

2017-18



**“Growth is never by mere chance
it is the result of forces
working together.”**

-James Cash Penney



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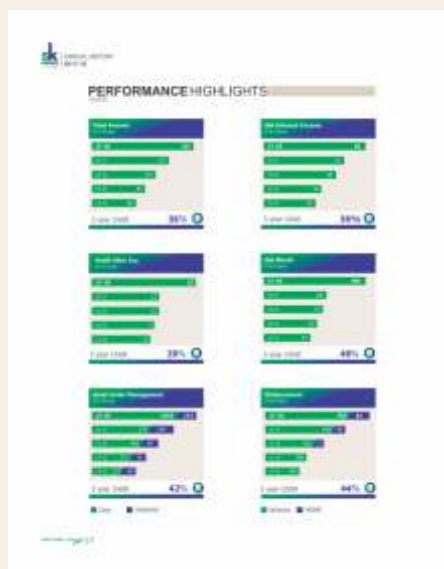
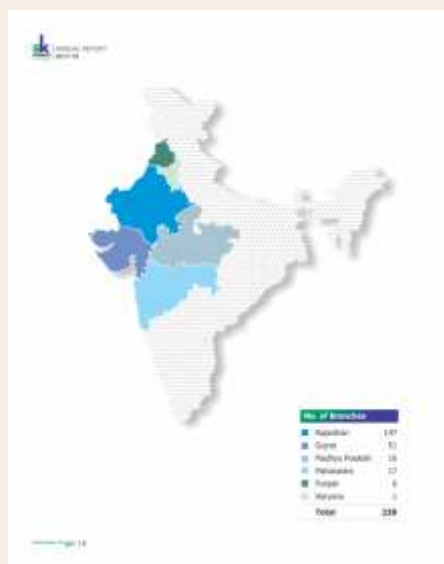
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BOARD OF DIRECTORS

Rajendra Kumar Setia

Managing Director

Shalini Setia

Whole Time Director

Sanjiv Singhal

Non-Executive-Nominee Director
(upto 30.12.2017)

Amar Lal Daultani

Non-Executive-Independent Director

Amar Chand Chug

Non-Executive-Independent Director
(upto 8.05.2018)

Anand Raghavan

Non-Executive-Independent Director

Rahul Bhasin

Non-Executive-Nominee Director
(upto 07.08.2018)

Munish Dayal

Non-Executive-Alternate Director

BOARD COMMITTEES

Audit Committee

Amar Lal Daultani
Munish Dayal
Anand Raghavan

Asset Liability Management Committee

Rajendra Kumar Setia
Shalini Setia
Anand Raghavan

CSR Committee

Rajendra Kumar Setia
Amar Lal Daultani
Anand Raghavan

Nomination & Remuneration Committee

Rajendra Kumar Setia
Amar Lal Daultani
Munish Dayal

Risk Management Committee

Rajendra Kumar Setia
Shalini Setia
Amar Lal Daultani

Executive Committee

Rajendra Kumar Setia
Shalini Setia
Atul Arora
Vivek Singh

IT Strategy Committee

Amar Lal Daultani
Anand Raghavan
Gajendra Sharma
Ritesh Kumar

Anagha Bangur
Company Secretary

Atul Arora
Chief Financial Officer

KEY MANAGEMENT TEAM

Sameer Arora

Head - North Zone

Ritesh Sharma

Head - West Zone

Vivek Singh

Head - Treasury

Harish Kumar Rao

Product Head - Commercial Vehicle

Amarpreet Singh Batra

Product Head - Machines

Mihir Vaishnav

Product Head - MSME

Rajeev Yadav

Head - Legal

Pankaj Sharma

Head - Credit & Risk

Ritesh Kumar

Head - Operations

Honey Jain

Head - Accounts

Anil Sharma

Head - Human Resource

Abhijit Sharma

Co-Head - Collection

Harendra Singh Rathore

Co-Head - Collection

Ashish Arora

Product Head - Two Wheeler

Gajendra Sharma

Chief Technology Officer

-PRIVATE EQUITY PARTNERS-

Norwest Venture Partners X – Mauritius

Invests in profitable, market leading companies that demonstrate exceptional growth potential. Their proven and repeatable research process for finding and evaluating investments allows us to uncover value creation opportunities that others might not see.

Baring Private Equity India AIF

Founded in 1984, funds advised invest in every major market outside the USA via seven regional fund groups with local investment advisors in Europe, Asia and Latin America. With approximately USD 18 billion in funds under management, Baring Private Equity International has one of the most extensive on-the-ground networks of any international private equity provider.

Evolve Co-Invest Fund

A leading India focused Private Equity platform for providing international investors with attractive returns within the private markets in India.

Karma Holdings Mauritius Limited

An investment holding company and is a subsidiary of Baring Private Equity Partners (India) Limited.

AUDITORS-

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-

Beacon Trusteeship Limited

4C & D, Siddhivinayak Chambers,
Gandhi Nagar, Bandra(E), Mumbai- 400051

Axis Trustee Services Limited

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

Catalyst Trusteeship Limited

(Erstwhile GDA Trusteeship Limited)
Office No. 1, 2, and 3; 4th Floor, Rehmatoolah 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

REGISTRAR & SECURITIES TRANSFER AGENT

Bigshare Services Pvt. Ltd.

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

-Registered Office-

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

-Corporate Office-

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

OUR VISION

To change lives of under served creditworthy self-employed individuals and small businesses in rural belt through host of financial services customized to fulfil their dreams by becoming most preferred financier offering credible, professional and customer centric services.

OUR MISSION

- Extend our sphere of influence through distinguished offerings leading to our customer's path to prosperity in the geographies in which we operate by reaching out to remotest areas.
- Accessibility through reaching out to people at bottom of the pyramid deprived of formal finance with non-banking habits and educate them about benefits of being part of formal system which will enables them to shape up a financially strong and inclusive society.
- In the spirit of Promoting entrepreneurial skills in rural and ultra rural areas ensuring avoidance of migration and bringing in social and economic prosperity to the region.
- Provide hassle free service by constantly reinventing the wheel through innovation and use of latest technology.

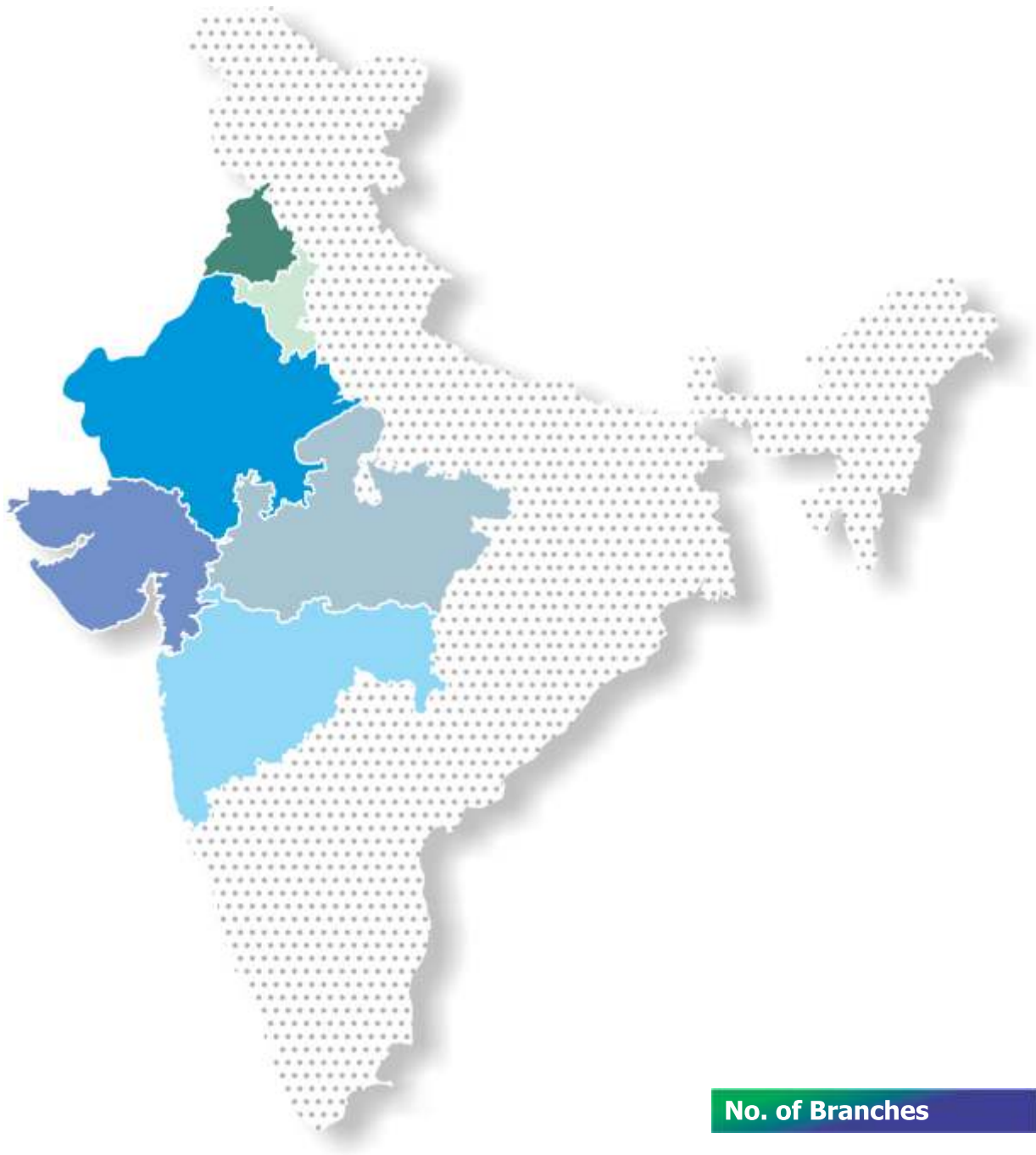
By adopting innovative approach we have mastered the art of measuring and validating credit worthiness of an individual by the very fact that “faith “ is the buzz word and have developed methodology to arrive at credit worthiness by scientific methods of evaluating scores and capturing credit history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

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

We work on the philosophy based on 3S i.e Speed, Simplicity & Sensitivity. Swift and simple loan processes through empathetic staff members make the monotonous loan processes, an easy ride.



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



No. of Branches		
■	Rajasthan	147
■	Gujrat	51
■	Madhya Pradesh	16
■	Maharastra	17
■	Punjab	6
■	Haryana	1
Total		238



Rajasthan

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

Rajasthan

- 53 HANUMANGARH
- 54 JAIPUR BRANCH
- 55 JAIPUR HARMADA
- 56 JAIPUR KHORA BHISAL
- 57 JAIPUR RURAL
- 58 JAIPUR TP NAGAR
- 59 JAIPUR VKI
- 60 JAITARAN
- 61 JALORE
- 62 JAMWA RAMGARH
- 63 JHALAWAR
- 64 JHUNJHUNU
- 65 JOBNER
- 66 JODHPUR
- 67 KALWAR
- 68 KEKRI
- 69 KHAJUWALA
- 70 KHANDELA
- 71 KHATU SHYAMJI
- 72 KHERWARA
- 73 KHETARI
- 74 KISHANGARH
- 75 KOLAYAT
- 76 KOTA
- 77 KOTPUTLI
- 78 KUCHAMAN CITY
- 79 KUCHERA
- 80 LALSOT
- 81 LAXMANGARH
- 82 LUNIYAWAS
- 83 LUNKARANSAR
- 84 MAHAJAN
- 85 MAKRAHA
- 86 MALPURA
- 87 MANDAL GARH
- 88 MANGALWAR
- 89 MANOHARPUR
- 90 MEHANDIPUR BALAJI
- 91 MERTA CITY
- 92 NAGAU
- 93 NAINWA
- 94 NARAYANPUR
- 95 NAWA
- 96 NAWALGARH
- 97 NEEM KA THANA
- 98 NEWAI
- 99 NIMBAHERA
- 100 NOHAR
- 101 NOKHA
- 102 OSIAN
- 103 PADAMPUR
- 104 PALI

Rajasthan

- 105 PALLU
- 106 PAOTA
- 107 PARBATSAR
- 108 PHAGI
- 109 PHALODI
- 110 PHULERA
- 111 PILIBANGA
- 112 PUGAL
- 113 RAISINGHNAGAR
- 114 RAJGARH
- 115 RAJSAMAND
- 116 RAMGANJMANDI
- 117 RAMGARH
- 118 RATANGARH
- 119 RAWATSAR
- 120 REENGUS
- 121 RENWAL
- 122 SADRI
- 123 SADULPUR
- 124 SAGWARA
- 125 SALUMBER
- 126 SARDARSHAHAR
- 127 SATTASAR
- 128 SHAHPURA
- 129 SHAHPURA-BHILWARA
- 130 SIKAR
- 131 SILVER SQUARE JAIPUR
- 132 SINGHANA
- 133 SIROHI
- 134 SITAPURA
- 135 SRI GANGANAGAR
- 136 SRI MADHOPUR
- 137 SRI VIJAYNAGAR
- 138 SUJANGARH
- 139 SUMERPUR
- 140 SURATGARH
- 141 THANAGAZI
- 142 THANWALA
- 143 TODA RAISINGH
- 144 TONK
- 145 UDAIPUR
- 146 UDAIPURWATI
- 147 VIRAT NAGAR

Gujarat

- 148 AHMEDABAD Rabari Colony
- 149 AHMEDABAD Shyamal
- 150 AMRELI
- 151 ANAND
- 152 BARDOLI
- 153 BAREJA
- 154 BARODA

Gujarat

- 155 BAYAD
- 156 BHARUCH
- 157 BHAVNAGAR
- 158 BODELI
- 159 BORSAD
- 160 BOTAD
- 161 DAKOR
- 162 DEESA
- 163 DEHGAM
- 164 DEODHAR
- 165 DEVGADH BARIA
- 166 DHANDHUKA
- 167 GANDHI NAGAR
- 168 GODHARA
- 169 HIMMAT NAGAR
- 170 IDAR
- 171 JAMKHAMBHALIYA
- 172 JAMNAGAR
- 173 JETPUR
- 174 JUNAGARH
- 175 KALOL
- 176 KATHLAL
- 177 LUNAWADA
- 178 MEHSANA
- 179 MODASA
- 180 MORBI
- 181 NADIAD
- 182 NAVSARI
- 183 PALANPUR
- 184 PATAN
- 185 PORBANDAR
- 186 RADHANPUR
- 187 RAJKOT
- 188 SANAND
- 189 SANTRAMPUR
- 190 SATLASANA
- 191 SURAT
- 192 SURENDRANAGAR
- 193 THARAD
- 194 UNA
- 195 VERAVAL
- 196 VIJAPUR
- 197 VIRAMGAM
- 198 VIS NAGAR

Madhya Pradesh

- 199 AGAR
- 200 BADNAGAR
- 201 DEWAS
- 202 DHAR
- 203 INDORE
- 204 JHABUA

Madhya Pradesh

- 205 KHANDWA
- 206 MANDSAUR
- 207 NEEMUCH
- 208 RATLAM
- 209 SEHORE
- 210 SENDHWA
- 211 SHAJAPUR
- 212 SHAMGARH
- 213 SHUJALPUR
- 214 UJJAIN

Maharashtra

- 215 AHMEDNAGAR
- 216 CHALISGAON
- 217 DHULE
- 218 JALGAON
- 219 MALEGAON
- 220 NARAYANGAON
- 221 NASHIK
- 222 PIMPARI
- 223 PUNE
- 224 SANGAMNER
- 225 SATANA
- 226 SATARA
- 227 SHIKRAPUR
- 228 SHIRPUR
- 229 SHRIRAMPUR
- 230 SINNAR
- 231 YEOLA

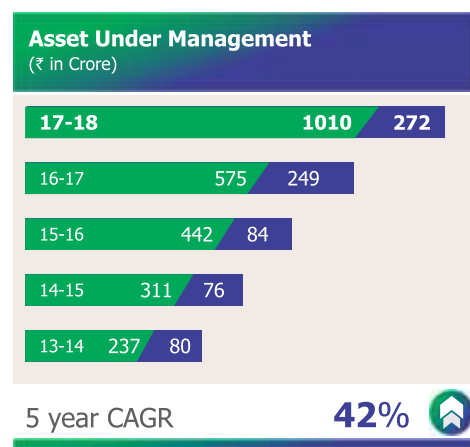
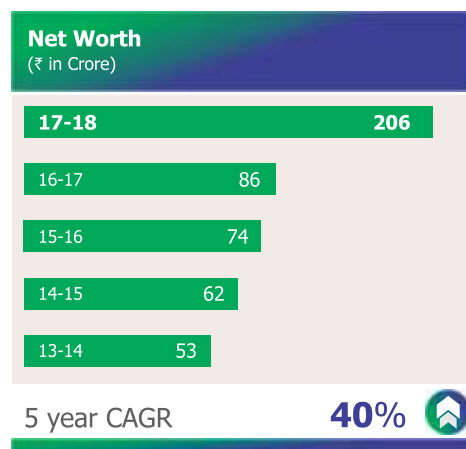
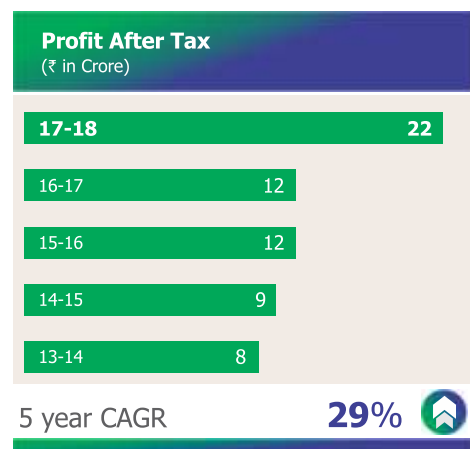
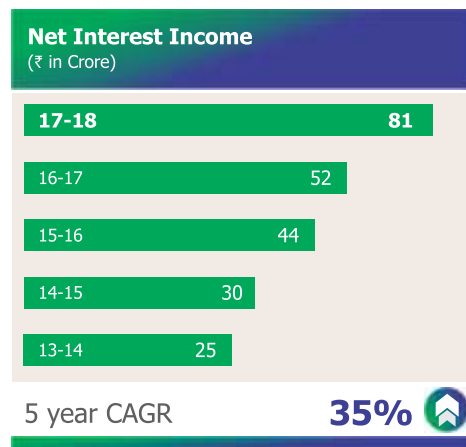
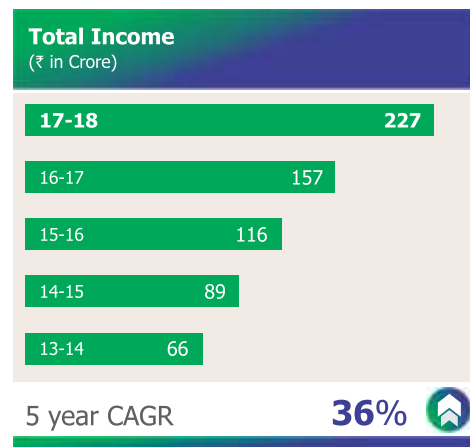
Punjab

- 232 ABOHAR
- 233 BATHINDA
- 234 FAZILKA
- 235 MALOUT
- 236 MUKTSAR
- 237 SARDULGARH

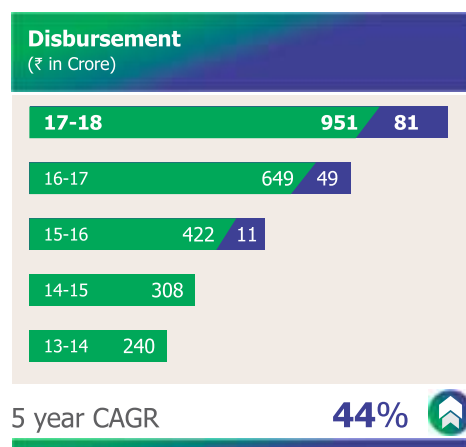
Haryana

- 238 MANDI DABAWALI

PERFORMANCE HIGHLIGHTS

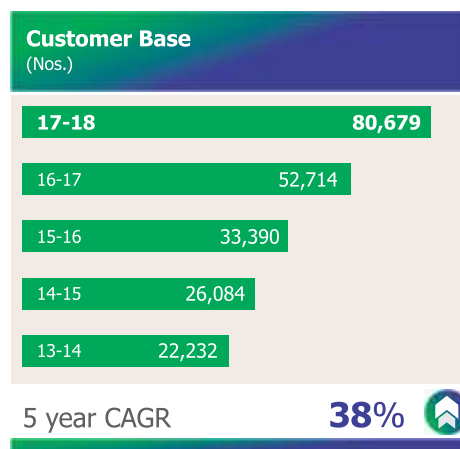
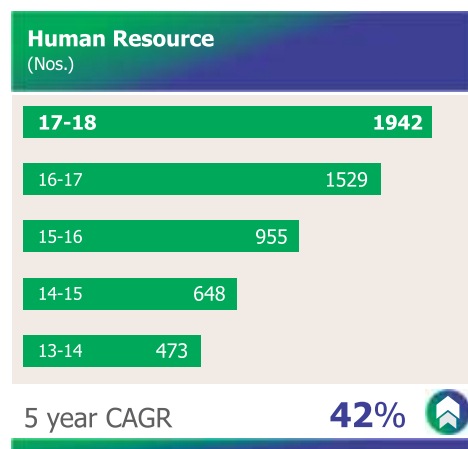
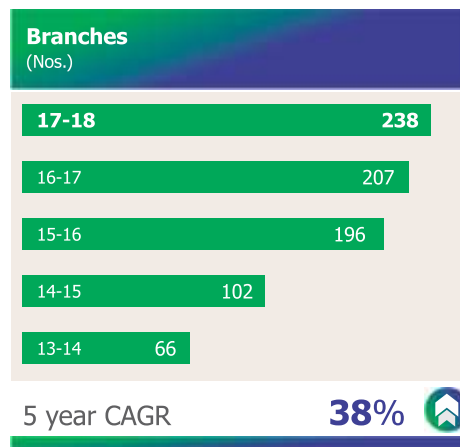
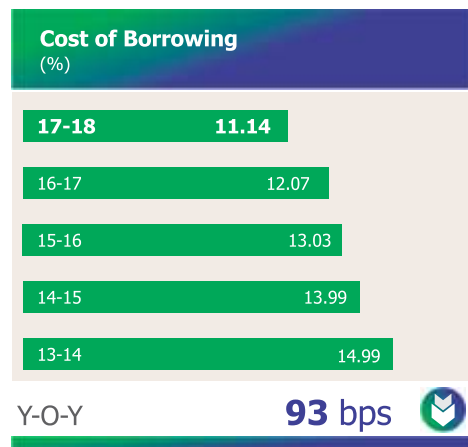


Own Assigned



Vehicles MSME

PERFORMANCE HIGHLIGHTS



OUR CREDITWORTHINESS

Credit Rating Agency	Jun-12	Dec-14	Jul-17	Mar-18	Jun-18
Care Ratings	BBB-; Stable	BBB; Stable	BBB+; Stable		"A-" with Stable Outlook
Brickworks	-	-	-	"A" with Stable Outlook	

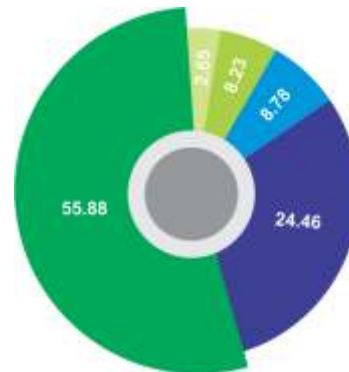
PERFORMANCE HIGHLIGHTS

AUM - ₹1,282 Cr.



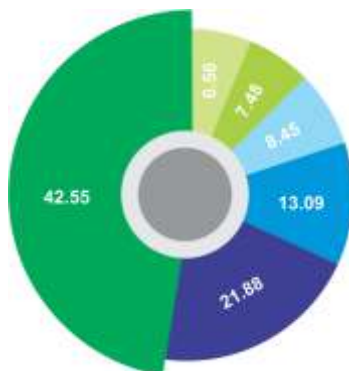
- Commercial Vehicle
- Car
- Two Wheeler
- Machines
- MSME

Shareholding Pattern (%)



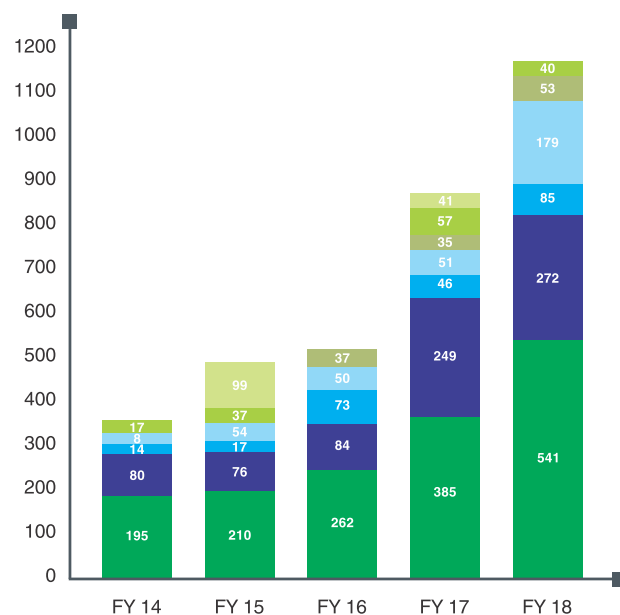
- Promoters
- Baring Private Equity India AIF
- Karma Holding Mauritius Limited
- Norwest Venture Partners X-Mauritius
- Evolve Invest I

Funding Basket (%)



- FI's
- Private Sector Bank
- Small Finance Bank
- Public Sector Bank
- Mutual Funds
- AIF's

Funding Pattern (₹ in Crore)



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

List of Banks & FI's



Message From Managing Director's Desk



Dear Stakeholders,

"I am happy to welcome you all to 24th Annual General Meeting of our Ess Kay Fincorp Limited. Your faith, belief and encouragement have warranted that we deliver and stand true to your expectations. Would also like to take this opportunity to sincerely thank you for your continued support which was pivotal force and an enabler in achieving various milestones through our journey. Ess Kay, was established with a profound sense of responsibility and optimism towards enabling vehicle ownership and a better lifestyle to the lower and middle income segment of the country. As your Company completed 24 years of its operations, it's very purpose of existence gets further fortified with the immense trust and conviction of its stakeholders and custodians. We value and recognise the importance of good corporate governance standards as they support long-term success and sustainability of our business. We strive to maintain a robust and effective governance framework which supports the application and execution of our strategy and remains consistent with our values. It gives me immense pleasure to share some of the key highlights of your company's performance for Fiscal Year ending March - 18 against increasing optimism within the economy.

