assets and liability as required by the RBI Guidelines is enclosed at Annexure "A"

34 **FOREIGN EXCHANGE IN-GO AND OUT-GO**

a. Earnings in foreign currency : NIL (P.Y. - NIL)

b. Expenditure in foreign currency on account of professional fees : NIL [P.Y. - Rs 38,10,000/- (60,000 USD @ Rs 63.5 per USD)]

c. Expenditure in foreign currency on account of payment of interest : Rs 1,05,01,692/- [P.Y. - Rs NIL]

35 **CORPORATE SOCIAL RESPONSIBILITY**

In line with the provisions of Section 135 of Companies Act 2013, the company was required to spend Rs 31,58,865/- towards CSR expenditure in the Financial Year 2016-17. However the company actually spent Rs 10,67,030/- for the same.

CSR Project Or Activity Identified	Sector in which the project is covered	Amount spent on the projects or programs
Eradicating hunger, poverty and malnutrition through provision of food, nutrition supplement, clothes etc for the poor, children and other deprived sections of the society. Supporting nutrition in anganwadi centres and building capacities of anganwadi workers to this effect and provision of shelter for homeless and promoting sanitation, making available safe drinking waterand preventive health care programme	Preventing Poor Relief & Promoting Health Care	342,530
Promoting education providing quality education initiatives or by financial assistance to the poor and needy students, vocational education, adult education programs.	Education	666,500
Ensuring environmental sustainability and ecological balance through plantation drives in schools, villages, our manufacturing units & offices/business premises and other areas in general and Animal welfare and veterinary services	Environmental Sustainability and Ecological Balance	58,000
TOTAL		**1,067,030**

36 **Registration obtained from other financial sector regulators.**

Regulator	Registration No.	Date of registration
1. Ministry of Corporate Affairs	009051	21/11/1994
2. Reserve Bank of India	B-10.00080	16/10/1998

37 **DETAILS OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS**

No penalty has been imposed by RBI and other regulators on the company during the financial year ended 31st March 2017 and 31st March 2016.

38	**DETAILS OF RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR**		
	Products	**31st March 2017**	**31st March 2016**
	(a) Secured Debentures	CARE BBB	CARE BBB
	(a) Unsecured Debentures	CARE BBB	CARE BBB-
	(c) Subordinated Term Loan	CARE BBB- & ICRA BBB	CARE BBB-
	(d) Bank Loan Facility	CARE BBB	CARE BBB
	(e) Commercial Papers	CARE A3+	N.A.

39	**REMUNERATION OF NON- EXECUTIVE DIRECTORS**			
	Name of Director	**Nature Of Payment**	**Year Ended 31st March 2017**	**Year ended 31st March 2016**
	1. Mr. Amar Lal Daultani	Sitting Fees	300,000	-
	2. Mr. Amar Chand Chug	Sitting Fees	300,000	124,000

40 The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:

Particulars	**SBN**	**Other Denomination**	**Total**
Closing Cash in Hand as on 08.11.2016	25,627,500	2,197,163	27,824,663
(+) Permitted Receipts	-	169,743,451	169,743,451
(-) Permitted Payments	-	1,539,588	1,539,588
(-) Amount Deposited in Banks	25,627,500	156,513,195	182,140,695
Amount Directly deposited by Customers (Refer Note-2)			52,158,427
Closing Cash in Hand as on 30.12.2016	**-**	**13,887,831**	**13,887,831**

Note:

1. The Company has maintained information of various denomination into two category namely 'SBN' and 'Other Denomination'. Separate denomination wise details under each category is not available for the period 8th November, 2016 to 30th December, 2016.
2. In the ordinary course of business, customers of the Company have directly deposited cash as part of their loan repayments in the collection bank accounts of the Company with various banks, aggregating to Rs. 5, 21, 58,427 /- during the period November 9, 2016 to December 30, 2016, the denomination wise details of which is not available with the Company. Hence bifurcation into 'SBN' and 'other denomination' was not available.
3. In the absence of information as mentioned in Point 1&2 above in this regards, disclosure has been verified by the statutory auditor to the extent information made available.

Explanation : For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

41 **CONCENTRATION OF DEPOSITS, ADVANCES , EXPOSURES AND NPA'S** (Rs. in Lacs)

Particulars	**As as 31st March 2017**
1. Concentration of Advances	
Total advances to twenty largest borrowers	343
Percentage of advances to twenty largest borrowers to total advances	0.49%
2. Concentration of Exposures	
Total exposure to twenty largest borrowers	330.16
Percentage of exposures to twenty largest borrowers/ customers to total exposure on borrowers / customers	0.57%
3. Concentration of NPA's	
Total exposure to top four NPA accounts	37.83
4. Sector wise NPA	**% Of Npas To Total A Dvances In That Sector**
(i) Agriculture & allied activities	-
(ii) SME	0.70%
(iii) Corporate borrowers **	-
(iv) Services	-
(v) Unsecured personal loans	-
(vi) Auto loans	4.57%
(vii) Other personal loans	-
** Corporate borrowers are included in respective sectors	

42 **DISCLOSURE OF COMPLAINTS / CUSTOMER COMPLAINT**

Particulars	**Year ended 31st March 2017**
No. of complaints pending at the beginning of the year	-
No. of complaints received during the year	43
No. of complaints redressed during the year	43
No. of complaints pending at the end of the year	-

43	**OTHER DISCLOSURES**
	a. There were no employees during the year who have been paid a remuneration in the excess of the limit provided under the Companies Act, 2013.
	b. Security deposit for assigned cases is maintained as cash collateral deposits with banks under lien with respective trustee.
	c. 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.
	d. The Company has no transaction/exposure in derivatives in the current and previous year. The Company has no unhedged foreign currency exposure as on 31st March, 2017 (P.Y. Nil)
	e. During the year under review company has changed its name from Ess Kay Auto Finance Private Limited to Ess Kay Fincorp Private Limited. Initially your company was engaged in providing the finance to Auto sector i.e. Vehicle financing, accordingly, the name of the company was taken as "Ess Kay Auto Finance Private Limited". Now the company has also started providing finance to other segments like SME Finance, Construction and agriculture equipment etc.
	f. Previous year figures have been re-grouped/re-arranged to make them comparable with current year figures.

