sk FINANCE

Saath Aapke...Hamesha

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2015-16

FINANCE

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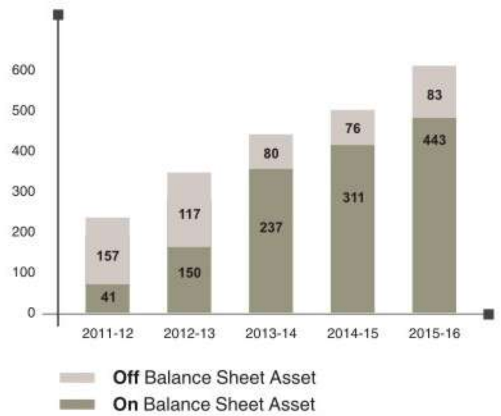
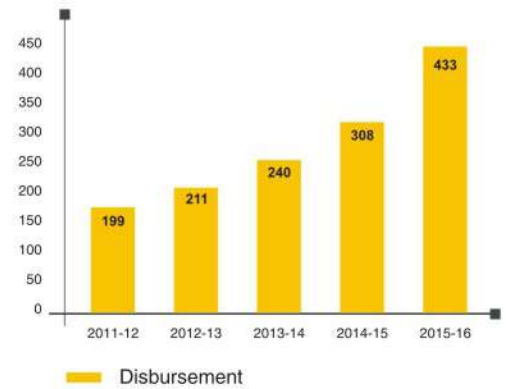
PERFORMANCE HIGHLIGHTS

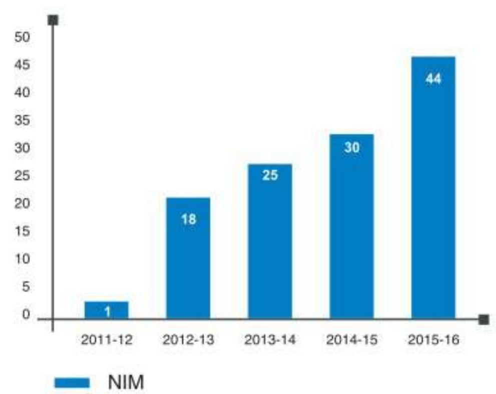
Asset Under Management (Rs. in Crore)



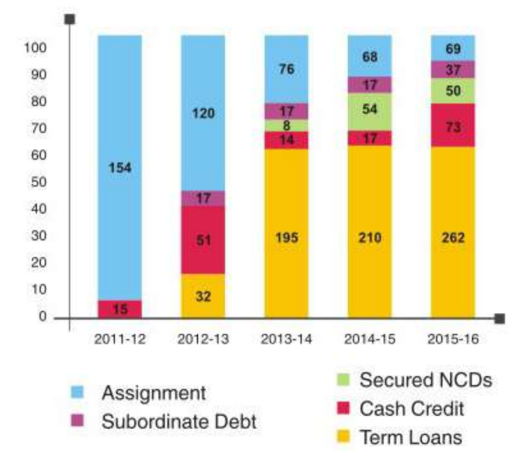
Disbursement (Rs. in Crore)



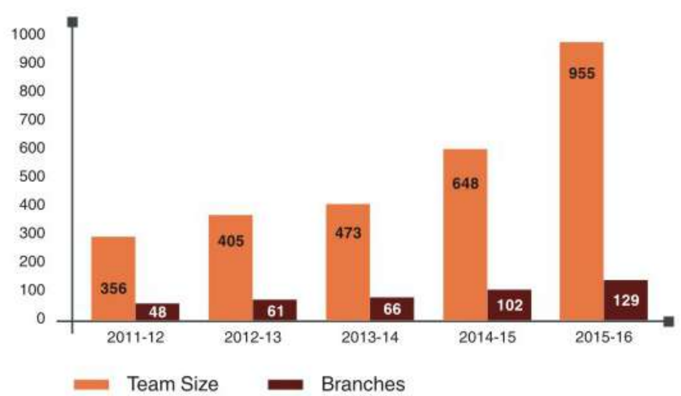
Net Interest Income



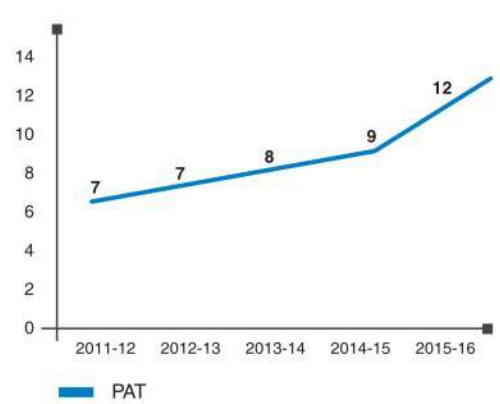
Funding Pattern (Rs. in Crore)



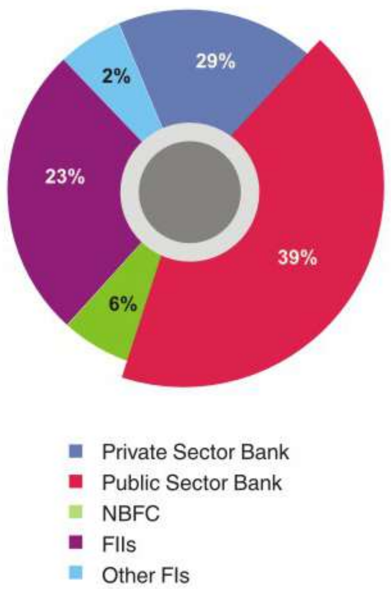
Branches & Team Size



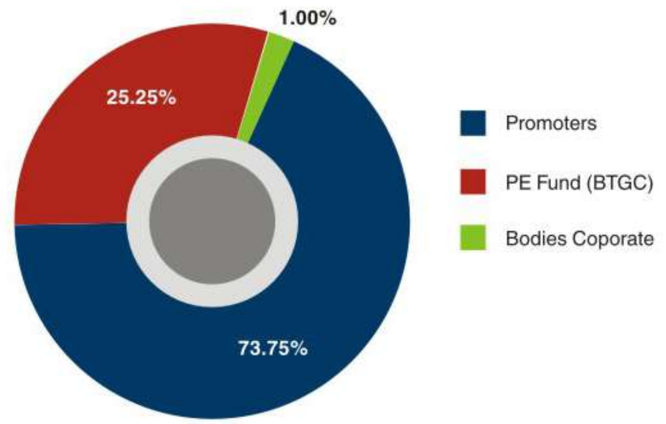
Profit After Tax (Rs. in Crore)



Funding Basket 2015-16 (%)



Shareholding Pattern 2015-16 (%)



*On fully diluted basis

> *You will never know your limits*
> *Until you push yourself to them*

OUR PRODUCTS

sk Aspire — NEW VEHICLES — Your Financial Needs For New Vehicles

sk Supreme — TWO WHEELER — Get Your Dream Bike By Easy Finance

sk Prime — REFINNACE — Easy Finance For Your Pre Owned Vehicles

sk Agro — TRACTOR — Take Your Tractor To Home

sk Enterprise — BUSINESS — Grow You Business With Easy Finance

sk Assure — INSURANCE — Insurance Services

Corporate Information

BOARD OF DIRECTORS

Rajendra Kumar Setia
Managing Director

Shalini Setia
Whole Time director

Sanjiv Singhal
Non-Executive-Nominee Director

Govind Saboo
Non-Executive-Independent Director

Amar Chand Chug
Non-Executive-Independent Director

Arjun Das Setia
Executive Director (upto 29.09.2015)

BOARD COMMITTEES

Audit Committee
Govind Saboo
Amar Chand Chug
Sanjiv Singhal

Asset Liability Committee
Rajendra Kumar Setia
Shalini Setia
Amar Chand Chug

Corporate Social Responsibility Committee
Rajendra Kumar Setia
Amar Chand Chug
Govind Saboo

Nomination & Remuneration Committee
Shalini Setia
Govind Saboo
Sanjiv Singhal
Amar Chand Chug

Risk Management Committee
Rajendra Kumar Setia
Shalini Setia
Govind Saboo

Executive Committee
Rajendra Kumar Setia
Shalini Setia
Govind Saboo
Atul Arora

Anagha Bangur
Company Secretary

Atul Arora
Chief Financial Officer

KEY MANAGEMENT TEAM

Sameer Arora
Chief Operating Officer (North)

Amarpreet Singh Batra
Vice President (Tractor)

Rajeev Yadav
Assistant Vice President (Legal)

Harendra Singh Rathore
State Collection Manager (Rajasthan)

Ritesh Kumar
Assistant Vice President
(HR & Operation Head)

Feroz Khan
Credit Manager(LAP-(Rajasthan)

Ritesh Sharma
Chief Operating Officer (West)

Mihir Vaishnav
Vice President (LAP)

Ramesh Choudhary
State Collection Manager (Gujarat)

Manoj Bansal
State Product Manager (Tractor)

Puneet Jain
Group HR Head

Gajendra Sharma
Credit Manager
(Commercial Vehicle-(Rajasthan)

Harish K Rao
Vice President
(Commercial Vehicle & Two Wheeler)

Sant Prakash
(Assistant Vice President
Commercial Vehicle)

Abhijit Sharma
State Collection Manager (Rajasthan)

Rohit Sharma
State Product Manager (Gujarat)

Honey Jain
Chief Accounts Officer

Pankaj Patel
Credit Manager (Gujarat)

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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

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 & Ladderup Finance Limited

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

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

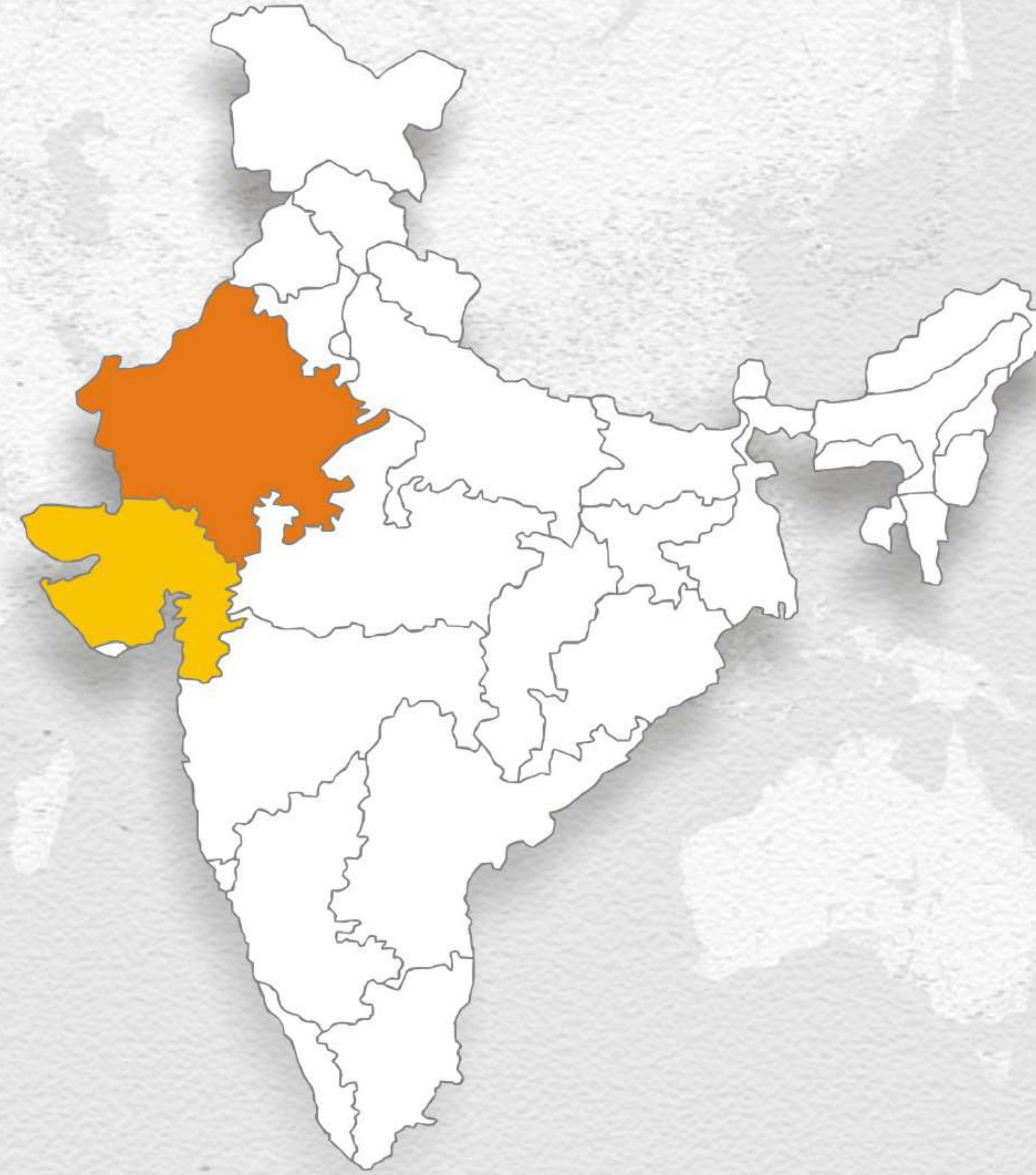
Contents

List of **Banks & FI's**

- स्टेट बैंक ऑफ बीकानेर एण्ड जयपुर State Bank of Bikaner & Jaipur
- बैंक ऑफ़ इंडिया Bank of India
- भारतीय स्टेट बैंक State Bank of India
- बैंक ऑफ़ बड़ौदा Bank of Baroda
- sf
- स्टेट बैंक ऑफ पटियाला State Bank of Patiala
- Bank of Maharashtra
- HDFC BANK We understand your world
- IDBI BANK
- सेन्ट्रल बैंक ऑफ इंडिया Central Bank of India
- South Indian Bank
- Karnataka Bank Ltd.
- Indian Overseas Bank
- KVB Karur Vysya Bank Smart way to bank
- Deutsche Bank
- BanyanTree Bank Limited
- Ratnakar Bank
- CAPITAL FIRST
- SIDBI Small Industries Development Bank of India
- Hinduja Leyland Finance
- TMB Tamilnad Mercantile Bank Ltd
- Lakshmi Vilas Bank
- Mahindra FINANCE
- IFMR Institute for Financial Management and Research
- FMO Entrepreneurial Development Bank
- FINANCIERs

OUR BUSINESS PRESENCE

ESS KAY AUTO FINANCE PRIVATE LIMITED



Rajasthan	95	Branches	129 Branches
Gujarat	34	Branches	

From The Desk

-Managing Director

Dear Stakeholders,

We welcome the new financial year with optimism backed by several positive macro developments. While an above average union budget for FY 16-17 which shows the Government's resolve to continue with fiscal discipline, inflation at ~5%, stable rupee despite global volatility and further lowering of interest rates by RBI shows macro stability not seen over last few years. At the same time, we see pain in the economy persisting with the manufacturing and agriculture sectors continuing to be under strain, exports declining due to global slowdown and national political consensus on crucial economic reforms like Land acquisition and GST still missing. Saving grace is that consumption in the economy is stable providing a solid base for growth. Additionally, the Government's efforts to increase spending on infrastructure including roads, railways, ports, energy are showing signs of percolating down to other sectors of the economy giving hope of rise in private investments also in due course. A number of factors could impinge upon the growth outlook for 2016-17. First, slow investment recovery amidst balance sheet adjustments of corporates is likely to hinder investment demand. Secondly, with capacity utilisation in the organised industrial sector estimated at 72.5 per cent, revival of private investment is expected to be hesitant. Thirdly, global output and trade growth remain tepid, dragging down net exports. On the positive side, the government's "start-up" initiative, strong commitment to fiscal targets, and the thrust on boosting infrastructure could brighten the investment climate. Household consumption demand is expected to benefit from the Pay Commission award, continued low commodity prices, past interest rate cuts, and measures announced in the Union Budget 2016-17 to transform the rural sector.

With this macro background, we continue to focus on our core business of financing light commercial vehicles having multiple uses in the rural & semi-urban geographies. Previous financial year was used for preparing our growth strategy after 2-3 years of consolidation and I am happy to share that a sound launch pad is now visible. Our previous year performance reveals positive results of our efforts and we are confident of accelerating this momentum in the coming years. We have followed a two pronged growth strategy on product as well as distribution fronts. We introduced a mortgage loan product (LAP) aimed at SME borrowers as we see a huge space of opportunity between our banking system & local moneylenders. We have increased our penetration in Rajasthan & Gujarat by opening ~60 branches in previous financial year. Most of these branches are spoke branches aligned with existing branches and are aimed at serving rural interiors of the market.

On the operations side, people & technology remain the biggest challenge to manage our business. We have seen talent migration from large corporate environment to start-up & young companies where growth prospects are much more. We have always tried to tap young talent that can develop with the growth of company. We are also adopting changes in technology and moving towards ease of doing business by making best use of technological developments. In the previous year, we attempted to connect the collection executives on real-time basis and this can be a big break-through in terms of integrating field operations in the system.

We have always followed financial discipline and are comfortable in terms of capital adequacy. Looking at the prospects, we are planning to raise capital in the current financial year to support the business growth. In terms of borrowings, we have always tried to improve our credit profile thereby reduce our cost of funds & add relationships with national & international wholesale lenders. We work closely with our lenders to innovate borrowing structures to reap other benefits.

With low interest rate, boost in domestic consumption and infrastructure development, we see headwinds of tremendous growth in next 5-7 years. I can only assure you that your company is well prepared to make full use of this opportunity.

Thank you,
Rajendra Kumar Setia

Profile
Board of Directors

Mr. Rajendra Kumar Setia,
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.

Mr. Arjun Das Setia,
Director of the Company is having a wide experience of more than 40 years in finance industry and vehicle finance. He is the Co-promoter of the Company who initiated inception of the Company. Though he is not involved in the day to day activity of the Company but his business sense and remarkable experience add value and vision to be organization.

Ms. Shalini Setia,
Whole Time Director of the company is Co-promoter of the Company. She has 6 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. Sanjiv Singhal,
Nominee Director of the Company is an 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, Sanjiv was involved in a number of complex financings for companies in special situations with total deal value of about $500 million. Sanjiv 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.

Mr. Govind Saboo,
Independent Director of the Company is an Chartered Accountant working as an investment banker advising SMEs on their finance related requirements for last 8 years. He is also promoter of Artha Sarathi India Pvt. Ltd., which is engaged in advising its clients on their investment in listed equities. Prior to this, he was working with Goldman Sachs as an Equity Research Analyst.