During the calendar year gone by, hangover effect of two significant events having bearing on the overall economy i.e. demonetisation and GST implementation have now by and large settled. India as an economy with its inherent strength has not only come out unscathed but is also perceived as an oasis of growth leading from the front as a torchbearer of global growth. We are now officially sixth largest economy in the world and are on course to become 5th largest by the end of this fiscal. Our strategy of converging our business model in line with the momentum in the economy with explicit focus on concentrating our energy towards consumptions related sectors has paid off well which is even reflected not only in the growth of the company but also the asset quality. The basic premise on which your Company was founded or established was to create a product which serves the need of self-employed individuals and small businesses in India through a differentiated business model, newer technology, providing a large and unique opportunity. For past 24 years your company has played credible role in financial inclusion of thousands of first time users (FTUs) and driver-turned-owner (DTO) in rural and semi-urban areas by offering affordable finance on pre-owned commercial vehicles (CVs). We truly believe we have created a product which serves the need of self-employed individuals and small businesses in India. Traditional underwriting methods in India exclude majority of creditworthy individuals and SME's. It is this fundamental premise on which our business was built and we have a mission to bring a social impact in this segment. We cater to this under-served market by adopting an innovative approach and validating the creditworthiness of the individuals and small business. We do so by looking at variety of factors such as performance, stability, social net etc. instead of just focusing on financial history. Not only do we have modern underwriting methods, but we have also made our loan repayment extremely flexible by making it in tune with your business cycles. Behind the functioning of the organization, is the belief that each customer is an asset in the growth of our business. Over the years your company has created an "an ecosystem of empowerment" by expanding its products and services to encompass similar asset classes (pre-owned and new commercial and passenger vehicles, tractors, 2 wheelers, 3 wheelers, multi-utility vehicles, etc. Our aspirations go beyond becoming a larger robust financial institution. We strive to contribute actively to bring about social impact by serving the underserved through adoption of innovative approach and validating the creditworthiness of the individuals and small business finding difficult to bridge the gap between the potential and reality which can bring social inclusiveness within the country.

The Company has so far financed more than 85,000 self-employed individuals and MSMEs. Keeping in line with this

theme, your Company has been consistent in its strategy to transform itself into a unique retail financial services institution over the past 24 years. Within this journey we have built a business which spans across 6 states with branch network of 238 branches. The Company has established for itself a unique franchise where it has developed the capability to provide small ticket loans. 100% of the Company's rural & semi-urban customers financed have been in the average range of Rs. 2,50,000 with an average tenor of 36 – 48 months. These are difficult to originate, to manage, and to collect because of the relatively small ticket size. Further, the small size of EMI and quick run off makes it more challenging. Your Company is working on the means to improve its capabilities to manage these accounts in a sustainable way and retain them for any of their future requirements. I am confident that the Company will continue to grow its business at a compounded rate and such growth will translate into an abundant increase in profits going forward.

The year gone by has been a year of robust commercial momentum and significant strategic progress, with a strong financial performance that exceeded our initial expectations for profitability and cash generation. Niche focus on the small enterprises finance space and considerable presence in the last mile connectivity product segment have stood us in good stead. Brief highlights achieved by your company during the year are detailed below:

- Ess Kay continued to perform well which was even recognised by external rating agency. Our external credit rating was upgraded to A- (With Stable Outlook) by CARE Ratings and to "A" (stable) by Brickworks.
- We now are the largest retail franchisee in the NBFC space based out of Rajasthan.
- Our Assets under Management grew by 55.49% from 824.49 Crores in FY 2016-17 to 1281.49 Crores in FY 2017-18 driven by horizontal and vertical growth.
- Our revenues from operation have grown by 49.71% from 149.97 Crores in FY 2016-17 to 224.53 Crores by the end of FY 2017-18.
- Ess Kay has for the first time crossed annual disbursement of Rs. 1000 Crores with disbursement for FY 2017-18 standing at 1032.78 crores.
- Our story was acknowledged by leading market participants through primary equity infusion amounting to Rs. 100.00 Crores. Your company is now backed by Norvest Venture Partners, Barings India and Evolve which now cumulatively hold 44%.
- Profit after tax has increased by 78.5% from Rs. 12.30 Crore to Rs. 21.95 Crore.
- Capital Adequacy stood at 20.46% as of March 2018.
- Your company during the year has achieved its best ever

numbers on the asset quality front with GNPA and NNPA (own books) of 3.37% & 2.57% respectively. On AUM these numbers stood at 3.29% & 2.54% respectively.

- Further growth story of your company was also recognised by debt capital market participants wherein lot of Mutual Funds / AIF's have invested through NCD route thereby providing requisite diversification of the resource mix. Remarkably your company now deals with over 43 institutions including banks, mutual funds, domestic and international Financial Institutions which is very unique to our size. I am sincerely thankful to each and every one of these great institutions for extending their shoulders in building an institution that has great value addition to the social sector of this country mainly catering to under served segment.
- The footprint of the company has not only expanded but has also matured. Branch network of the company stood at 238 branches spanning across 6 states.
- The customer base of the company has grown to over 2,36,000 with active customer base of 80,679 as on March 31, 2018 as against customer base of 52,714 as on March 31, 2017.
- Binging upon technology holds the future. When we foresee the future of lending we were clear in our thought process that pure brick and mortar model unless combined with technology is unsustainable. At the very same time pure fintech model in isolation is also a disastrous recipe for the times in which we are operating. Recent history has already seen such examples such as orkut, gtalk, yahoo talk to name a few. However if we combine the strength of both the models by combining technology with brick and mortar model we can create one of the best in class competitive edge in the market. Future innovations will depend on how well human imagination can leverage the technological advantage. The management of your Company realized this fact and has been investing in technological up-gradation while also fine tuning existing infrastructure, systems and processes to ensure that those are in sync with the technology platforms. Recently Company has invested in technological up-gradation by shifting the existing software Jaguar to Finnone.

Outlook:

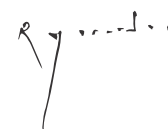
In the near term we feel that irrespective of the near term headwinds such as rise in crude oil prices, collateral damage in the form of depreciating currency on account trade war, rising US bond yields, hike in commodity prices across the board, growth in overall economy leading to rationalisation of inflows across segments have led to widening CAD, weaker rupee, higher inflation through import route and

rationalization of liquidity across sectors thereby resulting in tighter liquidity position and hardening of rates. If this new bout of rise in commodity prices, escalation of trade-war continues which combined with implications of MSP hike which is still to be panned out, there is significant probability of further hardening of rates which have partially been factored. However I am also crystal clear at the very same time that now NBFC is a mature industry regulated by far by one of the best regulator in the world. NBFCs will continue to grow in the near future while the public sector banks grappling with rising NPA's any which ways are creating enabling environment by ceding space. NBFCs have created their specialized niches and have also built a deeper reach into the suburban and rural India which is expected to be the growth driver for sector in years to come. As far as business risk is concerned we have requisite ecosystem which will propel our growth through continuance of our expansion spree horizontally and vertically by deepening our presence in existing asset class and geography. This expansion will further cement our positioning in the market while simultaneously enabling to provide better service quality. On the front of interest rate cycle we are still in the downward spiral as an entity and have an efficient team in place which provides me enough confidence that this trend will continue even in the near future.

Overall, it was another year of sustained high performance with considerable achievements across our business. None of this would have been possible without the dedication and determination of our team. And to keep on generating such superior performance year after year clearly demonstrates the execution strengths and capabilities of your Company's Management team. On your behalf, would like to take the liberty of acknowledging the tremendous efforts of our employees, who are our most important asset. Their dedication, intellect, hard work and deep sense of values is what differentiates and drives our company forward. I sincerely thank them all vide this letter. I would also like to thank all our stakeholders for reposing their faith in us and thank our regulators, for their constant support and guidance.

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

Thanking You



Mr. Rajendra Kumar Setia

TESTIMONIES

Norwest Venture Partners

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

Baring Private Equity India AIF

"Baring India is delighted to have partnered with Ess Kay Fincorp and continues to believe that the company presents an exciting growth opportunity in the asset backed retail lending and SME space. The year gone by has been a testimony to the cohesive strength of its management team, their in-depth knowledge of the local markets and commitment to profitable growth. With its long term investment approach, Baring India engages with its portfolio companies to help scale up operations, navigate the dynamic macro-environment and create solid sustainable businesses."

Rahul Bhasin,
Founder and Managing Partner, Baring Private Equity Partners India.

Evolve Co-Invest Fund I

Ess Kay Fincorp is one of the leading NBFCs in the used commercial vehicle segment in the country. The promoters, who are first generation entrepreneurs, have built a robust lending platform and bring with them solid understanding of the overall financing business. The company has to its credit a dominant market leadership, deep penetration into underserved customer segments and an extensive distribution network which provides opportunity for sustained growth.

Principal Mutual Fund

"Understanding the customer profile, and offering a customized solution through a well experienced team and an efficient distribution network, is what sets Ess Kay stand out in their market segment. The ability to underwrite underserved customers accessing credit for the first time and simultaneous capability of maintaining portfolio quality, speaks a lot about their capabilities. We at Principal Mutual Fund took some time to validate and understand the model before taking our first exposure in 2017 and look forward to be part of this exciting growth story".

Rajat Jain,
Chief Investment Officer, Principal Mutual Fund

RBL Bank Limited

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

Vincent Valladares,
Head of Commercial Banking, RBL Bank Limited

BOARD OF DIRECTORS



MR. RAJENDRA KUMAR SETIA
Managing Director

Mr. Rajendra Kumar Setia, the Managing Director of the company is having a wide experience of more than 2 decades in finance industry and vehicle finance. He is the promoter of the company. He is also the President of Rajasthan Finance Companies Association, institution for representing interest of finance companies in the State of Rajasthan. He is a first generation leader who has strong decision making skills and is a good mentor to the employees.



MS. SHALINI SETIA
Whole Time Director

Ms. Shalini Setia, Whole Time Director of the company is Co-promoter of the Company. She has 8 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. RAHUL BHASIN
Nominee Director

He is a Post-Graduate Diploma in Management (MBA) from the Indian Institute of Management, Ahmedabad having 25 years of global experience in Financial Services and banking industry . He served as Director / Chairman on the Board of Directors of various corporates, both public and private like Inditrade Capital Limited, Mphasis Hindustan Oil Exploration Company (HOEC) etc. He is also member of Baring International Board Member & Member of Baring Vostok PE Investment Committee.



MR. AMAR LAL DAULTANI

Independent Director

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



MR. ANAND RAGHAVAN

Independent Director

Mr. Anand Raghavan, a Chartered Accountant by Profession has over 30+ years of experience with different entities like Sundaram Finance & Ernst & Young LLP. He is currently serving as special advisor in Ernst & Young LLP along-with directorship in reputed organization such as MMTC Limited, Five Star Business Limited, Five Star Housing Finance Private Limited and Sterling Holiday Resort Limited.



MR. MUNISH DAYAL

Alternate Director

Mr. Munish Dayal, a Senior Partner with Barings Private Equity Partners India since May 2007. He heads the investment practice in Banking, Financial Services & Insurance (BFSI) and also serves as an Operating Partner. He has over 29 years of global experience in establishing and building businesses in the BFSI industry, having worked with Citigroup for 16 years as Managing Director across major markets (London, Europe, Singapore, Middle East, Africa, India). His roles ranged from global transaction services, risk management to asset-based finance, culminating as the Regional Head of SME and Retail mass markets for Asia Pacific.



Sameer Arora
Head-North Zone

Team Togetherness is strength & Asset management is portfolio Quality, Opportunities are tremendous but competition is equally intense. However we are indistinguishably geared to meet seen and unforeseen challenges.



Ritesh Sharma
Head-West Zone

Pushing boundaries defines what we can be! New frontiers has own set of challenges however with right combination of team cutting through ever challenging waves we are all set to climb any barrier and march towards success. "SKstances S & K (Seeking solutions and key to all financial problems).



Mihir Vaishnav
Product Head-MSME

We now have strategically placed requisite apparatuses covering most of business dynamics to occupy dominant space in our identified niche. Challenges include customer acquisition, retention, and steady expansion however MSME vertical will be contemporary from overall growth strategy.



Harish Rao
Product Head-Commercial Vehicle

"Our domain our forte"! when it comes to Refinance or used CV finance there is no better alternative than Ess Kay. Unorthodox USP's complimented by unconventional thought process has led our growth. Going forward we are buoyant on overall growth in CV space in turn reflecting in our journey.



Amarpreet Batra
Product Head-Machines

Our conviction stands on Agriculture Equipment stands reaffirmed by performance of our portfolio. Macro factors including gradual advancement through rural resurgence supported by Government policies, automation & technology will lead to superior prospects.



Pankaj Sharma
Head-Credit & Risk

Tranquility leads to prosperity! Risk is relative however can lead to commotion and be fateful. We have granularly identified and placed requisite mitigant's in place to alleviate any risk either foreseen or unforeseen covering all macro angles.



Harendra Singh Rathore
Co-Head - Collections

Empathy and discipline go hand in hand balancing each other. We as collections team at Ess Kay play a delicate and vital role of prudently bridging gap between credit discipline and current scenario of borrower by exhibiting supportive attitude building enhanced brand perception.



Abhijit Sharma
Co-Head - Collections

Dissimilar times diverse challenges in ever changing landscape defines scenario in our vertical. But we as a team with our customarily well composed balanced approach have arrived at this juncture.

OUR TEAM





Atul Arora
Chief Financial Officer

Change is permanent! With this philosophy in mind we at Ess Kay have been sprouting this attitude. In current environment one thing is evident that regulators have become proactive, it can be seen in compliance seeking regulators plugging gaps through regulatory interventions and oversight. Intent and Corporate governance is the key which has and will define us in the time to come.



Vivek Singh
Head-Treasury

Landscape is dynamic and change is inevitable! Evolve or Perish is the mantra defining the current macroeconomic environment. However our embryonic mindset embracing change has enabled us to adapt to the rapid alterations taking place for greater good involving temporary ache.



Anil Sharma
Head-Human Resources

"The quality of a leader is reflected in the standards they set for themselves."
-Ray Kroc.

In Ess Kay we believe in pushing boundaries through new frontiers, product, process etc. Primacy in identifying and retaining self-driven critical resource is foremost and we have been successful in achieving that goal.



Ritesh Kumar
Head-Operations

"Operations" honestly speaking is a mundane task but irony is it has to evolve to meet ever growing challenges, customer centric practical approach to achieve desired outcome and assuring to cover all the risk. With acquisition of new technology platform we are geared to further our above agenda.



Anagha Bangur
Company Secretary

Compliance for us is sacrosanct and Corporate Governance is inviolable. We at Ess Kay can assure you that our basic foundation binges on these two words which are followed in true spirit.



Rajeev Yadav
Head-Legal

Overall legal framework had always been challenging nevertheless more recently has become robust enabling us through symmetrical approach to achieve desired results. They are now Amalgam of what we as an entity were and what we sought.



Gajendra Sharma
Chief Technology Officer

In a rapidly evolving landscape redundancy is the norm. Anything which was relevant yesterday becomes obsolete today. By assessing ahead of time we at Ess Kay opt what is relevant in long run avoiding short term commotions. Primacy is given to harboring technology to the best of our advantage through customer centric approach.



Honey Jain
Head-Accounts

"Life is accounting, everything must be accounted to have equilibrium and discipline." Akin to this we have well defined approach to account for everything as custodians for all our stakeholders. Primacy is clear for Compliance, Ethics and Corporate governance through adoption of requisite changes.

Ashish Arora
Product Head - Two Wheeler

Aspiration has now become necessity driving the need for product. Bridging this gap has been the motivation fueling our growth in this vertical. Going forward based on strength of our understanding of the product we are confident that we will be able to deliver more than average growth TW segment.

OUR STRENGTH

CSR Activities



Events at Ess Kay



PRODUCT SEGMENT

OFFERINGS



COMMERCIAL VEHICLE (INCLUDING CAR)

Clientele

- Refinancing of Commercial Vehicle
- Small road transport operators (Daily earning persons)
- First time buyers

Ticket Size

- ₹ 2 Lakhs to ₹ 10 Lakhs (Average ticket size ₹ 4 Lakhs)

Purpose of lending

- Income/Revenue generation
- Business expansion



MACHINE

Clientele

- Rurban customers with informal income source
- Agriculture & Commercial operating customers
- Market load operator (Commercially used)
- Contractor (Private & Government)

Ticket Size

- Up to ₹ 4 Lakhs (for Agriculture Equipment) (Average ticket size ₹ 2.5 Lakhs)
- Up to ₹ 10 Lakhs (for Machines) (Average ticket size ₹ 6 Lakhs)

Purpose of lending

- Income/Revenue generation
- Own and personal growth



MSME

Clientele

- Small manufactures and traders with inventory base
- Medium size retail business Agriculture based MSME activities

Ticket Size

- ₹ 2 Lakhs to ₹ 15 Lakhs (Average ticket size ₹ 7.5 Lakhs)

Purpose of lending

- Business expansion / diversification
- Purchase of higher stocks
- Renovation of shop – house



TWO WHEELER

Clientele

- Agri customers (personal use)
- Students (personal use)

Ticket Size

- ₹ 40 thousands to ₹ 50 thousands
(Average ticket size ₹ 42 thousand)

Purpose of lending

- Income/Revenue generations
- Personal use

Product-wise AUM as on March 31, 2018

₹ **884** Cr

COMMERCIAL VEHICLE (Incl.CAR)

₹ **251** Cr

MACHINES

₹ **114** Cr

MSME

₹ **33** Cr

TWO WHEELER

Commercial Vehicle

"Focus is what creates great businesses even Law of Attraction ratifies this philosophy". We at Ess Kay with similar thought process persistently focused on used commercial vehicle segment predominantly LCV / MUV. We have colossal comfort on this segment catering to last mile connectivity consumption theme. These vehicles are backbone of local ecosystem providing necessary support for small and medium enterprise businesses to survive and right now completely evading HCV's relying on macro-economic cycle. Irrespective of the fact where the macro economy goes, large population and their aspiring consumption habits provide ample comfort that basic consumption shall continue to transpire leading to growth of support infrastructure including commercial vehicle. Further our comfort on this segment gets further fortified by the fact that we only lend for income generation activity to FTB's / Captive consumers / SRTO's i.e. someone who is earning his / her livelihood from the product leading to increase in their income providing sustenance of discretionary expenditures for them. Further with improvement in infrastructure, mobility has radically gone up leading to growth in passenger car segment. It has now become more of a necessity rather aspiration and tapping in to necessity / consumption have always been our forte. Based on the said concept we are fundamentally clear in our thought process that we will only tap in to asset backed lending and will focus only on those assets which we feel that we understand well and manage in dire times. Accordingly since vehicle has been our domain for last 25 years and even going forward will continue to command predominant pie of overall asset under management because even in a seemingly finite world possibilities are endless when you are focused.



Commercial Vehicle



Machine

Conviction took far too long to figure out our niche in the “Machine vertical” as there were mixed experiences on both sides of the table and opinions were divided based on experiences. We at Ess Kay started the journey of this vertical a decade back but specifically carved it out in FY 2016. By this time, based on our experiences, experiences of peers and interactions we tactically formulated our strategy of scaling up this vertical. Today as we speak our asset under management in this vertical stood at Rs. 251.00 crore at the end of FY 2018 with best in class industry delinquencies. This clearly amplifies the fact that we did not undertake unnecessary risk by specifically giving primacy contrary to the popular belief, that tractor’s are used for agricultural work we focused on commercial usage. Primacy was given with respect to lending in the vertical to tractors that are been used in mowing, land-clearing, landscaping, construction, brickwork, road laying, water tanker business, garbage pickups, excavation, livestock and other wide variety of industrial applications. Second most important aspect of this strategy was to focus on the used tractor segment not older than 12 years at the end of tenor. This ensured that we avoided the inherent risk of margin or over billing through product push by defeating the prime principle of focusing on credit profile. Third and most important benchmark that we used was to align our lending in this vertical as per the market share of the OEM’s which perceptibly ensures that the acceptance of the product is high, life cycle cost is lower thereby reducing overall delinquencies and repossession losses. End results are for all to see where the entire industry is grappling with delinquency issues, we are comfortably placed in sweet spot. Going forward we feel that this vertical will do well on account of ever increasing usage in wide variety of sectors which in turn will also reflect in our growth.



Machine



MSME

Ess Kay launched its MSME business in September, 2015. This was the time when management decided to virtually halt channel partnership for this vertical. The philosophy was drawn from our prior experience in the channel partnership which when combined with well-established and time-honored vehicle business focusing on last mile connectivity market serving consumption theme which remains relatively stable resulted in identification of our niche space of MSME lending. The very foundation of our MSME business is virtually the same wherein we have identified 30 odd businesses on the basic premise of consumption theme catering to local ecosystem in non-discretionary space with stable daily cash flows. This philosophy was then transcribed in the policy document and we kicked off our MSME vertical. The concept was formulated from the perspective to have some degree to diversification through synergy and leveraging existing branch network to capture areas on carpet to carpet growth. Keeping in line with this ideology company commenced its business in and around Jaipur and incrementally now has spread its wings for MSME vertical in entirety throughout Rajasthan and Gujarat.

Company made disbursement of Rs. 81.30 Crores in FY 2018 and total AUM stood at Rs. 114.00 Crores as on 31 March 2018. As on date, we operate via 368 locations including Gujarat and in the ensuing fiscal company is furthering its carpet by expanding its operations to cover residual geography in Gujarat, certain parts of MP & Punjab.

MSME Vertical till date has acquired 2000 customers and its current manpower stood at 180 and is expected to further increase to 275 by the end of current fiscal. Company recognizes the potential of MSME and hence has taken a modest growth plan keeping in view the quality of the portfolio and hence has adopted of B to B approach for its book building.



Two Wheeler

When we look back Two wheeler was an aspiration. Afford ability and maneuverability led to transformation of aspiration into necessity. Two-wheeler industry of India today is second largest market in the world. Today they are cheapest form of personal transport for the large urban middle income demographic in the country and is booming on account of rise in per capita income. One of the other main plausible reasons for the rise is availability, afford ability, maneuverability and on tap access to cost-efficient finance. In India everything is afford ability and Two-wheeler is something that suits the pocket of majority population through monthly EMI model. Apart from the factors mentioned earlier Two-wheelers do also have a better resale value in the long run against cars and hence, once repayments are made, one can think of replacement without any hassles. The other factor is life cycle cost is also economical suiting the requirement of large population which can be reaffirmed through lower maintenance costs and easy availability of parts. All these factors have also led to usage of Two wheelers in commercial segment leading to income generation. Wide variety of commercial usages in rural or semi urban belt includes plying milk, poultry, commuting to name a few.

Recently India has overtaken China to emerge as the fastest growing market for two wheeler in the world. Two wheeler in India is no longer only the most affordable mode of personal mobility but has also become an aspirational object too, wherein with the rise of per capita income premium bikes have also started making inroads but not our landscape of operation. We are seeing tectonic shift with change in taste / trend wherein people are now instead of focusing only on life cycle cost are converging their preference towards life style products combining it with convenience. Instead of high mileage bikes people are gradually shifting their preference towards scooters and premium bikes. Like four wheeler industry, two wheeler segment is also witnessing a lot of new trends, key among them are safety and sub segmentation. Like the overall automobiles industry two wheeler sector is evolving rapidly and we at Ess Kay are equally geared to tap into this evolving opportunity.



Credit & Risk

As we speak "Ess Kay currently has an outstanding AUM of 1500+ Cr and geared to achieve 5000+ Crore in near term. Risk is relative however can lead to commotion and be fateful. Taking cue from this principle we at Ess Kay have clearly devised risk based pricing business model for profitable growth as this is sacrosanct for us. Contrary to popular belief that there is direct correlation between the profiling, pricing and intention of repayment we believe that reality is far more different and complex. Credit and risk in reality has to have empathy, balanced approach and a calculated call depending on various factors at play. For now our focus is towards the rural & semi urban customers with a product Mix of Used Small & Light Commercial vehicles, MUV/ Car Loans, Tractor Loans, SME Loans and TW Loans. At the same time, we are also exploring to scale up new vehicle funding in all categories and new car segment for personal usage. Vertical expansion through additions of new lines and horizontal expansion through addition of newer geographies, credit and risk profile will become all the more essential / crucial. Currently Credit & Risk Vertical is carved out decently to seamlessly undertake responsibilities entrusted with a centralized concept where all check pointers are well placed with an effective Field Investigation System, defined Credit Delegations & empowerments, Robust Valuation systems for Property Collaterals and Vehicles, well defined Credit Policy and an experienced team which ensures seamless credit and better risk coverage. Further in the new era with the advent of technological support we have ushered in to new age lending institution through adoption of new age platform from Nucleus Finn one Neo. This has ensured that things are being dealt in a more systematic way through accountability while achieving one of our main agenda of reducing paper consumption by going paperless digitalized way of Customer acquisitions and loan management system with best in class Analytical tools. the times to come we personally feel that the repayment behavior will be better due to awareness of importance of building credit history, better literacy rates, increasing per capita income which will eventually be supported by successful implementation of "Aadhar" acting as key connector of all financial transactions through Unique ID and will become mandatory. It will not only usher in efficiency but will also act as a deterrent for habitual defaulters.

Asset Liability Management

The animal spirit of survival and hunger for growth keeps us on toes. We are evolving and adapting but the landscape and dynamics is incessantly altering. At times they are so fast that by the time you realize you would have already lost the opportunity. Keeping this in mind we at Ess Kay have tried to be ahead of time in evolving our strategies for maintaining our leap forward without compromising on liquidity position. Ess Kay maintains and has comfortable borrowing ALM profile with negligible negative intentional cumulative mismatches in up to six months or up to one year bucket at times to take advantage of relative cost of borrowing. The company on an overall basis has always maintained cumulative positive ALM.

The ALM process involves close monitoring of mismatches in asset – liability to ensure that there is no imbalance or excessive concentration on either side of the balance sheet beyond the permissible and defined threshold. Being the Board nominated committee, Asset- Liability Committee (ALCO) closely reviews the external interest rate, liquidity scenario, asset portfolio, lending rates, borrowing profile and cost of funds on a periodic basis and provides directions and broad framework of operations to the treasury and business team.

The ALM position of the company is based on the maturity buckets as per the guidelines issued by RBI in computing the same, the relevant assumptions, estimates and adjustments have been made by the management in line with the past trend and expected and scheduled performance of the loan assets currently held on book. In this regard, an asset and a liability is reflected on the contractual maturity basis and hence the same shall be in line with what has been reported in the audited financials since they are all based on the contractual maturities of both the assets and liabilities. Further to maintain adequate liquidity Ess Kay Fincorp has a policy of maintaining unutilized bank lines in the form of either working capital or term loan or liquid investments to meet cash outflow over the next two months which provides ample ammunition to recalibrate our strategy based on macroeconomic environment.