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

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

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Yogesh Gupta)	**(Rajendra Kumar Setia)**	**(Shalini Setia)**	**(Atul Arora)**	**(Anagha Bangur)**
Partner	Managing Director	Whore Time Director	Chief Financial Officer	Company Secretary
(M. No - 093214)	(Din- 00957374)	(Din - 02817624)		

Place : Jaipur
Date : 19th May 2017

ANNEX - SCHEDULE

Balance Sheet of a non-deposit taking non-banking financial company

[as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016]

(Rs. in Lacs)

	Particulars		
	Liabilities Side:		
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	**Amount Outstanding**	**Amount Overdue**
	(a) Debentures : Secured	5,293.77	
	: Unsecured	7,308.16	
	(Other than falling within the meaning of public deposits*)	NIL	NIL
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans From bank	21,195.89	NIL
	(d) Inter-corporate loans and borrowing	19,500.27	NIL
	(e) Commercial Paper	4,105.00	NIL
	(f) Other Loans (Specify nature)		
	Loan from: -	4,597.17	NIL
	(iii) CC Limit from Bank		
	Assets Side:	**Amount Outstanding**	
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured		60,495.51
	(b) Unsecured		656.51
3	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		Nil
	(a) Financial lease		
	(b) Operating lease		
	(ii) Stock on hire including hire charges under sundry debtors:		Nil
	(a) Assets on hire		
	(b) Repossessed Assets		
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		0.00
	(b) Loans other than (a) above		61,152.02
4	Break-up of Investments:		
	Current Investments:		
	1. Quoted:		
	(i) Shares: (a) Equity		
	(b) Preference		-
	(ii) Debentures and Bonds		1650.00
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (please specify)		
	2. Unquoted:		
	(i) Shares: (a) Equity		
	(b) Preference		Nil
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(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 (please specify)	Nil Nil
5	**Borrower group-wise classification of assets finances as in (2) and (3) above:**	

Category	Amount Net Of Provisions		
	Secured	Unsecured	Total
1. Related Parties **	0	0	0
(a) Subsidiaries	0	0	0
(b) Companies in the same group	0		
(c) Other related parties		34.42	34.42
2. Other than related parties	60,495.51	622.09	61,117.60
Total	**60,495.51**	**656.51**	**61,152.02**

6 **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below:**

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 **Total**	**Nil**	**Nil**

(7) Other information

	Particulars	Amount
i	**Gross Non-Performing Assets**	
	(a) Related Parties	NIL
	(b) Other than related parties	2428.60
ii	**Net Non-Performing Assets**	
	(a) Related Parties	NIL
	(b) Other than related parties	1960.90
iii	**Assets acquired in satisfaction of debt**	NIL

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

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

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(Yogesh Gupta)	**(Rajendra Kumar Setia)**	**(Shalini Setia)**	**(Atul Arora)**	**(Anagha Bangur)**
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
(M. No - 093214)	(Din- 00957374)	(Din - 02817624)		

Place : Jaipur | Date : 19th May 2017

(iii) Asset Liabilities Management:-

As certified by the management

Maturity pattern of certain items of assets & liabilities

(Rs. in Crs.)

Particulars	1 Day To 30/31 Day (1 Month)	Over One Month To 2 Months	Over 2 Months Upto 3 Months	Over 3 Months To 6 Months	Over 6 Months To 1 Year	Over 1 Year To 3 Years	Over 3 Years To 5 Years	Over 5 Years	Total
Liabilities									
Borrowings from banks	46.57	9.47	10.12	30.34	57.16	99.18	4.75	0.00	257.58
Market Borrowings	6.79	7.44	4.54	9.47	130.76	125.51	32.04	40.50	357.04
Assets									
Advances	19.96	20.61	24.71	60.91	122.63	311.43	41.46	9.81	611.52
Investments	16.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.51

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

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

Sd/-
(Yogesh Gupta)
Partner
(M. No - 093214)

Sd/-
(Rajendra Kumar Setia)
Managing Director
(Din- 00957374)

Sd/-
(Shalini Setia)
Whole Time Director
(Din - 02817624)

Sd/-
(Atul Arora)
Chief Financial Officer

Sd/-
(Anagha Bangur)
Company Secretary

Place : Jaipur
Date : 19th May 2017

sk FINANCE

Saath Aapke...Hamesha

ESS KAY FINCORP PRIVATE LIMITED

(Formerly Known as Ess Kay Auto Finance Pvt. Ltd.)

CIN: U65923RJ1994PTC009051

GST NO: 08AAACE5115F1Z2

Corporate Office:
G1& 2, Adarsh Plaza, Khasa Kothi Circle, Jaipur - 302 001 (Rajasthan)

Registered Office:
G1-2, New Market, Khasa Kothi Circle, Jaipur - 302 001 (Rajasthan)

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