Mr. Amar Chand Chug,
Independent Director of the company, Former Dy. G M of State Bank of Bikaner & Jaipur has 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.

Vision

TO BE MOST PREFERRED
FINANCIAL SERVICE PROVIDER
IN SEMI- URBAN AND RURAL INDIA.

Mission

To extend our reach to remotest areas , and be a catalyst in Indian Rural Growth by providing supporting hand to strengthen the society financially by giving access to individuals who do not have access to formal banking channels.

" To Keep Promoting entrepreneur skills and make financial solutions easily available to the common man with proper use of technology platform. "

We do this by offering bouquet of products

- **Vehicle Loan**
- **Commercial Loan & Refinance**
- **SME Loan (LAP)**
- **Tractor Loans**

Our **TWO DECADES** of financing business has taught us that measuring of credit of an individual is more of an art and a Science . We have mastered the art in measuring 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.

Head quartered in Jaipur, ESS KAY AUTO FINANCE plays a vital role in partnering the India Vision of financial inclusion by providing financial assistance to the people of rural India not having access to finance arm. Having it's operations in 129 branches across Rajasthan & Gujarat, Company is poised to penetrate further and reach out to other states as well as open new branches in the states already present.

We are not just provider of a Loan , 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.

KEY MANAGEMENT TEAM

Anagha Bangur
Company Secretary

Atul Arora
Chief Financial Officer

Sameer Arora
Chief Operating Officer
(North)

Ritesh Sharma
Chief Operating Officer
(West)

Harish K Rao
Vice President
(Commercial Vehicle
& Two Wheeler)

Amarpreet Singh Batra
Vice President (Tractor)

Mihir Vaishnav
Vice President (Lap)

Sant Prakash
(Assistant Vice President CV)

Rajeev Yadav
Assistant Vice President
(Legal)

Ramesh Choudhary
State Collection Manager
(Gujarat)

*Knowing is not enough;
we must apply.
wishing is not enough;
we must do.*

KEY MANAGEMENT TEAM

Abhijit Sharma
State Collection Manager
(Raj)

Harendra Singh Rathore
State Collection Manager
(Raj)

Manoj Bansal
State Product Manager
(Tractor)

Rohit Sharma
State Product Manager
(Gujarat)

Ritesh Kumar
Assistant Vice President
(HR & Operation Head)

Puneet Jain
Group HR Head

Honey Jain
Chief Accounts Officer

Feroz Khan
Credit Manager
(LAP-Raj)

Gajendra Sharma
Credit Manager
(Commercial Vehicle-Raj)

Pankaj Patel
Credit Manager
(Gujarat)

*We believe in emerging
the talent*

CSR Activities

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Events at Ess Kay

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting ("AGM")of the members of Ess Kay Auto Finance Private Limited will be held at the Registered Office of the Company situated at G 1-2, New Market, Khasa Kothi, Jaipur-302001 on Wednesday 27th July, 2016 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS:

ITEM NO. 1 - ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon.

ITEM NO. 2 DECLARATION OF DIVIDEND

To declare dividend on preference shares @ 0.01% i.e 1,199/- on the aggregate Compulsory Convertible Preference Shareholder (CCPS) amounting to Rs.11,994,000/-

ITEM NO. 3 -RATIFICATION OF 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, 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 be and is ratified (for the financial year 2016-17) & that 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."

SPECIAL BUSINESS:

ITEM NO. 4: APPOINTMENT OF MR. AMAR LAL DAULTANI AS AN INDEPENDENT DIRECTOR

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 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Amar Lal Daultani (DIN: 05228156), who was appointed as an Additional Director of the Company with effect from pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who hold office up to the date of this Annual General Meeting, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for a period upto 31st March '2021, not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

ITEM NO. 5 AUTHORISATION TO BOARD WITH RESPECT TO INCREASE THE BORROWING POWER OF THE BOARD OF DIRECTORS OF THE COMPANY FROM Rs. 500 CRORES TO Rs.1200 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 Special Resolution:

"RESOLVED THAT in supersession of the earlier resolution(s) passed at the Nineteen Annual General Meeting of the Company held on September 13, 2013, 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 Rs.1200 Crores 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 but not exceeding Rs.1200 Crores (Rupees One Thousand Two Hundred Crore 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 debentures) or other Securities or term loans, commercial paper & 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. 6: AUTHORISATION TO 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:

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

RESOLVED THAT in supersession of the earlier resolution(s) passed at the Nineteen Annual General Meeting of the Company held on September 13, 2013 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) thereof and any rules there under 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 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 Rs.1200 Crores (Rupees One Thousand Two Hundred Crore 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. 7: PRIVATE PLACEMENT OF NON-CONVERTIBLE DEBENTURES

To consider and, if thought fit, to pass with or without modification, the following 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 the provisions of the memorandum of association and the articles of association of the Company, the approval and 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 Rs. 500 crores (Rupees Five Hundred Crores) within the overall borrowing limits of the Company."

"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."

By Order of the Board of Directors
For Ess Kay Auto Finance Private Limited

Sd/-
Anagha Bangur
Company Secretary

Place: Jaipur
Date: 28th May, 2016

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

NOTES

The Explanatory Statement pursuant to Section 102(1) and (2) of the Companies Act, 2013 with respect to the special business under Item No. 4 to Item 7 as set out in the Notice to be transacted at the AGM is annexed.

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT A MEMBER OF THE COMPANY. Proxies 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 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 (in case of shares held in physical mode).

   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. 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.

7. 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.

8. 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 to the Company / RTA.

9. 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 Transfer Agents, Bigshare Services Pvt. Ltd. (RTA), for consolidation into a single folio.

10. 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 Pvt. Ltd. (RTA)
    E-2/3, Ansa Industrial Estate Saki Vihar Road,
    Sakinaka, Andheri (East) Mumbai - 400072

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

12. Electronic copy of the Annual Report and Notice of AGM for the financial year 2015-16 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.

13. 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.

14. Subject to the provisions of Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the AGM, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on July 19, 2016.

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15. Corporate Members 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.

By Order of the Board of Directors
For Ess Kay Auto Finance Private Limited

Sd/-
Anagha Bangur
Company Secretary

Place: Jaipur
Date: 28th May, 2016

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

ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

The Board of Directors of the Company ("the Board") at its Meeting held on 28th May, 2016 on the basis of the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Amar Lal Daultani (DIN-05228156) as Additional Director of the Company in terms of Section 149, 152 & 161 read with Schedule IV & other provisions of the Companies Act, 2013 & The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force). In terms of the provisions of Section 161(1) of the Companies Act, 2013 Mr. Amar Lal Daultani would hold office upto the date of the ensuing Annual General Meeting.

MR. Amar Lal Daultani, a postgraduate in Economics from Agra University , joined Allahabad Bank as Management Trainee in 1978. He worked in different capacities in various branches of Allahabad Bank. He is a versatile banker having 34 years of rich experience in Credit, Forex and other General Banking Operations.

The Company has received from Mr. Amar Lal Daultani (i) consent in writing to act as Independent Director in Form DIR-2 pursuant to Rule 8 of The Companies (Appointment & Qualification of Directors) Rules 2014 (ii)intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

The resolution seeks the approval of members for the appointment of Mr. Amar Lal Daultani as Independent Director of the Company for a term of upto 31st March, 2021 pursuant to Section 149 and other applicable provisions of the Act and the rules made hereunder and that he is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Amar Lal Daultani proposed to be appointed, as an Independent Director fulfill the conditions specified in the Act and the rules made there under. A copy of the draft letter for the appointment of Mr. Amar Lal Daultani as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the AGM.

None of the Directors, Key Managerial Personnel or their relatives, except Amar Lal Daultani, being appointee, are interested or concerned in the resolution set out at Item No. 4 of the Notice. Your Directors therefore, recommend the passing of the resolution proposed at Item No.4 of the Notice.

ITEM NO. 5

At the 19th Annual General Meeting of the Company held on Sept 13, 2013, consent of the shareholders was obtained u/s.180(1)(c) and all other applicable provisions, if any, of the Companies Act 1956, 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 Rs. 500 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 Rs. 5,00 Crores (Rupees Five Hundred 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 Rs. 500 Crores to ₹ 1,200 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 Agenda No.5 by way of special resolution to enable the Board of Directors of the Company to borrow moneys upto a sum of Rs.1200 Crores (Rupees One Thousand Two Hundred Crore Only).

Your Directors therefore, recommend the passing of the resolution proposed at Agenda 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. 6

In terms of Section 180(1)(a) and all other applicable provisions, if any of the Companies Act, 2013, an authorisation/ consent by the members of the Company is required to to sell, lease or otherwise dispose of whole or substantially the whole of the undertaking of the Company mortgage and/or to create charge on all or any of the assets and properties immovable and movable, including undertaking(s) of the Company and further to issue covenants for negative pledges/ negative liens in respect of the said assets and properties and for the purpose, 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 powers of attorney in favour of all the lenders as and by way of security for the due repayment of sums of money together with interest or other moneys due thereon, if any, such borrowings 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.

The above said authorisation(s)/consent by the members of the Company are to be made to the Board of Directors by means of a Special Resolution, which 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) and all other applicable provisions, if any of the Companies Act, 2013.

Your Directors therefore, recommend the passing of the resolution proposed at Agenda No.6 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. 7

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 500 crores 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. 7 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 are concerned with or interested, financially or otherwise, in the resolution set out at Item No.7.

By Order of the Board of Directors
For Ess Kay Auto Finance Private Limited

Sd/-
Anagha Bangur
Company Secretary

Place: Jaipur
Date: 28th May, 2016

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

ATTENDANCE SLIP

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 22nd ANNUAL GENERAL MEETING of ESS KAY AUTO FINANCE PRIVATE LIMITED on Wednesday, 27th day of July, 2016 at 11:30 A.M. at the registered office of the Company at G 1-2, New Market, Khasa Kothi, Jaipur-302001

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 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 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 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 second Annual General Meeting of the company, to be held on Wednesday, 27th day of July, 2016 at 11.30 A.M. at the registered office of the Company at G 1-2, New Market, Khasa Kothi, Jaipur-302001 and/or at any adjournment thereof in respect of such resolutions as indicated below:-

S. No	Resolution	For	Against
I	To consider and adopt:		
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon.		
2	To declare dividend on preference shares @ 0.01% i.e 1,199/- on the aggregate Compulsory Convertible Preference Shareholder (CCPS) amounting to Rs.11,994,000 /-		
3.	Ratification of the Appointment of Statutory Auditors		
4	Regularization of Mr. Amar Lal Daultani as a Independent Director of the Company		
5	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		
6	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.		
7	Private Placement of Non-Convertible Debentures pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013		

Signed this______day of______2016__________.

Signature of Shareholder

Affix
Rs 1/- Revenue
Stamp here

Signature of Proxy Holder(s)

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 pleased to present the 22nd Annual Report on the business and operations of the Company together with the audited financial statements for the Financial Year ended March 31, 2016 and auditor's report thereon.

1) Financial Highlights

The financial performance for fiscal 2015-2016 is summarized here below:

Particulars	2015-16	2014-15
Total Income	1,157,848,930	886,136,380
Less: Operating expenses	467,753,548	319,244,072
Less: Provisions		
a. For NPA	3,038,452	11,974,042
b. for standard assets	7,300,668	3,430,764
b. contingent provisions	1,045,692	-575,659
Profit before Interest & Depreciation	678,710,570	552,063,161
Less: Interest & finance charges	484,143,935	407,291,011
Less: Depreciation	8,684,425	7,303,756
Profit before tax	185,882,210	137,468,394
Tax expenses		
a. Current Year	71,644,577	52,904,646
b. Earlier Year	0	0
c. Deferred Tax	-5,871,484	-5,886,533
Profit after tax	120,109,117	90,450,281
Add: Surplus brought forward	273,430,878	201,338,029
Balance available for appropriation	393,539,995	291,788,310
Appropriation		
a. Dividend	1,199	1,199
b. Tax on Dividend	251	204
c. Transfer to statutory reserve	24,021,823	18,090,056
c. Adjustment in accordance with schedule II of the Companies Act,2013	0	265,973
Balance Carried Forward	369,516,722	273,430,878

2) Dividend

Your Board of Directors are pleased to recommend a dividend of 0.01% to Compulsory Convertible Preference Shareholder (CCPS) i.e. on the preference share capital amounting to Rs.11,994,000/- for your consideration for the Financial Year 2015-16.

3) Reserves

The company transferred Rs. 24,021,823/- to statutory reserve out of the amount available for appropriation and an amount of Rs. 369,516,722/- is retained in the profit and loss account.

4) Opertional Highlights

a) Disbursements

Your Company during the year under review, continued to diversify its product portfolio from vehicle financing business to other financing business as well as through the introduction and growth of other financial products and maintained its market leadership position in rural and semi-urban market.

The overall disbursement registered a growth of 40.76 % at Rs. 433.48 crores as compared to Rs. 307.96 crores in the previous year.

b) Assets Under Management (AUM)

During the year under review the Company has successfully grown its outstanding Loan Asset Under Management (AUM) which stood at Rs. 525.63 crores as at March'16 as against Rs. 387.82 Crores as at March'15, recorded a growth of 35.60 %.

c) Performance Review

During the year your company reported several achievements:

One, Your company's asset size has crossed Rs. 500 crs as on March'2016 and company's has attained the status of NBFC-ND-SI.

Two, your company's loan book grew by 35.60% from Rs. 387.82 crores to Rs. 525.63 crores. Your company was able to balance the loan book on & off balance sheet mix. Your company retained 84.20% of the loan books on balance sheet (previous year 79.30%) whereas the rest 15.80% was securitized/assigned to various bank/ financial institutions.

The main challenge during the year under review was to increase the revenue. This challenge was particularly pronounced by the economic slowdown, high interest rates and change in regulatory norms, but your company was able to perform well. Total Income of your company grew by 30.66% from Rs. 88.61 crores to Rs. 115.78 crores. PAT grew by 32.79% from Rs. 9.05 crores to Rs. 12.01 cores.

Third, we are happy to announce that during the year your company added four new banks including Essential Capital Consortium BV, (Deutsche Bank's Global Social Finance) and as of now your company has credit lines from 27 Banks/Financial institutions.

Fourth, as our company is Non- Deposit Taking Systematically Important as per the audited financial statements, 2016. Further, in the Budget 2015, Non-banking financial companies (NBFCs) with assets of Rs.500 crore and above were allowed to use the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (Sarfaesi) Act, 2002 like any other financial institution.

5) Resource Mobilisation

a) Borrowings from Banks

Your company mobilized funds amounting to Rs. 264.54 crores from Bank Borrowings at improved rates during the F.Y 2015-16 as against Rs. 150.98 crore mobilized during F.Y. 2014-15 in order to meet its funding requirements through a combination of short term debt) and long term debt (comprising cash credit facility and Bank Loans).

During the year, the rating has been re-affirmed for term loans as (CARE)BBB in order to serve timely servicing of financial obligations.

b) Borrowings from Financial Institutions

The aggregate borrowings (term loans secured & unsecured) at the end of the financial year stood at Rs 70.79 crores (previous year Rs 75.90 crore) as indicating downward trend in cost of borrowing for 2015-16.

Under review, your company has progressively reduced its dependency on high cost loans from Financial institutions by raising low cost NCDs

c) Debentures

i) Secured Non-Convertible Debentures

During the financial year Ess Kay has successfully issued Secured Redeemable Non-Convertible Non-Cumulative Debentures (SRNCD) amounting to Rs. 9.45 crores through private placement to Essential Capital Consortium BV, a global venture debt impact fund established by Deutsche Bank's Global Social Finance. These debentures were listed on the Wholesale Debt Market (WDM) segment of the Bombay Stock Exchange of India Limited.

The rating awarded for this issue by rating agencies like Credit Analysis & Research Ltd (CARE) is BBB. The aggregate NCDs as at March'16 stood at Rs. 49.53 crore against March'15 at Rs. 53.5 crore.

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) Sub-Ordinated Debt

As on March 31, 2016, the Ess Kay's outstanding subordinated debt stood at Rs. 36.5 crore which comprises of Unsecured Non-Convertible Debentures & Unsecured Term Loan against March 31, 2015 which stood at Rs. 16.5 crs. The debt is subordinated to present and future senior indebtedness of the Ess Kay and has been assigned rating by [CARE BBB-] and is considered as Tier II Capital under the Reserve Bank of India (RBI) guidelines for assessing Capital Adequacies Requirements.

d) Securitization/ Assignment:

During the year your company assigned/ securitized assets of Principal value Rs. 99.66 crores of which Rs. 47.75 crores were securitized through PTC mode in two tranches as against Rs. 77.40 crores which was assigned/ securitized during FY 2015 of which Rs. 54.12 crores were securitized through PTC in three tranches.

6) Capital Adequacy

The Company's capital adequacy ratio was 20.12% as on March 31, 2016, which is significantly above the threshold limit of 15% as prescribed by the Reserve Bank of India.

7) Human Resource Development

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. In an increasingly competitive market for human resources, it seriously focuses on attracting and retaining the right talent. It provides equal opportunity to employees to deliver results.

During the F.Y. 2015-2016, Ess Kay added 224 employees, taking the

total employee strength to 777.

8) Branch Network

Your company consolidated its network presence through a measured expansion of its footprint across Rajasthan & Gujarat States taking the total number of branches as on March'16 to 129 (previous year 102 branches).

9) Technology Initiatives

To improve the operational efficiency and bring homogeneity in the operations, the Company has migrated to M-Collection Mobile Application through Manual Collection System.

All the branches of the Company and the RO are connected through real time web connect. The Company has taken required initiatives in maintaining data integrity and adequate control over the data.

Further, to improve operational efficiency your Company has taken other technology initiatives like introduction of Employee Portal to submit queries related IT. Your Company proposes to launch vehicle auction web application during this year.

10) Material Changes And Commitments Effecting 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) 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.