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting ("AGM") of the members of Ess Kay Fincorp Limited (Erstwhile Ess Kay Auto Finance Private Limited) will be held on Tuesday 11th September, 2018 at 12.30 P.M. at 202 Second Floor, Adarsh Plaza, Khasa Kothi Circle, Jaipur-302001 (Rajasthan) to transact the following business:

ORDINARY BUSINESS:

ITEM NO. 01 - TO CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018 TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON

ITEM NO. 02 - TO APPOINT A DIRECTOR IN PLACE OF MRS. SHALINI SETIA [HAVING DIN: 02817624], WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HERSELF FOR RE-APPOINTMENT

ITEM NO. 03-TO APPOINT M/S B S R & CO. LLP [FIRM REGISTRATION NUMBER:101248W/W-100022] AS STATUTORY AUDITORS OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. B S R & Co. LLP, Chartered Accountants, (ICAI Firm Registration No.101248W/W-100022) be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. S.S Kothari Mehta & Co., Chartered Accountants (ICAI Firm Registration No. 000756N), to hold office from the conclusion of this AGM till the conclusion of 29th AGM to be held in the calendar year 2023, and 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 taxes and reimbursement of traveling and out of pocket expenses incurred by them for the purpose of audit.

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

SPECIAL BUSINESS:

ITEM NO. 04:TO APPOINT MR. ANAND RAGHAVAN 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 Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the 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), and pursuant to Articles Of Association of the

company Mr. Anand Raghavan (DIN-00243485) who was appointed as an Additional Director of the Company w.e.f. 7th April, 2018 and who holds office up to the date of ensuing Annual General Meeting of the Company and in respect of whom a notice has been received from a member in writing proposing his candidature for the office of Director of the company, under section 160 of the Companies Act, 2013, be and is hereby appointed as the Independent Director of the Company for a period of 5 years commencing from 7th April, 2018 till 6th April, 2023.

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

ITEM NO 05: SUB-DIVISION OF EACH EQUITY SHARE OF INR 100 /- INTO 50 EQUITY SHARES OF INR 2/- EACH

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 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in accordance with the Articles of Association of the Company and pursuant to guidelines issued by the Reserve Bank of India and pursuant to Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and subject to the approvals, consents, permissions and sanctions, if any, required from any authority and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by 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), consent of the Members be and is hereby accorded to divide each Equity Share of the Company having Face value of INR 100 /- (Indian Rupees Hundred only) each into 50 (Fifty) Equity Shares of Face value of INR 2/- (Rupees Two only) each and consequently, the Authorized Share Capital of the Company of INR 5,75,00,000/- (Indian Rupees Five Crore Seventy Five Lakhs Only) would comprise of 2,87,50,000 (Two Crore Eighty Seven Lakhs Fifty Thousand) Equity Shares of INR 2/- (Rupee Two only) each with effect from the date to be determined by the Board for this purpose.

RESOLVED FURTHER THAT on sub-division, the 50 (Fifty) Equity Shares of the Face value of INR 2/- (Indian Rupee Two only) each be issued in lieu of one Equity Share of INR 100 /- (Rupees Hundred only) each, subject to the terms of Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects with and carry the same rights as the existing fully paid Equity Shares of INR 100 /- (Rupees Hundred only) each

of the Company and shall be entitled to dividend(s) to be declared after the sub-division of equity shares.

RESOLVED FURTHER THAT consequently Clause V of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by deleting the same and substituting in place thereof, the following new clause V:

"The authorized share capital of the company is Rs. 5,75,00,000/- (Rupees Five Crore Seventy Five Lakhs) divided into 2,87,50,000 (Two Crore Eighty Seven Lakhs Fifty Thousand) equity shares of Rs. 2/- (Rupee Two) each."

RESOLVED FURTHER THAT upon sub-division of equity shares as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the nominal value of 100/- (Rupees Hundred only) each held in physical form shall be deemed to have been automatically cancelled and be of no effect and Company may without requiring the surrender of existing share certificate(s) directly issue and dispatch the new share certificate(s) of the company, in lieu thereof, and in the case of members who hold the equity shares in dematerialised form, the subdivided equity shares of nominal value of 2/- (Rupee Two only) each shall be credited to the respective beneficiary account of the members with their respective depository participants and the Company shall undertake such corporate actions as may be necessary in relation to the existing equity shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to fix a Record Date and to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental there to and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, proper and expedient or incidental for the purpose of giving effect to this resolution."

ITEM NO. 06:-APPROVAL FOR ESS KAY EMPLOYEE STOCK OPTION PLAN 2018 AND GRANT OF EMPLOYEE STOCK OPTIONS TO THE EMPLOYEES OF THE COMPANY THEREUNDER

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 12 of The Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the provisions of Articles of Association of the Company, and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include the Nomination and Remuneration Committee or any other Committee of the Company constituted by the Board to exercise its powers in relation hereto, including the powers conferred by this Resolution and/or such other persons who may be authorized by the Board or the Nomination and

Remuneration Committee in this regard), consent of the Shareholders of the Company ("Shareholders") be and is hereby accorded respectively to the "Ess Kay Employees Stock Option Plan 2018 (hereinafter inferred to as the "ESOP 2018"/ "Plan") and to the Board to create, offer and grant from time to time upto 5 years (Five Years) Employee Stock Options ("ESOPs") to the permanent employees including Directors of the company (other than promoter(s) or Directors belonging to the promoter group of the company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), whether whole time or otherwise, whether working in India or out of India (hereinafter referred to as an "Employee(s)"), as may be decided solely by the Board under the Plan, exercisable into not more than 5,66,000 (Five Lakhs Sixty Six Thousand Only) fully paid-up equity shares of the Company in aggregate of face value of Rs. 2/- (Rupees Two Only) each, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan and in due compliance with all applicable laws and regulations.

RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of ESOPs from time to time in accordance with the Plan and such equity shares shall rank paripassu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the number of ESOPs that may be granted to the Employee(s), in any financial year and in aggregate under the Plan shall be less than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organisation, and others, if any additional equity shares are required to be issued by the Company to the Shareholders ("Additional Shares"), the ceiling as aforesaid of 5,66,000 (Five Lakhs Sixty Six Thousand Only) ESOP's and equity shares respectively to be issued and allotted shall be deemed to increase in proportion of such Additional Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- (Rupees Two Only) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under any applicable laws and regulations to the extent relevant and applicable to the ESOP 2018.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to do all such acts, deeds and things, as it may in its absolute

discretion, deem necessary including authorizing or directing to appoint Consultants, being incidental to the effective implementation and administration of ESOP 2018 as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals, if required.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution.

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

Sd/-
Anagha Bangur
Company Secretary
Membership No. 31267

Place: Jaipur

Date: August 01, 2018

Registered Office:

G 1-2, NEW MARKET, KHASA KOTHI, JAIPUR -302001

CIN: U65923RJ1994PLC009051

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the special business is annexed hereto.
2. A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the company. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% (Ten Percent) of the total share capital of the Company carrying voting rights. A member holding more than 10% (Ten Percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy provided that such person shall not act as a proxy for any other person or shareholder.
3. Proxy forms in order to be effective should be duly stamped, filled, signed and should be deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.
4. In case the shareholders' have any query relating to the Resolution 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 7 days before the date of AGM so that the information can be made available at the meeting.
5. Members/proxies/ authorised representatives attending the meeting should bring the duly filled attendance slip for attending the AGM.
6. During the period beginning 24 hours before the time fixed for commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
7. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding and Register of Contracts or Arrangements in which Director are interested, maintained under Section 170 and 189 of the Companies Act, 2013 respectively will be available for inspection by the members at AGM.
8. In terms of Articles of Association of the Company, read with Section 152 (6) of the Act, Mrs. Shalini Setia (DIN:02817624) Whole-Time-Director of the Company, retires by rotation at the ensuing AGM and being eligible, offers herself for re-appointment. The Nomination and Remuneration Committee and Board of Directors of the Company recommend her re-appointment.
9. The relevant details as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, ("Secretarial Standards") of the person seeking re-appointment as Director liable to retire by rotation under Item No. 02 of the Notice, is also annexed.
10. Members are requested to:
 - a) Notify the change in address if any, with Pin Code numbers immediately to the Company or its Registrar and Share Transfer

Agent ('RTA').

- b) Quote their Regd. Folio Number/DP and Client ID Nos. in all their correspondence with the Company or its RTA.
11. 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 at the meeting.
12. Corporate Members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the AGM.
13. All the documents referred to in the Notice and explanatory statements are open for inspection by members at the Registered Office of the Company on all working days between 10:00 A.M. to 05:00 P.M. upto the date of AGM.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / RTA.
15. The Members may contact their respective depository participants for making nominations as permitted under Section 72 of the Companies Act, 2013.
16. Members are requested to address all their correspondence including demat/remat applications, request for share transfers, intimation of change of address and other correspondence to the Company's RTA:-

Registrar & Securities Transfer Agent:

Bigshare Services Private Limited

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

Saki Naka Andheri (East) Mumbai 400 072

Mail ID:-babu@bigshareonline.com

Contact: 022 4043 0289

17. The Annual Report and Notice of AGM will be displayed on the website of the Company at <http://www.skfin.in/index.php> and the other requirements as applicable will be duly complied with.
18. 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]. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
19. The route map showing the direction to reach the venue of AGM is attached at the end of the Report.

By Order of the Board of Directors

For Ess Kay Fincorp Limited

(Erstwhile Ess Kay Auto Finance Private Limited)

Sd/-

Anagha Bangur

Company Secretary

Membership No. 31267

Place: Jaipur

Date: August 01, 2018

Registered Office:

G 1-2, NEW MARKET, KHASA KOTHI, JAIPUR -302001

CIN: U65923RJ1994PLC009051

ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING



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

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

ITEM NO.04

Your Directors has appointed Mr. Anand Raghavan as Additional Director in the category of 'Non-Executive Independent Director of the Company by resolution through circulation on April 07, 2018 with recommendation of Nomination & Remuneration Committee.

Under Section 161 of the Companies Act, 2013, read with of the Articles of Association of the Company, he continues to hold office as an Additional Non-Executive Director of the Company, until the conclusion of the ensuing Annual General Meeting.

Now they have recommended to appoint of Mr Anand Raghavan as Independent Director of the Company on the terms and condition as set out beneath, for a period of Five years, commencing from 7th April, 2018 till 6th April, 2023.

The brief profile of Mr. Anand Raghvan in terms of the Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India have been provided as Annexure 1 to this Notice.

Your Directors therefore, recommend the passing of the Ordinary resolution proposed at Item No.04 of this Notice.

Save and except Mr. Anand Raghavan, none of the other Directors and Key Managerial Personnel of the Company or their relatives are directly or indirectly concerned or interested, financially or otherwise, in the resolution set out at Item No.04.

ITEM NO.05

Members are requested to note that towards undertaking the business activities of the Company from time to time, it will be appropriate to infuse further Tire-I funds in the Company from such prospective investors who would provide strategic inputs for the operations of the Company. As the members are aware, the equity shares of your company are kept in dematerialized form. With a view to encouraging the participation of the foreign as well as domestic investors in the Company, It is recommended to split the value of Equity Shares.

Board of Directors in its meeting held on 01st August, 2018 recommended sub-division of the Equity Shares having Face value of INR 100/- (Rupees Hundred only) into 50 Equity Shares of Face value of INR 2/- (Rupees Two only).

The aforesaid sub-division of equity shares would require amendment to existing Capital Clause V of the Memorandum of Association. After approval of the resolutions set out at Item Nos. 05and 06, the Board of Directors or Committee thereof will fixed the record date for the purpose of ascertaining the list of members whose shares shall be sub-divided, as proposed above and the same shall be notified to the members through appropriate medium.

Pursuant to the provisions of Section 13, and Section 61 of the Companies Act, 2013 approval of the members is required for sub-division of shares and consequent amendment to Clause V of the Memorandum of Association.

The Board recommends the Resolutions at Item No. 05 of this Notice, for approval of the Members.

A copy of the Memorandum of Association along with proposed amendments will be open for inspection by the Members at the Registered Office of the Company during business hours on all working days upto the date of this meeting.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolutions, except to the extent of equity shares held by them in the Company.

ITEM NO.06

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based compensation scheme/ plan. Your Company believes in rewarding its employees including Directors of the Company for their continuous hard work, dedication and support, which has led the Company on the growth path. The Company intends to implement Ess Kay Employees Stock Option Plan 2018 ("ESOP 2018"/ "Plan") with a view to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

The Company seeks approval of the Shareholders in respect of ESOP 2018 and for grant of Stock Options to the eligible employees of the Company, as may be decided by the Board from time to time in due compliance with Companies, Act, 2013 and other applicable laws and regulations.

The main features of the ESOP 2018 are as under:

1. Total number of Options to be granted:

5,66,000 (Five Lakhs Sixty Six Thousand Only) Options would be available for grant to the eligible employees of the Company aggregate under ESOP 2018, in one or more tranches exercisable into not exceeding 5,66,000 (Five Lakhs Sixty Six Thousand Only)equity shares in aggregate in the Company of face value of Rs.2/- each fully paid-up.

Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed /cancelled options as

per the provisions of ESOP 2018.

If any additional equity shares are required to be issued pursuant to any corporate action, the above ceiling of options or equity shares shall be deemed to increase in proportion of such additional equity shares issued subject to compliance of the applicable laws.

2. Identification of classes of employees entitled to participate in ESOP 2018

Following class/classes of employees are entitled to participate in ESOP 2018:

- Permanent employees of the Company working with the Company in India or out of India;

Following class/classes of employees are not eligible:

- an employee who is a Promoter or belongs to the Promoter Group;
- a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- an Independent Director within the meaning of the Companies Act, 2013.

3. Transferability of Employee Stock Options:

The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him till such date shall be transferred to his legal heirs or nominees within the period as may be prescribed under ESOP 2018.

4. Requirements of vesting and period of vesting:

The Options granted shall vest so long as an employee continues to be in the employment of the Company. The Board may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 year.

5. Maximum period within which the Options shall be vested:

6. From the date of grant of the options, the options shall vest in the employees within such period as may be prescribed by the N&RC, which period shall as mentioned above, be not less than one year and not more than four years from the date of grant of the options.

Exercise price or pricing formula:

The exercise price per Option shall not be less than face value of equity share and shall not exceed fair market price of the equity share of the Company as on date of grant of Option, which may be decided by the Board.

The Board can give cash less exercise of options, if required to the employees and shall provide necessary procedures and/or

mechanism for exercising such options subject to applicable laws, rules and regulations.

7. Exercise period and the process of Exercise:

The vested Options shall be allowed for exercise on and from the date of vesting. The vested Options need to be exercised within a maximum period of 5 years from the date of grant of such Options.

The vested Option shall be exercisable by the employees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Board from time to time. The Options shall lapse if not exercised within the specified exercise period.

In case of cash less system of exercise of vested Options, the Board shall be entitled to specify such procedures and/or mechanism for the Shares to be dealt with thereon as may be necessary and the same shall be binding on the Option grantees.

8. Appraisal process for determining the eligibility of employees under ESOP 2018:

The appraisal process for determining the eligibility of the employees will be decided by the Board from time to time.

The employees would be granted Options under the ESOP 2018 based on various parameters such as performance rating, period of service, rank or designation and such other parameters as may be decided by the Board from time to time.

9. Maximum number of Options to be issued per employee and In aggregate:

The number of Options that may be granted to any specific employee of the Company under the Plan, in any financial year and in aggregate under the ESOP 2018 shall not exceed 5,66,000 (Five Lakhs Sixty Six Thousand Only).

10. Accounting and Disclosure Policies:

The Company shall follow the Guidance Note on Accounting for Employee Share-based Payments and Accounting Standard – 15 'Employee Benefit' as prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein. The Company shall conform to the accounting policies prescribed by SEBI, RBI, and/or any other appropriate regulatory authority, from time to time.

11. Method of Option Valuation:

The Company shall adopt the fair value method or any other method as per applicable Guidance Note or Accounting Standards prescribed by the Institute of Chartered Accountants of India or prescribed under any other statutory provisions from time to time for valuation of options. In case the Company calculates the employee compensation cost using the Intrinsic Value method for valuation of the Option granted, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning

Per Share of the company shall also be disclosed in the Boards' Report.

12. Lock In Period

Till the time Company gets its Equity Shares listed on any recognized stock exchange or any investor has expressed his willingness for buying out 100% equity, the ESOP Shareholders and the Nominees or legal heirs, as the case may be, shall not be entitled to, and shall not, dilute their shareholding in the Company by way of sale, conveyance, exchange or transfer in any manner whatsoever the Equity Shares held by them (or any interest in such Equity Shares) without a written approval from the Board /Nomination and Remuneration Committee for the same.

13. Conditions under which Vested Options shall lapse

The vested Options shall lapse if not exercised within the exercise period subject to the following:

- in case of termination for cause all Options shall lapse as on the date of termination of such an employee.
- In case of resignation / termination for non-performance / death / permanent disability of an employee, vested options shall lapse if not exercised within 90 days from the date of resignation /

termination for non-performance/death/permanent disability or prior to lapse of exercise period, whichever is earlier.

In terms of provisions of Section 62(1) (b) and all other applicable provisions, if any, or the Companies Act, 2013 consent of the Shareholders is being sought by way of a Special Resolution(s) set out at Item No, 6 of this Notice. The resolutions and the terms stated therein as also the terms stated in this explanatory statement here in above shall be subject to the guidelines/regulations issued/ to be issued by statutory authorities in that behalf and the Board of Directors/N&RC shall have the absolute authority to vary or modify the terms here in above in accordance with and subject to all applicable guidelines which may be stipulated by SEBI, RBI or otherwise

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned in the aforesaid Special Resolution except to the extent of their entitlements, if any, under the Plan.

Your Directors recommend the passing of Resolution proposed at Item No.6 of this Notice as Special Resolution.

Place: Jaipur

Date: August 01, 2018

Registered Office:

G 1-2, NEW MARKET, KHASA KOTHI, JAIPUR -302001
CIN: U65923RJ1994PLC009051

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

Sd/-
Anagha Bangur
Company Secretary
Membership No. 31267

ANNEXURE 1

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

Name	Anand Raghvan
Age	57 Years
Qualifications	1. Bachelor of Commerce; 1981 2. Chartered Accountant; 1985
Experience	I) Over 20 years' experience in Sundaram Finance Limited, occupying several positions between December 1985 and June 2006. Experience includes Internal Audit, Finalization of accounts, representing before Regulators like RBI, SEBI, and CBDT Corporate Affairs. Also have three years' experience overseeing Tamil Nadu business operations relating to Vehicle Financing. Last Position: Vice President (Corporate Affairs) II) Over 10 years' experience as Partner in Ernst & Young LLP between July 2006 and June 2016 covering Tax and Regulatory aspects of various industries like Financial Services, Real Estate, Auto and Auto components, Media and Entertainment. Specialty areas include NBFC Regulations, Corporate Tax and Foreign Investment and Exchange control regulation and Corporate restructuring. Advised Domestic groups in restructuring of business to achieve operational and regulatory effectiveness. Integral part of Lead Advisory engagements attracting private equity and strategic partners in industries covering Pharma, Financial Services and apparel manufacturing. EY is actively involved in Statutory and Internal Audit of Pharma Companies worldwide.
Terms and conditions of appointment or re-appointment	- During his tenure as an Independent Director, he will have to submit a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013 ("Act") stating that he meet the criteria of Independence. - So long as he is an Independent Director of the Company, the number of companies in which he hold office as a Director or a chairman or committee member will not exceed the limit stipulated under the Act. - So long as he is an Independent Director of the Company, he will ensure that he do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act. - He will ensure compliance with other provisions of the Act and the Debt listing Agreement as applicable on him as an Independent Director. - He will abide by the Code of Conduct of Directors as per Companies act, 2013 - He is expected to stay updated on how best to discharge his roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices. - He will has access to confidential information, whether or not the information is marked or designated as "confidential" or "proprietary", relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), ("Confidential Information").
Last drawn remuneration	Not Applicable
Date of first appointment on the Board	April 07, 2018
No. of share held	NIL
Relationship with Directors, Managers & KMP	Not Related
Number of Board Meeting attended during FY 2017-18	NIL

Other Directorship	A) MMTC Limited 1. Non-official Independent Director effective 15.06.2016 for three years. 2. Chairman of Audit Committee 3. Chairman of CSR Committee 4. Member – Nomination & Remuneration Committee. B) Fivestar Business Finance Limited 1. Independent Director from 27.07.2016 2. Member – Audit Committee 3. Member CSR Committee C) Five Star Housing Finance Private Limited – From 15.12.2016 D) Sterling Holiday Resorts Limited E) Nani Palkhivala Arbitration Centre – Sec. 25 Company Promoter Director from 21.09.2005 F) Chennai International Centre – Sec. 8 Company Promoter Director from 28.01.2016
Chairman / Member of the Committees of Boards of other companies	Not Applicable

ANNEXURE 2

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

Name	Shalini Setia
Age	46 Years
Qualifications	B. Sc. from Rajasthan University.
Experience	Ms. Shalini Setia, Director of the company is Co-promoter of the Company. She has more than 8 years of experience in the finance industry. She actively participates in strategic decision making of the company. She is an eternal optimist and has promoted ethics in working environment by creating a work culture which provide a stabilized growth environment and motivation.
Terms and conditions of appointment or re-appointment	1. The Whole-Time Director of the Company shall be liable to retire by rotation. 2. All other terms and conditions excluding above remain unchanged.
Last drawn remuneration	INR 12,00,000 per annum (Indian Rupees Twelve Lakhs Only)
Date of first appointment on the Board	December 18, 1994
No. of share held	14,542 fully paid up Equity Shares of INR 100 each.
Relationship with Directors, Managers & KMP	Related with Mr. Rajendra Kumar Setia (Spouse)
Number of Board Meeting attended during FY 2017-18	11 (Eleven)
Other Directorship	NIL
Chairman/ Member of the Committees of Boards of other companies	Not Applicable

ATTENDANCE SLIP

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

CIN: U65923RJ1994PLC009051

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

I hereby record my presence at the 24th Annual General Meeting ("AGM") of the members of Ess Kay Fincorp Limited (Erstwhile Ess Kay Auto Finance Private Limited) will be held on Tuesday 11th September, 2018 at 12.30 P.M. at 202, Second Floor, Adarsh Plaza, Khasa Kothi Circle, Jaipur - 302001 (Rajasthan)

Folio No..... DP ID Client ID

Name of Member.....

Name of Proxy Holder.....

Number of Shares Held.....

Signature of Member / Proxy

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

FORM NO. MGT-11

Proxy Form

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

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

CIN : U65923RJ1994PLC009051

Name of the Company: **Ess Kay Fincorp Limited (Erstwhile Ess Kay Auto Finance Private Limited)**

Registered office: G 1-2, New Market, KhasaKothi, Jaipur- 302001 (Rajasthan)

Name of the member(s):

Registered Address:

E-mail Id:

Folio No/Client Id:

DP ID:

I/We, being the member (s) of 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 24th Annual General Meeting ("AGM") of the members of Ess Kay Fincorp Limited (Erstwhile Ess Kay Auto Finance Private Limited) to be held on Tuesday, 11th September, 2018 at 12.30 P.M. at 202 Second Floor, Adarsh Plaza, KhasaKothi Circle, Jaipur-302001 (Rajasthan) and at any adjournment thereof in respect of such resolutions as indicated below:-

Item No.	Resolution	For	Against
1	To consider and adopt the Audited Financial Statements of the company for the financial year ended March 31, 2018 together with the Reports of the Board of Directors and Auditors thereon.		
2	To Appoint a Director in place of Mrs. Shalini Setia [having DIN: 02817624], who retires by rotation and being eligible, offers herself for re-appointment.		
3	To Appoint M/s. B S R & CO. LLP [Firm Registration Number: 101248w/w-100022] as Statutory Auditors of the Company.		
4	To Appoint Mr. Anand Raghavan as an Independent Director.		
5	Sub-Division of each equity share of INR 100 /- into 50 equity shares of INR 2/- each.		
6	Approval for Ess Kay Employee Stock Option Plan 2018 and grant of Employee Stock Options to the Employees of the Company thereunder.		

Signed this _____ day of _____ 2018 _____.

Signature of Shareholder

Signature of Proxy Holder(s)

Notes:

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.

Affix
 Rs 1/- Revenue
 Stamp here

BOARD'S REPORT

To,

The Members,

Your Directors are glad to take this opportunity to present the 24th Annual Report on the business and operations of the Ess Kay Fincorp Limited (Erstwhile Ess Kay Auto Finance Limited) (hereinafter referred as "we" or "Company" or "Ess Kay") together with the audited financial statements for the Financial Year ended March 31, 2018.

1. RESULTS OF OUR OPERATIONS AND STATE OF AFFAIRS

The financial performance of the company for Financial Year 2017-18 is summarized here below:

Financial Highlights	Amount in Crores	
Particulars	2017-18	2016-17
Total Income	227.330	157.206
Less: Operating expenses	95.584	63.750
Less: Provisions		
a. For NPA	3.475	2.793
b. for standard assets	1.840	0.402
b. contingent provisions	1.321	0.671
Profit before Interest & Depreciation	125.110	89.591
Less: Interest & finance charges	89.849	69.155
Less: Depreciation	2.336	1.613
Profit before tax	32.925	18.822
Tax expenses		
a. Current Year	14.197	9.060
b. Earlier Year	-1.315	0.021
c. Deferred Tax	-1.909	-2.557
Profit after tax	21.952	12.299
Add: Surplus brought forward	46.790	36.952
Balance available for appropriation	68.743	49.25
Appropriation		
a. Dividend	-	1199*
b. Tax on Dividend	-	251*
c. Transfer to statutory reserve	4.39	2.46
c. Adjustment in accordance with schedule II of the Companies Act, 2013	-	-
Balance Carried Forward	64.352	46.790

* Dividend was on Compulsory Convertible Preference Shareholder (CCPS) @ 0.01% of Rs.11,994,000/- i.e. Rs. 1199/- .

2. DIVIDEND

In order to fill the long term requirements and enhancing the growth of business, your directors appraise to conserve the resources of the Company. Accordingly, the Directors do not recommend any dividend on Equity shares of the Company for the financial year 2017-18. The unclaimed and unpaid dividend amount on Compulsorily Convertible Preference Shares (which has been converted into equity shares on March 27, 2017) is Rs. 4,796.

3. RESERVES

The Company proposes to transfer a sum of Rs. 4.39 Crores to statutory reserves out of profits as required under section 45 IC of the Reserve Bank of India Act, 1934. An amount of Rs. 64.35 Crores is retained in the profit and loss account for the financial year 2017-18.

4. OPERATIONAL HIGHLIGHTS

a) Disbursements

During the year under review, the Company has disbursed loans for Rs. 1032.78 crores as compared to Rs. 698.23 crores in the previous Year and clocked a growth of 47.91 %.