12) Directors

a) Changes in Directors

One of the founder of our company and most honorable person , Mr. Arjun Das Setia has resigned from the post of director due to some health issues with effect from 29th September, 2015. The board places on record its deep appreciation for the contributions made by Mr. Arjun Das Setia as a member of the Board and its other committee during his tenure in office.

b) Key Managerial Personnel

Pursuant to the provisions of section 203 of the Act read with the rules made thereunder, the following employees are the whole-time key managerial personnel of the company:

1. Mr. Rajendra Kumar Setia, Managing Director
2. Ms. Shalini Setia, Whole Time Director
3. Mr. Atul Arora, Chief Financial Officer
4. Ms. Anagha Bangur, Company Secretary

c) 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

d) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 , the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration, Corporate Social Responsibility, Asset Liability, Risk Management & Executive Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

13) Board Meetings

The calendar of the Board/Committee Meetings and the Annual General Meeting are circulated to the Directors in advance to enable them to plan their schedule for effective participation at the respective meetings.

Additional Board Meetings are convened by giving appropriate notice to address business exigencies. At times certain decisions are taken by the Board/Committee through circular resolutions.

The Board met five times during the year 2015-16 viz 28th May, 2015; 22nd Aug, 2015; 22nd Sept, 2015; 10th Nov, 2015 and 16th Feb, 2016.

14) Policy on director's appointment and remuneration and other details:

The company policy on directors appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the director's report.

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 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 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 is being 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

The qualifications/observations of the auditors are self-explanatory and have been explained/ clarified wherever necessary in appropriate notes to accounts

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 were appointed as Internal Auditors of the company & for the Financial Year 2015-16.

The Board has re-appointed M/s Gopal Ghiya & Associates, Chartered Accountant, Jaipur as Internal Auditor of the Company to carry out Internal audit of the Company for the Financial Year 2016-17.

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 to undertake the secretarial audit of the company for the financial year ended 31 st March'16.

Your Directors are pleased to inform that there was no qualification, reservation or adverse remark or disclaimer in the audit report for the financial year 2015-16 as in the previous years.

The Secretarial Audit Report is annexed herewith which forms part of this report.

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 2016-17.

21) Risk Management

A Risk Management Policy for the Company has been adopted by the Board. The Company manages risk through a detailed Risk Management Policy framework which lays down guidelines in identifying, assessing and managing risks that the businesses are exposed to. Risk is managed by the Risk Management Committee of the Board through appropriate structures that are in place at Ess Kay, including suitable reporting mechanisms The development and implementation of risk management policy, has been covered in the management discussions and anaylsis, which forms part of this report.

22) Particulars Of Loans, Guarantees Or Investments

The company has been exempted under the provisions of section 186 of the Companies Act ,2013 as pursuant to section 186(11) of the Companies Act, 2013 Loans made, guarantees given or securities provided or acquisitions of securities by a Non Banking Financial Company in the ordinary course of its business are exempted from disclosure in the Annual Report The company has not made any investments during the year.

23) Particulars Of Contracts Or Arrangements With Related Parties:

The particulars of every contract or arrangements 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 and the same forms part of this report.

24) Corporate Social Responsibility Initiatives

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 Report on CSR activities for the financial year 2015-16 is annexed herewith which forms a part of this report.

25) Share Capital

During the fiscal year, there was no change in share capital of the company.

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 which forms a part of the Board Report.

28) Deposits From Public

The company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

29) Unpaid Dividend

The company has transferred the amount of dividend into the dividend account and the same amount will be paid to the preference shareholders as mutually agreed between the company and the shareholders.

30) Particulars Regarding Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Expenditure

Technology Absorption And Foreign Exchange Earnings And Expenditure.

A. Conservation of Energy

- The Company is providing financial services, which requires normal consumption of electricity. However the Company is making necessary efforts to reduce the consumption of energy.
- The offices of the Company has been using LED bulbs that consume less electricity as compared to CFL and incandescent bulbs. The Company has increased the usage of low electricity consuming monitors in place of conventional monitors. The Company has started buying the new energy efficient computers that automatically goes into low power 'sleep' mode or off- mode when not in use. As a part of Green Initiative, a lot of paper work at branches and Registered Office has been reduced by increased usage of technology.

B. Technology Absorption

- The company while installing the new windows or replacing the old ones in both at branches and Registered Office has been using energy efficient windows which helps in reducing the energy consume level. Company has not incurred any expenditure on research and development during the year under review.

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

	2015-16 (Amount in Rs.)
a. Foreign Exchange Earnings	0.0
b. CIF Value of Imports	0.0
c. Expenditure in Foreign Currency	37,10,000.00

31) Management Discussionand Analysis Report

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

32) Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on Corporate Governance as stipulated forms an integral part of this Report.

Since the equity shares 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.

33) Compliance Under The Companies Act, 2013

Your Company has duly comply with the requirements of the Compaines Act 2013.

34) RBI Guidelines

The Company has complied with all the applicable regulations of the Reserve Bank of India (RBI). As a prudent practice, your Company makes accelerated provisioning for Non-Performing Assets (NPAs) than that required by RBI for NBFCs.

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

35) Listing Of Securities

During the year, the company has raised Non-Convertible Debentures through private placement and which are listed on Bombay Stock Exchange Ltd, Mumbai. This is the third debt instrument that is being listed on stock exchange by your company.

36) Policy For Prevention, Prohibition And Redressal Of Sexual Harassment At Workplace

Ess Kay has zero tolerance towards sexual harassment and has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place. 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 an committee to inquire into complaints of sexual harassment and recommend appropriate action.

37) Acknowledgements

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

By Order of the Board of Directors
For Ess Kay Auto Finance Private Limited

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

Place: Jaipur
Date: 28th May, 2016

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

Annexure I

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2016

[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 Auto Finance Private Limited
G 1-2, New Market, Khasa Kothi
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 Auto Finance Private Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 ('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, 2016 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, 1992; (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)

(i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the Audit Period) and

(j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non-Deposit taking NBFC which are specifically applicable to the Company. As confirmed by the Management, following other laws are specifically applicable to the Company for which the Company has taken reports/certificates from designated professionals for its due compliances under the said laws:

(a) The Reserve Bank of India Act, 1934;

(b) Non-Banking Financial Companies (Non-Deposit Accepting or Holding) Prudential Norms (Reserve Bank) Directions, 2007;

(c) Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008;

(d) Reserve Bank of India Guidelines on raising money through Private Placement of NCDs by NBFCs;

(e) Guidelines on Corporate Governance issued by Reserve Bank of India for NBFCs;

(f) Notification of Reserve Bank of India on Future approach towards monitoring of Frauds in NBFCs;

(g) Reserve Bank of India "Know your Customer" (KYC) Guidelines – Anti-Money Laundering Standards – Prevention of Money Laundering Act, 2002-Obligations of NBFC;

(h) Guideline on Fair Practices Code for NBFCs;

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.

We further report that

The Board of Directors of the Company is duly constituted with proper composition of Executive Directors, Non-Executive Directors and Independent Directors. The other 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, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

a. Duly passed the resolutions under section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, read with its applicable rules, as amended;

b. Issued and allotted 1,88,955 Redeemable Non-convertible Debentures of Rs. 500/- each aggregating to Rs. 9,44,77,500/- (Rupees Nine Crores Forty Four Lacs Seventy Seven Thousand and Five Hundred only) on private placement basis.

By Order of the Board of Directors
For V.M. & Associates Company Secretaries

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

Place: Jaipur
Date: 28th May, 2016

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

Annexure A

To,
The Members
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. Wherever 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.

By Order of the Board of Directors
For V. M. & Associates, Company Secretaries

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

Place: Jaipur
Date: 28th May, 2016

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

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 : NIL

(a) Name(s) of the related party and nature of relationship

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts / arrangements/transactions

(d) Salient terms of the contracts or arrangements or transactions including the value, if any

(e) Justification for entering into such contracts or arrangements or transactions

(f) Date(s) of approval by the Board

(g) Amount paid as advances, if any:

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

1.Details of 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.)
Rendering Services				
Surendra Kumar Setia	Brother of Mr. Rajendra Kumar Setia	01/04/2015 to 31/03/2016	Acting as Commission Agent	591,000
Raj Kumar Setia	Brother of Mr. Rajendra Kumar Setia	01/04/2015 to 31/03/2016	Acting as Commission Agent	20,000
Raina Nagpal	Sister of Mr. Rajendra Kumar Setia	01/04/2015 to 31/03/2016	Acting as Commission Agent	327,691
Shubham Leasing & Finance Co.	Brother of Rajendra Kumar Setia (Managing Director) is Proprietor	01/04/2015 to 31/03/2016	Acting as Commission Agent	843,728
V.R Financers	Father of Atul Arora (CFO) is Partner	01/04/2015 to 31/03/2016	Acting as Commission Agent	186,415
Friend Software Services	Brother of Atul Arora (CFO) is Proprietor	01/04/2015 to 31/03/2016	Acting as Commission Agent	686,875
Neel Kamal Finance	Sister of Rajendra Kumar Setia (Managing Director) is Proprietor	01/04/2015 to 31/03/2016	Acting as Commission Agent	869,366
Rendering Professional & Legal Services				
Aartha Sarathi India Private Limited	Director (Govind Saboo) is	01/04/2015 to 31/03/2016	Acting as Commission Agent	250000
Govind Saboo & Co.	Director in Company Director (Govind Saboo) is Karta of HUF	01/04/2015 to 31/03/2016	Acting as Commission Agent	750000
Service Provider Charges				
Sharma Brothers	Brother of Rajendra Kumar Setia (Managing Director) is Partner	01/04/2015 to 31/03/2016	Facilitates Vehicle Running & Maintenance	37397
Girdhar Lal M. Mohatta	Father of Rajendra Kumar Setia (Managing Director) is Partner	01/04/2015 to 31/03/2016	Facilitates Vehicle Running & Maintenance	283106
Chamunda Computers	Sister of Rajendra Kumar Setia (Managing Director) is Partner	01/04/2015 to 31/03/2016	Providing services of purchase or sale of goods, materials.	141500

a) Date(s) of approval by the Board, if any: 28/05/2015

b) Amount paid as advances, if any: Nil

c) Justification for entering into such contracts or arrangements or transactions: Regular and ordinary course of business

By Order of the Board of Directors
For Ess Kay Auto Finance Private Limited

Sd/-
Rajendra Kumar Setia
Managing Director
Din No.: 00957374

Sd/-
Shalini Setia
Director
Din No.: 02817624

Place: Jaipur
Date: 28th May, 2016

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 help reinforce a positive & socially responsible image of Ess Kay as a corporate entity.

During F.Y. 2015-16, Ess Kay has undertaken various activities in the sectors of:

a. 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.

b. 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.

c. 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://www.skfin.in/investors_information.html

2. Composition of the CSR Committee.

Name of the Director	Status in Committee
Mr. Rajendra Kumar Setia	Chairman
Mr. Amar Chand Chug	Member
Mr. Govind Saboo	Member

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

Average net profit: Rs. 129,264,219 /-

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

The company is required to spend Rs. 25,85,284/-

5. Details of CSR spent during the financial year. 5,72,050/-

(a) Total amount to be spent for the financial year: Rs. 25,85,284/-

(b) Amount carried forward this year : Rs. 4,11,000/-

(c) Amount unspent: Rs. 24,24,234/-

(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 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 poverty, hunger, malnutrition, preventive health care programme, sanitation and making safe drinking water available.	Poor reilef	Rajasthan	Upto 1 lac	36000	36000	Implementing Agency
2.	Promoting education providing quality education initiatives or by financial assistance to the poor and needy students, vocational education, adult education programs. Eradicating hunger, poverty, malnutrition, preventive health care programme, sanitation and making safe drinking water available.	Education & Healthcare	Rajasthan	Upto 5 lac	411050	447050	Implementing Agency
3.	Eradicating poverty, hunger, malnutrition, preventive health care programme, sanitation and making safe drinking water available.	Promoting & preventive Healthcare	Rajasthan	Upto 5 lac	125000	572050	Implementing Agency
	Total				**572050**	**572050**	

Details of implementing agency : Hari Kirshna Movement Trust, Jaipur; Abhiyan Bharat Foundation, Jaipur;
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 2015-16, your Company endeavored to meet the budgeted expenditure by contributing in various eligible CSR activities and has committed to incur expenditure for CSR initiatives in the coming years through structured events or programs and projects.

The Company is committed towards our duty for social causes and their development but at this moment Company is unable to earmarked for the right CSR Activities. We are also looking for an appropriate CSR partner so that funds of CSR can be utilized or evolved in social development and human welfare in the greatest manner.

The implementation and monitoring of the CSR Policy is in compliance with CSR objects and Policy of the Company and will be reviewed by CSR Committee and Board at periodical intervals.

By Order of the Board of Directors
For Ess Kay Auto Finance Private Limited

Date: 28th May,2016
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

Annexure IV

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31st, 2016

[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 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 0141-4161300-500
Whether listed company	Debt Listed Company
Name, address and contact details of Registrar and Transfer Agent, if any	Sharepro Service India Private Limited 13 A/B Samhita Warehousing Complex,2nd Floor, Sakinaka Telephone Exchange Lane,Off Andheri Kurla Road,Sakinaka Andheri(E), Mumbai-400072 Ph. 67720386 / 67720354

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	Commercial Loan	65923	100%

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%	199648	-	199648	98.63%	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub -Total (A)(1):	199648	-	199648	98.63%	199648	-	199648	98.63%	0.00
(2)Foreign		-				-			
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) other - individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d)Banks / FI	60	-	60	0.03%	60	-	-	0.03%	0.00
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	60	-	60	0.03%	60	-	-	0.03%	0.00
Total Shareholding of Promoters(A) = (A)(1)+(A)(2)	199708	- -	199708	98.66%	199708	- -	199708	98.66%	0.00
B. Public Shareholding		-				-			
(1) Institutions		-				-			
a) Mutual Funds /UTI	-	-	-	-	-	-	-	-	-
b) Banks/ FI	2707	-	2707	1.34%	2707	-	2707	1.34%	0.00
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture	-	-	-	-	-	-	-	-	-
Capital Funds	-	-	-	-	-	-	-	-	-
I) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	2707	-	2707	1.34%	2707	-	2707	1.34%	0.00
(2) Non-Institutions		-				-			
a) Bodies Corporate		-				-			
I) Indian	-	-	-	-	-	-	-	-	-
II) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i Individual Shareholders holding nominal share capital upto 1 Lakh									

ANNUAL REPORT 2015 -16

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%	0	-	0	0.0%	0
Total Public Shareholding} (B)=(B)(1)+(B)(2)	2707	-	2707	1.34%	2707	-	2707	1.34%	0.0
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%	202415	-	202415	100.00%	0.0

(ii) Shareholding of Promoters

Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of 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%	0	99880	49.34%	0
Shalini Setia	99768	49.29%	0	99768	49.29%	0
Total	199648	98.63%	0	199648	98.63%	0

(V). CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)- NO CHANGE

Category of Shareholders		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%
	Change during the year	-	-	-	-
	At the end of the year	99880	49.34%	99880	49.34%
2. Shalini Setia	At the beginning of the year	99768	49.29%	99768	49.29%
	Change during the year	-	-	-	-
	At the end of the year	99768	49.29%	99768	49.29%

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

Equity Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1. LadderUp Finance Limited	2707	1.34%	2707	1.34%
2. BanyanTree Growth Capital LLC	60	0.03%	60	0.03%
Preference Shareholder's Name	Shareholding at the beginning of the year	Shareholding at the end of the year	Equity Shareholder's Name	Shareholding at the beginning of the year
1. BanyanTree Growth Capital LLC	119,940	100%	119,940	100%

(VII) 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
Arjun Das Setia	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)	-	-	-	-

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
	At the beginning of the year	-	-	-	-
Rajendra Kumar Setia	At the beginning of the year	99880	49.34%	99880	49.34%
	Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the beginning of the year	99880	49.34%	99880	49.34%
Shalini Setia	At the beginning of the year	99768	49.29%	99768	49.29%
	Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the beginning of the year	99768	49.29%	99768	49.29%
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 beginning 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 beginning of the year	-	-	-	-
Atul Arora	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 beginning of the year	-	-	-	-
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 beginning of the year	-	-	-	-

VIII. 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	2,338,875,261.00	465,000,000.00		2,803,875,261.00
ii) Interest due but not paid	493768.00			493,768.00
iii) Interest accrued but not due	26,116,334.00	10,797,768.00		36,914,102.00
Total (i+ii+iii)	**2,365,485,363.00**	**475,797,768.00**		**2,841,283,131.00**
Change in Indebtedness during the financial year		1,597,050,000.00		-
Additions	1,471,600,000.00			3,068,650,000.00
Reduction	1,183,402,267.00	1,196,985,728.00		2,380,387,995.00
Net Change	**288,197,733.00**	**400,064,272.00**		**688,262,005.00**
Indebtedness at the end of the financial year				
i) Principal Amount	2,615,554,703.00	865,000,000.00		3,480,554,703.00
ii) Interest due but not paid				
iii) Interest accrued but not due	38,128,393.00	10,862,040.00		48,990,433.00
Total (i+ii+iii)	**2,650,793,629.00**	**878,751,507.00**		**3,529,545,136.00**

XI. 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**	**48,00,000**	**7,20,000**	**55,20,000**
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	**0**	**0**	**0**
	(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**

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	
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 as per the Ac	**48,00,000**	**18,00,000**	**66,00,000**

B: Remuneration To Other Directors

S.No.	Particulars of Remuneration	Name of the Directors	Total Amount (In Rs.)
	Executive Directors	Mr Arjun Das Setia	6,00,000
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000	
	Total (B)(1)		6,00,000
	Independent Directors	Mr. Amar Chand Chug	1,24,000
	• Fees for attending Committee meetings • Commission • Others, please specify	31000(each quarter)	
	• Fees for attending Committee meetings • Commission • Others, please specify	Mr. Govind Saboo	-
	Total (B)(2)		1,24,000
	Other Non-Executive Directors • Fees for attending Board Meetings/ Committee Meetings • Commissions • Others, Please specify		
	Total (B)(3)		
	Total B = (B)(1) + (B)(2)+B(3)	**1,24,000**	**1,24,000**

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**	3,74,413	10,32,397	14,06,810
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(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)	**3,74,413**	**10,32,397**	**14,06,810**

X. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Place : Jaipur
Date : 28th May 2016

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

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

Annexure V

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 : 777

b. The percentage increase in the median remuneration of employees in FY 2016 stood at 51.42%.

c. Relationship between the average increase in remuneration and the Company's performance:

Given below are key financial parameters which reflected the Company's performance.