There is a very huge market to be served, which needs an efficient last mile delivery of credit, thus creating enormous opportunity for all the financial institutions and NBFCs in special.

The company continues to pursue the strategy of being multi product and multi locational, thus giving the distinct edge from the risk management and scalability perspective. The focus across the product is of catering to the lower and the middle income segment, which is the key driver of our economy.

b) Assets Under Management (AUM)

Ess Kay enjoyed yet another strong year of performance aided by a diversified product mix, robust volume growth, prudent operating cost and effective risk management.

In the year 2017-18 the Company crossed 1,200 crore AUM, registering a robust growth of 55.49% on Year on Year basis. AUM of the Company stood at Rs. 1281.98 crores for the year ended on March 31, 2018 against March 31, 2017 which stood at Rs. 824.49 crores.

c) Performance Review

We continue to focus on two wheeler and Commercial Vehicle financing and we adopt such business models which generates required return on assets and the quality portfolio. While the company is keen to increase this portfolio, the endeavor will be to balance between yields, asset quality and growth. We are confident that as we spread to newer geographies within our distribution network, we will be achieving the desired objective.

Over the last few years, Ess Kay has established itself as one of the premier non-banking financial companies (NBFCs) in Rajasthan. It has built a diversified lending business covering retail consumers,

small and medium enterprises and commercial borrowers. The business model of Ess Kay is built on well-defined customer segmentation, multiple product offerings and extensive use of data analytics supported by robust risk management and a framework of operational excellence.

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

The Company's total Income grew by 44.61% from Rs. 157 Crores to Rs. 227 Crores. Judicious pricing decisions coupled with alterations in the product mix designed to provide the optimum risk reward benefit led to increase in yields during Financial Year 2017-18.

5. RESOURCE MOBILISATION

a) Borrowings from Banks

As at March 31, 2018, the Company's outstanding bank loans stood at Rs. 373.94 crores vis-à-vis Rs. 257.58 crores as at March 31, 2017. Bank borrowings contribution to funding mix continued its downward trajectory with only 35% of total funding coming from bank term loans. Previous year, marked a change in the funding mix with bank borrowings through a combination of short term debt and long term debt (comprising cash credit facility and Bank Loans).

The Company's bank borrowings continue to enjoy a rating of CARE BBB+ (CARE triple B plus with stable outlook), signifying degree of safety for timely servicing of debt obligations.

During the year Company has successfully added three new banks namely Vijaya Bank, Indusind Bank Limited and Utkarsh Small Finance Bank.

b) Borrowings from Financial Institutions

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

Borrowings from financial institutions have been increased from Rs. 173.37 Crores (previous year) to Rs. 252.30 Crores (Current Year) as indicating downward trend in cost of borrowing for Financial Year 2017-18.

c) Debentures

(i) Secured & unsecured Non-Convertible Debentures

FY 2017-18 saw a continuing shift in the Company's funding sources as bonds continued to be the cheapest source of

funds. Approximately, 50% of the incremental borrowings for the year were from debentures. As at March 31, 2018, the Company's outstanding borrowings from debentures and securities stood at 251.39 crores vis-à-vis 122.61 crores as at March 31, 2017. The Company's secured NCDs have been listed on the Wholesale Debt Market segment of BSE and have been assigned Brickwork A (A stable from Brickwork).

S. No.	Name of Investor	Category	Secured/ Unsecured	Sanction Amount
1	A.K Capital Finance Ltd.	SEBI registered Category-I Merchant Banker	Unsecured	25 Crores
2	A.K Capital Services Ltd.	SEBI registered Category-I Merchant Banker	Secured	15 Crores
3	Scient Capital	Company	Secured	15 Crores
4	Sundaram Mutual Fund	Mutual Fund	Secured	20 Crores
5	Principal Mutual Fund	Mutual Fund	Secured	30 Crores
6	Axis Mutual Fund	Mutual Fund	Secured	35 Crores
7	UNIFY & Northern Arc	Mutual Fund	Secured	25 Crores
8	A.K Capital Services Ltd.	SEBI registered Category-I Merchant Banker	Secured	20 Crores

(ii) Subordinated Debt

As on March 31, 2018, the outstanding subordinated debt (comprises of Unsecured Non-Convertible Debentures & Unsecured Term Loan) stood at Rs. 40.0 Crores against March 31, 2017 which stood at Rs. 56.5 Crores.

The debt is subordinated to present & future senior indebtedness of the Ess Kay and has been assigned rating by [CARE BBB+].

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

d) Securitization/ Assignment:

During the year under review, your Company assigned /securitized its loan portfolio having principle value of Rs. 271.55 Crores of which Rs. 192.17 crore were securitized through PTC mode in 5 tranche and Rs. 79.38 Crore was assigned/securitized in DA mode in 2 tranches.

e) Debt to Equity Ratio

As on March 31, 2018, the debt to equity ratio of the Company stood at 4.72 against March 31, 2017 which stood at 8.24.

6. CREDIT RATING

Ess Kay has received revision in credit ratings for Long Term Bank Facilities, Commercial papers and Non-convertible debentures from various credit ratings agencies.

- The rating provided by the CARE Ratings is as follows:-

Instruments	Existing Rating	Rating up-gradation
Long Term Bank Facilities	Revised from CARE BBB+; Stable (Triple B Plus; Outlook: Stable)	CARE A-; Stable (Single A Minus; Outlook :Stable)
Commercial Papers	Revised from CARE A3 + (A Three Plus)	CARE A2 (A Two Plus)
NCD	Stable (Triple B plus; Outlook: Stable)	Stable (Single A Minus; Outlook: Stable)

- Fresh rating provided by the Brickwork Ratings for Long Term Bank Facilities is as follows:-

Instruments	Fresh Rating
Long Term Bank Facilities	BWR A (Pronounced as BWR Single A) Outlook: Stable

7. CAPITAL ADEQUACY

Ess Kay continues its endeavour for greater capital efficiency and shoring up its capital adequacy to enhance shareholder value. Ess Kay is well capitalized with an overall capital adequacy ratio (CRAR) being at 20.46% at the end of the year, well above the benchmark requirement of 15.00% stipulated by Reserve Bank of India (RBI). Of this, the Common Equity Tier I was 16.87%. As on March 31, 2018, the Ess Kay's Tier II stood at 3.59%.

8. HUMAN RESOURCE DEVELOPMENT (SOCIAL & RELATIONSHIP CAPITAL)

As business continues to grow at a steady pace amidst greater consumer expectations, the human resource department's responsibility of nurturing the potential of employees is also greater. With digitization of the HR function we have made further progress towards creating an environment that fosters learning and growth. We continue to deepen our relationship with campuses across the country to hire fresh talent. Our talent acquisition programme is also continually focused on hiring best in class lateral talent. The HR department along with senior employees across other departments is invested in developing internal talent, and performing employees are given enhanced job responsibilities in your fast growing company.

Your Company has undertaken several people development interventions over the last year. In order to create "Robust People

Bench Strength” across key functions, your Company has undertaken market mapping with NBFCs / Financial Services companies and a white paper on synergies and gaps, talent Infusion to provide a blend of “new skills” and “existing skills” to its reservoir to ascertain key talents of your Company.

Your company will always strive to strengthen this most important resource in its quest to have enabling human capital. Currently, Ess Kay has a talent pool of 1942 employees across the six states namely Gujarat, Rajasthan, Madhya Pradesh, Haryana, Maharashtra and Punjab.

9. BRANCH NETWORK

Branches are not just places where the customers transact and conduct business but also are edifices of trust. The Ess Kay therefore sees greater merit in a calibrated growth of its branch network through combination of advanced analytics that help in identifying high potential locations and technology tools that increase staff productivity & smaller branch formats. In continuation of our last year's efforts the process of expanding our operations in the region of Rajasthan and Gujarat.

Ess Kay has its wings spread across more than 6 states in India through over 238 points of presence.

10. TECHNOLOGY INITIATIVES

Going forward, technology will define one's competitive edge in the market. The management of your Company realizes that and has been investing in technological up-gradation and also fine-tuning the systems and processes to ensure that those are in sync with the technology platforms.

I. Finn One: A decade ago, few had the privilege of owning a mobile phone while today nearly half a billion Indians own smart phones. Earlier, disbursement of a loan is a very typical process for NBFCs, while today with the new age consumers who are seeking convenience, is growing at a rapid speed, therefore, Ess Kay has taken a major step towards up gradation of technology wherein we are migrating from existing Jaguar (constraints in terms of scalability) to Finn One from Nucleus which will provide requisite thrust in terms of following:

- Rationalization of sales force
- Improvement with respect to capturing data on real time basis eventually leading to faster turnaround
- Cloud based backup providing real time update
- E KYC updates on a real time basis
- Real time capturing of data from Mobile application with respect to new business sourcing and credit decisions.
- Real time collection tracking

To put it in right perspective the LOS / LMS system from Finn One is used by industry leaders.

II. Avantisis a technology organization that offers world class

automation solutions for your organization's critical Governance, Risk and Compliance processes for various industries at various platforms. Avacom provides a comprehensive solution to organization's complete compliance requirements with following features:

- Access anywhere, anytime over the web
- Smart Dashboards with all key metrics in one place like one of the most popular social media website
- Smart Work flows for Document Management Long-term Document retention & Retrieval Version Management
- Complete Legal, Secretarial and Financial Coverage
- Internal Management compliance System

During FY 2017-18, the RBI had issued the 'Master Direction – Information Technology Framework for the NBFC Sector ("Master Directions") on June 8, 2017 and all NBFCs were required to comply with these Master Directions by June 30, 2018. Accordingly, for adequate IT Governance, the Company, inter alia, adopted an Information Technology Policy, Information Security Policy and Cyber Security Policy.

Moreover, Company has constituted IT Strategy Committee in their meeting held on September 22, 2017 consisting following members:

- Mr. Amar Lal Daultani (Independent Director)
- Mr. Amar Chand Chug (Independent Director)
- Mr. Gajendra Kumar (Chief Technology Officer)
- Mr. Ritesh Kumar (Chief Information Officer)

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

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

12. CONVERSION OF THE COMPANY AND CONSEQUENT EFFECTS

During the Financial Year 2017-18, the Management of company has decided to establish a sound Corporate Governance as well to avail benefits of corporate form of organization which is allowed to raise funds from general public also. After considering the said benefits Management has decided to convert company into public limited company. Public Limited Company enjoys better avenues for borrowing of funds enjoys better recognition in the market and bestows confidence in the stakeholder.

Consequent on such conversion, the Article which lays down certain restrictions in case of Private Limited Companies as per the provisions of the Companies Act have been deleted and certain new articles as required in case of a public limited company have been inserted.

In order to comply with the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed there under, the Company has renamed the heading of

clause III B to "Matters which are necessary for furtherance of the objects specified in clause III(A) are:-" and deleted the Other Objects Clause i.e. III C from the Memorandum of Association.

Further the liability clause of Memorandum of Association i.e. Clause IV is required to be substituted with the following: "The liability of members is limited and this liability is limited to the amount unpaid, if any, on shares held by them".

13. DIRECTORS & KMP

a) Changes in Directors

During the financial year 2017-18, the following changes have been made in directorships of the Company:

1. Resignation:

- Mr. Sanjiv Singal, Nominee Director has resigned from the Board (w.e.f. December 30, 2017) as Banyan Tree Growth Capital LLC has sold its entire stake in Ess Kay.
- Mr. Amar Chand Chug, Independent Director has resigned from the Board w.e.f. May 8, 2018

2. Appointment:

- Mr. Rahul Bhasin has joined the Company as Nominee Director on behalf of Baring Private Equity India AIF (Domestic Investor) w.e.f. December 30, 2017.
- Mr. Munish Dayal was appointed as Alternate Director in place of Mr. Rahul Bhasin w.e.f. February 26, 2018, as Mr. Rahul Bhasin was out of India for a period of 3 months.
- Mr. Anand Raghvan was appointed as an Additional Director (Non-Executive & Independent) of the Company, for a period of up to 24th Annual General Meeting, w.e.f. April 7, 2018.

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the rules made thereunder & the Company's Articles of Association, Mrs. Shalini Setia, (DIN:02817624) will retire by rotation at the 24th AGM of the company and being eligible, has offered herself for re-appointment.

b) Key Managerial Personnel

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

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

Mr. Rajendra Kumar Setia and Mrs. Shalini Setia are reappointed as Managing Director and Whole Time Director of the Company respectively by the board of directors at its meeting held on May 19, 2017 for a period of 5 years commencing from May 19, 2017 till May 18, 2022.

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.

d) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report forming part of this report as Annexure VI.

e) Selection Process

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

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

14. BOARD MEETINGS

During the financial year 2017-18, 11 (eleven) meetings of the Board of Directors were held and the related details, including that of various committees constituted by the Board, are made available in the Report of Directors on Corporate Governance (Annexure VI) forming part of the annual report placed before the members. At times certain decisions are taken by the Board/ Committee through circular resolutions.

The Board met eleven times during the year 2017-18 viz.

- Meeting no. 01/2017-18 held on May 19, 2017;
- Meeting no. 02/2017-18 held on June 12, 2017;
- Meeting no. 03/2017-18 held on July 29, 2017;
- Meeting no. 04/2017-18 held on September 22, 2017;
- Meeting no. 05/2017-18 held on November 10, 2017;
- Meeting no. 06/2017-18 held on December 28, 2017;
- Meeting no. 07/2017-18 held on December 29, 2017;
- Meeting no. 08/2017-18 held on December 30, 2017;
- Meeting no. 09/2017-18 held on December 30, 2017;
- Meeting no. 10/2017-18 held on February 06, 2018

- Meeting no. 11/2017-18 held on February 26, 2018.

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

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

The company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the corporate governance report, which forms part of the Board's report as Annexure VI. Further, The Company has also adopted a 'Fit and Proper' Policy for ascertaining the 'Fit and Proper' criteria to be adopted at the time of appointment of directors and on a continuing basis, pursuant to the RBI Master Directions for NBFCs. The Company has received the 'Fit and Proper' declarations from all the Directors of the Company in April 2018, which have been taken on record by the NRC.

16. 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, which forms part of the Board's report as Annexure VII.

17. BOARD COMMITTEES

Your Company has 7 committees of Board, viz,

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

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

18. STATUTORY AUDITORS

- At the 20th Annual General Meeting of the Shareholders of the Ess Kay held on 30th September, 2014, M/s S.S Kothari Mehta & Co., Chartered Accountants, New Delhi, Statutory Auditors of the Company (Firm Registration No.000756N), was appointed as the Statutory Auditors of the Ess Kay to hold office as such from the conclusion of the 20th Annual General Meeting until the conclusion of the 25th Annual General Meeting, subject to the ratification by the Shareholders each year.
- As the existing auditor, M/s S.S Kothari Mehta & Co. has shown their inability to be the Statutory Auditors of the Company, therefore, it

is proposed to appoint M/s B S R & Co. LLP, Chartered Accountants, Mumbai (Membership Number: 101248W/W-100022) as the Company's new Statutory Auditor, subject to the approval of the Shareholders of the Company.

- Pursuant to the recommendation of the Audit Committee of the Board, the Board of Directors has proposed the appointment of M/s B S R & Co. LLP, Chartered Accountants, Mumbai (Membership Number: 101248W/W-100022), as the Statutory Auditors of the Company for a period of Five consecutive years and to hold office as such from the conclusion of the 24th Annual General Meeting upto the conclusion of the 29th Annual General Meeting.
- As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained a written certificate from the above mentioned Auditors to the effect that they confirm with the limits specified in the said Section and that they are not disqualified for appointment within the meaning of Section 141 of the said Act.
- Appointment of Statutory Auditors is being sought from the shareholders of the Company at the ensuing AGM.

19. AUDITORS' REPORT

There is no reservation, qualification or adverse remark contained in the Auditor's Report attached to Financial Statements of company as at March 31, 2018. Information referred in Auditor's Report are self-explanatory and do not call for any further comments.

Your Directors are pleased to inform that there was no qualification, reservation or adverse remark or disclaimer in the statutory auditors' report for the financial year 2017-18.

20. INTERNAL AUDITOR

During the year under review, pursuant to the provisions of Section 138 and all other applicable provisions, if any of Companies Act, 2013 and rules made there under, M/s Gopal Ghiya & Associates, Chartered Accountant (Firm Registration No. 003876C) appointed as Internal Auditors to carry out internal audit of the company for the Financial Year 2017-18.

The Board has re-appointed M/s Gopal Ghiya & Associates, Chartered Accountant (Firm Registration No. 003876C) as Internal Auditor to carry out internal audit of the Company for the financial year 2018-19.

21. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

Pursuant to the provisions of section 204(1) of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the board of directors had appointed M/s V.M. & Associates, Practicing Company Secretaries (Firm Registration No. P1984RJ039200) to undertake the secretarial audit of the company for the financial year ended 2017-18

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 2017-18 as in the previous years. The Secretarial Audit Report in form MR-3 is annexed herewith which forms part of this report and marked as Annexure I.

The Board has re-appointed M/s V. M. & Associates, Company Secretaries in Practice, Jaipur as Secretarial Auditor of the Company to carry out secretarial audit of the Company for the financial year 2018-19.

22. RISK MANAGEMENT

The Company has formulated and adopted a robust Risk Management Framework. Whilst the Board is responsible for framing, implementing and monitoring the Risk Management Framework, it has delegated its powers relating to monitoring and reviewing of risks associated with the business of the Company to the Risk Management Committee. The details of the Risk Management Framework and issues related thereto have been explained in the Management's Discussion and Analysis Report, which is provided as an Annexure VII to this report.

The Company has formulated and implemented Risk Management policy. In the opinion of the Board there is no element of Risk which threatens the existence of the Company.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate and giving of guarantees or providing security in connection with loans to any other bodies corporate or persons are not applicable to the Company, since the Company is an NBFC. Company is engaged in business of Financing Enterprises, companies, institutions and thus lending business is an activity covered under ordinary course of Business. Details have been covered under notes to accounts of Audited Financial Statements for Financial Year 2017-18.

24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

All the related party transactions that were entered during the financial year are done on arm's length basis. The particulars of contract or arrangement entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are disclosed in Form No. AOC -2 and the same forms part of this report as Annexure II.

25. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has constituted the Corporate Social Responsibility Committee of the Board of Directors, in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014, as amended.

The brief outline of the CSR Policy, including overview of the programs undertaken by the Company, the composition of the CSR Committee, average net profits of the Company for the past three financial years,

prescribed CSR expenditure and details of the amounts spent by the Company on CSR activities during the year under review, have been provided as Annexure III to this report.

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

26. SHARE CAPITAL

I. During the year under review, the Company has reclassified its Share Capital in following manner:

- Earlier Authorized Share Capital of the Company was Rs. 5,75,00,000/- (Rupees Five Crore Seventy Five Lakhs Only) divided into 4,50,000 (Four Lakhs Fifty Thousand) equity shares of Rs 100/- each and 1,25,000 (One Lakh Twenty Five Thousand) compulsorily convertible preference shares of Rs. 100/- each.
- The Company has reclassified 1,25,000 (One Lakh Twenty Five Thousand) compulsorily convertible preference shares of Rs. 100/- each into 1,25,000 (One Lakh Twenty Five Thousand) Equity Shares of Rs. 100/- each
- Now, Authorized Share Capital of the Company is Rs. 5,75,00,000/- (Rupees Five Crore Seventy Five Lakhs) divided into 5,75,000 (Five Lakhs Seventy Five Thousand) equity shares of Rs 100/- each.
- The Company has allotted 80,210 new equity shares to the investors, consequently issued capital was stood at Rs. 3,50,91,900/- divided into 350,919 equity shares of Rs. 100/- each.

II. Your Directors have immense pleasure to inform that our sincere efforts have borne fruits and we are able to attract focus of top class PE funds resulting in fair valuation and fresh equity infusion in to the company. Further, we would also like to inform you that our existing PE investor Banyan Tree Growth Capital LLC and Ladder Up Finance Limited holding cumulatively (26.25%) have completely exited the company through secondary sale. Cumulative transaction value stood at Rs. 193.00 Crore (Primary: Rs. 100.00 Crore & Secondary sale: Rs. 93.00 crore including dilution from promoter to the tune of 0.94% of their stake on a fully diluted basis). Details of shareholding pattern are given in Form No. MGT-9, which forms part of this report and marked as Annexure IV.

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

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

Barings Private Equity India AIF: Founded in 1984, Baring Private Equity Partners has a rich heritage of entrepreneurial initiative that

began nearly three decades ago when the firm became one of the first pan-European providers of private equity capital. The funds advised invest in every major market outside the USA via seven regional fund groups with local investment advisors in Europe, Asia and Latin America. With approximately USD 18 billion in funds under management, Baring Private Equity International has one of the most extensive on-the-ground networks of any international private equity provider.

Karma Holdings Mauritius Limited:- Karma Holdings Mauritius Limited is incorporated as a private company limited by shares under the laws of Mauritius, licensed as a Global Business Category 1 License from the Financial Services Commission, Mauritius. It has been incorporated as an investment holding company and is a subsidiary of Baring Private Equity Partners (India) Limited.

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

27. EXTRACT OF THE ANNUAL RETURN

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

28. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of the Companies Act, 2013 read with rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Board's Report as Annexure V.

29. DEPOSITS FROM PUBLIC

Ess Kay is non-deposit accepting Non-banking financial company. During the year, your Company has not accepted any deposits from the public and shall not accept any deposits from the public without obtaining prior approval of the RBI.

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

(A) CONSERVATION OF ENERGY-

- (i) the steps taken or impact on conservation of energy;
 - Installation of five star energy conservation air conditioning systems.
 - Conservation of conventional lighting to LED in select premises & implementation of LED lights in all new Branches/Offices.
 - Installation of automatic power controllers to save maximum demand charges and energy.

- Installation of TFT monitors that saves power.
- Periodic Training sessions for employees on ways to conserve energy in their individual roles.
- (ii) the steps taken by the company for utilizing alternate sources of energy;
 - Utilizing alternate sources of energy like solar energy or wind energy are the key focus areas of the Company and conscious efforts are being made towards improving energy performance, year on year. For Sustainable Development, energy efficiency initiatives have been implemented across several branches and offices through energy and resource conservation projects.

(iii) the capital investment on energy conservation equipment;

NIL

(B) TECHNOLOGY ABSORPTION-

- (i) The efforts made towards technology absorption;
 - The nature of business being carried out by the Company entails an extensive use of effective information technology so as to ensure that its services reach the end users i.e. its clients without any loss of time. The Company has implemented best of the class applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
 - NIL
- (iii) In case of imported technology;
 - Not applicable
- (iv) The expenditure incurred on Research and Development
 - NIL

31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

32. CORPORATE GOVERNANCE

Ess Kay is committed to the highest standards of corporate governance, and setting industry-leading benchmarks. Our goal is to promote and protect the long-term interest of all stakeholders, and to that end, our philosophy of Corporate Governance is built on a foundation of ethical and transparent business operations and is designed to inspire trust among all stakeholders, strengthen the Board and management accountability. The report on corporate governance forms integral part of this annual report as Annexure VI.

33. RBI GUIDELINES

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

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

34. LISTING OF SECURITIES

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

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

Ess Kay has zero tolerance towards sexual harassment and has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place in accordance with the provisions of the Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. The policy is fleshed on website of the company at <http://www.skfin.in/disclosures.php>. The following is a summary of sexual harassment complaints received and disposed off during the year 2017-18:

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

36. NOTICES RECEIVED/PENALTY IMPOSED

NIL

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

NIL

38. VIGIL MECHANISM

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for employees to report

matters without the risk of subsequent victimization, discrimination or disadvantage. A whistle blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The Policy is available on the website of the Company <http://www.skfin.in/disclosures.php>

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

39. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

• ACKNOWLEDGEMENTS

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

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

Place: Jaipur
Date: August 01, 2018

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

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

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED March 31, 2018

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 ('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, 2018 according to the provisions of:

- | | |
|--|---|
| <ul style="list-style-type: none"> (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'):- <ul style="list-style-type: none"> (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;(Not applicable to the Company during the Audit Period) (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;(Not applicable to the Company during the Audit Period) (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(Not applicable to the Company during the Audit Period) (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;(Not applicable to the Company during the Audit Period) (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (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; | <ul style="list-style-type: none"> (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the Audit Period) and (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (vi) As confirmed, following other laws are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively: <ul style="list-style-type: none"> (a) The Reserve Bank of India Act, 1934; (b) Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016; (c) Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016; (d) Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016; (e) Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016; (f) Master Direction – Information Technology Framework for the NBFC Sector; and (g) Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 2016 |
|--|---|

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

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

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

We further report that

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, independent director(s) were present at Board Meetings which were called at shorter notice to transact business which were considered urgent by the management in compliance of Section 173(3) of the Act. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

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

Annexure A

To,
The Members,
Ess Kay Fincorp Limited
(Erstwhile Ess Kay Auto Finance Private Limited)
G 1-2, New Market, Khasa Kothi
Jaipur 302001 (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.