Parameters	March 31, 2016 (Rs Crs)	March 31, 2015 (Rs Crs)	Growth%
Loan Assets	525.89	387.63	35.67%
Profit before Interest & Depreciation	67.87	55.21	22.93%
Profit Before Tax	18.59	13.75	35.20%
Profit After Tax	12.01	9.05	32.71%

d. 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 27.41% for the FY 2015-16. The average increase in remuneration of the Key managerial personnel was 56.05%.

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.

e. Percentage increase in the remuneration of each director and key managerial personnel in FY 2015 is given below. Further details are given in MGT-9.

Name	Designation	Increase in Remuneration
Mr. Arjun Das Setia*	Executive Director	0.00%
Mr. Rajendra Kumar Setia	Managing Director	128.57%
Ms. Shalini Setia	Whole Time Director	0.00%
Mr. Govind Saboo	Independent Director	0.00%
Mr. Sanjiv Singhal	Nominee Director	0.00%
Mr. Amar Chand Chug	Independent Director	0.00%
Ms. Anagha Bangur	Company Secretary	56.85%
Mr. Atul Arora	Chief Financial Officer	8.79%

* Mr. Arjun Das Setia resigned w.e.f. from 29thSeptember,2015

f. Remuneration of each director to the median employees remuneration (times) for FY 2016 :

Name	Designation	Remuneration of Directors' to median employees' remuneration (times)
Mr. Arjun Das Setia*	Executive Director	5.53
Mr. Rajendra Kumar Setia	Managing Director	22.14
Ms. Shalini Setia	Whole Time Director	3.32
Mr. Govind Saboo	Independent Director	-
Mr. Sanjiv Singhal	Nominee Director	-
Mr. Amar Chand Chug	Independent Director	1.24

g. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year: Not applicable

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

i. There were no employees (who are not directors) who received remuneration in excess of the highest paid director of the Company during the year.

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

Place : Jaipur
Date : 28th May 2016

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

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

Corporate Governance Report

1. Company's Philosophy on Code of Conduct

Corporate Governance is essential for enhancing long-term shareholder value and retaining investor trust and always seeks to ensure that its performance goals are met with integrity. The Company continues to adopt the best practices in the area of Corporate Governance and promotes and practices a culture that is built on core values, beliefs and ethics.

Your Company has an active, experienced and a well–informed Board. The Board along with its Committees undertakes its fiduciary duties towards all its stakeholders with the Corporate Governance mechanism in place. It is imperative that our company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

Your Company has established robust business practices and procedures to ensure that it remains fully compliant with all mandated regulations and achieves business excellence to enhance stakeholder value, retain trust and goodwill of its investors, business partners, employees and meet societal expectations as well.

We comply with the Securities and Exchange Board of India (SEBI)'s guidelines on corporate governance.

Corporate Governance is the key to the integrity of corporations, financial institutions and markets.

2. Board of Directors:

i. Composition

The composition and category of Directors as on 31st March 2016 are as follows:

Category	Name of Directors	Designation
Executive Director	Mr. Rajendra Kumar Setia	Managing Director
Executive Director	Ms. Shalini Setia	Whole-Time Director
Independent & Non-Executive Director	Mr. Govind Saboo	Director
Independent & Non-Executive Director	Mr. Amar Chand Chug	Director
Nominee Director	Mr. Sanjiv Singhal	Director

The composition of the Board of Directors is in accordance with the Regulation 17 of SEBI(Listing Obligations and Disclosure Requirements) Regulation, 2015 provisions of Companies Act 2013. Non- Executive Independent Directors of your Company have no pecuniary relationship or any transaction with your Company.

Mr. Sanjiv Singhal represents Banyan Tree Growth Capital LLC, a strategic investor in the Company.

ii. Board Meetings

During FY 2016, the Board of Directors met five times: on 28th May 2015 , 22nd August 2015 ,22nd September 2015, 10th November 2015,16th February 2016 In addition, the Board approved allotment of debentures on 21st December 2015 by passing resolutions through circulation pursuant to the provisions of the Companies Act, 2013.

iii. Attendance, Other Directorship & Membership

Membership and Attendance of each Director at the Board of Directors' Meetings held during the year and the last Annual General Meeting and the number of other Directorship/ Membership of Board Committees as on 31st March 2016:

Name of Director	Board meetings Attended	Attendance at last AGM	No. of Directorship in Boards (Excluding Ess Kay Auto Finance Pvt Ltd.)		No. of Chairmanship/Membership in other Board Committees (Excluding Ess Kay Auto Finance Pvt Ltd.)	
			Public	Private	Chairmanship	Membership
Mr. Rajendra Kumar Setia	5	YES	0	1	0	1
Mr. Arjun Das Setia	3	YES	-	-	-	-
Ms. Shalini Setia	5	YES	-	-	-	-
Mr. Govind Saboo	4	YES	-	1	-	1
Mr. Sanjiv Singhal	2	NO	1	1	-	-
Mr . Amar Chand Chug	2	NO	-	-	-	-

* Mr. Arjun Das Setia resigned on 29th Sept,2015

* 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 held by Non-Executive Directors of the company

Remuneration of Directors

During the year under review the Company has paid Rs. 48.00 lacs towards remuneration details of which are provided in the extract of the annual return form MGT 9 as annexed to the Directors' Report) to Mr. Rajendra Kumar Setia, Managing Director of the Company . At present, Independent Directors are being paid sitting fees.

1. Committees of the Board

Audit Committee

With a view to comply the areas prescribed under the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015,and section 177 of the Companies Act, 2013 and under Reserve Bank of India , the Board of Directors has constituted Audit Committee.

The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013.

The composition of audit committee and the details of meetings attended by its members are given below:

Name of Director	Category	No of Meetings during the Financial Year 2015-16 in his tenure	
		Held	Attended
Mr. Govind Saboo	Non Executive-Independent Director	4	4
Mr. Sanjiv Singhal	Nominee Director	4	4
Mr. Amar Chand Chug	Non Executive Independent Director	4	1

These broadly include oversight of the Company's financial reporting process and the disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions of the Company with related parties, etc before submission to board.

The Audit Committee is chaired by an Independent Director. All the members of the committee are financially literate and have accounting and financial management expertise.

Meetings of the Audit Committee are scheduled well in advance. The Audit Committee met four times on May 27, 2015, August 17, 2015, November 9, 2015 , and February 13, 2016.

Nomination & Remuneration Committee

The Nomination & Remuneration committee constituted under section 178 of the companies' act 2013 and with regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 .

The composition of Nomination & Remuneration committee and the details of meetings attended by its members are given below:

Name of Director	Category	No of Meetings during the Financial Year 2015-16 during in his tenure	
		Held	Attended
Mr. Sanjiv Singhal	Nominee Director	4	2
Mr. Govind Saboo	Non Executive-Independent Director	4	4
Ms. Shalini Setia	Executive and Whole Time Director	4	4
Mr. Amar Chand Chug	Non Executive-Independent Director	4	1

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 independent directors and the Board, devising a policy on board diversity, etc.

During the year committee met 4 times on 29th May, 2015; 22nd Sept, 2015; 5th Dec, 2015; 19th Feb, 2016

Policy For Selection And Appointment Of Directors And Their Remuneration

1. **Criteria Of Selection Of Non-Executive Directors**

The Non-executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

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

The Non-executive Directors shall be entitled to receive sitting fees 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

For the purpose of selection of the CEO & Executive Chairman/ Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the CEO & Executive Chairman / Director

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 retiral 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 play an important role in deliberations at the board meetings and bring to the Company their wide experience in the fields of finance, housing, accountancy, law and public policy. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

The Audit Committee, the Nomination & Remuneration Committee, the and the CSR Committee have a majority of independent directors. These committees function within the defined terms of reference in accordance with the Companies Act, 2013, and as approved by the board, from time to time. Board members ensure that their work in other capacities do not impinge on their fiduciary responsibilities as directors of the Company.

Risk Management Committee

The Risk Management committee was constituted in compliance with the RBI guidelines. The composition of Risk Management committee and the details of meetings attended by its members are given below:-

Name of Director	Category	No of Meetings during the Financial Year 2015-16 during his tenure	
		Held	Attended
Mr. Rajendra Kumar Setia	Executive Director	4	4
Ms. Shalini Setia	Executive Director	4	2
Mr. Govind Saboo	Non- Executive Independent Director	4	1
Mr. Arjun Das Setia *	Executive Director	4	2

*Mr. Arjun Das Setia resigned on 29th Sept, 2015

The Risk Management Committee was constituted by the board to manage the integrated risk, inform the Board about the progress made in implementing a risk management system and review periodically the risk management policy and strategy followed by the Company.The Committee will also review all the policies of the Company and risk profile of the Company at periodical intervals; thereafter, the same will be recommended to the Board for review/approval.

The Committee also reviews the risk profile of the Company on a quarterly basis and apprises the Board of Directors about the key risks associated with the business of the Company, its risk profile, overall risk rating and steps taken to mitigate the same.

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

During the year, the Risk Management Committee met four times on 1st June, 2015, 7th July, 2015, 17th Nov 2015, 28th Jan, 2016.

Asset Liability Management Committee

The Board has set up Asset Liability Committee pursuant to the requirement of Reserve Bank of India for NBFC. The Committee regularly review the Company's assets and liabilities it's quality and business risk. The composition of Asset Liability Management committee and the details of meetings attended by its members are given below:

Name of Director	Category	No of Meetings during the Financial Year 2015-16 during his tenure	
		Held	Attended
Mr. Rajendra Kumar Setia	Executive Director	4	4
Ms. Shalini Setia	Executive Director	4	4
Mr. Amar Chand Chug	Non Executive Independent Director	4	3

The 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 q 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.

During the year, the Asset Liability Committee met four times on June 1, 2015, July 6, 2015, November 16,2015 & Feb 29, 2016.

Corporate Social Responsibility Committee

The concept of CSR rests on the ideology of give and take. Companies take resources in the form of raw materials, human resources etc from the society. By performing the task of CSR activities, the companies are giving something back to the society. The CSR Committee shall formulate and recommend to the Board, a policy which shall indicate the activities to be undertaken (CSR Policy); recommend the amount of expenditure to be incurred on the activities referred and monitor the CSR Policy of the company. The Board shall take into account the recommendations made by the CSR Committee and approve the CSR Policy of the company.

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 2015-16 during his tenure	
		Held	Attended
Mr. Rajendra Kumar Setia	Executive Director	4	4
Mr. Govind Saboo	Non-Executive & Independent Director	4	4
Mr. Amar Chand Chug	Non-Executive & Independent Director	4	1

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During the year, the Corporate Social Responsibility Committee met four times on 15th May, 2015, July 1, 2015, November 6,2015, & Feb 15,2016.

EXECUTIVE COMMITTEE

Executive Committee has been constituted on 28th May,2015 to delegate roles, responsibilities and powers governed by Board of Directors. The Committee has been formed 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 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.500 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 composition of executive committee and the details of meetings attended by its members are given below:

Name of Director	Category	No of Meetings during the Financial Year 2015-16 during his tenure	
		Held	Attended
Mr. Rajendra Kumar Setia	Managing director	21	20
Ms. Shalini Setia	Whole time director	21	20
Mr. Govind Saboo	Director	21	11
Mr. Atul Arora	Chief Financial Officer	21	21

In exercising the powers and authorities delegated to it, the Executive Committee shall act in accordance with and subject to the directions and requirements as may from time to time be laid down

During the year, the Executive Committee met 21 times on June 15 2015, June 27 2015, June 29 2015, July 6, 2015, July 25 2015, August 3 2015, August 11 2015, September 7 2015, September 15 2015, September 25 2015, September 29 2015, 5 October 2015, November 16,2015, December 7 2015,Dec 24 2015,Jan 21 2016, Feb 3 2016,Feb 13 2016, Feb 29 2016 ,March 14 2016 ,March 22 2016.

Performance Evaluation Of The Board

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent

Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

Independent Directors Meeting

During the year under review, the Independent Directors met on March 15, 2016, 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
2012-13	3rd Sept, 2013	11.00 am	G1-2, New Market,
2013-14	30th Sept, 2014	1.00 pm	Khasa Kothi,
2014-15	24th Sep, 2015	11.00 am	Jaipur -302001

b. Extraordinary General Meeting:

Special Resolutions:

Year	Special Resolution passed.
2015-16	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
2014-15	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
2013-14	To creation of mortgage or charge, sale, lease or otherwise dispose off the whole or substantially the whole of the undertaking(s) of the Company to secure the borrowings u/s 180 (1)(a). For approval of Borrowing power of the Board of Directors pursuant to section 180(1)(c) of the Companies Act, 2013.

Disclosures

a. Related Party Transactions

The Company has adopted a Framework on Related Party Transactions for the purpose of identifying and monitoring of such transactions. Details of material contracts or arrangements or transactions with Related Parties on an arm's length basis with respect to transactions covered under Section 188 (1) of the Act in the prescribed form AOC 2.

Details of related party transactions required to be disclosed by accounting standard of the act read with rule 7 of the companies accounts rule 2014 are given in the notes to financial statements.

b. Code of Conduct

The Company has framed and adopted a Code of Conduct for its Directors and senior management personnel, duly approved by the Board. For the year under review, all the Directors and senior management personnel have affirmed compliance with the provisions of the said Code. The above annual affirmations are placed before the Board for information.

In terms of the Code of Conduct of Independent Directors as per Schedule IV of the Companies Act, 2013 w.e.f. April 01, 2014, the Board has adopted the said Code and all the Independent Directors have affirmed that they abide by the said Code.

c. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated and established a Vigil Mechanism Framework to enable directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. The objective of this mechanism is to maintain a redressal system which can process all complaints concerning questionable accounting practices, internal controls, or fraudulent reporting of financial information.It also provides direct access to the chairman of audit committee .The Vigil Mechanism & Whistle Blower Policy has been made available on the company's at weblink.

d. Fair Practice Code

The company has adopted Fair practice code as per RBI Guidelines and may amend from time to time. The said code has been also put on the website of the company.

e. ALM Policy

The company has adopted ALM Policy as per RBI Guidelines and may amend from time to time.

f. During last 3 years , there has been no non- Compliance by the company, penalties structures imposed on the company by the stock exchanges or any statutory authority .

g. 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.

h. In practice, the role of Company Secretary has developed into much more than the basic statutory requirements outlined above

Role of the Company Secretary in overall governance process-

Nowadays, Company secretaries are the primary source of advice on the conduct of business and this can span everything from legal advice on conflicts of interest, through accounting advice on financial reports, to the development of strategy and corporate planning.

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

i. Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, has issued Secretarial Standards on important aspects like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal and Board's Report. Although these standards, as of now, are recommendatory in nature, the Company substantially adheres to these standards voluntarily.

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.in/investors/financial-report.
2. The Management, Discussion and Analysis Report forms a part of this Annual Report.

V. General Shareholder Information

AGM Date Time and Venue	27th July 2016 at 11:30 A.M G1- 2,New Market,Khasa Kothi Circle, Jaipur-302001
Dividend	Due Date of Payment of Dividend is 25th August, 2016
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
Listing on Stock Exchange	BSE Limited (BSE) 25th Floor, P.J Towers, Dalal Street, Mumbai 400001
Corporate Identity Number(CIN) of the company	U65923RJ1994PTC009051
Registrars and transfer Agents	Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka Andheri (East), Mumbai - 400 072.
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 Company's Non-Convertible Debentures issued and are listed on BSE Limited ("BSE"). The following are the details of the Company's debentures issued to the public:

Series	ISIN	Scrip Code	Address
NCD-01	INE124N08026	948348	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai –400 001. www.bseindia.com
NCD-02	INE124N07010	949591	
NCD-03	INE124N07028	950276	
NCD-04	INE124N07036	953132	

The Debentures issued on a private placement basis are listed on the Wholesale Debt Market segment. The Company has appointed Big Share Private Limited as the RTA for the securities issued by the Company, consequent upon the issue of an Order by SEBI dated March 22, 2016, restraining the management of Sharepro Services (I) Private Limited ("Sharepro") from buying, selling or dealing in the securities market or associating themselves with securities market, either directly or indirectly, in any manner, till further directions. In terms of the said Order, an audit of the records and systems of Sharepro is in progress.

a. **VIII. Shareholding as on March 31, 2016**

b. Distribution of equity shareholding as on March 31,2016

Number of Shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
1-10000	2767	1.37%	2	50%
10001-50000	NIL	NIL	NIL	NIL
50001-100000	199648	98.63%	2	50%
	202415	100%	4	100%

c. Categories of equity shareholders as on March 31,2016

Category	No of equity shares	Percentage of Holding
Promoters- Individual	199648	98.63%
Banks/FI	2707	1.34%
Foreign Banks/FI	60	0.03%
	202415	100.00%

d.Top ten equity shareholders of the company as on March 31,2016

S No.	Name of the shareholder	No of equity shares held	Percentage of Holding
1	Rajendra Kumar Setia	99,880	49.34%
2	Shalini Setia	99,768	49.29%
3	LadderUp Finance Limited	2,707	1.34%
4	BanyanTree Growth Capital LLC	60	0.03%
	Total	202,415	100.00%

IX. Dematerialization of shares Equity Shares of the company representing 100 % of the company's equity share capital are Dematerialization of shares as on March 31,2016.

X. Outstanding GDR/Warrants/Convertible Instruments The Company has compulsory Convertible preference shares of amounting Rs.1,19,94,000/-

By Order of the Board of Directors

For Ess Kay Auto Finance Private Limited

Place: Jaipur
Date: 28th May, 2016

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Overview of Global Economy

Global growth remained uneven and struggled to gain traction in 2015-16. World trade remained muted in an environment of weak demand. In the United States, growth was slow because of contracting industrial activity and exports. In the Euro area, by contrast, GDP rose on the back of robust consumer spending and recovering employment and business conditions. In Japan, growth surprised on the upside with the economy escaping a technical recession, but industrial activity remains weak and deflationary pressures are building. GDP growth slowed in China with retail sales, industrial production and fixed investment showing signs of weakness in recent months amidst still rising levels of indebtedness among households and corporations.

While macroeconomic stability is returning to some emerging market economies (EMEs), geo-political tensions and high volatility in financial markets impede the resumption of momentum, and the outlook remains challenging. The recent uptick in commodity prices is providing some relief to commodity exporters. Bond market yields across have eased steadily, reflecting strong appetite in primary auctions in the face of the growing universe of negative yielding bonds.