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

- (a) Duly passed the resolutions under section 180(1)(a) and 180(1)(c) of the Act, read with its applicable rules, as amended for borrowing limits to the extent of Rs. 1,500 Crores (Rupees One Thousand Five Hundred Crores Only);
- (b) Issued and allotted 80,210 (Eighty Thousand Two Hundred and Ten Only) fully paid-up equity shares at premium aggregating to Rs. 99,99,98,924.60/- (Rupees Ninety Nine Crores Ninety Nine Lakhs Ninety Eight Thousand Nine Hundred and Twenty Four Sixty Paise Only) on private placement basis;
- (c) Reclassified the 1,25,000 Compulsory Convertible Preference Shares of Rs. 100/- each into 1,25,000 Equity Shares of Rs. 100/- each;
- (d) Issued Commercial Papers amounting to Rs. 20 Crores (Rupees Twenty Crores Only);
- (e) Issued and allotted 12,350 (Twelve Thousand Three Hundred and Fifty) Redeemable Non-convertible Debentures aggregating to Rs. 365 Crores (Rupees Three Hundred and Sixty Five Crores Only) on private placement basis in multiple tranches;
- (f) Approved the issuance 15,093 (Fifteen Thousand and Ninety Three Only) convertible share warrants on preferential basis;
- (g) Converted the Company from Private Limited to Public Limited;
- (h) Altered the provisions of Memorandum and Articles of Association in terms of provisions of the Act

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

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

Sd/-
CS Vikas Mehta
Partner
ACS-28964
C P No.: 12789

Place: Jaipur
Date: August 01, 2018

FORM NO. AOC.2

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

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

- (a) Name(s) of the related party and nature of relationship: N.A
- (b) Nature of contracts/arrangements/transactions: N.A
- (c) Duration of the contracts/arrangements/transactions: N.A
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A
- (e) Justification for entering into such contracts or arrangements or transactions: N.A
- (f) Date(s) of approval by the Board: N.A
- (g) Amount paid as advances, if any: N.A
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: N.A

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

The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2018, are as follows:

S. No.	Name(s) of Related Party and Nature of Relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date (s) of approval by the Board, if any	Amount paid as advances, if any
	(a)	(b)	(c)	(d)	(e)	(f)
1	Surendra Kumar Setia- Brother of Mr. Rajendra Kumar Setia	Acting as Commission Agent	1 year	Surendra Kumar Setia is a DSA, who will provide loan cases to Ess Kay and Ess Kay will remit variable commission to Surendra Kumar Setia against the loans originated by him. Payment shall be made on monthly basis. Ess Kay will not provide any support staff for operation and collection to Surendra Kumar Setia. Value of services provided by him shall not exceed Rs 1 Crore.	19/05/2017	Nil
2	Surendra Kumar Setia- Brother of Mr. Rajendra Kumar Setia	Acting as Commission Agent	1 year	Surendra Kumar Setia is a DSA, who will provide loan cases to Ess Kay and Ess Kay will remit variable commission to Surendra Kumar Setia against the loans originated by him. Payment shall be made on monthly basis. Ess Kay will not provide any support staff for operation and collection to Surendra Kumar Setia. Value of services provided by him shall not exceed Rs 1 Crore.	06/02/2018	Nil
3	Shubham Leasing & Finance Co.- Brother of Rajendra Kumar Setia (Managing Director) is Proprietor	Acting as Commission Agent	1 year	Shubham Leasing is sourcing agent for Ess Kay and Ess Kay will remit variable commission to Shubham Leasing against the loans originated by him. Payment shall be made on monthly basis. Ess Kay will not provide any support staff for operation and collection to Shubham Leasing. Value of services provided by him shall not exceed Rs 1 Crore.	19/05/2017	Nil

4	Shubham Leasing & Finance Co.- Brother of Rajendra Kumar Setia (Managing Director) is Proprietor	Acting as Commission Agent	1 year	Shubham Leasing is sourcing agent for Ess Kay and Ess Kay will remit variable commission to Shubham Leasing against the loans originated by him. Payment shall be made on monthly basis. Ess Kay will not provide any support staff for operation and collection to Shubham Leasing. Value of services provided by him shall not exceed Rs 1 Crore.	06/02/2018	Nil
5	Diamond Capfin Private Limited- Brother of Rajendra Kumar Setia (Managing Director) is Director	Trade Advance	1 year	Ess Kay will provide Trade Advance to Diamond Capfin Private Limited at prevailing market interest rates. Interest is compounded annually payable at quarterly intervals. TA facility is provided to originate more business of Ess Kay. Value to total trade advance shall not exceed Rs. 1 crore.	19/05/2017	Nil
6	Diamond Capfin Private Limited- Brother of Rajendra Kumar Setia, (Managing Director) is Director	Trade Advance	1 year	Ess Kay will provide Trade Advance to Diamond Capfin Private Limited at prevailing market interest rates. Interest is compounded annually payable at quarterly intervals. TA facility is provided to originate more business of Ess Kay. Value to total trade advance shall not exceed Rs. 1 crore.	06/02/2018	Nil
7	Sharma Brothers - Brother of Rajendra Kumar Setia (Managing Director) is Partner	Facilitates Vehicle Running & Maintenance	1 year	Sharma Brothers is a fuel station, company purchase fuel for company owned vehicles. The rate of fuel charged is same as of an unrelated party in the normal course of business and hence justifies Arm's Length Price.	19/05/2017	Nil
8	Sharma Brothers - Brother of Rajendra Kumar Setia (Managing Director) is Partner	Facilitates Vehicle Running & Maintenance	1 year	Sharma Brothers is a fuel station, company purchase fuel for company owned vehicles. The rate of fuel charged is same as of an unrelated party in the normal course of business and hence justifies Arm's Length Price.	06/02/2018	Nil
9	Arjun Das Setia- Father of Rajendra Kumar Setia	Trade Advance	1 year	Ess Kay will provide Trade Advance to Arjun Das Setia at prevailing market interest rates. Interest is compounded annually payable at quarterly intervals. TA facility is provided to originate more business of Ess Kay. Value to total trade advance shall not exceed Rs. 1 crore. Value of fuel purchased shall not exceed Rs. 1 crore.	19/05/2017	Nil
10	Rakam Credit Private Limited Brother of Rajendra Kumar Setia (Managing Director) is Director	Acting as Commission Agent	1 year	Rakam Credit is SME Business Origination. And commission is paid on Disbursement value at market prevailing rates. Value of services is upto Rs 1 Crore.	19/05/2017	Nil
11	Rakam Credit Private Limited Brother of Rajendra Kumar Setia (Managing Director) is Director	Acting as Commission Agent	1 year	Rakam Credit is SME Business Origination. And commission is paid on Disbursement value at market prevailing rates. Value of services is upto Rs 1 Crore.	06/02/2018	Nil
12	Mr. Sameer Arora- Brother of Shalini Setia (Whole Time Director)	Appointed as Senior VP	1 year	Appointed as Senior VP at a payout of Rs. 2,13,996 per month	19/05/2017	Nil

13	Mr. Sameer Arora- Brother of Shalini Setia (Whole Time Director)	Appointed as Senior VP	1 year	Appointed as Senior VP at a payout of Rs. 2,13,996 per month	06/02/2018	Nil
14	Mr. Sanjiv Arora- Brother of Shalini Setia (Whole Time Director)	Appointed as Yard Manager	1 year	Appointed as Yard Manager at a payout of Rs. 60,000 per month	19/05/2017	Nil
15	Mr. Sanjiv Arora- Brother of Shalini Setia (Whole Time Director)	Appointed as Yard Manager	1 year	Appointed as Yard Manager at a payout of Rs. 60,000 per month	06/02/2018	Nil

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

Place: Jaipur
Date: August 01, 2018

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

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

Corporate Social Responsibility (CSR)

Annual Report on Corporate Social Responsibility (CSR) Activities

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

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

Ess Kay believes that it has a responsibility towards society. The Company commits itself to contribute to the society, discharging its corporate social responsibilities through initiatives that have positive impact on society at large, especially the community in the neighborhood of its operations by improving the quality of life of the people, promoting inclusive growth and environmental sustainability.

CSR Policy was 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 FY 2017-18, Ess Kay has undertaken various activities in the sectors of:

- **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.
- **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.
- **Vocational Training & Skill Development :** Promoting education, including special education and employment enhancing vocation skills through a training program 'Indradhanush' for the unemployed youth which will equip them with skills for the unemployed youth which

will equip them with skills and knowledge required to develop their potential to meet the future human resources needs of the finance industry.

- **Promoting Relief to Poor** (a) providing Nutrition, Clothing & water harvesting structures for poor children in tribal areas; (b) providing Rain Roof water Harvesting Structures to poor families; sponsoring cataract surgeries for poor & needy patients; and operational sing Mobile Medicare Unit;

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

2. The Composition of the CSR Committee:

The Board of Directors have constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Companies Act 2013(" Act"). The composition of the committee as at 31st March 2018 was as under:-

Name of the Director	Category
Mr. Rajendra Kumar Setia	Chairman
Mr. Amar Chand Chug	Member
Mr. Amar Lal Daultani	Member
Mr. Anand Raghavan	Member

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

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

Average net profit: Rs. 1,92,148,104/-

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

The company is required to spend Rs. 38,42,962/-

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Rs. 38,42,962/-

(b) Amount unspent: NIL (No amount is unspent for the Financial Year 2017-18 and Rs. 21,02,855/- are carried forward from the previous years, which is still unspent)

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

-1 S. No.	-2 CSR project or activity identified	-3 Sector in which the project is covered	-4 Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	-5 Amount outlay (budget) project or programs wise	-6 Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	-7 Cumulative expenditure upto to the reporting period	-8 Amount spent : Direct or through implementing agency
1.	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;	Preventing Poor Relief & Promoting Health Care	Jaipur, Rajasthan	15,00,000 (Rs. 500,000 was approved in previous years whereas CSR Committee has provided Rs. 10,00,000 more for this project.)	13,51,295	13,51,295	Implementing Agency
2.	Promoting education providing quality education initiatives or by financial assistance to the poor and needy students, vocational education, adult education programs	Promoting Education and employment enhancing vocation skills	Jaipur, Rajasthan	50,00,000 (Rs. 25,00,000 was approved in previous years whereas CSR Committee has provided Rs. 25,00,000 more for this project.)	41,22,881	54,26,885	Implementing Agency
3.	Ensuring environmental sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;	Cow protection	Jaipur, Rajasthan Begus	10,00,000 (Rs. 5,00,000 was approved in previous years whereas CSR Committee has provided Rs. 5,00,000 more for this project.)	7,82,000	62,56,176	Implementing Agency
Total				75,00,000	62,56,176	1,30,34,356	

Details of implementing agency:
• Akshaya Patra Foundation

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

• Adarsh Shiksha Samiti

Adarsh Shiksha Samiti (Adarsh) is a nonprofit and non government organization working towards women empowerment, education and livelihood promotion. Adarsh aspires to improve the living conditions of the poor and marginalized by adopting strategies through community initiative, participation and sensitization. Founded in 1989, the organization has worked among backward communities in the interior unreached pockets of tribal villages in southern Rajasthan, identified as one of the most under developed region in state. Women self help groups have been taken as the base for all interventions and livelihood activities enabling them to contribute towards mainstream development process.

• **Hare Krishna Movement**

Hare Krishna Movement is an affiliated concern of the Akshay Patra Foundation where we are dedicated to teach simpler and more natural ways of life to society at large. It is also registered as non-profit charitable trust in Jaipur. Hare Krishna Movement, Jaipur has taken up maintenance and charge of Hingonia Gau Punarvas Kendra (Hingonia Cattle Rehabilitation center) situated at Hingonia Village, Jaipur from 1st Oct 2016. Giving more importance to production of milk and economic development, foreign breed cattle or hybrid ones produce more milk while compared to local breed of cattle. Presently it is one of the largest Gaushala in the state where more than 11000 cows are being maintained.

• **Abhiyan Bharat Foundation**

The Abhiyan Bharat movement (registered as a charitable trust) was started in 2012 by prominent entrepreneurs from the financial services sector of India. The driving idea behind Abhiyan Bharat was that while education had played a crucial role in their attaining professional, social and financial success and paying back to the society in some form. Ess Kay associated with the foundation to promote the cause of education as an endeavor to provide under-privileged individuals a kick start in life.

• **Narayan Sahaya Samruti Sansthan**

Ess Kay supported the organization to provide education to the under-privileged individuals and nurturing higher education, build better and learned India and the organization basically works to educate population from socially and economically disadvantaged communities,

• **Gaushala Seva Samiti, Begus**

Gaushala Seva Samiti focuses to care for stray, abandoned Indian cows, bulls, retired oxen, and orphaned calves. We provide them hay, flour, fresh grass, clean water, medical attention and a place where they can recuperate from injuries and stay peacefully. Ess Kay realized the contribution of cows in sustaining the lives of creatures & living beings Milk from the cows meets the daily requirement of human being & their dung & urine are utilized for Bio-fuel & natural drug therapy. Company has contributed significant amount to various NGOs where cautions are used to protect & care cows while working with them. Here, cows are properly sheltered & fed with healthy staple. A proper medical treatment, if needed is provided.

Disha Foundation

Disha is a nonprofit voluntary organization, which was started in 1995 with a vision of society with equal opportunities for all and love and understanding of the need for providing opportunities for children with multiple disabilities. Ess Kay contributed in Disha's Motto "to be a part and not apart" in order to convey message to the society at large in believing in equality.

6. Reason for not spending the amount mentioned at point 5©:

NA

7. 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.

Date: August 01, 2018
Place: Jaipur

Sd/-
Rajendra Kumar Setia
Managing Director & Chairman

Sd/-
Amar Lal Daultani
Member of CSR Committee

Sd/-
Anand Raghvan
Member of CSR Committee

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[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	U65923RJ1994PLC009051
Registration Date	21 st November, 1994
Name of the Company	Ess Kay Fincorp Limited (Erstwhile Ess Kay Auto Finance Private Limited)
Category / Sub- Category of the Company	Company Limited By Shares/Indian Non-Government Company(Registered with the Reserve Bank of India as a Non-Banking Financial Company bearing registration number B 10.00080)
Address of the Registered Office and contact details	G 1-2, New Market, Khasa Kothi, Jaipur-30200,Rajasthan 0141-4161300/200 Email: anagha.bangur@skfin.in
Whether listed company	YES (Privately Placed Debentures are listed at WDM segment of Bombay Stock Exchange)
Name, address and contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate Saki Vihar Road, Saki Naka Andheri (East) Mumbai 400 072. Direct:-022 4043 0289/022 4043 0262

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Other credit granting	64920	98.77%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

i. Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	% of total shares	De-mat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	199635	-	199635	73.745	196101	-	196101	55.882	(17.863)

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	Tot% of total shares	De-mat	Physical	Total	Tot% of total shares	
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub -Total (A)(1):	199635	-	199635	73.745	196101	-	196101	55.882	(17.863)
(2) Foreign		-				-			
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) other - individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters(A) = (A)(1)+(A)(2)	199635	-	199635	73.745	196101	-	196101	55.882	(17.863)
B. Public Shareholding		-				-			
(1) Institutions		-				-			
a) Mutual Funds /UTI	-	-	-	-	-	-	-	-	-
b) Banks/ FI	2707	-	2707	01.000	-	-	-	-	(01.000)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	30808	-	30808	08.779	8.779
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	68354	-	68354	25.250	38173	-	38173	10.878	(14.372)
h) Foreign Venture Capital Funds	-	-	-	-	85824	-	85824	24.457	24.457
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	71061	-	71061	26.250	154805	-	154805	44.114	17.864
(2) Non-Institutions		-				-			-
a) Bodies Corporate		-				-			-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i Individual Shareholders holding nominal share capital upto 1 Lakh	13	-	13	0.005	13	-	13	0.004	(0.001)

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	% of total shares	De-mat	Physical	Total	% of total shares	
ii. Individual Shareholders holding nominal share capital in excess of 1 lakh	-	-	-	-	-	-	-	-	-
c) Others ((specify)									
Sub-Total (B)(2)	13	-	13	0.005	13	-	13	0.004	(0.001)
Total Public Shareholding} (B)=(B)(1)+(B)(2)	71074	-	71074	26.255	15481	-	15481	44.118	(17.863)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	270709	-	270709	100.00	350919	-	350919	100.00	-

(ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Rajendra K. Setia	99880	36.895	-	180283	51.375	-	14.480
Rajendra K. Setia HUF	-	-	-	1,250	0.356	-	0.356
Shalini Setia	99729	36.840	36.84	14542	4.144	-	(32.696)
Yash Setia	13	0.005	-	13	0.004	-	(0.001)
Bhajan Devi Setia	13	0.005	-	13	0.004	-	(0.001)
Total	199635	73.745	36.84	196101	55.882	-	(17.862)

(III). CHANGE IN PROMOTERS' SHAREHOLDING

Shareholders Name	Shareholding at the beginning of the year			Cumulative Shareholding of the Company	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Rajendra Kumar Setia	At the beginning of the year	99880	36.895	99880	36.895
	Change during the year			80403	14.480
	• Sell of shares on 29th December, 2017	(3534)	(1.007)		
	• Gift form Mrs. Shalini Setia on 30th December, 2017	83937	23.919		
	• Effect of Equity Infusion on 30th December, 2017	-	(8.432)		
	At the end of the year	180283	51.375	180283	51.375
Rajendra Kumar Setia HUF	At the beginning of the year	-	-	-	-
	Change during the year			1250	0.356
	• Gift form Mrs. Shalini Setia on 26th February, 2018	1250	0.356		
	At the end of the year	1250	0.356	1250	0.356
Shalini Setia	At the beginning of the year	99729	36.84	99768	36.84
	Change during the year			85187	(32.696)
	• Gift to Mr. Rajendra Kumar Setia on 30th December, 2017	(83937)	(23.919)		
	• Effect of Equity Infusion on 30th December, 2017	-	(12.565)		
	• Gift to M/s Rajendra Kumar Setia HUF on 26th February, 2018	(1250)	(0.356)		
	At the end of the year	14542	4.144	14542	4.144
Yash Setia	At the beginning of the year	13	0.005	13	0.005
	Change during the year			-	(0.001)
	• Effect of Equity Infusion on 30th December, 2017	-	(0.001)		
	At the end of the year	13	0.004	13	0.004
Bhajan Devi Setia	At the beginning of the year	13	0.005	13	0.005
	Change during the year			-	(0.001)
	• Effect of Equity Infusion on 30th December, 2017	-	(0.001)		
	At the end of the year	13	0.004	13	0.004

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

Shareholders Name	Shareholding at the beginning of the year			Cumulative Shareholding of the Company	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1. Banyan Tree Growth Capital LLC	At the beginning of the year	68354	25.250	68354	25.250
	Change during the year				
	• Sale of shares on 29th December, 2017	(68354)	(25.250)	(68354)	(25.250)
	At the end of the year	-	-	-	-
2. Norwest Venture Partners X – Mauritius	At the beginning of the year	-	-	-	-
	Change during the year				
	• Purchase of shares on 29th December, 2017	41,356	11.785	41,356	11.785
	• Allotment of new shares on 30th December, 2017	44,468	12.672	44,468	12.672
	At the end of the year	85,824	24.457	85,824	24.457
3. Baring Private Equity India AIF	At the beginning of the year	-	-	-	-
	Change during the year				
	• Purchase of shares on 29th December, 2017	14845	4.230	14845	4.230
	• Allotment of new shares on 30th Dec. 2017	15963	4.459	15963	4.459
	At the end of the year	30808	8.779	30808	8.779
4. Evolvence India Fund II LTD	At the beginning of the year	-	-	-	-
	Change during the year				
	• Purchase of shares on 29th December, 2017	13914	3.965	13914	3.965
	• Allotment of new shares on 30th Dec., 2017	14962	4.264	14962	4.264
	• Shares transferred on 22nd February, 2018	(28876)	(8.229)	(28876)	(8.229)
	At the end of the year	-	-	-	-
5. Evolvence Coinvest I	At the beginning of the year	-	-	-	-
	Change during the year				
	• Transfer of shares on 22nd February, 2018	28876	8.229	28876	8.229
	At the end of the year	-	-	-	-
6. Karma Holdings Mauritius Limited	At the beginning of the year	-	-	-	-
	Change during the year				
	• Purchase of shares on 29th December, 2017	4,480	1.277	4,480	1.277
	• Allotment of new shares on 30th Dec., 2017	4,817	1.372	4,817	1.372
	At the end of the year	9,297	2.649	9,297	2.649

Shareholders Name	Shareholding at the beginning of the year			Cumulative Shareholding of the Company	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
7. LadderUp Finance Limited	At the beginning of the year	2707	1.000	2707	1.000
	Change during the year				
	• Sale of shares on 29th December, 2017	(2707)	(1.000)	(2707)	(1.000)
	At the end of the year	-	-	-	-
8. Atul Arora	At the beginning of the year	13	0.005	13	0.005
	Change during the year				
	• Effect of Equity Infusion on 30th Dec, 2017	-	(0.001)	-	(0.001)
	At the end of the year	13	0.004	13	0.004

(V) Shareholding of Directors and Key Managerial Personnel:

Shareholders Name	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Rajendra Kumar Setia (Managing Director)	At the beginning of the year	99880	36.895	99880	36.895
	Change during the year			80403	14.480
	• Sell of shares on 29th December, 2017	(3534)	(1.007)		
	• Gift form Mrs. Shalini Setia on 30th Dec. 2017	83937	23.919		
	• Effect of Equity Infusion on 30th Dec. 2017	-	(8.432)		
	At the end of the year	180283	51.375	180283	51.375
Shalini Setia (Whole Time Director)	At the beginning of the year	99729	36.84	99768	36.84
	Change during the year			85187	(32.696)
	• Gift to Mr. Rajendra K. Setia on 30th Dec, 17	(83937)	(23.919)		
	• Effect of Equity Infusion on 30th Dec., 2017	-	(12.565)		
	• Gift to M/s Rajendra K. Setia HUF on 26th Feb.18	(1250)	(0.356)		
	At the end of the year	14542	4.144	14542	4.144
Amar Chand Chug (Independent Director)	At the beginning of the year	-	-	-	-
	Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the Year	-	-	-	-

Shareholders 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
Rahul Bhasin (Nominee Director)	At the beginning of the year	-	-	-	-
	Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the Year	-	-	-	-
Amar Lal Daultani (Independent Director)	At the beginning of the year	-	-	-	-
	Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the Year	-	-	-	-
Munish Dayal (Alternate Director)	At the beginning of the year	-	-	-	-
	Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the Year	-	-	-	-
Sanjiv Singhal (Nominee Director)	At the beginning of the year	-	-	-	-
	Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the Year	-	-	-	-
Atul Arora (Chief Financial Officer)	At the beginning of the year	13	0.005	13	0.004
	Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the Year	13	0.005	13	0.004
Anagha Bangur (Company Secretary)	At the beginning of the year	-	-	-	-
	Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the Year	-	-	-	-

VI. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
-i) Principal Amount	4,56,59,69,181	1,58,01,87,500		6,14,61,56,681
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	2,40,38,743	2,98,29,652		5,38,68,395
Total (i+ii+iii)	4,59,00,07,924	1,61,00,17,152		6,20,00,25,076
Change in Indebtedness during the financial year				
Additions	7,64,69,77,309	25,00,00,000		7,89,69,77,309
Reduction	4,33,25,60,758	73,42,50,000		5,06,68,10,758
Net Change	3,31,44,16,551	(48,42,50,000)		2,83,01,66,551
Indebtedness at the end of the financial year				
i) Principal Amount	7,88,03,85,732	1,09,59,37,500		8,97,63,23,232
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	3,75,53,771	4,42,06,354		8,17,60,125
Total (i+ii+iii)	7,91,79,39,503	1,14,01,43,854		9,05,80,83,357

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No.	Particulars of Remuneration	Name of MD/WT/ Manager		
		Mr. Rajendra Kumar Setia (Managing Director)	Mrs. Shalini Setia (Whole Time Director)	Total Amount (In Rs.)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961. (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	73,82,158 - -	11,12,299 - -	84,94,457 - -
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	73,82,158	11,12,299	84,94,457
	Ceiling limit as per Act (being 10% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013)	1,64,62,252		

B: Remuneration To Other Directors

S.No.	Particulars of Remuneration	Name of the Directors		
		Amar Chand Chug	Amar Lal Daultani	Total Amount (In Rs.)
1	Independent Directors			
	• Fees for attending Committee meetings	4,00,000	4,00,000	8,00,000
	• Commission	Nil	Nil	Nil
	• Others	Nil	Nil	Nil
	Total (1)	4,00,000	4,00,000	8,00,000
2	Other Non-Executive Directors			
	• Fees for attending Board Meetings/ Committee Meetings	Nil	Nil	Nil
	• Commissions	Nil	Nil	Nil
	• Others	Nil	Nil	Nil
	Total (2)	-	-	-
	Total (B)=(1+2)	4,00,000	4,00,000	8,00,000
	Total Managerial Remuneration	4,00,000	4,00,000	8,00,000

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 Amount (In Rs.)
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,42,485	20,70,140	26,12,625
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	5,42,485	20,70,140	26,12,625

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

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

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

Place : Jaipur
Date : August 01, 2018

DISCLOSURES ON MANAGERIAL REMUNERATION

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

a. Ratio of the Remuneration of each director to the median employees' remuneration (times) for FY 2017-18 :

Name	Designation	Remuneration of Directors to median employees remuneration (times)
Mr. Rajendra Kumar Setia	Managing Director	43.43
Mr. Shalini Setia	Whole Time Director	6.51

b. Percentage increase in the remuneration of each director and key managerial personnel in FY 2017-18 is given below. Further details are given in MGT-9.

Name	Designation	Increase in Remuneration
Mr. Rajendra Kumar Setia	Managing Director	53.79%
Mrs. Shalini Setia	Whole Time Director	54.49%
Ms Anagha Bangur	Company Secretary	20.00%
Mr. Atul Arora	CFO	72.51%

c. The percentage increase in the median remuneration of employees in FY 2017-18 stood at 35.36%.

d. No of permanent employees on the rolls of the Company : 1942

e. Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in managerial remuneration.

The average increase in the remuneration of all employees other than key managerial personnel was 17.62% for the FY 2017-18. The average increase in remuneration of the Key managerial personnel was 55.02%.

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 (KPs), while the remuneration of the managerial personnel is based on the remuneration policy as recommended by the Nomination & Remuneration Committee and approved by the board of directors.

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

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

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

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

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

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

Employee Name	Designation	Date of Joining the Company	Educational Qualification	Age	Experience (In Years)	Remuneration (P.A. in INR)	Last Employment
Rajendra Kumar Setia	Managing Director	01/11/1994	B.Sc.	49	21	73,82,158	Ess Kay Fincorp Ltd.
Amarpreet Singh Batra	Product Head Machines	15/02/2016	B.Tech	42	16	37,81,964	Magma Fincorp Ltd.
Ritesh Sharma	Head West Zone	01/07/1999	C.A. Intermediate, B. Com Honors	44	18	31,82,640	Ess Kay Fincorp Ltd.
Harish Kumar Rao	Product Head Commercial Vechicles	01/01/2016	Post Graduation in English	48	17	29,34,693	Fullerton India Credit Co Ltd.
Mihir Vaishnav	Product Head MSME	14/10/2015	MBA	51	25	26,63,005	ICICI Bank Ltd.
Sameer Arora	Head North Zone	01/04/2010	Civil Engineer	53	28	25,60,849	Self Employed
Pankaj Sharma	Head Credit & Risk	01/12/2016	MBA (Marketing & Insurance)	37	15	22,73,854	Magma Fincorp Ltd.
Atul Arora	CFO	01/04/2012	C.A.	33	8	20,70,140	Taurian Manganese & Ferro Alloy Cisa
Vivek Haripal Singh	Head Treasury	21/11/2016	C.A.	37	13	18,52,350	Reliance Capital Ltd.
Harendra Singh Rathore	Co-Head Collections	10/01/2015	B.Com	40	23	18,10,456	Udgam Commercial Ltd.

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

Place: Jaipur
Date: August 01, 2018

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

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

Corporate Governance Report

1. Our Philosophy Corporate Governance

At Ess Kay, we believe that corporate governance is a continuous journey towards sustainable value creation for all the stakeholders, which is driven by our values. Our Corporate Governance principles are a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. As a good corporate citizen, Ess Kay is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success.

The philosophy of the Company in relation to corporate governance is to ensure transparency in all its operations, make disclosures, and enhance shareholder value without compromising in any way on compliance with the extant laws and regulations. The Company believes that good governance brings sustained corporate growth and long-term benefits for stakeholders.