2. Overview of Indian Economy

On the domestic front, the provisional estimate of gross value added (GVA) for 2015-16 indicate annual growth rate of 7.2 per cent. As regards the current financial year, the India Meteorological Department (IMD) has forecast an above-normal and well-distributed south west monsoon as El Nino wanes albeit with a slightly delayed onset. Realisation of this prediction is critical for the outlook for agriculture.

The index of industrial production decelerated in 2015-16, mainly pulled down by weak manufacturing in an environment of subdued investment demand and weak rural consumption. However, latest rounds of forward looking surveys indicate an improvement in the overall business situation, driven by a pick-up in capacity utilisation and in order books both domestic and external thereby improved the expectation of business conditions in 2016-17. Public investment, especially in roads and railways, is gaining strength, though the continuing weakness in private investment is of concern. Demand conditions are likely to improve going forward; consumer confidence is seen as rising on improving expectations of employment and spending, with rural demand aided by a stronger monsoon. Rising capacity utilisation should prompt private investment.

Leading the upturn inter alia is automobile sales (especially two-wheelers and three-wheelers), commercial vehicle sales. Abstracting from seasonal effects, this suggests that the expansion, especially in the service sector, is getting broad-based.

3. NBFC Sector

Non-banking financial companies (NBFCs) play a vital role in circulation of finance for meeting the credit needs of the productive sectors of the Indian economy. Loans and advances by NBFCs witnessed a growth of 15.5 % during 2015-16.

Indian rural economy has slowed down over the last two years which has adversely affected the asset quality to some extent and weakened the growth for the NBFC sector. NBFCs though, stand to benefit from the reduction in the cost of funding, which in turn should help to improve margins. A strong monsoon and pro-growth rural focused policy measures should lead to a pick-up in the rural economy and augur well for the NBFC sector with rural presence.

In order to make the process of registration of new NBFCs smoother and hassle free, RBI has decided to simplify and rationalise the process of registering new NBFCs. The new application forms will be simpler and the number of documents required to be submitted will be reduced to a minimum.

P2P (Peer to Peer) lending has shown accelerated growth over the last one year. While encouraging innovations, the Reserve Bank cannot be oblivious to the risks posed by such institutions to the system. The contours of regulating P2P lending will be decided by RBI.

4. Commercial vehicle Industry

In light of continuous improvement in market sentiments, cuts in Excise Duty, Government emphasis on Infrastructure, Opening of Mining sector and Infrastructure Sectors, decrease in the Global Crude Oil Prices, the Indian commercial vehicle sales showed signs of revival. Total commercial vehicles sales in FY'2016 was 685,704 vehicles out of which, LCV was 376,412 vehicles and MHCV was 321,853 vehicles.

Category	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Passenger Vehicles	25,01,542	26,29,839	26,65,015	25,03,509	26,01,236	27,89,678
Commercial Vehicles	6,84,905	8,09,499	7,93,211	6,32,851	6,14,948	6,85,704
Three Wheelers	5,26,024	5,13,281	5,38,290	4,80,085	5,32,626	5,38,092
Two Wheelers	1,17,68,910	1,34,09,150	1,37,97,185	1,48,06,778	1,59,75,561	1,64,55,911
Grand Total	1,54,81,381	1,73,61,769	1,77,93,701	1,84,23,223	1,97,24,371	2,04,69,385

5. Pre-owned Commercial Vehicles

Pre-owned commercial vehicles segment is the key segment of presence for the company. The company targets the segment of preowned light commercial vehicles those used in local transportation, thereby generating stable cash flows and having a small area of operations. Market for pre-owned LCV financing is under penetrated with 65-70% of the market with private financiers who charge high interest rates. 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. About Ess Kay

Ess Kay Auto Finance Pvt. Ltd. is a Systematically Important Non-banking Finance Company registered with RBI as an Asset Finance Company (SI-NBFC-AFC). Head quartered in Jaipur with 129 branches in Rajasthan (92) & Gujarat (37) spread across Rural & semi-urban markets where the banking penetration is low & unviable huge space between banks & unorganized money lenders.

6.1 Product Portfolio

Ess Kay has categorized vehicles into seven broad categories on which finance is provided viz. Light Commercial Vehicle Financing (LCV's), Multi Utility Vehicle Financing (MUV's), Medium & Heavy Commercial Vehicle Financing (MHCV's), Agriculture and Construction Equipments, Car, Three Wheeler and Two Wheeler.

Though Ess Kay has product diversity in disbursement, Light commercial vehicles continues to be at highest exposure at 40% of disbursement in Financial Year 2015-16 followed by Multi Utility Vehicles at 33%. Remaining 27% share is acquired others as given in the chart below.

6.2 New Initiative

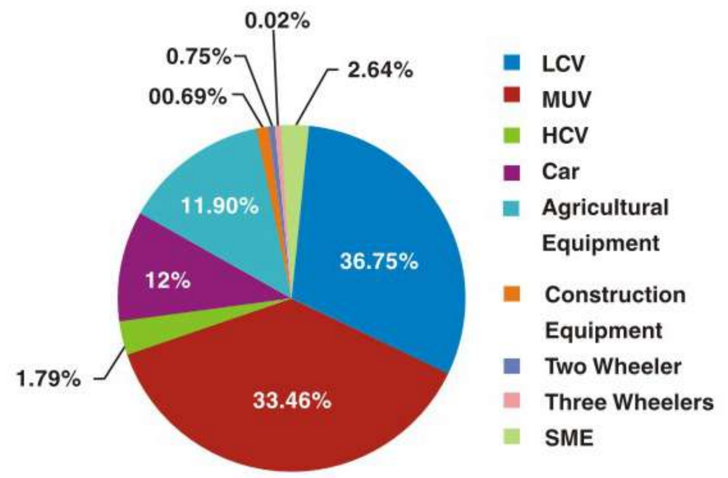
During the year, company has launched new product, Loan Against Property (LAP), targeting small & medium business owners. The loan will be secured by mortgage of an immovable property (residential or commercial). The product has been introduced at its existing branches and is intended to leverage upon the existing branch network & infrastructure of the company.

6.3 Branch Operations

Ess Kay has branches in all districts of Rajasthan. As a part branch expansion strategy Ess Kay opened 27 new branches in financial year 2015-16.

6.4 Funding Source

Ess Kay is having diversified sources of Funds with credit arrangement with 27 entities including Banks and Financial Institutions. Ess Kay has a balance of borrowing on fixed and floating rates.



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. Brief discussion on risk identified by Ess Kay:

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 Risks 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 balance of borrowing on floating rate of interest 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 421.36 crores as on 31 March 2016. 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.

7.5 Internal Control System

Ess Kay believes that if the company can identify and address internal risk factors it can overcome any economic risk or systemic risk. 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. On the basis of their findings and suggestions put before the board, corrective actions are followed to improve internal control mechanism.

8. Outlook 2016-17

Overall buoyancy in the economy will improve the business environment for Ess Kay we look forward to a healthy growth this year after 3 years of consolidation. In view of the size of balance sheet crossing Rs. 500 crores, Ess Kay has become eligible under the SARAFESI act, and shall have a much better position in enforcement of security & recovery proceedings. Also, Capital Adequacy Requirement (CAR) will now be applicable on the company as per guidelines of RBI.

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.

Independent Auditor's Report

To

The Members

Ess kay Auto Finance Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of E**ss Kay Auto Private Limited ("the Company"),**which comprise the balance sheet as at March 31, 2016, 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 theFinancial 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 preparationand 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, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

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

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

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

(e) On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 &42 (b) to financial statements;

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

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

Place: New Delhi
Date: 28th May, 2016

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

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

Report in terms of "Non-Banking Financial Company's Auditor's Report (Reserve Bank) Directions, 2008"

We have audited the accounts of the company for the year ending 31st March, 2016 and we report in respect of the matters specified in "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008" 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 March31,2016

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

d. The Board of Directors of the Company has passed resolution on May, 28, 2015 resolving not to accept any deposits from public.

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

f. 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.

g. 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 not furnished to the Bank the annual statement of capital funds, risk assets/exposure and risk asset ratio (NBS-7) within the stipulated period.

Place: New Delhi
Date: 28th May, 2016

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

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 auto Finance Private Ltd. on the financial statements for the year ended 31 March 2016, we report that:

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

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

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

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

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

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

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

iv. According to the information and explanations given to us, the company have complied with the provisions of section 185 and 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 31stMarch 2016.

(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 .

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. The term loans have been applied for the purpose for which they were raised.

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: New Delhi
Date: 28th May, 2016

"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 Auto Finance Private Limited.

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

We have audited the internal financial controls over financial reporting of Ess kay Auto Finance Private Limited ("the Company") as of March 31, 2016 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, 2016, 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: New Delhi
Date: 28th May, 2016

Notes To Financial Statements For The Year Ended On March 31,2016

1. CORPORATE INFORMATION

Ess Kay Auto Finance 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.

During the Financial Year 2015-16, the company reaches an assets size of 500 crores or above and Pursuant to notification no - DNBR (PD) CC.No.055/03.10.119/2015-16 , the Company has attained the status of the Systemically Important (NBFC-ND-SI).

1.1 Change in Accounting Policy:

- **CHANGE IN OVERDUE INTEREST ESTIMATION**

During the year, the company has changed the estimation of Overdue Interest from booking the interest on all standard assets (overdue for less than 90 days) to interest income for less than 75 days. Pursuant to the aforesaid change, income of overdue interest is reduced by Rs.1,57,41,762 and profit and loss before tax by Rs.157,41,762.

- **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. 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.

Particulars	F.Y. 2014-2015
a. Standard Assets	
Upto 4 months	0.25% of outstanding amount
More than 4 months upto 6 months	5.00% of outstanding amount
b. Substandard Assets	
Upto 6 month	25.00% of outstanding amount
More than 6 months upto 12 months	50.00% of outstanding amount
More than 12 months upto 18 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.

Pursuant to the aforesaid change the provision has been increased by Rs. 58,17,223 /-and interest income has been reduced by Rs. 62,88,645/-, consequently the profit and loss has been decreased by Rs.1,21,05,868/-.

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,2014, 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 payment is 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 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 FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction and include amount added on allocation of pre-operative expenses less depreciation.The cost comprise purchase price and directly attributable cost of bringing the assets to its working condition for the intended use.

2.5 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.

2.6 DEPRECIATION/AMORTIZATION

Depreciationon tangible fixed assets has been provided on straight line method on the basis of useful life specified in schedule II of the Companies Act.2013.

Intangible assets are amortized over a period of three years.

Assets whose cost is under Rs. 5,000 has been fully depreciated in the year of acquisition.

2.8 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.

2.9. 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 or 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.

2.10. 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.

2.11 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 Accounting Standards - 22,"Accounting for taxes on Income"specified under section 133 of the Companies Act, 2013 ("the Act"), read with rule 7 of Companies (Accounts) Rules, 2014.

2.12 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.

2.13 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.

2.14 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

2.15 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 Accounting Standards-17 "Segment Reporting". The Company operates only in India hence it has only one geographical segment viz. India.

2.16 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.

2.17 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.

2.18 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.

2.19 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. 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.

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.

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

BALANCE SHEET AS AT 31ST MARCH-2016

S. No.	PARTICULARS	NOTE NO.	AMOUNT AS AT 31-Mar-2016	AMOUNT AS AT 31-Mar-15
I 1	**Equity And Liabilities**			
	Shareholder`s Funds			
	Share Capital	3	32,235,500	32,235,500
	Reserves And Surplus	4	707,492,272	587,384,605
	Total (1)		**739,727,772**	**619,620,105**
2	**Non-Current Liabilities**			
	Long Term Borrowings	5	2,261,469,212	1,492,085,332
	Other Long-term Liabilities	6	5,051,377	9,714,065
	Deferred Tax Liabilities (Net)		-	-
	Long-term Provisions	7	19,880,063	12,811,781
	Total (2)		**2,286,400,652**	**1,514,611,178**
3	**Current Liabilities**			
	Short Term Borrowings	8	733,082,729	165,039,249
	Other Current Liabilities	9	1,457,194,302	1,538,257,515
	Short Term Provisions	7	35,382,677	27,489,221
	Total (3)		**2,225,659,708**	**1,730,785,985**
	TOTAL(1+2+3)		**5,251,788,132**	**3,865,017,268**
II 1	**Assets**			
	Non-current Assets			
	Fixed Assets			
	I) Tangible Assets	11	49,773,246	34,061,555
	Ii) Intangible Assets	11	1,911,401	594,826
	Non-Current Investments	10	-	9,280,886
	Deferred Tax Assets (Net)	12	17,697,256	11,825,772
	Long-term Loans And Advances	16	2,435,959,729	1,679,222,450
	Other Non-curren T Assets	13	33,687,974	41,597,635
	Total (1)		**2,539,029,606**	**1,776,583,124**
2	**Current Assets**			
	Trade Receivables	14	12,248,165	4,862,814
	Cash And Bank Balance	15	263,651,550	247,593,158
	Short-term Loans And Advances	16	2,216,036,809	1,615,428,442
	Other Current Assets	17	220,822,002	220,549,730
	Total (2)		**2,712,758,526**	**2,088,434,144**
	Total (1+2)		**5,251,788,132**	**3,865,017,268**

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
Ess Kay Auto Finance 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 : 28th May 2016

ANNUAL REPORT 2015 -16

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st March 2016

S. No.	PARTICULARS	NOTE NO.	AMOUNT AS AT 31-Mar-2016	AMOUNT AS AT 31-Mar-15
	REVENUE			
I	Revenue from Operations	18	1,105,272,613	851,427,960
II	Other Income	19	52,576,317	34,708,420
III	TOTAL REVENUE (I+II)		**1,157,848,930**	**886,136,380**
IV	**EXPENSES:**			
	Employee Benefit Expenses	20	179,541,912	103,658,718
	Finance Cost	21	484,143,935	407,291,011
	Depreciation And Amortization Expenses	22	8,684,425	7,303,756
	Provisions and bad debts written off	23	43,602,174	39,611,102
	Other Expenses	24	255,994,274	190,803,399
V	**TOTAL EXPENSES**		**971,966,720**	**748,667,986**
VI	**PROFIT BEFORE TAX (III-V)**		**185,882,210**	**137,468,394**
VII	**TAX EXPENSE**			
	(1). CURRENT TAX		71,644,577	52,904,646
	(2). EARLIAR YEARS TAX		-	-
	(3). DEFERRED TAX		(5,871,484)	(5,886,533)
VIII	**PROFIT AFTER TAX**		**120,109,117**	**90,450,281**
XVI	EARNING PER EQUITY SHARE	25		
	(1). BASIC		593	447
	(2). DILUTED		444	334

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
Ess Kay Auto Finance 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 : 28th May 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

S. No.	PARTICULARS	AMOUNT AS AT 31-Mar-2016		AMOUNT AS AT 31-Mar-15	
1	**Cash Flow Arising From Operating Activities:**				
	Net profit before tax as per p&l a/c		185,882,210		137,468,394
	Adjustment For:				
	Depreciation and Amortisation		8,684,425		7,303,756
	Provisions on Advances		11,384,812		14,829,147
	Loss on sale of Fixed Assets		179,670		(37,097)
	Bad Debts		32,217,362		24,781,955
	Operating Profit Before Working Capital Changes		**238,348,479**		**184,346,155**
	Adjustment For Changes In Working Capital				
	(Increase) / decrease in trade receivables		(7,385,351)		(2,246,697)
	(Increase) / decrease in short term loans and advances		(632,825,729)		(382,565,147)
	(Increase) / decrease in long term loans and advances		(756,737,279)		(218,385,220)
	(Increase) / decrease in other non -current assets		7,909,661		(12,597,635)
	(Increase) / decrease in other current assets		(272,272)		(88,369,845)
	Increase / (decrease) in other current liability		11,640,026		12,062,211
	Increase / (decrease) in other long term liabilities		(4,662,688)		2,039,035
	Increase / (decrease) in other short term provision		624,394		85,932
	Increase / (decrease) in other long term provision		4,724,134		1,229,605
	Increase / (decrease) in deposits		(4,893,303)		(6,935,883)
2	**Cash Generated From Operations Before Tax**		(1,143,529,928)		(511,337,489)
	Net Taxes Paid	**(73,416,179)**	(73,416,179)	**(57,314,763)**	(57,314,763)
	Net Cash Flows From Operating Activities (A)		**(1,216,946,107)**		**(568,652,252)**
	Cash Flow Arising From Investing Activities:				
	Inflow/ (outflow) on account of:				
	(Increase) / Decrease of Investments		9,280,886		-
	Purchase of Fixed Assets		(27,559,562)		(17,092,544)
	Sale of Fixed Assets		1,667,201		185,000
	Net Cash Flow In Cases Of Investing Activities (b)		**(16,611,475)**		**(16,907,544)**
3	**Cash Flow Arising From Financing Activities**				
	Secured non Convertible Debentures		(39,689,268)		425,000,000
	Share application money		-		-
	Long term Borrowings (Net of Repayments)		716,368,710		153,888,635
	Short term Borrowings (net)		568,043,480		22,955,208
	Corporate dividend tax paid		(251)		(204)
	Net Cash Flow In Cases Of Financing Activities (c)		**1,244,722,671**		**601,843,639**
	Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)		11,165,089		16,283,843
	Cash and cash equivalent as at the beginning of the year		42,460,347		26,176,504
	Cash And Bank Balance At The End Of The Year As Per Books		53,625,436		42,460,347
	Less bank deposit not considered as cash or cash equivalent As defined in AS-3		-		-
	Net Cash Or Cash Equivalent As Defined In AS-3		**53,625,436**		**42,460,347**
	Summary of significant accounting policies The accompanying notes are an integral parts of the financial Statements As per our report of even date	**2.1**			

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

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

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

Place : Jaipur
Date : 28th May 2016

NOTES TO FINANCIAL STATEMENTS

3	SHARE CAPITAL:	AMOUNT AS AT 31-Mar-2016		AMOUNT AS AT 31-Mar-15	
	Particulars	**Number**	**Amount**	**Number**	**Amount**
	Authorised				
	Equity Shares of 100/- each				
	Opening	450,000	450,000,000	450,000	450,000,000
	Additions	-	-	-	-
	Deductions	-	-	-	-
	Closing	**450,000**	**45,000,000**	**450,000**	**45,000,000**
	Preference shares of Rs. 100/ each	125,000	12,500,000	125,000	12,500,000
	Opening	-	-	-	-
	Additions Deductions	-	-	-	-
	Closing	125,000	12,500,000	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	-	-	-	-
	Deductions	-	-	-	-
	Closing	**202,415**	**20,241,500**	**202,415**	**20,241,500**
	Preference shares of Rs. 100/ each				
	Opening	119,940	11,994,000	119,940	11,994,000
	Additions	-	-	-	-
	Deductions	-	-	-	-
	Closing	119,940	119,940	119,940	119,940
	Total	**322,355**	**32,235,500**	**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. Holder of CCPS can opt to convert its shares into equity shares in the ratio of 0.57 to 0.72 Equity shares for each preference shares, any time after March 31, 2013 or on final conversion date i.e. end of 7th year from the date of issue or any day after the end of seven year as mutually agreed but such date cannot exceed beyond 19 years from closing date. The converted shares shall rank pari passu with preference level of existing equity shares.