The Board has constituted various Committees consisting of Executive and Non-Executive Directors to focus on the critical functions of the Company. The Company also seeks to promote and follow highest level of ethical standards and has formulated various corporate governance policies duly approved by the Board. All the governance policies are available on the Company's website

at <http://www.skfin.in/index.php>

Some of the important best practices of Corporate Governance are as follow:-

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

2. Board of Directors:

I. Composition

The Composition of Board is in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Commensurate with the size of the Company, complexity and nature of businesses, the composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the businesses.

The composition and category of Directors as on the date of this report is as follows:

Name of Directors	Category	Designation
Mr. Rajendra Kumar Setia	Promoter & Executive Director	Managing Director
Mrs. Shalini Setia	Promoter & Executive Director	Whole-Time Director
Mr. Amar Lal Daultani	Independent & Non-Executive Director	Director
#Mr. Amar Chand Chug	Independent & Non-Executive Director	Director
*Mr. Rahul Bhasin	Nominee Director representing Baring Private Equity India AIF (Investor)	Director
*Mr. Sanjiv Singhal	Nominee Director representing Banyan Tree Growth Capital LLC (Investor)	Director
**Mr. Munish Dayal	Alternate Director	Director
***Mr. Anand Raghvan	Independent & Non-Executive Director	Additional Director

#Mr. Amar Chand Chug, Independent Director of the Company has resigned from the Board w.e.f. May 08, 2018.

**Mr. Sanjiv Singhal resigned from the Board w.e.f. December 30, 2017 & Mr. Rahul Bhasin has been appointed as a Nominee Director in place of Mr. Sanjiv Singhal.

**Mr. Munish Dayal has been appointed as an alternate director to Mr. Rahul Bhasin w.e.f. February 26, 2018 as Mr. Rahul who is out of India for a period of 3 months.

***Mr. Anand Raghvan has been appointed as Additional Director (Non-Executive & Independent) on April 08, 2018. Board has proposed to appoint him as Independent Directors pursuant to the approval of Members of the Company in ensuing general meeting.

ii. Board Meetings

In compliance with regulatory laws, the meetings were held at least once in a quarter inter-alia to review the business activities of the Company and financial results twice and financial statement once in a year. The time period between the two meetings did not exceed 120 days. The required quorum was present at all the above meetings. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. Every Director on the Board is free to suggest any item for inclusion in the agenda for the consideration of the Board.

Besides, Directors of the Company has passed resolution by circulation viz July 12, 2017; August 16, 2017; August 18, 2017; December 27, 2017; December 28, 2017; January 18, 2018.

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 March 31, 2018:

Name of Director	Attendance at last AGM	No. of Directorship in Boards (Excluding Ess Kay Fincorp Limited)		No. of Chairmanship/Membership in other Board Committees (Excluding Ess Kay Fincorp Limited)		No. of equity shares held in Ess Kay as on March 31, 2018
		Public	Private	Chairmanship	Membership	
Mr. Rajendra Kumar Setia	Yes	-	-	-	-	1,80,283
Mr. Amar Lal Daultani	Yes	-	2	-	-	NIL
Mr. Amar Chand Chug	Yes	-	-	-	-	NIL
Mr. Sanjiv Singhal	No	-	2	-	-	NIL
Mrs. Shalini Setia	Yes	-	-	-	-	14,542
Mr. Rahul Bhasin	No	-	2	-	-	NIL
Mr. Munish Dayal	No	2	6	-	-	NIL

*None of the Directors on the Board is a member of more than 10 Committees or chairman of more than 5 committees across all public limited companies in which he is a director.

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

Date of board meetings held during the year 2017-18 and attendance of directors therein:

Name/Date	19 May 2017	12 June 2017	29 July 2017	22 Sept. 2017	10 Nov 2017	28 Dec 2017	29 Dec 2017	30 Dec 2017	30 Dec 2017	06 Feb 2018	26 Feb 2018	Total
Mr. Rajendra Kumar Setia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Mr. Amar Lal Daultani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Mr. Amar Chand Chug	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
*Mr. Sanjiv Singhal	X	✓	✓	X	X	X	X	X	X	X	X	2
Mrs. Shalini Setia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
**Mr. Rahul Bhasin	X	X	X	X	X	X	X	X	X	✓	X	1
***Mr. Munish Dayal	X	X	X	X	X	X	X	X	X	X	✓	1

*Mr. Sanjiv Singhal resigned the Board w.e.f. December 30, 2017.

**Mr. Rahul Bhasin was appointed as Nominee Director w.e.f. December 30, 2017.

***Mr. Munish Dayal was appointed as Alternate Director w.e.f. February 26, 2018.

iv. Remuneration of Directors

The Company has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other Employees, regulated by the Nomination and Remuneration Committee of the Board. The Non-Executive Directors are entitled to sitting fees for attending Meeting of the Board and its Committees. The remuneration to the Managing Director and Whole-Time Director is paid on the scale determined by the Nomination and Remuneration Committee/Board of Directors within limits approved by the shareholders at the General Meeting. Details of the remuneration paid to executive directors are stated in Form No. MGT-9, which form part of this report as Annexure-IV.

3. Committees of the Board

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

i. Audit Committee

The Audit Committee comprises of Mr. Amar Lal Daultani, Independent Director as Chairman of the Committee, Mr. Amar Chand Chug,

Independent Director of the Committee, and Mr. Sanjiv Singhal, Non - Executive Director of the Committee.

Mr. Rahul Bhasin, was inducted as member as Non -Executive (Nominee Director) of the committee with effect from December 30, 2017. Therefore committee is being re-constituted, the composition of the Audit Committee is in line with the provisions of Section 177 of the Act. All the Members have the ability to read and understand financial statements and have relevant finance and/or audit experience.

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

The core function area of Audit Committee is as follow:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.

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

Name of Director	Category	No. of Meetings in which Director / Member is entitle to attend	
		Held	Attended
Mr. Amar Lal Daultani	Non-Executive & Independent Director (Chairman)	4	4
Mr. Amar Chand Chug	Non-Executive & Independent Director	4	3
*Mr. Sanjiv Singhal	Non-Executive Director	4	0
**Mr. Rahul Bhasin	Non-Executive Director	4	1

*Mr. Sanjiv Singhal ceased to be a member w.e.f. December 30, 2017.

Meetings of the Audit Committee are scheduled well in advance. The Audit Committee met four times on May 19, 2017, September 22, 2017, November 10, 2017 and February 06, 2018.

The Board has accepted all the recommendations made by the Audit Committee during the year.

Besides the Members of the Committee, meetings of the Audit Committee are attended by the MD, the Chief Financial Officer, the Company Secretary, the Statutory Auditors, and Internal Auditor & Secretarial Auditor.

i. Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprises of Mr. Amar Lal

Daultani, Independent Director as Chairman of the Committee, Mr. Amar Chand Chug, Independent Director of the Committee, and Mr. Sanjiv Singhal, Non-Executive Director of the Committee.

Mr. Rahul Bhasin, was inducted as member as Non-Executive (Nominee Director) of the committee with effect from December 30, 2017. Therefore committee is being re-constituted, the composition of the Nomination & Remuneration Committee is in line with the provisions of Section 178 of the Act.

During the year committee met 3 times on May 19, 2017, November 10, 2017, February 06, 2018

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 in which Director / Member is entitle to attend	
		Held	Attended
Mr. Amar Lal Daultani	Non-Executive & Independent Director (Chairman)	3	2
Mr. Amar Chand Chug	Non-Executive & Independent Director	3	3
*Mr. Sanjiv Singhal	Non-Executive Director	2	1
**Mr. Rahul Bhasin	Non-Executive Director	2	1

*Mr. Sanjiv Singhal ceased to be a member w.e.f. December 30, 2017.

The terms of reference of the Committee in brief pertain to, inter-alia, 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.

Performance Evaluation of the Board

With the objective of enhancing the effectiveness of the board, the Nomination and Remuneration Committee formulated the methodology and criteria to evaluate the performance of the board and each director. The evaluation of the performance of the board is based on the approved criteria such as the board composition, strategic planning, role of the Chairman, non-executive directors and other senior management,

assessment of the timeliness and quality of the flow of information by the Company to the board and adherence to compliance and other regulatory issues.

iii. 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 in which Director / Member is entitle to attend	
		Held	Attended
Mr. Rajendra Kumar Setia	Executive Director (Chairman)	4	4
Mr. Shalini Setia	Executive Director	4	4
Mr. Amar Lal Daultani	Non-Executive & Independent Director	4	4

The Risk Management Committee of the Company comprises three aforementioned members, who have more than decade experience in the industry and have put in place preventive mechanisms to contain various risks. The Risk Management Committee met multiple times during the year ending March 31, 2018 and to identify, measure, monitor and control various risks the Company was exposed to.

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

The Risk Policy document has in its scope, the establishment of a process for risk assessment, identification of risks both internal and external and a detailed process for evaluation and treatment of risks. The risks identified and the steps taken to mitigate risks shall be reviewed by the Risk

Management Committee and shall be placed before the Board.

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

During the year committee met 4 times on May 19, 2017, September 22, 2017, November 10, 2017 and February 06, 2018.

iv. Asset Liability Management Committee

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

Name of Director	Category	No. of Meetings in which Director / Member is entitle to attend	
		Held	Attended
Mr. Rajendra Kumar Setia	Executive Director (Chairman)	4	4
Mr. Shalini Setia	Executive Director	4	4
Mr. Amar Lal Daultani	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 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 committee met 4 times on May 19, 2017, September 22, 2017, November 10, 2017 and February 06, 2018.

v. Corporate Social Responsibility Committee

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

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 in which Director / Member is entitle to attend	
		Held	Attended
Mr. Rajendra Kumar Setia	Executive Director (Chairman)	2	2
Mr. Amar Lal Daultani	Non-Executive &Independent Director	2	2
Mr. Amar Chand Chug	Non-Executive &Independent Director	2	2

During the year committee met 2 times on May 19, 2017 and November 10, 2017.

vi. Executive Committee

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

- Managing the day to day business and affairs of the Company;
- Establishing best management practices and functional standards and secretarial standards.
- Senior management appointments and monitoring the performance of senior management;
- Borrow moneys and exercise all powers to borrow moneys (otherwise than by issue of debentures) not exceeding Rs.1500 Crore (Rupees Fifteen Hundred 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.
- Allotment of Securities.

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

Name of Director	Category	No. of Meetings in which Director / Member is entitle to attend	
		Held	Attended
Mr. Rajendra Kumar Setia	Managing Director (Chairman)	29	29
Mrs. Shalini Setia	Whole Time Director	29	29
Mr. Atul Arora	Chief Financial Officer	29	29

During the year, the Executive Committee met 29 times on April 12, 2017; April 21, 2017; May 03, 2017; May 20, 2017; June 05, 2017; June 19, 2017; June 30, 2017; July 08, 2017; July 18, 2017; August 01, 2017; August 16, 2017; August 23, 2017; September 15, 2017; September 28, 2017; October 09, 2017; October 26, 2017; November 17, 2017; November 28, 2017; December 15, 2017; December 20, 2017; January 04, 2018; January 24, 2018; January 30, 2018; February 14, 2018;

February 22, 2018; February 27, 2018; March 12, 2018; March 24, 2018 and March 29, 2018.

4. General Body Meetings

- General Meeting
 - Annual General Meeting

Financial Year	Date	Time	Venue
2017-18	June 12, 2017	12:30 p.m.	Room no. 202, Adarsh Plaza, Khasa Kothi, Jaipur -302001 (Rajasthan)
2016-17	July 27, 2016	02:00 p.m.	G1-2, New Market, Khasa Kothi, Jaipur -302001 (Rajasthan)
2015-16	September 24, 2015	11:00 a.m.	G1-2, New Market, Khasa Kothi, Jaipur -302001 (Rajasthan)

b. Extraordinary General Meeting:

Financial Year	Date	Time	Venue	Special Resolution passed
2017-18	Dec. 5, 2017	10:30 A.M.	202 (Conference Hall) Second Floor, Adarsh Plaza, Khasa Kothi Circle, Jaipur-302001 (Rajasthan)	01/2017-18 EGM was called to approve Reclassification of 1,25,000 Compulsorily Convertible Preference Shares Of Rs 100/- Each Into 1,25,000 Equity Shares Of Rs 100/- Each Ranking Pari Passu To Existing Equity Shares the company and second item was to approve Issuance Of Equity Shares To: (1) Norwest Venture Partners X – Mauritius; (2) Karma Holdings Mauritius Limited; (3) Baring Private Equity India AIF; And (4) Evolve India Fund II Ltd On Private Placement Basis.
	Dec. 30, 2017	07:30 P.M.	202 (Conference Hall) Second Floor, Adarsh Plaza, Khasa Kothi Circle, Jaipur-302001 (Rajasthan)	02/2017-18 EGM was called for (1) Adoption Of New Set of Articles Of Association (Restated Charter Documents (2) Appointment Of Mr. Rahul Bhasin As Nominee Director (3) Issue Of Warrants, Convertible Into Equity Shares On Preferential Basis
	March 21, 2018	01.00 P.M.	Hotel Taj Lands End, Bandstand Fort, Byramji Jeejeebhoy Road, Mount Mary, Bandra West, Mumbai, Maharashtra 400050	03/2017-18 EGM was called for Utilisation of Securities Premium Account
2016-17	Sept. 21, 2016	10:30 AM	G-1&2 New Market, Khasa Kothi, Jaipur 302001	01/2016-17 EGM was called to approve the change in name of the company from Ess Kay Auto Finance Private Limited to Ess Kay Fincorp Private Limited
	Oct. 24, 2016	3:00 P.M	G-1 & 2 New Market Khasa Kothi, Jaipur 302001 (Rajasthan)	02/2016-17 EGM was called for private placement of money market instruments like commercial papers and bonds etc.
	Dec. 08, 2016	10.00 A.M	G-1 & 2 New Market Khasa Kothi, Jaipur 302001 (Rajasthan)	03/2016-17 EGM was called to convert the company from private limited to public limited company.
	March 20, 2017	10.00 A.M	G-1 & 2 New Market Khasa Kothi, Jaipur 302001 (Rajasthan)	04/2016-17 EGM was called to give option to lenders to convert their loan into ordinary capital of the Company.
2015-16	Oct. 19, 2015	10.00 A.M	G-1 & 2 New Market Khasa Kothi, Jaipur 302001 (Rajasthan)	01/2015-16 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

5. Means of Communication

- The 'Investors' section on the Company's website keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, etc.
- The half-yearly Financial Results of the Company are submitted to the Stock Exchanges in accordance with the SEBI LODR

Regulations and are published in a leading English daily newspaper and also communicated to the Debenture holders every six months through a half-yearly communication. Official news releases, including the half-yearly results, are also posted on the Company's website <http://www.skfin.net/investors/financial-report>.

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

6. General Shareholder Information

AGM Date Time and Venue	11th September, 2018 at 12:30 P.M G1& 2, New Market, Khasa Kothi Circle, Jaipur-302001 (Rajasthan)	
Dividend	Not Applicable	
Financial Year 2018-19 (Commencing from 1st April, 2018 to 31st March, 2019).		
	Half yearly results	Second week of November, 2018
	Yearly results	Second week of May, 2019
Listing of Specified Securities on Stock Exchange	Privately placed Debentures are listed on BSE Ltd. (BSE) 25th Floor, P.J Towers, Dalal Street, Mumbai 400001	
Corporate Identity Number(CIN) of the company	U65923RJ1994PLC009051	
Registrars and transfer Agents	Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate Saki Vihar Road Saki Naka Andheri (East) Mumbai 400 072, Contact Person: George Kutty, Tel. 62638290 Mob. No 7045454398, Email id george@bigshareonline.com	
Debenture Trustees	1. Axis Trustee Services Limited Axis Bank Ltd, Corporate Banking Branch, 2nd Floor, Red Fort Capital Parsvnath Tower, Bhai Vir Singh Marg, New Delhi-110001, Contact Person: Shwetha Sundaram Email; shwetha.sundaram@axistrustee.com, Tel Direct 022 - 62260081 2. Beacon Trusteeship Limited 4 C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai – 400 051 Contact Person: Paridhi Vora, Email: paridhi@beacontrustee.co.in, Off: 022 26558759 (Ext No. 20) 3. Catalyst Trusteeship Limited Address : Office No. 83 – 87, 8th Floor, 'Mittal Tower', 'B' Wing, Nariman Point, Mumbai – 400021 Website: www.catalysttrustee.com, Contact Person: Deesha Trivedi, Email: deesha.trivedi@ctltrustee.com Office : 022-49220506 Fax: 022-49220505 4. IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Website: http://www.idbitrustee.com, Contact Person: Swapneil Tiwari E Mail: swapneil.tiwari@idbitrustee.com, T: (91) (22) 40807068	
Share Transfer System	100 % of the equity shares of the company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the company.	

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

Series	ISIN	Scrip Code	BSE Limited Address
NCD-01	INE124N08026	948348	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai –400 001. www.bseindia.com
NCD-03	INE124N07028	950276	
NCD-04	INE124N07036	953132	
NCD-05	INE124N08042	955663	
NCD-06	INE124N07051	956018	
NCD-07	INE124N08059	956019	
NCD-08	INE124N08067	957464	
NCD-09	INE124N07069	956813	
NCD-10	INE124N07077	957467	
NCD-11	INE124N07085	957383	
NCD-12	INE124N07085	957383	
NCD-13	INE124N07093	957413	
NCD-14	INE124N07101	957696	

VIII. Shareholding as on March 31, 2018

a. Distribution of equity shareholding as on March 31, 2018

Number of Shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
1-10000	10586	3.02%	5	50%
10001-50000	74226	21.15%	3	30%
50001-100000	85824	24.46%	1	10%
100001-500000	1,80,283	51.37%	1	10%
	350,919	100%	10	100%

b. Categories of equity shareholders as on March 31, 2018:

Category	No of equity shares	Percentage of Holding
Promoters- Individual	196101	55.88%
Banks/FI	30,808	8.78%
Foreign Banks/FI	123997	35.33%
Others	13	0.004%
	350,919	100.00%

c. Top Ten equity shareholders of the company as on March 31st, 2018

Shareholders	Nature of Shares	Face Value	No. of shares	% of the paid-up share capital on a fully diluted basis
Promoter Group Shareholding				
Rajendra Kumar Setia	Equity	100	1,80,283	51.37%
Shalini Setia	Equity	100	14,542	4.14%
Yash Setia	Equity	100	13	0.004%
Bhajan Devi Setia	Equity	100	13	0.004%
Rajendra Kumar Setia HUF	Equity	100	1250	0.36%

Investor Shareholding				
Norwest Venture Partners X- Mauritius	Equity	100	85,824	24.46%
Baring Private Equity India AIF	Equity	100	30,808	8.78%
Karma Holdings Mauritius Limited	Equity	100	9,297	2.65%
Evolve Invest I	Equity	100	28,876	8.23%
Other Shareholders' Shareholding				
Atul Arora	Equity	100	13	0.004%
TOTAL			350,919	100%

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, 2018.

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate Saki Vihar Road
Saki Naka Andheri (East) Mumbai 400 072
Contact Person: George Kutty
Tel. 62638290
Mob. No 7045454398
Email id george@bigshareonline.com

X. Outstanding GDR / Warrants / Convertible Instruments

The Shareholders of the Company has approved the issue of 15,093 (Fifteen Thousand Ninety Three) promoter warrants.

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 Companies Act, 2013 in the prescribed form AOC 2. Related party policy is available on website of the company at <http://www.skfin.in/disclosures.php>

Details of related party transactions required to be disclosed by accounting standard issued by ICAI read with rule 7 of the Companies (Accounts) Rules, 2014 are given in the note no. 27 to financial statements.

b. Code of Conduct

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

c. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

d. Fair Practice Code

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

e. ALM Policy

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

- 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.
- In practice, the role of company secretary has developed into much more than the basic statutory requirements outlined above

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

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

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

Place: Jaipur
Date: August 01, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. MACROECONOMIC ENVIRONMENT AT A GLANCE

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure.

This year's budget will focus on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country. As per the budget, the government is committed towards doubling the farmers' income by 2022. A total of Rs. 14.34 lakh crore (US\$ 225.43 billion) will be spent for creation of livelihood and infrastructure in rural areas. Budgetary allocation for infrastructure is set at Rs. 5.97 lakh crore (US\$ 93.85 billion) for 2018-19. All-time high allocations have been made to the rail and road sectors

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

2. NBFC OUTLOOK

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

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

worth which has resulted in them ceding space for other lenders to occupy. NBFC's as a sector has lapped up this opportunity and stood true to the moment by supporting the economy and occupying this space as determinant factor.

3. OPPORTUNITY AND THREATS

The Company aims to build a stable, secure and sustainable business that is focused on maximizing growth opportunities within the industry. Your directors believe that through customized solutions providing quick and affordable vehicle financing will lead to increase in our market segment.

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

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

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

Besides, Company is susceptible to usual challenges like heightened competition, overcrowding by fintech players, attraction and retention of human capital, Regulatory changes etc.

4. BUSINESS SEGMENT:

The company operates through five different product segment viz. Commercial vehicle, Agricultural equipments, Car's, two wheelers and MSME. These themes have been more or less stable and have continued to grow at a decent pace which is detailed below:

i. The sale of Passenger Vehicles grew by 7.89 percent in April-March 2018 over the same period last year. Within the Passenger Vehicles, Passenger Cars, Utility Vehicle and Vans grew by 3.33 percent, 20.97 percent and 5.78 percent respectively in April-March 2018 over the same period last year.

ii. The overall Commercial Vehicles segment grew by 19.94 percent in April-March 2018 as compared to the same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) grew by 12.48 percent and Light Commercial Vehicles grew by 25.42 percent in April-March 2018 over the same period last year.

iii. Three Wheelers sales grew by 24.19 percent in April- March 2018 over the same period last year. Within the Three Wheelers, Passenger Carrier & Goods Carrier sales registered a growth of 28.65 percent and 7.83 percent respectively in April-March 2018 over April-March 2017.

iv. Two Wheelers sales registered a growth at 14.80 percent in April-March 2018 over April-March 2017. Within the Two Wheelers segment, Scooters and Motorcycles grew by 19.90 percent and 13.69 percent respectively, while Mopeds declined by (-) 3.48 percent in April-March 2018 over April-March 2017.

- v. MSME sector has sustained an annual growth rate of over 10% for the past few years. With around 36.1 million units throughout the geographical expanse of the country, MSMEs contribute around 6.11% of the manufacturing GDP and 24.63% of the GDP from service activities as well as 33.4% of India's manufacturing output. They have been able to provide employment to around 120 million persons and contribute around 45% of the overall exports from India. The MSME sector continues to have a huge unmet demand for credit. MSME credit is expected to grow at 12-14%, facilitated by higher lending by non-banking finance companies (NBFC) to the segment. The initiatives of Government in this sector will propel credit demand from the MSME segment, bolstering the prospects of banks and NBFC's that have a prominent presence in this segment.

vi. PRE-OWNED COMMERCIAL VEHICLES

Indeed, pre-owned commercial vehicle financing is core business area of Ess Kay. Our 70-80% of total portfolio covered by pre-owned financing of vehicles. These pre-owned vehicles being affordable for small aspiring owner-cum-drivers are preferred to initiate their entrepreneurial journey as a Small Road Transport Operator (SRT0). The company empowers such small SRT0s and new drivers with affordable financing and advice regarding the commercial vehicles.

5. OVERVIEW OF ESS KAY

Ess Kay Fincorp Limited (formerly known as Ess Kay Auto Finance Private Limited.), a registered with RBI as "NBFC-ND-SI-AFC" category engaged in the business of providing financing for income generation activity (Mainly Commercial vehicle and MSME lending (secured by self-occupied property). The target customer base is self-employed individuals from rural and semi-urban areas. We truly believe we have created a product which serves the need of self-employed individuals and small businesses in India. Traditional underwriting methods in India exclude majority of creditworthy individuals and MSME's. It is this fundamental premise on which our business was built and we have a mission to bring a social impact in this segment. We cater to this under-served market by adopting an innovative approach and validating the creditworthiness of the individuals and small business. We do so by looking at variety of factors such as performance, stability, social net etc. instead of just focusing on financial history. Not only do we have modern underwriting methods, but we have also made our loan repayment extremely flexible by making it in tune with your business cycles. Behind the functioning of the organization, is the belief that each customer is an asset in the growth of our business. Ess Kay is one of the key market players in the commercial vehicle finance and MSME lending in the state of Rajasthan and Gujarat. In fiscal 2017 Esskay has expanded its geographical presence in Madhya Pradesh, Maharashtra, and Punjab & Haryana in 2018.

i. Product Portfolio

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

Two Wheeler, Construction Equipment and Agriculture Equipment/ Construction Equipment.

ii. Branch Operations

Ess Kay has its widespread network of 226 branches across the six states namely Rajasthan, Gujarat, Punjab, Maharashtra, Madhya Pradesh and Haryana. As a part branch expansion strategy Ess Kay added Haryana (One branch) in the financial year 2017-18.

iii. Funding Source

We currently deal with more than 44 Banks and Financial Institutions by obtaining financial assistance in form of Term Loan, Cash Credit (including WCDL), Non-Convertible Debentures, and Commercial Papers etc. In FY 2017-18 company has added new Financial Institution (Details of which is delineated in Board Report which is part of this Annual Report).

6. 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:

I. 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 which we have demonstrated time and again through various cycles in our journey of 24 years.

ii. Interest Rate Risk

Major risk for Ess Kay is Interest Rate Risks which include exposure to movements in interest rates due to policy changes, inflation, rising CAD, inflating crude prices and foreign exchange movement. Ess Kay largely depends on banks, FI's, Mutual Funds, AIF's and debt capital market for meeting its funding requirement and has a mix of borrowing on floating and fixed rate of interest depending on the environment with a partial hedge strategy to limit risk of cyclical fluctuations in interest rates to some extent.

iii. Credit Risk

Ess Kay is exposed to credit risk as target customers are rural based, un-banked, self-employed individuals 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.

iv. ALM Risk

Ess Kay had a total borrowing of 1221.5 crores as on March 31, 2018. 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. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

7.2 The Board of Directors has been entrusted with the responsibility

of reviewing the findings and to investigate and take necessary actions wherever required.

8. 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.

9. HUMAN RESOURCES/ INDUSTRIAL RELATIONS

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

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

Place: Jaipur
Date: August 01, 2018

Registered Office:
G 1-2, NEW MARKET, KHASA KOTHI, JAIPUR -302001
CIN: U65923RJ1994PLC009051

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

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

Independent Auditor's Report

To

The Members

Ess Kay Fincorp Limited

(Erstwhile Ess Kay Auto Finance Private Limited)

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

(e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

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

Place: Jaipur
Date: May 08, 2018

For S.S. KOTHARI MEHTA & CO.