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

	As at 31st March 2016		As at 31 March 2015	
Name of Shareholder	No. Of Shares Held	% of Holding	No. Of Shares Held	% of Holding
Equity Shares				
Rajendra Kumar Setia	99,880	49.34%	99,880	49.34%
Shalini Setia	99,768	49.29%	99,768	49.29%
Preference Shares				
BanyanTree Growth Capital LLC	119,940	100%	119,940	100%

NOTES TO FINANCIAL STATEMENTS

No.	Particular	As at 31st March 2016	As at 31 March 2015
4	**RESERVE & SURPLUS:**		
A	**SECURITIES PREMIUM RESERVE**		
	Balance as per the last financial Statements	245,622,404	245,622,404
	Additions during the year Closing Balance	-	-
		245,622,404	**245,622,404**
B	**STATUTORY RESERVE**		
	Balance as per the last financial Statements	68,331,323	50,241,267
	Additions during the year	24,021,823	18,090,056
	Closing Balance	**92,353,146**	68,331,323
C	**SURPLUS/ (DEFICIT)IN THE STATEMENT OF PROFIT AND LOSS**		
	Balance as per last financial Statement	273,430,878	201,338,029
	Add: Profit for the Year	120,109,117	90,450,281
	Less : Appropriations		
	Dividend	1,199	1,199 204
	Tax on Dividend	251	18,090,056
	Transfer to Statutory Reserve	24,021,823	265,973
	Adjustment of carrying amount of the tangible assets in accordance with schedule II of the Companies Act, 2013	-	
	Net Surplus/ (deficit)in the Statement of Profit and loss	**369,516,722**	**273,430,878**
	Total Reserve and Surplus	**707,492,272**	**587,384,605**
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.		

No.	LONG TERM BORROWINGS	Non Current Portion		Current Maturities	
5	Particular	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
A	**DEBENTURES**				
	Secured Redeemable Non Convertible Debentures (Refer Note No 6.3)	361,144,168	400,833,334	134,166,564	134,166,666
	Unsecured Redeemable Non Convertible Debentures (Refer Note 6.4)	165,000,000	165,000,000	-	-
	Total (A)	**526,144,168**	**565,833,334**	**134,166,564**	**134,166,666**
B	**LOANS**				
	Secured				
	From Banks (Refer Note No 6.1)	979,613,841	774,096,426	932,687,161	570,736,717
	From others (Refer Note No 6.2)	55,711,203	152,155,572	152,231,766	306,886,546
	unsecured loans Loan From Others***	700,000,000	-	-	300,000,000
	Total(B)	**1,735,325,044**	**926,251,998**	**1,084,918,927**	1,177,623,263
	TOTAL(A+B)	**2,261,469,212**	**1,492,085,332**	**1,219,085,491**	1,311,789,929
	Secured	1,396,469,212	1,327,085,332	1,219,085,491	1,011,789,929
	Unsecured	865,000,000	165,000,000	-	300,000,000
	Total	**2,261,469,212**	**1,492,085,332**	**1,219,085,491**	**1,311,789,929**
	Less Amount disclosed under the head Other current Liabilities	-		(1,219,085,491)	(1,311,789,929)
	Total Reserve and Surplus	**2,261,469,212**	**1,492,085,332**	**-**	-

***Unsecured loans from others contains an amount of Rs 20 crores (P.Y. - NIL) which is a Tier II capital which is in accordance with the guidelines issued by RBI

NOTES TO FINANCIAL STATEMENTS

No.	SCHEDULE OF SECURED TERM LOAN FROM BANKS	Non Current Portion		Current Maturities	
5.1	Particular	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	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 first charge over book Debts/ receivables which are not more than 30 days overdue and bank lien on FDR to the extent of 10% total outstanding of the bank and personal guarantees of Mr. Rajendra Kr. Setia, Mrs. Shalini Setia, Mr. Arjun das Setia Directors of the company.	-	16,412,872	16,101,880	36,291,238
	RATNAKAR BANK LTD (Term Loan - II) The loan is repayable in 36 monthly installments of Rs. 2,777,777.77/- each excluding interest from 14.10.2013 i.e. the next month after disbursement . The Loan is secured against the exclusive hypothecation first charge over specific book Debts/ receivables which are not more than 30 days over due and bank lien on FDR to the extent of 10% total outstanding of bank and personal guarantees of Mr. Rajendra Kumar Setia, Mrs. Shalini Setia, Mr. Arjun Das Setia Directors of the company.	-	16,666,664	16,666,667	33,333,336
	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 i.e. next fourth month after disbursement . The Loan is secured against the exclusive hypothecation first charge over specific book Debts/ receivables which are not more than 30 days overdue and bank lien on FDR with bank to the extent of 10% total outstanding of the bank and personal guarantees of Mr. Rajendra Kumar Setia, Mrs. Shalini Setia, Mr. Arjun Das Setia Directors of the company.	24,999,997	58,333,330	33,333,336	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 to the extent of 133% of the sanctioned limit.. 5% Cash Margin by way of Fixed Deposit on outstanding balance of Term Loan to be lienmarked for the facility. and Personal Guarantee of Mr. Rajendra Setia, Ms Shallnl Setia directors of the company.	22,500,000	-	45,000,000	-
	BANK OF INDIA The loan is repayable in 36 monthly installments comprising first 35 installments of Rs. 2,778,000/- being last installment of Rs. 2,770,000/- excluding interest from May 2014. The loan is secured against the exclusive hypothecation of specific book Debts/ receivables which are not more than 30 days overdue and cash collateral of Rs. 15,000,000/- and personal guarantees of Mr. Rajendra Kumar Setia and of Mrs. Shalini Setia, Directors of the company.	2,770,000	36,106,000	33,336,000	33,336,000
	HDFC BANK LTD (Term Loan - II) The loan is repayable in 24 monthly installments of Rs.2,374,743/- each including interest from 07.06.2013. The Loan is secured against the exclusive hypothecation over book Debts/ receivables which are not more than 30 days overdue and personal guarantee of Mr. Rajendra Kumar Setia, Director of the company.	-	-	-	4,673,931
	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 exclusive hypothecation over book Debts/ receivables which are not more than 30 days overdue and personal guarantee of Mr. Rajendra Kumar Setia, Director of the company	-	24,397,114	24,397,114	53,551,886
	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 exclusive hypothecation over book Debts/ receivables which are not more than 30 days overdue to the extent of 1.33 times and personal guarantee of Mr. Rajendra Kumar Setia, Shalini Setia and Arjun Das Setia Director of the company.	86,013,900	-	46,308,415	-

NOTES TO FINANCIAL STATEMENTS

SCHEDULE OF SECURED TERM LOAN FROM BANKS	Non Current Portion		Current Maturities	
Particular	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
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 the exclusive hypothecation charge over book Debts/ receivables and Cash collateral of Rs. 13,100,000/- and personal guarantees of Mr. Rajendra Kumar Setia, Mr. Arjun Das Setia, Mrs. Shalini Setia Directors of the company along with Mr. Raj Kumar Setia, Mrs. Bhajan Devi Setia, Mr. Sanjay Agarwal.	-	24,400,000	24,400,000	33,600,000
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 01.05.2014. The Loan is secured against the Exclusive first charge over the book debts/ receivables and personal guarantees of Mr. Rajendra Kumar Setia, Mr. Arjun Das Setia, and Mrs. Shalini Setia Directors of the company alongwith Mr. Raj Kumar Setia, Mr. Sanjay Agarwal, Mr. Ashish Acharya.	-	49,200,000	49,200,000	50,400,000
IDBI BANK LIMITED (Term Loan - III) The loan is repayable in 36 equal monthly installments of Rs. 27,77,777.77 /- each excluding interest from 01 Dec.2015. The Loan is secured against the exclusive hypothecation first charge over specific standard book Debts/ receivables upto 1.33 times and personal guarantees of Mr. Rajendra Kumar Setia, Mrs. Shalini Setia director of the company and Arjun Das Setia Ms Bhajan Das Setia.	55,555,564	-	33,333,324	-
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 i.e. six month after disbursement of the loan. The Loan is secured against the exclusive charge on the receivables and personal guarantees of Mr. Rajendra Kumar Setia, Mr. Arjun Das Setia, Mrs. Shalini Setia, Directors of the company.	40,000,000	124,000,000	84,000,000	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 i.e. six month after disbursement the Loan is secured against the exclusive charge on the receivables and personal guarantees of Mr. Rajendra Kumar Setia, Mr. Arjun Das Setia and Mrs. Shalini Setia, Directors of the company.	74,850,000	124,950,000	50,100,000	25,050,000
CENTRAL BANK OF INDIA (Term Loan - I) The loan is repayable in 36 monthly installments of Rs. 2,777,778/- excluding of interest from 30.09.2014. The Loan is secured against the hypothecation of exclusive first charge over book Debts/ receivables which are not more than 30 days overdue and bank lien on FDR of Rs. 15,000,000/- with bank and personal guarantees of Mr. Rajendra Kumar Setia, Mrs. Shalini Setia, Mr. Arjun Das Setia Directors of the company.	13,888,664	47,213,872	33,333,336	33,333,336
CENTRAL BANK OF INDIA (Term Loan - II) The loan is repayable in 36 monthly installments of Rs. 2,777,778/- excluding of interest from 30.09.2014. The Loan is secured against the hypothecation of exclusive first charge over book Debts/ receivables which are not more than 30 days overdue and bank lien on FDR of Rs. 15,000,000/- with bank and personal guarantees of Mr. Rajendra Kumar Setia, Mrs. Shalini Setia, Mr. Arjun Das Setia Directors of the company.	13,888,664	47,213,872	33,333,336	33,333,336
THE SOUTH INDIAN 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 22.03.2015 i.e. the three month after disbursement. The Loan is secured against the exclusive hypothecation first charge over specific book Debts/ receivables both present and future on standard assets portfolio and personal guarantees of Mr. Rajendra Kumar Setia and Mrs. Shalini Setia Directors of the company.	25,300,000	58,500,000	33,200,000	33,200,000

NOTES TO FINANCIAL STATEMENTS

SCHEDULE OF SECURED TERM LOAN FROM BANKS	Non Current Portion		Current Maturities	
Particular	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
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 i.e. the three month after disbursement . The Loan is secured against the exclusive hypothecation first charge over specific book Debts/ receivables and personal guarantees of Mr. Rajendra Kr. Setia and Mrs. Shalini Setia Directors of the company.	25,299,754	58,503,694	33,200,000	33,200,000
STATE BANK OF INDIA The loan is repayable in 12 equal quarterly installments of Rs. 1,25,00,000 each excluding interest from April, 2015 The Loan is secured against the exclusive hypothecation first charge over specific standard book Debts/ receivables and bank lien on FDR pledged with bank to the extent of 10% of the loan amount and personal guarantees of Mr. Rajendra Kumar Setia, Mrs. Shalini Setia and Arjun Das Setia Directors of the company.	37,495,397	87,494,915	50,000,000	50,000,000
STATE BANK OF PATIALA The loan is repayable in 84 equal monthly installments of Rs. 15,322/- inclusive of interest from 01.06.2014 The loan is secured against hypothecation of car and personal guarantee of Mr. Rajendra Kumar Setia Managing Director of the company.	595,612	704,093	108,430	100,318
TAMILNAD BANK The loan is repayable in 36 equal Monthly installments of Rs. 27,77,777 /- each excluding interest from May 2016. The Loan is secured against the exclusive hypothecation first charge over specific standard book Debts/ receivables upto 1.33 times of out standing and the personal guarantees of Mr. Rajendra Kumar Setia, Mrs. Shalini Setia Directors of the company.	66,666,676	-	33,333,324	-
ORIENTAL BANK OF COMMERCE The loan is repayable in 12 equal quarterly installments of Rs. 1,66,66,667/- each excluding interest from April-2016.The Loan is secured against the exclusive hypothecation first charge over specific standard book Debts/ receivables 1.20 times of loan amount and personal guarantees of Mr. Rajendra Kumar Setia, Mrs. Shalini Setia Directors of the company.	133,333,332	-	66,666,668	-
BANK OF MAHARSTRA The loan is repayable in 12 quarterly installments of Rs. 2,08,33,334/- excluding interest from October.2015. The Loan is secured against the exclusive hypothecation first charge over specific standard book Debts/ receivables OF 1.33 times of loan amount and and personal guarantees of Mr. Rajendra Kumar Setia, Mrs. Shalini Setia and Arjun Das Setia Directors of the company.	103,958,288	-	83,333,332	-
KARUR VYSYA BANK (TERM LOAN) The loan is repayable in 12 quaterly installments of Rs 1,25,00,000/- excluding interest from 31.03.2016.The Loan is secured against the exclusive hypothecation first charge over specific standard book Debts/ receivables OF 1.33 times which are not overdue by 30 days and personal guarantee of Mr Rajendra Kr Setia, Mrs Shalini Setia, directors of the company.	87,500,000	-	50,000,000	-
South Indian Bank ltd The loan is repayable in 15 quaterly installments of Rs 33,34,000/- excluding interest from 23.08.2016. The Loan is secured against the exclusive hypothecation first charge over specific standard book Debts/ receivables OF 1.25 times and personal guarantee of Mr Rajendra Kr Setia, Mrs Shalini Setia,directors of the company.	39,998,000	-	10,002,000	-
State Bank of Bikaner & Jaipur The loan is repayable in 12 equal quarterly installments of Rs. 1,25,00,000/- each excluding interest from April .2015. The Loan is secured against the exclusive hypothecation first charge over specific standard book Debts/ receivables and bank lien on FDR pledged with bank to the extent of 10% of the loan amount and personal guarantees of Mr. Rajendra Kumar Setia, Mrs. Shalini Setia and Arjun Das Setia Directors of the company.	49,999,992	-	25,000,000	-
Lakshmi Vilas Bank The loan is repayable in 12 quaterly installments of Rs 83,33,333/- excluding interest from August 16 The Loan is secured against the exclusive hypothecation first charge over specific standard book Debts/ receivables1.33 times and personal guarantee of Mr Rajendra Kr Setia, Mrs Shalini Setia directors of the company.	75,000,001	-	24,999,999	-
TOTAL	979,613,841	774,096,426	932,687,161	570,736,717

*** Note : Range of rate of interest • The interest rate subsisting as on March 2016 from banks is in the range between 10.40 % to 13.85%

NOTES TO FINANCIAL STATEMENTS

5.2	SCHEDULE OF SECURED TERM LOAN FROM BANKS	Non Current Portion		Current Maturities	
	Particular	**31-Mar-16**	**31-Mar-15**	**31-Mar-16**	**31-Mar-15**
	SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)	16,620,00	33,300,000	16,680,000	16,680,000
	HINDUJA LEYLAND FINANCE LTD.	35,369,345	-	14,630,655	-
	RELIANCE CAPITAL LIMITED				
	Loan Account No 1	-	-	-	18,215,707
	Loan Account No 2	-	-	-	24,627,436
	AU Financiers India Limited	-	84,238,608	84,238,607	181,114,272
	Loan Account No 1				
	IFMR Capital Finance Pvt Ltd.				
	Loan Account No 3	-	-	-	7,362,375
	Loan Account No 4	-	-	-	25,845,295
	BMW Financial Services	3,721,858	-	2,065,289	-
	Sundaram Finance Ltd	-	34,616,964	34,617,215	33,041,461
	Total	**55,711,203**	**152,155,572**	**55,711,203**	**306,886,546**

Loan from SIDBI is repayable in 54 monthly installments comprising first 53 installments of Rs.1,390,000/- each and last installment of Rs. 1,330,000/- excluding interest from 29.10.2013. The Loan is secured against the hypothecation of exclusive first charge over book Debts/ receivables which are not more than 30 days overdue and personal guarantees of Mr. Rajendra Kumar Setia, Mrs. Shalini Setia, Mr. Arjun Das Setia Directors of the company.

The loan from Hinduja Leyland is repayable in 36 Monthly installments of Rs 0.16 Cr including interest from April 2016 The Loan is secured against the exclusive hypothecation first charge over specific standard book Debts/ receivables OF 1.10 times.

Loan no. 1 of Reliance Capital Ltd is repayable in 24 equal monthly installments of Rs. 2,396,631/- including interest from 01.12.2013. The Loan is secured against the exclusive hypothecation first charge over book Debts/ receivables which are not more than 90 days overdue, cash collateral @ 10% of the finance amount and personal guarantees of Mr. Rajendra Kumar Setia and Mrs. Shalini Setia Directors of the company.

Loan no. 2 of Reliance Capital Ltd is repayable in 24 equal monthly installments of Rs. 2,396,631/- including interest from 01.03.2014. The Loan is secured against the exclusive hypothecation first charge over book Debts/ receivables which are not more than 90 days overdue, cash collateral @ 10% of the finance amount and personal guarantees of Mr. Rajendra Kumar Setia and Mrs. Shalini Setia Directors of the company.

Loan from AU Financiers (India) Pvt Ltd is repayable in 36 equal monthly installments of Rs. 17,516,866/- including interest from 23.09.2013. The Loan is secured against the hypothecation of exclusive first charge over book Debts/ receivables which are not more than 90 days overdue and personal guarantee of Mr. Rajendra Kumar Setia, Managing Director of the company and the interest rate can be reset by lender on 01.04.2014 and every six moths thereafter.

Loan from IFMR Capital is repayable in 24 equal monthly installments comprising 23 installments of Rs. 976,000/- and last installment of Rs. 969,010/- including interest from 30.12.2013. The Loan is secured against the exclusive first hypothecation charge over book Debts/ receivables that meet the portfolio origination criteria and cash collateral security @ 7.50% and personal guarantee of Mr. Rajendra Kumar Setia Director of the company .