Chartered Accountants
Firm Reg. No. : 000756N

Sd/-
Harish Gupta
Partner
Membership No.: 098336

“Annexure A” to the Independent Auditors' Report

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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased programme of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this program, certain fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company does not hold any immovable properties. Accordingly, the provisions of clause 3(ii) (c) of the Order are not applicable.
- ii. The company does not have any inventory. Accordingly, the provisions of clause 3 (ii) of the order are not applicable.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted unsecured loans to the parties covered in the Register maintained under section 189 of the Act.
- (b) In our opinion, rate of interest and other terms and condition on which the loan had been granted to the parties covered in register maintained under section 189 of the Companies Act, 2013 were not prima facie, prejudicial to the interest of the Company.
- (c) The loans were repayable on demand. Accordingly, the provisions of clause 3(iii)(b) & (c) of the order are not applicable.
- iv. According to the information and explanations given to us, the company have complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to the loans, investments made.
- v. According to the information and explanations given to us, during the year the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. To the best of our Knowledge and as explained, the central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales-tax, wealth tax, income tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues with the appropriate authorities to the extent applicable, though there has been a slight delay in a few cases and further, there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March 2018.
- (b) According to the records and information and explanations given to us, there

are no dues in respect of income tax, sales tax, service tax, duty of excise, duty of custom, or value added tax which have not been deposited on account of any dispute except as given below

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

- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks and financial institutions and dues to debenture/bond holders. The Company does not have any loans or borrowings from the government.
- ix. According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Further, monies raised by the Company by way of debt instruments and term loans were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.
- x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the record of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement cum preferential allotment of equity shares for Rs.9999.99 Lacs during the year under review and has complied with the provisions of the Companies Act 2013. The funds raised have been utilized for the purposes for which they have been raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the company.

For S.S. KOTHARI MEHTA & CO.

Chartered Accountants
Firm Reg. No. : 000756N

Sd/-
Harish Gupta
Partner

Membership No.: 098336

Place: Jaipur

Date: May 08, 2018

“Annexure B” to the Independent Auditors' Report

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Sd/-

Harish Gupta
Partner

Membership No.: 098336

Place: Jaipur
Date: May 08, 2018

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

To

The Board of Directors

Esskay Fincorp Limited

(Erstwhile Ess kay Auto Finance Private Limited)

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

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

- g. According to information and Explanation given to us, the company has duly compiled with prudential norms relating to the income recognition, Accounting Standards, assets clarification and provisioning for bad and doubtful debts.
- h. In respect of Systemically important Non-Deposit taking NBFCs as defined in paragraph 2(1) (xix) of the Non-Banking Financial (Non-Deposit Accepting or Holding) companies Prudential Norms (Reserve Bank) Directions, 2015:
 - The capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS-7, has been correctly arrived at and such ratio is in compliance with the minimum CRAR prescribed by the Bank.
 - The company has furnished to the Bank the annual statement of capital funds, risk assets/exposure and risk asset ratio (NBS-7) within the stipulated period.

Place: Jaipur
Date: May 08, 2018

For S.S. KOTHARI MEHTA & CO.

Chartered Accountants
Firm Reg. No. : 000756N

Sd/-

Harish Gupta

Partner

Membership No.: 098336

BALANCE SHEET AS AT MARCH 31, 2018

S. No.	PARTICULARS	NOTE NO.	AMOUNT AS AT 31-Mar-2018	AMOUNT AS AT 31-Mar-17
I	Equity And Liabilities			
1	Shareholder's Funds			
	Share Capital	3	35,091,900	27,070,900
	Reserves And Surplus	4	2,027,916,175	835,641,022
	Money Received Against Share Warrants		-	-
	Total (1)		2,063,008,075	862,711,922
2	Share Application Money Pending Allotment			
3	Non-current Liabilities			
	Long Term Borrowings	5	4,281,515,840	3,019,750,623
	Other Long-term Liabilities	6	115,328,821	61,389,357
	Long-term Provisions	7	55,728,209	30,323,936
	Total (3)		4,452,572,870	3,111,463,916
4	Current Liabilities			
	Short Term Borrowings	8		
			852,307,264	459,717,039
	Other Current Liabilities	9	4,683,199,114	3,227,915,025
	Short Term Provisions	7	158,933,842	93,427,655
	Total (4)		5,694,440,220	3,781,059,719
	Total (1+2+3+4)		12,210,021,165	7,755,235,557
II	Assets			
1	Non-current Assets			
	Fixed Assets			
	i) Property Plant & Equipment	11(a)	122,986,722	101,625,311
	ii) Intangible Assets	11(b)	2,703,701	2,171,405
	iii) Capital Work In Progress	11(c)	9,686,434	-
	iv) Intangible Assets Under Development		-	-
	Non-current Investments	14(a)	46,666,786	-
	Deferred Tax Assets (net)	10	62,363,995	43,272,147
	Long-term Loans And Advances	16	6,698,998,237	3,696,059,281
	Other Non-current Assets	12	97,051,357	140,676,550
	Total (1)		7,040,457,232	3,983,804,694
2	Current Assets			
	Current Investments	14 (b)		165,050,163
	Inventories		-	-
	Trade Receivables	13	2,384,111	18,924,511
	Cash And Bank Balance	15	293,715,247	554,257,843
	Short-term Loans And Advances	16	4,403,578,200	2,668,043,993
	Other Current Assets	17	469,886,375	365,154,353
	Total (2)		5,169,563,933	3,771,430,863
	Total (1+2)		12,210,021,165	7,755,235,557
Overview and significant accounting policies The accompanying notes are an integral parts of the financial Statements As per our report of even date		1 & 2		

For S.S. Kothari Mehta & Co .

Chartered Accountants

Firm Reg. No. 000756N

Sd/-
(HARISH GUPTA)
Partner
(M. No - 098336)

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

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

Sd/-
(Atul Arora)
Chief Financial Officer

Sd/-
(Anagha Bangur)
Company Secretary

Place : Jaipur

Date : May 08, 2018

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

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

S. No.	PARTICULARS	NOTE NO.	AMOUNT AS AT 31-Mar-2018	AMOUNT AS AT 31-Mar-17
I	REVENUE			
	Revenue from Operations	18	2,245,350,414	1,499,722,355
II	Other Income	19	7,948,912	72,338,478
III	TOTAL REVENUE (I+II)		2,273,299,326	1,572,060,833
IV	EXPENSES:			
	Employee Benefit Expenses	20	500,204,879	316,712,858
	Finance Cost	21	894,506,497	691,553,369
	Depreciation and Amortization expenses	22	23,362,425	16,132,389
	Provisions and bad debts written off	23	137,623,809	55,992,900
	Other Expenses	24	388,356,679	303,446,636
V	TOTAL EXPENSES		1,944,054,289	1,383,838,152
VI	PROFIT BEFORE TAX (III-V)		329,245,037	188,222,681
VII	TAX EXPENSE			
	(1). CURRENT TAX		141,966,102	90,604,692
	(2). EARLIER YEARS TAX		(13,151,530)	207,280
	(3). DEFERRED TAX		(19,091,848)	(25,574,891)
VIII	PROFIT AFTER TAX		219,522,313	122,985,600
XVI	EARNING PER EQUITY SHARE	25		
	(1). BASIC		754	606
	(2). DILUTED		754	454
	Nominal Value of Equity Shares		100	100
Overview and significant accounting policies The accompanying notes are an integral parts of the financial Statements As per our report of even date		1 & 2		

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

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

Sd/-
(HARISH GUPTA)
Partner
(M. No - 098336)

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

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

Sd/-
(Atul Arora)
Chief Financial Officer

Sd/-
(Anagha Bangur)
Company Secretary

Place : Jaipur
Date : May 08, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

S. No.	PARTICULARS	AMOUNT AS AT 31-Mar-2018		AMOUNT AS AT 31-Mar-17	
1	CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
	Profit Before Tax		329,245,037		188,222,681
	ADJUSTMENT FOR:				
	Depreciation and Amortisation		23,362,425		16,132,389
	Provisions and bad debts written off		137,623,809		55,992,900
	Loss on Sale of Fixed Assets		41,109		385,457
	Operating Profit before working capital Changes		490,272,380		260,733,427
	MOVEMENT IN WORKING CAPITAL CHANGES				
	(Increase) / Decrease in Trade Receivables		16,540,400		(6,676,346)
	(Increase) / Decrease in Short term Loans and Advances		1,809,946,790		(469,343,017)
	(Increase) / Decrease in Long term Loans and Advances		(3,002,834,510)		(1,261,572,078)
	(Increase) / Decrease in Other Non -Current Assets		43,625,193		(106,988,576)
	(Increase) / Decrease in Other Current Assets		(104,732,022)		(144,332,351)
	Increase / (Decrease) in Other Current Liability		279,471,781		323,115,996
	Increase / (Decrease) in Other Long term Liabilities		53,939,464		56,337,980
	Increase / (Decrease) in Other Short term provision		1,993,354		(126,895)
	Increase / (Decrease) in Other Long term provision		12,669,612		5,652,789
	Increase/(Decrease) in Bank Deposits (Having Maturity more than three months shown in Cash and Bank Balance)		(48,488,306)		58,164,639
2	Cash generated from Operations before tax		(4,067,489,444)		(1,285,034,432)
	Net Taxes Paid	(115,867,540)	(115,867,540)	(66,506,083)	(66,506,083)
	Net Cash Flows from Operating activities (A)		(4,183,356,984)		(1,351,540,515)
	CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
	Purchase of Investments		118,383,377		(165,050,163)
	Acquisition of Property, Plant & Equipment, Intangible Assets and Capital work in Progress		(55,467,435)		(69,623,914)
	Sales of Property, Plant & Equipment		470,000		994,000
	Net cash flow in cases of Investing Activities(B)		63,385,942		(233,680,077)
3	CASH FLOW ARISING FROM FINANCING ACTIVITIES				
	Amount received from issuance of Non Convertible Debentures		1,850,000,000		700,000,000
	Repayment of Non Convertible Debentures		(562,196,969)		(134,166,565)
	Amount received from long term borrowings		5,054,670,045		3,702,784,000
	Repayment of borrowings		(3,904,896,750)		(2,062,732,496)
	Short Term Borrowings (Net)		392,590,225		(273,365,690)
	Corporate dividend tax paid		(251)		(251)
	Equity shares issued		8,021,000		-
	Share Premium received (Net of issue expenses)		972,752,840		-
	Net Cash flow in cases of Financing Activities (c)		3,810,940,140		1,932,518,998
	Net Increase/(Decrease) in Cash and Cash equivalent (A+B+C)		(309,030,902)		347,298,406
	cash and cash equivalent as at the beginning of the year		400,923,842		53,625,436
	Cash and Cash Equivalent at the End of the year as per books		91,892,940		400,923,842
	Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following:-				
	i) Cash Balance on Hand		75,991,249		46,154,424
	ii) Balance with Banks :				
	-In Current Accounts		12,879,290		340,410,797
	-In Fixed Deposits(Having Maturity less than 3 Months)		3,022,401		14,358,621
	Total				
	Non Cash items		91,892,940		400,923,842
Summary of significant accounting policies		2			
The accompanying notes are an integral parts of the financial Statements As per our report of even date					

For S.S. Kothari Mehta & Co .

Chartered Accountants

Firm Reg. No. 000756N

Sd/-
(Harish Gupta)

Partner
(M. No - 098336)

Place : Jaipur

Date : May 08, 2018

Sd/-
(Rajendra Kumar Setia)

Managing Director
(Din- 00957374)

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

Sd/-
(Atul Arora)
Chief Financial Officer

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

Sd/-
(Anagha Bangur)
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2018

1. CORPORATE INFORMATION

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

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

1.1 Change in Accounting Policy:

- PROVISIONING OF NPA ASSETS**

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

Particulars	F.Y. 2017-2018
a. Standard Assets	
upto 3 months	0.40% of outstanding amount
b. Substandard Assets	
Upto 2 month	10.00% of outstanding amount
More than 2 months upto 3 months	15.00% of outstanding amount
More than 3 months upto 9 months	20.00% of outstanding amount
More than 9 months upto 12 months	50.00% of outstanding amount
c. Doubtful assets	
upto 2 months	100.00% of outstanding amount
More than 2 months upto 3 months	100.00% of outstanding amount
d. On Assigned Cases	Provisioning norms will be at par with Own Books provisioning.

Particulars	F.Y. 2017-2018
a. Standard Assets	
Upto 4 months	0.35% of outstanding amount
b. Substandard Assets	
Upto 1 month	10.00% of outstanding amount
More than 1 months upto 2 months	15.00% of outstanding amount
More than 2 months upto 8 months	20.00% of outstanding amount
More than 8 months upto 13 months	50.00% of outstanding amount
More than 13 months upto 14 months	100.00% of outstanding amount
c. Doubtful assets	100.00% of outstanding amount
d. On Assigned Cases	Provisioning norms will be at par with Own Books provisioning.

During the current year, the Company has changed the provisioning norms of standard assets from .35% to .40% based on RBI Notification No. RBI/DNBR/2016-17/45 dated September 1, 2016. Pursuant to this change, the provision on standard assets has been increased by Rs. 60.27 lacs and profits have been reduced by Rs. 60.27 lacs.

During the current year, the Company has changed its NPA provisioning policy based on RBI Notification No. RBI/DNBR/2016-17/45 dated September 01, 2016 pursuant to which loans outstanding for a period exceeding 90 days are classified as substandard assets and substandard assets for a period exceeding 12 months are classified as doubtful debts. Due to this, the profit for the year has been decreased by Rs. 72.96 lacs. The revised provisioning norms are well within the prudential norms of RBI.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and on accrual basis of accounting in accordance with generally accepted accounting principles in India and comply in material aspect with the measurement and recognition principles of Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act"), read with rule 7 of Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016, the Reserve Bank of India ('RBI') Act 1934 and Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008. The accounting policies have been consistently applied 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 that affect 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

- The company follows the accrual method of accounting for its income and expenditures unless disclosed specifically.
- Interest income from financial activities is recognized on

accrual basis and is calculated as per the agreement made with the borrower. Interest on delayed payments 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.

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

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

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

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

2.5 Property, plant and equipment (PPE)

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

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

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

Asset	Useful life
Furniture and fixture	10 Years
Vehicles	8 Years
Computers	3 Years
Office Equipment's	5 Years
Software & Network	6 Years

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

Leasehold improvements are amortized over the period lease.

2.6 INTANGIBLE ASSETS

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

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

Intangible assets are amortized over a period of three years.

2.7 FOREIGN CURRENCY TRANSACTION

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

Foreign currency monetary items are reported using the closing rate.

Any gain or loss on account of exchange difference arising either on the settlement or on reinstatement of foreign currency monetary items is recognized as Profit/Loss, except exchange difference arising on long term foreign currency monetary items relating to acquisition of depreciable fixed assets, which is adjusted to the carrying amount of such assets.

An asset shall be designated as a long term foreign currency monetary item, if the asset or liability is expressed in foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

2.8. INVESTMENTS

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost and fair market value whichever is less and Long term investments are carried at cost. However provision in

diminution have been made to recognize a decline, other than temporary, in the carrying value of each investment.

2.9. EMPLOYEE BENEFITS

Short term employee benefits are recognized as an expenses at the undiscounted amount in the year in which the related service is rendered

Provident fund and Employee State Insurance are defined contribution plans. The contribution to the same are deposited in relevant Govt. administered funds and is charged to the Statement of Profit and Loss in the year to which it relates. The Company has no obligation other than the contribution payable to the Employee Provident Fund Scheme and Employee State Insurance.

The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

The company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at the Balance Sheet date. Actuarial gains and losses are recognized as and when incurred. The company does not have any fund for payment of gratuity.

The company accounts for the liability for compensated absence based on an independent actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at the Balance Sheet date.

2.10 TAXATION

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

2.11 EARNING PER SHARE

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

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

2.12 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

Assets are reviewed for impairment at each balance sheet date. In case, events and circumstances indicate any impairment, the recoverable amount of these assets is determined. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the statement of profit and loss in the period in which an asset is defined as impaired. An impairment loss recognized in prior accounting periods is

reversed if there has been a change in the estimate of the recoverable amount and such loss either no longer exists or has decreased.

2.13 BORROWING COST

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

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

Leasehold improvements are amortized over the period lease.

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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.

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

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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.

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

2.11 EARNING PER SHARE

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

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

2.12 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

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

2.13 BORROWING COST

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

2.14 SEGMENT REPORTING

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

2.15 OPERATING LEASE

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

2.16 CASH FLOW STATEMENT

Cash-flow statements are prepared in accordance with "Indirect

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

2.17 CASH & CASH EQUIVALENT

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

2.18 PROVISIONS, CONTINGENT LIABILITIES, AND CONTINGENT ASSETS

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

ii. Provision is made for Secured /Unsecured loans/ advances and Contingent assets as per Company's policy subject to the minimum provision required as per Non-Banking Finance Companies Prudential Norms (Reserve Bank) Directions, 1998. The details of which are as under:-

Particulars	F.Y. 2017-2018
a. Standard Assets	
Upto 3 months	0.40% of outstanding amount
b. Substandard Assets	
Upto 2 month	10.00% of outstanding amount
More than 2 months upto 3 months	15.00% of outstanding amount
More than 3 months upto 9 months	20.00% of outstanding amount
More than 9 months upto 12 months	50.00% of outstanding amount
c. Doubtful assets	
Upto 2 month	50.00% of outstanding amount
More than 2 months	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.

NOTES TO FINANCIAL STATEMENTS

3	SHARE CAPITAL:	As at 31 March 2018		As at 31 March 2017	
	Particular	Number	Amount	Number	Amount
Authorised					
Equity Shares of 100/- each					
Opening		450,000	45,000,000	450,000	45,000,000
Additions		125,000	12,500,000	-	-
Deductions		-	-	-	-
Closing		575,000	57,500,000	450,000	45,000,000
Preference shares of Rs. 100/ each					
Opening		125,000	12,500,000	125,000	12,500,000
Additions		-	-	-	-
Deductions		125,000	12,500,000	-	-
Closing		-	-	125,000	12,500,000
Total		575,000	57,500,000	575,000	57,500,000
Issued , Subscribed and Paid Up					
Equity Shares of 100/- each					
Opening					
Additions		270,709	27,070,900	202,415	20,241,500
Deductions		80,210	8,021,000	68,294	6,829,400
Closing		-	-	-	-
Preference shares of Rs. 100/ each		350,919	35,091,900	270,709	27,070,900
Opening		-	-	119,940	11,994,000
Additions		-	-	-	-
Deductions		-	-	119,940	11,994,000
Closing		-	-	-	-
Total		350,919	35,091,900	270,709	27,070,900
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. During the year, the authorized preference share capital of the company has been converted in authorized equity share capital.					
Terms / rights attached to Preference Shares					
The 119940 Compulsory Convertible Preference Shares (CCPS) were issued in the year 2012 having face value of Rs.100/- each fully paid-up at a premium of Rs. 1400/- Per share to Banyan Tree Growth Capital LLC . CCPS shall rank senior to all present and future preference shares and/or equity shares issued by the company. CCPS shall be entitled to dividend of 0.01% annually plus conditional dividend which shall be equal to dividend on any other class of shares / share equivalent. . During the previous year , 68,294 equity shares having face value of Rs 100/- were issued and allotted by the company to preference share holders at a premium of Rs 75.623 /- per equity share on conversion of 1,19,940 compulsory convertible preference shares. Consequently Rs 51,64,600/- had been transferred in Security Premium Account. The converted shares shall rank pari passu with existing equity shares.					
Details of shareholder holding more than 5% Equity shares are as under:					
Name of Shareholder		As at 31 March 2018		As at 31-Mar-17	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares					
Rajendra Kumar Setia		180,283	51.38%	99,880	36.90%
Norwest Venture Partners X - Mauritius		85,824	24.46%	-	-
Baring Private Equity India AIF		30,808	8.78%	-	-
Evolvance Coinvest I		28,876	8.23%	-	-
Shalini Setia		14,542	4.14%	99,729	36.84%
BanyanTree Growth Capital LLC		-	-	68,354	25.25%

NOTES TO FINANCIAL STATEMENTS

4	RESERVE & SURPLUS:					
	Particular		As at 31 March 2018		As at 31 March 2017	
A	SECURITIES PREMIUM RESERVE					
	Balance as per the last financial Statements		250,787,004		245,622,404	
	Additions during the year		991,977,925		5,164,600	
	Deletion during the year		19,225,085		-	
	Closing Balance		1,223,539,844		250,787,004	
B	STATUTORY RESERVE					
	Balance as per the last financial Statements		116,950,266		92,353,146	
	Transfer from Suplus Balance in Statement of Profit and loss (Refer Note 4.3))		43,904,463		24,597,120	
	Deletion during the year		-		-	
	Closing Balance		160,854,729		116,950,266	
C	SURPLUS/ (DEFICIT)IN THE STATEMENT OF PROFIT AND LOSS					
	Balance as per last financial Statement		467,903,752		369,516,722	
	Add: Profit for the Year		219,522,313		122,985,600	
	Less : Appropriations					
	Dividend		-		1,199	
	Tax on Dividend		-		251	
	Transfer to Statutory Reserve (Refer note 4.3)		43,904,463		24,597,120	
	Net Surplus/ (deficit)in the Statement of Profit and loss		643,521,602		467,903,752	
		Total Reserve and Surplus		2,027,916,175		835,641,022
4.1	During the year , the company has issued and allotted 80,210 equity shares having face value of Rs 100/- at a premium of Rs 12367.26/- per equity share.					
4.2	Expenses incurred in connection with issue of 80,210 fresh equity shares have been charged off against the available balance of the 'Security Premium Account' in accordance with the provisions of Section 52(2)(c) of the Companies Act , 2013.					
4.2	"In accordance with the provisions of section 45-IC of the RBI Act, 1934, the Company has created a Reserve Fund (Statutory Fund) and during the period the Company has transferred 20% profit after tax to the said Reserve Fund."					
5	LONG TERM BORROWINGS					
	Particular	Non Current Portion		Current Maturities		
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	
A	DEBENTURES					
	Secured					
	Redeemable Non Convertible Debentures (Refer Note No 5.3)	778,485,841	329,477,501	1,010,461,357	181,666,666	
	Unsecured					
	Redeemable Non Convertible Debentures*** (Refer Note 5.4)	650,000,000	475,000,000	75,000,000	240,000,000	
	Total (A)	1,428,485,841	804,477,501	1,085,461,357	421,666,666	
B	LOANS					
	Secured					
	From Banks (Refer Note No 5.1)	1,463,459,117	1,039,297,871	1,419,257,163	1,076,774,208	
	From others (Refer Note No 5.2)	1,189,570,882	805,037,751	1,166,844,108	673,998,145	
	Unsecured loans					
	Loan From Others***	200,000,000	370,937,500	170,937,500	494,250,000	
	Total(B)	2,853,029,999	2,215,273,122	2,757,038,771	2,245,022,353	
	TOTAL(A+B)	4,281,515,840	3,019,750,623	3,842,500,128	2,666,689,019	
	Secured	3,431,515,840	2,173,813,123	3,596,562,628	1,932,439,019	
	Unsecured	850,000,000	845,937,500	245,937,500	734,250,000	
Total	4,281,515,840	3,019,750,623	3,842,500,128	2,666,689,019		
	Less Amount disclosed under the head Other Current Liabilities	-	-	(3,842,500,128)	(2,666,689,019)	
	Total	4,281,515,840	3,019,750,623	-	-	

***Unsecured loans from others contains an amount of Rs 20 crores (P.Y. - Rs 20 crores) which is a Tier II capital which is in accordance with the guidelines issued by RBI. Unsecured Non Convertible Debentures contain an amount of Rs 36.50 crores (P.Y. - 16.50 crores) which is a Tier II capital which is in accordance with the guidelines issued by RBI. Also Unsecured Loan from others are covered by the Personal Guarantee of Director amounting to Rs 15,00,00,000/- in FY 2016-17 as compared to Rs. 15,00,00,000 /- in FY 2017-18

NOTES TO FINANCIAL STATEMENTS

5.1	SCHEDULE OF SECURED TERM LOAN FROM BANKS	Non Current Portion		Current Maturities	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	Particular				
	Andhra Bank The loan is repayable in 12 equal quarterly installments of Rs. 1,25,00,000.00/- each excluding interest from 29.09.2017. The Loan is secured against the first and exclusive charge by way of assignment/ hypothecation of the receivables and personal guarantees of Promoter Directors of the company. The loan will get repaid in 27 months in 9 installments from balance sheet date.	62,556,764	112,500,000	50,000,000	37,500,000
	Axis Bank The loan is repayable in 39 months comprising of 12 quarterly installment of Rs. 2,08,33,333/- each excluding interest from 01.10.2017. The Loan is secured against the exclusive charge on the receivables and personal guarantees of Promoter Directors of the company. The loan will get repaid in 27 months in 9 installments from balance sheet date	105,940,423	-	83,333,333	-
	BANK OF BARODA (Term Loan - I)** The loan is repayable in 36 monthly installments comprising 35 installment of Rs. 7,000,000/- each and last installment of Rs. 5,000,000/- excluding interest from 01.10.2014. The Loan is secured against the exclusive charge on the receivables and personal guarantees of Promoter Directors of the company. The loan was repaid in F.Y 2017-18.	-	-	-	40,000,000
	BANK OF BARODA (Term Loan - II)** The loan is repayable in 36 monthly installments comprising 35 installments of Rs. 41,75,000/- each and last installment of Rs. 38,75,000/- excluding interest from 01.10.2015. The same is secured against the exclusive charge on the receivables and personal guarantees of Promoter Directors of the company. The loan will get repaid in 6 months in 6 installments from balance sheet date	-	24,750,000	24,750,000	50,100,000
	BANK OF INDIA The loan is repayable in 36 monthly installments comprising first 35 installments of Rs. 2,778,000/- last installment being of Rs. 2,770,000/- excluding interest from March 2014. The Loan is secured against the exclusive hypothecation charge on specific receivables covered by hire purchase/Loan Agreements, cash collateral and personal guarantees of Promoter Directors of the company. The loan has been repaid in F.Y 2017-18	-	-	-	2,770,000
	BANK OF INDIA The loan is repayable in 36 monthly installments comprising first 35 installments of Rs. 4,167,000/- last installment being of Rs. 4,155,000/- excluding interest from May 2017. The loan is secured against the exclusive hypothecation of specific receivables/ Loan assets, cash collateral and personal guarantees of Promoter Directors of the company. The loan will get repaid in 25 months in 25 installments from balance sheet date	53,953,047	104,163,00	50,004,000	45,837,000
	BANK OF MAHARASTRA** The loan is repayable in 12 quarterly installments of which 11 installments of Rs.2.09 Cr and last installments of Rs. 2.01 Cr. excluding interest from 30.10.2015. The Loan is secured against the hypothecation of loan receivables and personal guarantees of Promoter Directors of the company. The loan will get repaid in 1 months in 1 installments from balance sheet date.	-	40,999,423	20,056,276	62,700,000
	DCB BANK I The loan is repayable in 36 monthly installments comprising of 35 installments of Rs. 28,00,000 and last installment of Rs 20,00,000/- excluding interest from 31.08.2016. The Loan is secured against the first and exclusive charge on identified portfolio receivables of vehicle loan and personal guarantees of Promoter Directors of the company. The loan will get repaid in 17 months in 17 installments from balance sheet date.	13,200,000	46,800,000	33,600,000	33,600,000
	DCB BANK II The loan is repayable in 36 monthly installments comprising first 35 installments of Rs.36,00,000/- last installment being of Rs. 40,00,000/- excluding interest from November 2017. The Loan is secured against the exclusive hypothecation charge on specific receivables covered by hire purchase/Loan Agreements and personal guarantees of Mr. Rajendra Kumar Setia, director of the company. The loan will get repaid in 31 months in 31 installments from balance sheet date.	68,800,000	-	43,200,000	-