Loan from IFMR Capital is repayable in 12 equal monthly installment comprising first 11 installments of Rs.4,487,000/- and last installments of Rs. 4,478,608/- including interest from 30.10.2014. The Loan is secured against the hypothecation of specified book Debts/ receivables and personal guarantees of Mr. Rajendra Kumar Setia, Director of the company.

Loan from BMW Financiers is repayable in 36 monthly installments comprising first installment of Rs.1,98,535/- and balance 35 installments of Rs. 2,10,226/- including interest from 23.10.2015. The Loan is secured against the hypothecation of specified book debts/ receivables and personal guarantees of Mr. Rajendra Kumar Setia, Mrs. Shalini Setia and Mr. Arjun Das Setia Directors of the company.

Loan from Sundaram Finance is repayable in 36 monthly installments comprising first installment of Rs.3,360,200/- and balance 35 installments of Rs. 3,373,000/- including interest from 28.03.2014. The Loan is secured against the hypothecation of specified book debts/ receivables and personal guarantees of Mr. Rajendra Kumar Setia, Mrs. Shalini Setia and Mr. Arjun Das Setia Directors of the company.

*** Note : Range of rate of interest

The interest rate subsisting as on March 2016 from Financial Institutions is in the range between 9.11 % to 15.75%

NOTES TO FINANCIAL STATEMENTS

5.3	SCHEDULE OF SECURED TERM LOAN FROM BANKS	Non Current Portion		Current Maturities	
	Particular	**31-Mar-16**	**31-Mar-15**	**31-Mar-16**	**31-Mar-15**
	Redeemable Secured Non Convertible Debentures from Kotak Mahindra (International) Ltd.	-	27,500,000	27,499,898	27,500,000
	From FMO (Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V)	266,666,668	373,333,334	106,666,666	106,666,666
	NCD from Essential Capital Consortium B.V.	94,477,500	-	0	-
	Total	**361,144,168**	**400,833,334**	**134,166,564**	**134,166,666**

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 27,500,000/- 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 exclusive first charge over book Debts/ receivables to the extent of 125% of outstanding principal and shall not be more than 30 days overdue and personal guarantee of Mr. Rajendra Kumar Setia Director of the company.

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 31.05.2015 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 to the extent of 120% of outstanding principal or 100% of outstanding principal plus future interest which ever is higher.

The Company had issued and allotted 188955 , 12.05% Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 500/- each, aggregating up to Rs. 9,44,77,500/- on 21.12.2015 which's interest is payable semi-annually on 05th may and 05th Nov of and first redemption date being 05th Feb 2019 and the final redemption date 05th May 2019. The NCD's are secured against the hypothecation of exclusive first charge over book debts/ receivables to the extent of 110% of outstanding principal.

5.4	SCHEDULE OF SECURED TERM LOAN FROM BANKS	Non Current Portion		Current Maturities	
	Particular	**31-Mar-16**	**31-Mar-15**	**31-Mar-16**	**31-Mar-15**
	Unsecured Non Convertible Debentures From Banyan Tree Growth Capital LLC	165,000,000	165,000,000	-	-
	Total	**165,000,000**	**165,000,000**		

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.165,000,000/- on 15.10.2012, which are redeemable on fifth anniversary date i.e. 15.10.2017 and were privately placed.

The aggregate amount of loan guaranteed by directors as on 31.03.2016 Rs. 3,33,08,26,598/- (as on 31.03.2015 Rs. 1,968,110,099/-)

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.

6	OTHER LONG TERM LIABILITIES	Non Current Portion		Current Maturities	
	Particular		**31-Mar-16**		**31-Mar-15**
	Unrealised Gain on Loan transers under Securitization transactions (refer note no. 31 (c))		5,051,377		9,714,065
	Total		**5,051,377**		**9,714,065**

NOTES TO FINANCIAL STATEMENTS

		LONG TERM		SHORT TERM	
7	**PROVISIONS**				
	Particular	**31-Mar-16**	**31-Mar-15**	**31-Mar-16**	**31-Mar-15**
	PROVISIONS FOR EMPLOYEES BENEFITS				
	Gratuity	5,031,515	3,960,536	1,328,990	1,134,316
	Leave Encashment	7,920,080	4,266,925	1,425,193	995,520
	OTHER PROVISIONS	-	-	-	1,771,602
	Provision for Income Tax(Net of Advance Tax)	-	-	1,199	1,199
	Proposed Dividend on Preference Shares	-	-	251	204
	Provision for Dividend distribution Tax	12,666	10,526	4,073,684	3,030,132
	Contingent Provisions on other Advances				
	PROVISION ON ASSETS (Refer Note 24.3)	6,915,802	4,573,794	9,717,252	4,758,592
	on Standard assets	-	-	18,836,108	15,797,656
	on Sub standard, Doubtful and Loss assets				
	SUB TOTAL	**19,880,063**	**12,811,781**	**35,382,677**	27,489,221
	Total	**19,880,063**	**12,811,781**	**35,382,677**	**27,489,221**

8	**SHORT - TERM BORROWINGS:**				
	Particular		**As at 31-Mar-16**		**As at 31-Mar-16**
	SECURED LOANS FROM BANKS (CASH CREDIT)		733,082,729		165,039,249
	Total		**733,082,729**		**165,039,249**

Loan from IDBI bank is secured against Exclusive Charge on receivables in respect of loans disbursed and is personally guaranteed by Mr. Rajendra Kumar Setia, Mr. Arjun Das Setia & Mrs. Shalini Setia. It is further secured against collateral security of Equitable Mortgage of immovable properties in owned by Mr. Raj Kumar Setia, Mrs. Shalini Setia, Mr. Arjun Das Setia . In addition to guarantee from the directors it is also personally guaranteed by Mr.Sanjay Agarwal, & Mrs. Bhajan Devi Setia and Corporate guarantee from Star Auto Lounge (P) Ltd.

Loan from SBBJ is secured against First exclusive charge on Hypothecation of book debts in respect of loans disbursed and are guaranteed personally by Mr. Rajendra Kumar Setia, Mr. Arjun Das Setia & Mrs. Shalini Setia Director of the company along with Mrs. Bhajan Devi Setia. It is further secured against collateral security of Equitable Mortgage of immovable property in name of Mr. Arjun Das Setia and Mrs. Bhajan Devi Setia and lien on FDR of Rs.10,000,000/-. Book debts shall not be overdue by more than 90 days.

Loan from Bank of Maharashtra is secured against exclusive charge on receivables and are guaranteed personally by Mr. Rajendra Kumar Setia, Mr. Arjun Das Setia & Mrs. Shalini Setia. Book debts shall not be overdue by more than 90 days.

Loan from State Bank of Patiala is secured against first exclusive Hypothecation charge on loans receivables and collateral security of Lien on FDR of Rs. 15,000,000/- and is guaranteed personally by Mr. Rajendra Kumar Setia, Mr. Arjun Das Setia & Mrs. Shalini Setia. Book debts shall not be overdue by more than 90 days.

Loan from Indian Overseas bank is secured against Exclusive Hypothecation charge on standard loan receivables and is guaranteed personally by Mr. Rajendra Kumar Setia, Mr. Arjun Das Setia & Mrs. Shalini Setia. It is further secured against lien on Rs. 20,000,000/- and book debts shall not be overdue by more than 90 days.

Loan from Bank of India is secured against the exclusive hypothecation of specific book debts/ receivables and collateral security of lien on FDR of Rs. 52,500,000/- and personal guarantees of Mr. Rajendra Kumar Setia and of Mrs. Shalini Setia, Directors of the company.

*** Note : Range of rate of interest

The interest rate subsisting as on March 2016 from banks is in the range between 12.20 % to 13.25%

NOTES TO FINANCIAL STATEMENTS

9	**OTHER CURRENT LIABILITIES**				
	Particular		**As at 31-Mar-16**		**As at 31-Mar-15**
	Current Maturities of Long term Debts		1,219,085,491		1,311,789,929
	Interest Accrued but not due		48,990,433		36,914,102
	Interest Accrued and Due on Borrowings		-		493,768
	Unrealised Gain on Loan transfers under Securitization transactions (refer note no. 31 (c))		31,950,184		40,079,227
	Other Payable		90,603,466		95,698,833
	Employee Payable		4,892,735		4,520,617
	Expense Payable		15,583,191		12,362,302
	Current Account Balance (Book overdraft)		9,998,094		-
	Unearned Securitization income		9,581,332		19,072,047
	Other Advances		15,063,084		11,777,946
	Dividend Payable		3,597		2,398
	Statutory Dues Payables		11,442,695		5,546,346
	Total		**1,457,194,302**		**1,538,257,515**
10	**NON-CURRENT INVESTMENTS:**				
	Particular		**As at 31-Mar-16**		**As at 31-Mar-15**
	Investment in Pass-Through Certificates(PTC`s)		-		9,280,886
	Total		**1,457,194,302**		**1,538,257,515**

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 03-Mar-2016**	**At 03-Mar-2015**
TANGIBLE ASSETS										
Furniture and fixture	21,294,19	10,004,99	-	**31,299,18**	3,244,595	2,445,640.0	-	**5,690,235**	25,608,949	18,049,59
Vehicles Office	9,826,126	7,991,000	3,182,18	**14,634,94**	2,573,924	1,511,425.0	1,381,30	**2,704,044**	11,930,897	7,252,202
Equipments	5,906,198	2,311,253	54,74	**8,162,702**	1,646,043	1,340,195.2	12,959	**2,973,279**	5,189,423	4,260,15
Computers	12,549,246	5,400,976	84,000	**17,866,222**	8,049,64	2,852,399.0	79,800.00	**10,822,244**	7,043,978	4,499,601
Building	-	-	-	-	-		-	-	-	-
Assets Dep 100%	-		-	-	-	-	-	-	-	-
TOTAL	**49,575,76**	**25,708,22**	**3,320,934**	**71,963,04**	**15,514,20**	**8,149,659**	**1,474,064**	**22,189,80**	**49,773,246**	**34,061,55**
PREVIOUS YEAR	**34,116,70**	**16,502,55**	**1,043,49**	**49,575,76**	**8,886,891**	**7,119,979**	**492,663**	**15,514,20**	**34,061,555**	**25,229,812**
INTANGIBLE ASSETS	2,002,771	1,851,341	-	3,854,112	1,407,945	534,766	-	1,942,711	1,911,401]	594,826
Software	**2,002,771**	**1,851,341**	-	**3,854,112**	**1,407,945**	**534,766**	-	**1,942,711**	1,911,401	**594,826**
TOTAL	**1,381,780**	**620,991**	-	**2,002,771**	**1,224,168**	**183,777**	-	**1,407,945**	**594,826**	157,612
PREVIOUS YEAR										
Grand Total	**51,578,53**	**27,559,56**	**3,320,934**	**75,817,16**	**16,922,15**	**8,684,425**	**1,474,064**	**24,132,51**	**51,684,647**	**34,656,38**
Previous Year	**35,498,483**	**17,123,544**	**1,043,494**	**51,578,533**	**10,111,059**	**7,303,756**	**492,663**	**16,922,152**	**34,656,381**	**25,387,424**

***Adjustment of carrying amount of the tangible assets of Rs. 402,928/- in accordance with schedule II of the Companies Act, 2013**

NOTES TO FINANCIAL STATEMENTS

12 DEFERRED TAX ASSETS (NET):

Particular	As at 31-Mar-16	As at 31-Mar-15
Deferred Tax Liabilities		
Difference between Book and tax depreciation	1,427,572	1,269,894
Gross Deferred tax Liabilities	**1,427,572**	**1,269,894**
Deferred Tax Asset		
Provision on Loans and Advances	13,689,372	9,575,221
Other Expenses	5,435,456	3,520,445
Gross Deferred Tax Assets	**19,124,828**	**13,095,666**
Net Deferred Tax Assets	**17,697,256**	**11,825,772**

13 OTHER NON CURRENT ASSETS

Particular	As at 31-Mar-16	As at 31-Mar-15
PRELIMINARY EXPENSES	-	-
FIXED DEPOSIT		
Term Deposits under lien for Borrowing	15,000,000	22,500,000
Term Deposits under lien for Securitization / Assignment	18,687,974	19,097,635
Total	**33,687,974**	**41,597,635**

14 TRADE RECEIVABLE

Particular	As at 31-Mar-16	As at 31-Mar-15
(Unsecured considered Good)		
(1) Outstanding for a period less than six months from the date of due for payment	12,248,165	4,862,814
(2) Outstanding for a period more than six months from the date of due for payment	-	-
Total	**12,248,165**	**4,862,814**

15 CASH & BANK BALANCES:

Particular	As at 31-Mar-16	As at 31-Mar-15
(a) CASH AND CASH EQUIVALENTS		
Cash on Hand	34,485,641	23,900,856
Balances with bank in current Accounts	19,139,795	18,559,491
(b) OTHER BANK BALANCES		
Term Deposits under lien for Borrowings	192,449,842	186,132,811
Term Deposits under lien for Securitisation / Assignment	17,576,272	19,000,000
Total	**263,651,550**	**247,593,158**

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

Particular	As at 31-Mar-16	As at 31-Mar-15
-Upto 3 months maturity from date of acquisition	-	-
-Upto 12 months maturity from date of acquisition	193,878,479	111,838,750
-Maturity more than 12 months but within one year from the reporting date	16,147,635	93,294,061
Shown as Current Assets	**210,026,114**	**205,132,811**
-Maturity more than 12 months but after one year from the reporting date	33,687,974	41,597,635
Shown as Non-current Assets	**33,687,974**	**41,597,635**
Total	**243,714,088**	**246,730,446**

NOTES TO FINANCIAL STATEMENTS

16 LOANS & ADVANCES:

Particular	Non Current		Current	
	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-16	As at 31-Mar-15
LOAN & ADVANCES				
(Unsecured considered good)				
Related Party	-	-	4,573,861	4,175,394
Advance to staff	-	-	1,621,245	1,379,000
Other Advances	4,222,119	4,210,400	31,982,340	20,646,107
Security Deposits (Against assignment)	-	-	-	4,928,669
Interest Only strip (I/O) strip under securitisation transactions (refer note no. 31 (c))	5,051,377	9,714,065	31,950,184	40,079,227
Security Deposits (others)	7,018,435	4,865,175		
Other Statutory Receivables	2,513,460	2,315,460	1,351,104	3,654,661
Secured Advances	111,887,038	67,437,908	28,835,511	17,039,224
Retained interest under Securitisation / Assignment Transactions				
LOAN (Secured Against Hypothecation of Vehicles etc.)				
Standard	2,305,267,300	1,590,679,442	2,033,925,481	1,479,455,426
Sub Standard	-	-	81,682,854	41,620,989
Doubtful	-	-	114,229	2,449,745
Total	**2,435,959,729**	**1,679,222,450**	**2,216,036,809**	**1,615,428,442**

17 OTHER CURRENT ASSETS:

Particular	As at 31-Mar-16	As at 31-Mar-15
Prepaid Expenses	1,093,312	738,382
Unamortised Borrowing cost & Servicing Fees	24,152,656	25,577,076
Income Accrued but not received	195,576,034	194,234,272
Total	**220,822,002**	**220,549,730**

18 Revenue from Operations

Particular	As at 31-Mar-16	As at 31-Mar-15
Revenue		
Interest on Hypothecation of Assets	914,444,518	698,569,297
Income from Assignments	84,392,732	61,872,521
Total Revenue	**998,837,250**	**760,441,818**
Other Operating Revenue		
Interest from Margin Money Deposits Income from	25,868,937	29,788,142
Processing and other charges	80,566,426	61,198,000
Total Other Operating Revenue	**106,435,363**	**90,986,142**
Total	**1,105,272,613**	**851,427,960**

19 OTHER INCOME:

Particular	As at 31-Mar-16	As at 31-Mar-15
Income from Insurance Support Services	46,072,382	27,216,233
Commission	-	-
Loans Written off recovered	6,430,140	7,262,144
Misc Income	73,795	230,043
Total	**52,576,317**	**34,708,420**

NOTES TO FINANCIAL STATEMENTS

20 EMPLOYEE BENEFITS EXPENSE

Particular	As at 31-Mar-16	As at 31-Mar-15
Salary and Wages	166,181,891	97,314,239
Contribution to Provident and Other Funds	9,545,075	3,546,733
Staff Welfare Expenses	3,814,946	2,797,746
Total	**179,541,912**	**103,658,718**

21 FINANCIAL COSTS:

Particular	As at 31-Mar-16	As at 31-Mar-15
Interest		
To Bank	272,562,467	198,743,962
To Others	202,386,368	199,915,137
Other Borrowing Costs	9,195,100	8,631,912
Total	**484,143,935**	**407,291,011**

22 DEPRECIATION AND AMORTZATION EXPENSE:

Particular	As at 31-Mar-16	As at 31-Mar-15
Depreciation of Tangible Fixed Assets	8,149,659	7,119,979
Amortization of Intangible Assets	534,766	183,777
Total	**8,684,425**	**7,303,756**

23 Provisions and Bad Debts written off

Particular	As at 31-Mar-16	As at 31-Mar-15
Bad Debts	32,217,362	24,781,955
Total Bad debts (A)	**32,217,362**	**24,781,955**
Provision for NPA	3,038,452	11,974,042
Provision for Standard Assets	7,300,668	3,430,764
Contingent Provisions for other Advances	1,045,692	(575,659)
Total Provisions (B)	**11,384,812**	**14,829,147**
Total (A+B)	**43,602,174**	**39,611,102**

24 OTHER EXPENSES:

Particular	As at 31-Mar-16	As at 31-Mar-15
Rent Rates & Taxes	17,760,429	12,952,607
Commission & Brokerage	67,620,383	45,144,004
Advertisement & Publicity	3,165,144	995,685
Travelling & Conveyance	11,070,529	7,731,757
Repair & Maintenance	2,283,730	2,546,195
Legal & Professional Charges	44,843,355	36,493,540
Printing & Stationery	3,947,394	3,210,713
Audit Fees	1,465,035	300,000
Postage & Telegram	2,092,707	1,377,915
Electricity & Water	3,904,892	2,240,413
Telephone Expenses	4,511,983	3,048,453
Office expenses	13,362,782	5,088,947
Collection Expenses	25,618,120	18,755,919
Business Promotion Exp.	15,566,986	10,013,093
Rebate & Claim	35,621,348	38,944,158
CSR Expenses (Refer note 35)	2,979,787	1,960,000
Loss on Sale of Fixed Assets	179,670	-
Total (A+B)	**255,994,274**	**190,803,399**

NOTES TO FINANCIAL STATEMENTS

24.1 PAYMENT TO AUDITORS

Particular	As at 31-Mar-16	As at 31-Mar-15
As Auditor		
Audit Fees	1,000,000	500,000
Tax Audit Fees	-	-
In Other Capacity		
Limited Review	250,000	-
Certification and other services	200,000	-
Reimbursement of Expenses	15,035	4,994
Total	**1,465,035**	**504,994**

24.2 MOVEMENT OF NPA's

	Particular	As at 31-Mar-16	As at 31-Mar-15
i)	Net NPA's as to Advances (%)	1.42%	0.91%
ii)	Movement of NPA's (Gross)		
	a) Opening balance	44,070,734	7,647,228
	b) Addition during the year	78,981,384	43,048,596
	c) Reduction during the year	41,255,035	6,625,090
	d) Closing balance	81,797,083	44,070,734
iii)	Movement of Net NPA's		
	a) Opening balance	28,273,078	3,823,614
	b) Addition during the year	61,924,670	27,555,177
	c) Reduction during the year	27,236,773	3,105,713
	d) Closing balance	62,960,975	28,273,078
iv)	Movement of provision for NPA's		
	a) Opening balance	15,797,656	3,823,614
	b) Provision made during the year	17,056,714	15,493,419
	c) Write-off / write-back of excess provisions	14,018,262	3,519,377
	d) Closing balance	18,836,108	15,797,656

The Company classifies non-performing assets (NPAs) at 5 months overdue and is compliant with the requirement for the financial year ending 31 March 2016. These provisioning norms are considered the minimum and additional provision is made based on perceived credit risk where necessary.

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 2016 and 31 March 2015.

24.4 Lease Payment

The Company has taken certain offices on cancellable operating lease. Minimum lease payments of Rs.1,36,23,441/- (PY Rs. 10,359,709/-) are charged to Statement of Profit & Loss during the year.

25 EARNING PER SHARE

Particular	As at 31-Mar-16	As at 31-Mar-15
Basic Earning Per Share	120,109,117	90,450,281
Net Profit available for Equity Shareholders	202, 415	202, 415
Weighted Average No of Equity Shares	**593**	**447**
Basic EPS		
Diluted Earning Per Share		
Weighted Average No of Equity Shares	202,415	202,415
Effect of Dilution	68,295	68, 295 270,
Weighted Average No of Equity Shares in Dilution	270,710	710
Weighted Average Diluted EPS	**444**	**334**
Total (A+B)	**43,602,174**	**39,611,102**

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. 9,545,075/- (Previous Year Rs. 3,546,733/-) towards the defined contribution plan.

b) **Defined benefits plans - as per actuarial valuation**

Particular	Gratuity Benefit Plan (Unfunded)		Leave Encashment Plan (Unfunded)	
	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-16	As at 31-Mar-15
Changes in Present value of benefit obligation				
Opening present Value of Obligation	5,094,852	6,323,531	5,262,445	2,718,229
Interest Cost	386,550	495,132	385,339	198,492
Current Service Cost	1,292,573	771,534	2,815,234	819,804
Past service Cost	-		-	-
Benefits Paid	(97,021)	-	(463,811)	(366,418)
Actuarial Gain / Loss	(316,449)	(2,495,345)	1,346,066	1,892,338
Closing present Value	**6,360,505**	**5,094,852**	**9,345,273**	**5,262,445**
Component of Employers Expense				
Current Service Cost	1,292,573	771,534	2,815,234	819,804
Interest Cost	386,550	495,132	385,339	198,492
Expected return on plan assets	-	-	-	-
Net actuarial Gain/ Loss recognise in the year	(316,449)	(2,495,345)	1,346,066	1,892,338
Past service Cost	-	-	-	-
Expenses recognised in P & L A/c	**1,362,674**	**(1,228,679)**	**4,546,639**	**2,910,634**
Movement in net liability recognised in balance sheet				
Opening net Liability	5,094,852	6,323,531	5,262,445	2,718,229
Expenses Recognised in P & L	1,362,674	(1,228,679)	4,546,639	2,910,634
Contribution	(97,021)		(463,811)	(366,418)
Closing Balance	**6,360,505**	**5,094,852**	**9,345,273**	**5,262,445**
Actuarial Assumptions				
Discount Rate	7.66%	7.83%	7.66%	7.83%
Salary Escalation rate	7.50%	7.50%	7.50%	7.50%
Withdrawal Rate	1%	1%	1%	1%

Gratuity

Particular	31-03-2016	31-03-2015	31-03-2014	31-03-2013	31-03-2012
Value of Obligation	6,360,505	5,094,852	6,323,531	3,370,014	2,444,050
Fair Value of Plan Assets	-	-	-	-	-
Balance Sheet Liability / (Asset)	6,360,505	5,094,852	6,323,531	3,370,014	2,444,050
P&L – (Income)/Expenses	1,362,674	(1,228,679)	2,953,517	925,964	586,107
Experience adjustment on Plan Liabilities (Gain) / Loss	(375,810)	(2,823,687)	1,850,301	211,093	(124,957)

Leave Encasement

Particular	31-03-2016	31-03-2015	31-03-2014	31-03-2013	31-03-2012
Value of Obligation	9,345,273	5,262,445	2,718,229	588,819	-
Fair Value of Plan Assets	-	-	-	-	-
Balance Sheet Liability/(Asset)	9,345,273	5,262,445	2,718,229	588,819	-
P&L –(Income)/Expenses	4,546,639	2,910,634	2,219,144	588,819	-
Experience adjustment on Plan Liabilities (Gain) / Loss	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.

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

B. Key Management Personne

Rajendra Kumar Setia	Managing Director
Arjun Das Setia (till 29.09.2015)	Director
Shalini Setia	Whole Time Director
Govind Saboo	Independent Director
Amar Chand Chug	Independent Director
Sanjeev Singhal	Nominee Director
Atul Arora	CFO
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	Daughter of A.D. Setia

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

• Setia Automobiles Pvt. Ltd	Brother of Rajendra Kumar Setia (Managing Director) is Director
• Sharma Brothers	Brother of Rajendra Kumar Setia (Managing Director) is Partner
• Saral Insurance Broking Private Limited	Father of Rajendra Kumar Setia (Managing Director) is Director
• Girdhar Lal M. Mohatta.	Father's Brother of Rajendra Kumar Setia (Managing Director) is Partner
• Govind Saboo & Sons	Director (Govind Saboo) 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
• Neel Kamal Finance	Sister of Rajendra Kumar Setia (Managing Director) is Proprietor
• Step In Cars Pvt. Ltd.	Brother of Rajendra Kumar setia (Managing Director) is Director
• 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
• Artha Sarthi India Private Limited	Director (Govind Saboo) is Director in Company

NATURE OF TRANSACTION		As at 31-Mar-16		As at 31-Mar-15
EXPENDITURE				
Salary	**Key Management Personnel**			
	Rajendra Kumar Setia	4,800,000		2,100,000
	Arjun Das Setia	600,000		1,200,000
	Shalini Setia	720,000		720,000
	Atul Arora	1,032,397		948,971
	Anagha Bangur	374,413		238,711
	Deepak Jain	-		1,500,000
	Relative of Key Management personnel			
	Sameer Arora	1,020,000		900,000
	Sanjeev Arora	476,086		457,626
	Deepika Dhingra	600,000		480,000
	Deepa Jain	-		1,000,000
	Key Management Personnel			
Sitting Fees	Amar Chand Chug	124,000		-
Provident Fund paid	Atul Arora	-		3,900
	Anagha Bangur	16,032		6,342
	Sanjeev Arora	20,904		
Insurance Expenses	**Key Management Personnel**			
	Rajendra Kumar Setia	429,000		-
Commission	**Relative of Key Management personnel**			
	Surendra Kumar Setia	591,000		526,365
	Raj Kumar Setia	20,000		33,575
	Raina Nagpal	327,691		-
	Enterprises under significant Influence			
	Shubham Leasing & Finance Co.	843,728		185,850
	V.R Financers	186,415		509,713
	Friend Software Services	686,875		120,000
	Neel Kamal Finance	869,366		924,386

NOTES TO FINANCIAL STATEMENTS

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	37,397		-
	Girdhar Lal M. Mohatta	283,106		246,961
Business Promotion	**Enterprises under significant Influence**				
	Chamunda Computers	141,500		-

Particular	Open Balance	Given	Taken	Interest	Closing
Advances Given					
Key Managerial Personnel					
Arjun Das Setia	-	17,016,000	16,658,888	376,285	733,397
Enterprises under significant Influence					
Step In Cars Pvt Ltd	-	14,505,398	14,620,668	115,270	-
Neel Kamal Finance	-	600,000	-	-	600,000
Diamond Capfin Pvt. Ltd.	4,000,894	347,420	885,150	377,300	3,840,464
Saral Insurance Broking Private Limited	174,500	74,000	248,500	-	-

28 CONTINGENT LIABILITY, CAPITAL AND OTHER COMMITMENTS

Particular		As at 31-Mar-16		As at 31-Mar-15
(a) Claims against the company not acknowledged as debt		-		-
(b) Guarantees		-		
Corporate Guarantee/ Corporate Undertaking on assignment of loan assets		-		-
Bank Guarantee given to Judicial Magistrate Class I for " Supurdgi" of vehicle no RJ 12 T 0253		86,491		80,000
Bank Guarantee given to President , DCF , Nagaur against legal matter of vehicle no RJ 21 GA 5066		7,500		
Income Tax deposited under protest		505,960		314,360
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 without recourse securitised vide PTC route, loan receivables of 2788 contracts (3533) amounting to Rs. 47,74,89,631/- (P.Y. Rs. 541,175,560/) for a consideration of Rs. 47,74,89,631/- (Rs. 541,175,560/-) and de-recognised the assets from the books.

b. During the year, the company has without recourse assigned loan receivables of 3077 contracts (P.Y. 1348 contracts) amounting to Rs. 51,91,34,211/- (P.Y. Rs. 232,822,018/-) for a consideration of Rs. 453204167/- (P.Y. Rs 219,380,716/-) 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 & 20) and equivalent amount of Unrealised gain has been recognised as liabilities (refer note no. 7 & 11)

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 2016 and 31 March 2015.

NOTES TO FINANCIAL STATEMENTS

S. No.	Particular	No. / Amount
1	No of SPVs sponsored by the NBFC for securitisation transactions	5
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	458,525,216
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	36,135,609
	(Cash collateral term deposits with banks)	
	* Others	98,898,636
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	

f 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	6
2	Total amount outstanding	418,239,130
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	41,823,913
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 and has initiated appropriate legal actions against the individuals involved.

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	2015-16	2014-15
CRAR (%)	20.12%	19.70%
CRAR-Tier- I Capital (%)	14.60%	17.06%
CRAR-Tier- II Capital (%)	5.52%	2.64%
Amount of subordinated debt raised as Tier-II capital (Rs. in Lacs)	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, 2016 and March 31, 2015

33.3 Exposure to Capital Market

The company does not have any direct or indirect exposure to capital market during the year ended on March 31, 2016 and March 31, 2015

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 2016 and 31 March 2015.

33.5 Unsecured Advances

Particulars	As at 31st March 2016		As at 31st March 2015	
	Non Current	Current Maturities	Non Current	Current Maturities
1. Unsecured Advances	4,222,119	36,556,201	4,210,400	24,821,501

The Company has not given any unsecured advances against intangible securities such as charge over the right licenses, authority, etc. during the financial year ended 31 March 2016 and 31 March 2015.

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 : Rs 38,10,000/- (60,000 USD @ Rs 63.5 per USD)

35 CORPORATE SOCIAL RESPONSIBILITY

In line with the provisions of Section 135 of Companies Act 2013, the company was required to spend Rs 29,96,284/- towards CSR expenditure in the Financial Year 2015-16. However the company actually spent Rs. 5,72,050/- for the same.

CSR Project Or Activity Identified	Sector in which the project is covered	Amount spent on the projects or programs
Eradicating poverty, hunger, malnutrition, preventive health care programme, sanitation and making safe drinking water available.	Poor relief	36,000
Promoting education providing quality education initiatives or by financial assistance to the poor and needy students, vocational education, adult education programs. Eradicating hunger, poverty, malnutrition, preventive health care programme, sanitation and making safe drinking water available.	Education & Healthcare	411,050
Eradicating poverty, hunger, malnutrition, preventive health care programme, sanitation and making safe drinking water available.	Promoting & preventive healthcare programme	125,000
Total		**572,050**

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 2016 and 31st March 2015.

38 DETAILS OF RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Products	Date Of Rating Assigned	Rating Assigned	Previous rating
(a) Secured Debentures	March 28 , 2016	CARE BBB	CARE BBB
(a) Unsecured Debentures	March 28 , 2016	CARE BBB-	CARE BBB-
(c) Subordinated Term Loan	March 28 , 2016	CARE BBB-	N.A.
(d) Bank Loan Facility	March 28 , 2016	CARE BBB	CARE BBB

39 REMUNERATION OF NON- EXECUTIVE DIRECTORS

Name of Director	Nature Of Payment	Year Ended 31st March 2016	Year ended 31st March 2015
1. Mr. Amar Chand Chug	Sitting Fees	124,000	-

40 CONCENTRATION OF DEPOSITS, ADVANCES , EXPOSURES AND NPA'S

(Rs. in Lacs)

Particulars	As as 31st March 2016
1. Concentration of Advances	
Total advances to twenty largest borrowers	256.36
Percentage of advances to twenty largest borrowers to total advances	0.58%
2. Concentration of Exposures	
Total exposure to twenty largest borrowers/ customers	256.36
Percentage of exposures to twenty largest borrowers/ customers to total exposure on borrowers / customers	0.58%
3. Concentration of NPA's	
Total exposure to top four NPA accounts	24.02
4. Sector wise NPA	**% Of Npas To Total A Dvances In That Sector**
(i) Agriculture & allied activities	-
(ii) MSME	-
(iii) Corporate borrowers **	-
(iv) Services	-
(v) Unsecured personal loans	-
(vi) Auto loans	1.89%
(vii) Other personal loans	-
** Corporate borrowers are included in respective sectors	

41 DISCLOSURE OF COMPLAINTS / CUSTOMER COMPLAINT

Particulars	Year ended 31st March 2016
No. of complaints pending at the beginning of the year	-
No. of complaints received during the year	41
No. of complaints redressed during the year	41
No. of complaints pending at the end of the year	-

42 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. The Company has deposited an amount of Rs. 20,00,000 under protest against audit objection raised during service tax audit for the period 2009-10 to 2013-14. for non- payment of service tax on services rendered towards provision of collection of receivables and liquidity facilities in respect of Securitisation / Direct assignments. The company is hopeful that no such liability exist as pointed out by service tax department and no provision is considered appropriate.

c. Security deposit for assigned cases is maintained as cash collateral deposits with banks under lien with respective trustee.

d. 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.

e. 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, 2016 (P.Y. Nil)

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 Auto Finance 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 : 28th May 2016

ANNEX - SCHEDULE

Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company
[as required in terms of paragraph 13 of Non-Banking Financial Non-Deposit Accepting or Holding Companies Prudential Norms Reserve Bank Directions, 2007]

(Rs. in Lacs)

	Particulars		
	Liabilities Side:		
		Amount Outstanding	**Amount Overdue**
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	5136.81	
	: Unsecured	1787.52	
	(Other than falling within the meaning of public deposits*)	NIL	NIL
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans From bank	19291.7	NIL
	(d) Inter-corporate loans and borrowing	2079.43	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Other Loans (Specify nature)		
	Loan from: -		
	(i) Directors	0	NIL
	(ii) Shareholders	0	NIL
	(iii) CC Limit from Bank	7330.83	NIL
	(iv) Un Loan from Bank and Inst	0.00	NIL
	Assets Side:	**Amount Outstanding**	
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured		45617.13
	(b) Unsecured		407.79
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) tock 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		46,024.92
4	Break-up of Investments:		
	Current Investments:		
	1. Quoted:		
	(i) Shares: (a) Equity		
	(b) Preference		Nil
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (please specify)		
	2. Unquoted:		
	(i) Shares: (a) Equity		Nil
	(b) Preference		
	(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	Nil
	(iv) Government Securities	
	(v) Others (please specify)	
	2. Unquoted:	
	(i) Shares: (a) Equity	Nil
	(b) Preference	
	(ii) Debentures and Bonds	
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	

5	**Borrower group-wise classification of assets finances as in (2) and (3) above: Please see Note 2 below**			
	Category	**Amount Net Of Provisions**		
		Secured	**Unsecured**	**Total**
	1. Related Parties **			
	(a) Subsidiaries	0	0	0
	(b) Companies in the same group	0	0	0
	(c) Other related parties	0	45.74	45.74
	2. Other than related parties	45,617.13	362.04	45,979.17
	Total	**45617.13**	**407.78**	**46024.91**

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	**Nil**	**Nil**
	(c) Other related parties		
	2. Other than related parties		
	Total		

\	**** As per Accounting Standard of ICAI (Please see Note 3)**	
	(7) Other information	
	Particulars	**Amount**
1	**Gross Non-Performing Assets**	
	(a) Related Parties	NIL
	(b) Other than related parties	817.97
ii	**Net Non-Performing Assets**	
	(a) Related Parties	NIL
	(b) Other than related parties	629.61
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 Auto Finance 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 : 28th May 2016

ANNEX "A"

(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	8.78	5.94	9.50	24.02	118.34	97.96	0.00	0.00	264.54
Market Borrowings	2.20	7.57	2.26	5.19	11.41	108.19	20.00	0.00	156.83
Assets									
Advances	18.42	18.50	18.62	55.13	107.44	238.10	3.47	0.56	460.25
Investments	-	-	-	-	-	0.00	-		0.00

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

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

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

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

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

Sd/-
(Atul Arora)
Chief Financial Officer

Sd/-
(Anagha Bangur)
Company Secretary

Place : Jaipur
Date : 28th May 2016

FINANCE

Saath Aapke...Hamesha

ESS KAY AUTO FINANCE PVT. LTD.

CIN: U65923RJ1994PTC009051

Design by: OM7 Media

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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