NOTES TO FINANCIAL STATEMENTS

SCHEDULE OF SECURED TERM LOAN FROM BANKS		Non Current Portion		Current Maturities	
Particular		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
HDFC BANK LTD (Term Loan - IV) ** The loan is repayable in 36 monthly installments as stated in the repayment schedule starting from 07.11.2015. The Loan is secured against the first and exclusive charge in favour of the bank by way of hypothecation of receivables and personal guarantee of Promoter Directors of the company. The loan will get repaid in 7 months in 7 installments from balance sheet date.		-	33,558,281	33,283,594	52,362,595
HDFC BANK LTD (Term Loan - V) The loan is repayable in 36 monthly installments as stated in the repayment schedule starting from 07.01.2017. The Loan is secured against the exclusive hypothecation over book Debts/ receivables and personal guarantee of Promoter Director of the company. The loan will get repaid in 21 months in 21 installments from balance sheet date.		28,265,443	62,544,352	34,166,244	30,395,959
HDFC BANK LTD (Term Loan - VI) The loan is repayable in 36 monthly installments as per repayment schedule starting from 07.01.2017. The Loan is secured against the exclusive hypothecation over book Debts/ receivables and personal guarantee of Mr. Rajendra Kumar Setia, director of the company. The loan will get repaid in 36 months in 36 installments from balance sheet date.		72,916,066	-	27,083,934	-
HDFC BANK LTD (Vehicle Loans) The pool consists of 39 cars each having repayment period of 60 months. The loans is secured against first and exclusive charge on vehicles. These loans will get repaid as per the repayment schedule of each distinctive loan.		13,782,834	11,809,067	4,654,090	3,435,276
IDBI BANK LIMITED (Term Loan - III)** The loan is repayable in 36 equal monthly installments of Rs. 27,77,777.78 /- each excluding interest from 01 Dec.2015. The Loan is secured against the exclusive hypothecation against receivables and personal guarantees of Promoter Directors of Company and Cash Collateral . The loan is also secured by personal guarantee of Mr. Arjun Das Setia and Mrs. Bhajan Devi Setia. The loan will get repaid in 8 months in 8 installments from balance sheet date.		-	22,222,216	22,222,216	33,333,336
IDBI BANK LIMITED (Term Loan - IV)** "Repayment of term loan will be made in 35 monthly installments of Rs 42,00,000/- and the last single installment of Rs 30,00,000/- excluding interest . Exclusive charge on the receivables under financing activities. Extension of charge on equitable mortgage of immovable property. Personal guarantee of Promoter Directors of the company. The loan is also secured by personal guarantee of Mrs. Bhajan Devi Setia. The loan will get repaid in 22 months in 22 installments from balance sheet date."		40,800,000	91,200,000	50,400,000	50,400,000
INDUSIND BANK TERM LOAN The loan is repayable in 36 monthly installments as stated in the repayment schedule starting from 31.12.2017. The Loan is secured against the exclusive hypothecation over book Debts/ receivables and personal guarantee of Promoter Director of the company. The loan will get repaid in 32 months in 32 installments from balance sheet date		148,345,588	-	77,231,794	-
KARNATAKA BANK LIMITED The loan is repayable in 12 quarterly installments i.e. 11 installments of Rs. 83,00,000 and last installments of Rs. 87,00,000/- excluding interest from 19.03.2015 . The Loan is secured against the exclusive hypothecation charge on the specific receivables of the company and personal guarantees of Promoter Directors of the company. The loan was repaid in F.Y 2017-18.		-	-	-	25,299,999
KARNATAKA BANK LIMITED 2 The loan is repayable in 12 quarterly installments i.e. 11 installments of Rs. 42,00,000 and last installments of Rs. 38,00,000/- excluding interest from 10.05.2017 . The Loan is secured against the exclusive hypothecation charge on the specific receivables of the company and personal guarantees of Promoter Directors of the company. The loan will get repaid in 26 months in 8 installments from balance sheet date.		16,398,957	33,199,994	16,800,000	16,800,000

NOTES TO FINANCIAL STATEMENTS

SCHEDULE OF SECURED TERM LOAN FROM BANKS		Non Current Portion		Current Maturities	
Particular		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
KARUR VYSYA BANK (TERM LOAN)** The loan is repayable in 12 quaterly installments of Rs 1,25,00,000/- excluding interest from 29.02.2016.The Loan is secured against the exclusive hypothecation first charge over specific standard book Debts/ receivables and personal guarantee Promoter Directors of the company.The loan will get repaid in 9 months in 3 installments from balance sheet date.		-	37,500,000	37,500,000	50,000,000
KOTAK MAHINDRA BANK The loan is repayable in 24 equal monthly installments of Rs. 41,66,666/- each excluding interest from 30.06.2016. The Loan is secured against exclusive hypothecation charge over specific receivables and personal guarantees of Promoter Directors of the company.The loan was repaid during F.Y 2017-18.		-	8,333,329	-	50,000,004
LAKSHMI VILAS BANK The loan is repayable in 12 quaterly installments with a moratorium of 6 months of Rs 83,33,333/- excluding interest from 30.09.2016 The Loan is secured against hypothecation of exclusive receivables and personal guarantee of Promoter Directors of the company.The loan will get repaid in 14 months in 5 installments from balance sheet date.		8,333,337	41,666,669	33,333,332	33,333,332
ORIENTAL BANK OF COMMERCE - Term Loan 1 The loan is repayable in 12 equal quarterly installments, comprising of 11 installments of Rs. 1,66,66,667/- each excluding interest and last installment of Rs 1,53,66,667/- starting from 30.04.2016.The Loan is secured against the exclusive hypothecation charge on standard standard loan receivables of the company and personal guarantees of Promoter Directors of the company.The loan will get repaid in 10 months in 4 installments from balance sheet date.		-	65,338,857	65,287,862	66,666,668
ORIENTAL BANK OF COMMERCE- Term Loan-2 The loan is repayable in 12 equal quarterly installments of Rs. 83,33,333/- each excluding interest from August 18, 2017.The Loan is secured against the exclusive hypothecation charge on standard loan receivables and personal guarantees of Promoter Directors of the company.The loan will get repaid in 27 months in 9 installments from balance sheet date.		41,665,188	75,000,001	33,333,332	24,999,999
RATNAKAR BANK LTD (Term Loan - III)** The loan is repayable in 36 monthly installments of Rs.2,777,778/- each excluding interest from the 31.01.2015. The Loan is secured against the exclusive hypothecation first charge over specific book Debts/ receivables and bank lien on FDR with bank and personal guarantees of Promoter Directors of the company. The loan was repaid in F.Y 2017-18		-	-	-	25,000,000
RATNAKAR BANK LTD (Term Loan - IV) The loan is repayable in 24 monthly installments of Rs. 37,50,000/- each excluding interest from the 31.10.2015 .The Loan is secured against the exclusive hypothecation charge on specific receivables covered by hire purchase/Loan Agreements and cash margin to be lienmarked as Fixed deposit for the facility and Personal Guarantee of Promoter Directors of the company.The loan was repaid in F.Y 2017-18		-	-	-	22,500,000
RATNAKAR BANK LTD (Term Loan - V) The loan is repayable in 24 monthly installments of Rs. 41,66,667/- each excluding interest from the 01.07.2016 .The Loan is secured against the exclusive hypothecation charge on specific receivables covered by hire purchase/Loan Agreements and cash margin to be lienmarked as Fixed deposit for the facility and Personal Guarantee of Promoter Directors of the company.The loan will get repaid in 3 months in 3 installments from balance sheet date.		-	12,499,996	12,500,000	50,000,004
RATNAKAR BANK LTD (Term Loan - VI) The loan is repayable in 30 monthly installments of Rs. 50,00,000/- each excluding interest from the 28.10.2017 .The Loan is secured against the exclusive hypothecation charge on specific receivables covered by hire purchase/Loan Agreements and cash margin to be lienmarked as Fixed deposit for the facility and Personal Guarantee of Promoter Directors of the company.The loan will get repaid in 24 months in 24 installments from balance sheet date.		55,000,000	-	60,000,000	-

SCHEDULE OF SECURED TERM LOAN FROM BANKS		Non Current Portion		Current Maturities	
Particular		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
RATNAKAR BANK LTD (Term Loan - VII)** The loan is repayable in 36 monthly installments of Rs. 6381152/- each excluding interest from 31.03.2018 .The Loan is secured against the exclusive hypothecation charge on specific receivables covered by hire purchase/Loan Agreements and Personal Guarantee of Promoter Directors of the company.The loan will get repaid in 35 months in 35 installments from balance sheet date.		153,955,719	-	69,384,583	-
STATE BANK OF BIKANER & JAIPUR** The loan is repayable in 12 equal quarterly installments comprising of 11 installments of Rs. 1,25,00,000/- each excluding interest and last installment of Rs 1,22,00,000/- from 30.06.2016. The Loan is secured against the exclusive charge on hypothecation on pool of receivables, extention of charge on property and bank lien on FDR pledged with bank along with charge on immovable property and personal guarantees of Promoter Directors of the company. The loan will get repaid in 12 months in 4 installments from balance sheet date.		-	49,746,080	49,704,702	50,000,000
STATE BANK OF INDIA** The loan is repayable in 12 equal quarterly installments of Rs. 1,25,00,000 each excluding interest from 01.04.2015. The Loan is secured against the hypothecation first charge on the standard and unencumbered exclusive receivables/ books debts/ loans and advances disbursed by the company and bank lien on FDR pledged with bank and personal guarantees of Promoter Directors of the company.The loan was repaid in FY 17-18.		-	-	-	37,186,400
STATE BANK OF PATIALA The loan is repayable in 84 equal monthly installments of Rs. 15,322/- inclusive of interest from 20.09.2014 The loan is secured against hypothecation of car and personal guarantee of Promoter Director of the company.The loan was repaid in F.Y 2016-17.		-	-	-	584,312
TAMILNAD BANK The loan is repayable in 36 equal Monthly installments of Rs.27,77,777/- each excluding interest from 21.05.2016. The Loan is secured against the exclusive hypothecation first charge over specific standard book Debts/ receivables and the personal guarantees of Promoter Directors of the company.The loan will get repaid in 13 months in 13 installments from balance sheet date.		2,777,805	36,304,606	33,333,324	33,333,324
THE SOUTH INDIAN BANK LIMITED (Term Loan - I) The loan is repayable in 12 quarterly installments i.e. 11 installments of Rs. 83,00,000/- and last installments of Rs. 87,00,000/- excluding interest from 22.03.2015. The Loan is secured against the exclusive charge on underlying receivables both present and future of the borrower on standard assets portfolio and personal guarantees of Promoter Directors of the company.The loan was repaid in F.Y 2017-18.		-	-	-	25,300,000
THE SOUTH INDIAN BANK LIMITED (Term Loan - II) The loan is repayable in 15 quaterly installments comprising of first 14 installments of Rs 33,34,000/- excluding interest and last installment of Rs 33,24,000/- from 23.08.2016. The Loan is secured against the exclusive charge on underlying receivables both present and future of the borrower and personal guarantee of Promoter Directors of the company.The loan will get repaid in 23 months in 8 installments from balance sheet date.		13,326,000	26,662,000	13,336,000	13,336,000
THE SOUTH INDIAN BANK LIMITED (Term Loan - III) The loan is repayable in 16 quaterly installments of Rs 75,00,000/- excluding interest from 31.01.2017. The Loan is secured against the exclusive charge on underlying receivables both present and future of the borrower and personal guarantee of Promoter Directors of the company. The loan will get repaid in 18 months in 11 installments from balance sheet date.		52,500,000	82,500,000	30,000,000	30,000,000

SCHEDULE OF SECURED TERM LOAN FROM BANKS		Non Current Portion		Current Maturities	
Particular		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
UTAKARSH SMALL FINANCE BANK The loan is repayable in 12 quaterly installments of Rs 1,66,66,666/- excluding interest from 30.06.2018. The Loan is secured against the exclusive charge on underlying receivables both present and future of the borrower and personal guarantee of Promoter Directors of the company. The loan will get repaid in 36 months in 12 installments from balance sheet date.		133,333,333	-	66,666,667	-
Vijaya Bank The loan is repayable in 54 equal monthly installments of Rs. 9,25,925/- each excluding interest from 01.11.2017. The Loan is secured against the exclusive charge on standard specific receivables of the company and personal guarantees of Promoter Directors of the company. The loan will get repaid in 49 months in 49 installments from balance sheet date.		34,259,275	-	11,111,100	-
.YES BANK I The loan is repayable in 6 equal quarterly installments of Rs. 2,00,00,000/- each excluding interest from 21.01.2017. The Loan is secured against the exclusive charge on standard specific receivables of the company and personal guarantees of Promoter Directors of the company. The loan will get repaid in 1 months in 1 installments from balance sheet date.		-	20,000,000	27,500,000	80,000,000
YES BANK II The loan is repayable in 24 months from disbursement of each trench in equated monthly installments starting at end of month from each disbursement date. The Loan is secured against the exclusive charge on standard specific receivables of the company and personal guarantees of Promoter Directors of the company. The loan will get repaid in different installments from balance sheet date as each trench has its own repayment schedule.		117,708,333	-	136,250,000	-
AU Small Finance Bank (TL - II) The loan from AU Financiers (India) Pvt. Ltd. - Loan No 2 is repayable in 39 equal montly installments of Rs. 1,41,02,565/- each excluding interest from 05.05.2017. The Loan is secured against exclusive hypothecation of present and future loan receivables and personal guarantee of Promoter Director of the company. The loan will get repaid in 28 months in 28 installments from balance sheet date.		225,641,005	-	169,230,780	-
Total		1,463,459,117	1,039,297,871	1,419,257,163	1,076,774,208

Note :

* Range of rate of interest : The interest rate subsisting as on 31st March 2018 from banks is in the range between 8.50 % to 12.75%

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

*** The total amount of personal guarantee given by directors and others , against the borrowings from banking institutions , amounts to Rs 286,42,79,356/- in FY 2017-18 as compared to Rs 210,02,43,424/- in FY 2016-17.

NOTES TO FINANCIAL STATEMENTS

5.2	SCHEDULE OF SECURED TERM LOAN FROM OTHERS	Non Current Portion		Current Maturities	
	Particular	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	AUDI FINANCIAL SERVICES (Volkswagen Finance Pvt Ltd)	1,346,696	2,055,116	708,420	677,228
	BMW FINANCIAL SERVICES	-	1,528,604	1,427,514	2,177,574
	AU FINANCIERS INDIA PRIVATE LIMITED				
	Loan Account No 2	-	395,558,535	-	154,441,465
	Loan Account No 3	-	-	-	200,000,000
	CAPITAL FIRST LIMITED	-	75,000,000	75,000,000	75,000,000
	CLIX FINANCE INDIA PRIVATE LIMITED	178,478,118	-	92,657,857	-
	HINDUJA LEYLAND FINANCE LTD.				
	Loan Account No 1	-	18,744,409	18,744,409	16,624,937
	Loan Account No 2	16,102,681	51,612,511	35,509,830	31,495,517
	Loan Account No 3.1	40,083,213	73,038,576	32,955,363	26,961,424
	Loan Account No 3.2	29,920,223	-	22,734,964	-
	Loan Account No 4	34,040,667	-	22,418,642	-
	Loan Account No 5	44,666,426	-	23,139,674	-
	Loan Account No 6	140,327,606	-	59,672,394	-
	IFMR CAPITAL FINANCE PVT LTD.				
	Loan Account No 1	-	62,500,000	-	125,000,000
	SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)				
	Loan Account No 1	-	-	-	16,620,000
	Loan Account No 2	95,000,000	125,000,000	30,000,000	25,000,000
	TATA CAPITAL FINANCIAL SERVICES				
	Loan Account No 1	41,666,200	-	33,333,600	-
	Loan Account No 2	23,039,000	-	16,666,800	-
	Bajaj Finance Limited(T.L.)	123,076,910	-	61,538,472	-
	MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD				
	Loan Account No 1	-	-	102,607,680	-
	Loan Account No 2	43,423,807	-	38,774,622	-
	Loan Account No 3	-	-	250,000,000	-
	MAGMA FINCORP LIMITED	64,711,600	-	30,501,485	-
	MANNAPURAM FINANCE LIMITED	160,714,285	-	71,428,572	-
	FEDBANK FINANCIAL SERVICES				
	Loan Account No 1	40,476,190	-	9,523,810	-
	Loan Account No 2	-	-	100,000,000	-
	NABKISAN FINANCE LIMITED	112,497,260	-	37,500,000	-
	Total	1,189,570,882	805,037,751	1,166,844,108	673,998,145

NOTES TO FINANCIAL STATEMENTS

Loan from Audi Financial Services (Volkswagen Finnace Pvt Ltd) is repayable in 48 monthly installments of Rs.74,719/- including interest from 03.11.2016. The Loan is secured against charge created by way of hypothecation of the vehicle. The loan will get repaid in 31 months in 31 installments from balance sheet date.

Loan from BMW Financiers is repayable in 48 monthly installments as per repayment schedule starting from 17.11.2015. The Loan is secured against the hypothecation of car and personal guarantees of Promoter Directors. The loan will get repaid in 31 months in 31 installments from balance sheet date.

The loan from AU Financiers (India) Pvt. Ltd. - Loan No 3 is repayable on demand or other wise within 12 months from the first draw down. The Loan is secured against exclusive hypothecation of present and future loan receivables and personal guarantee of Promoter Director of the company. The loan has been repaid in F.Y 2017-18.

Loan from Capital First Limited is repayable in 2 installments at the end of 18 months and 24th month from the date of disbursement and interest amount is payable on monthly basis. The Loan is secured against the hypothecation by way of first exclusive charge over loan receivables and investments and personal guarantee of the Promoter Director of the company. The loan will get repaid in 3 months in 1 installments from balance sheet date.

Loan from CliX Capital India Unlimited is repayable in equal monthly principal repayment in arrears starting at the end of first month from the date of first drawdown and interest amount is payable on monthly basis. The Loan is secured against the hypothecation by way of first exclusive charge over loan receivables and personal guarantee of the Promoter Director of the company. The loan will get repaid in 32 months in 32 installments from balance sheet date.

The loan no. 1 from Hinduja Leyland is repayable in 36 Monthly installments as per repayment schedule starting from 07.04.2016 The Loan is secured against the exclusive first charge on portfolio of receivables. The loan will get repaid in 12 months in 12 installments from balance sheet date.

The loan no. 2 from Hinduja Leyland is repayable in 36 Monthly installments as per repayment schedule starting from 07.09.2016 The Loan is secured against the exclusive first charge on portfolio of receivables. The loan will get repaid in 17 months in 17 installments from balance sheet date.

The loan no. 3 from Hinduja Leyland is repayable in 36 Monthly installments as per repayment schedule starting from 06.05.2017. The Loan is secured against the exclusive first charge on portfolio of receivables. The loan will get repaid in 28 months in 28 installments from balance sheet date.

The loan no. 4 from Hinduja Leyland is repayable in 36 Monthly installments as per repayment schedule starting from 07.08.2017. The Loan is secured against the exclusive first charge on portfolio of receivables. The loan will get repaid in 28 months in 28 installments from balance sheet date.

The loan no. 5 from Hinduja Leyland is repayable in 36 Monthly installments as per the repayment schedule starting from 07.08.2017. The Loan is secured against the exclusive first charge on portfolio of receivables. The loan will get repaid in 32 months in 32 installments from balance sheet date.

The loan no. 6 from Hinduja Leyland is repayable in 36 Monthly installments as per the repayment schedule starting from 07.08.2017. The Loan is secured against the exclusive first charge on portfolio of receivables and the personal guarantee of promoters of the company. The loan will get repaid in 36 months in 36 installments from balance sheet date.

Loan from IFMR Capital is repayable in 4 equal half yearly installments Rs. 6,25,00,000/- excluding interest from 31.10.2016. The Loan is secured against the exclusive first charge over the portfolio created by deed of hypothecation along with personal guarantee of Promoter Director of the company . The loan was repaid in F.Y 2017-18.

Loan from SIDBI is repayable in 54 monthly installments comprising first 53 installments of Rs. 13,90,000/- each and last installment of Rs 13,30,000/- excluding interest from 23.10.2013. The Loan is secured against exclusive first charge by way of hypothecation on specific book debts and personal guarantees of Directors of the company. The loan has been repaid in the FY 2017-18.

Loan from SIDBI is repayable in 60 monthly installments comprising first 60 installments of Rs. 25,00,000/- each excluding interest from 10.6.2017. The Loan is secured against exclusive first charge by way of hypothecation on specific book debts and personal guarantees of Directors of the company. The loan will get repaid in 50 months in 50 installments from balance sheet date.

Loan 1 & 2 from Tata Capital is repayable in 36 equal monthly installments Rs. 41,66,700/- excluding interest from 31.07.2017 The Loan is secured against the exclusive first charge over the portfolio created by deed of hypothecation along with personal guarantee of Promoter Directors of the company . The loan will get repaid in 27 months in 27 installments from balance sheet date.

Loan from Bajaj Finance Limited is repayable in 39 equal monthly installments Rs. 51,28,206/- excluding interest from 31.01.2018. The Loan is secured against the exclusive first charge over the portfolio created by deed of hypothecation along with personal guarantee of Promoter Director of the company . The loan will get repaid in 36 months in 36 installments from balance sheet date.

Loan from Mahindra & Mahindra Finance Limited - Loan I is repayable in 4 equated quarterly installments as per the repayment schedule starting from 21.12.2017. The Loan is secured against the exclusive first charge over the portfolio created by deed of hypothecation. The loan will get repaid in 2 equated quarterly installments in 2 installments from balance sheet date.

Loan from Mahindra & Mahindra Finance Limited - Loan II is repayable in 10 equated quarterly installments as per the repayment schedule starting from 21.12.2017. The Loan is secured against the exclusive first charge over the portfolio created by deed of hypothecation. The loan will get repaid in 8 equated quarterly installments in 8 installments from balance sheet date.

Loan from Mahindra & Mahindra Finance Limited - Loan III is repayable in 4 equated quarterly installments as per the repayment schedule starting from 30.06.2018. The Loan is secured against the exclusive first charge over the portfolio created by deed of hypothecation. The loan will get repaid in 4 equated quarterly installments in 4 installments from balance sheet date.

Loan from Magma Fincorp Limited is repayable in 36 monthly installments comprising first installment as per the repayment schedule starting from 28.02.2018. The Loan is secured against the exclusive first charge over the portfolio created by deed of hypothecation along with partial guarantee from IFMR Capital as part of the Multi-borrower partial guarantee program and personal guarantee of Mr. Rajendra Kumar Setia , director of the company. The loan will get repaid in 34 monthly installments from the balance sheet date.

NOTES TO FINANCIAL STATEMENTS

	Loan from Manappuram Finance Limited is repayable in 14 quarterly installments comprising installment of Rs. 1,78,57,143/- excluding interest from 31.05.2018. The Loan is secured against the exclusive first charge over the portfolio created by deed of hypothecation. The loan will get repaid in 13 quarterly installments from the balance sheet date. Loan from Fedbank Financial Services Ltd is repayable in 42 monthly installments comprising of Rs.11,90,476.19/- excluding interest from 01.08.2018. The Loan is secured against exclusive charge of specific receivables arising out of onward lending and personal guarantee of Mr. Rajendra Kumar Setia, director of the Company. The loan will get repaid in 42 monthly installments in 46 months from the balance sheet date. Loan from Fedbank Financial Services Ltd is repayable in 9 monthly installments comprising of Rs.1,11,11,111/- excluding interest from 01.05.2018. The Loan is secured against the exclusive charge of specific receivables arising out of onward lending and personal guarantee of Mr. Rajendra Kumar Setia, director of the Company. The loan will get repaid in 9 monthly installments in 10 months from the balance sheet date. Loan from Nabkisan Finance Ltd is repayable in 16 quarterly installments comprising of Rs. 93,75,000/- excluding interest from 30.04.2018. The Loan is secured against the exclusive charge of specific receivables arising out of onward lending and personal guarantee of promoter director of the Company. The loan will get repaid in 16 quarterly installments in 46 months from the balance sheet date.																																																																															
	*** Note : Range of rate of interest The interest rate subsisting as on March 2018 from Financial Institutions is in the range between 10.28 % to 13.00% *** The total amount of personal guarantee given by directors and others , against the borrowings from Financial Institutions amounts to Rs 136,56,67,302/- in FY 2017-18 as compared to Rs 107,03,26,178/- in FY 2016-17.																																																																															
5.3	<table><tr><th>SCHEDULE OF REDEEMABLE SECURED DEBENTURES</th><th colspan="2">Non Current Portion</th><th colspan="2">Current Maturities</th></tr><tr><th>Particular</th><th>31-Mar-18</th><th>31-Mar-17</th><th>31-Mar-18</th><th>31-Mar-17</th></tr><tr><td>NCD FROM ESSENTIAL CAPITAL CONSORTIUM B.V.</td><td>47,238,750</td><td>94,477,500</td><td>47,238,750</td><td>-</td></tr><tr><td>FROM FMO (NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V)</td><td>53,333,333</td><td>160,000,001</td><td>106,666,667</td><td>106,666,666</td></tr><tr><td>NCD FROM A.K. CAPITAL SERVICES I</td><td>-</td><td>75,000,000</td><td>75,000,000</td><td>75,000,000</td></tr><tr><td>NCD FROM A.K. CAPITAL SERVICES II</td><td>-</td><td>-</td><td>112,500,000</td><td>-</td></tr><tr><td>NCD FROM A.K. CAPITAL FINANCE</td><td>92,307,692</td><td>-</td><td>107,692,308</td><td>-</td></tr><tr><td>NCD FROM BLACKSOIL CAPITAL PVT LTD</td><td>50,000,000</td><td>-</td><td>-</td><td>-</td></tr><tr><td>NCD FROM SCIENT CAPITAL PVT LTD</td><td>50,000,000</td><td>-</td><td>-</td><td>-</td></tr><tr><td>NCD FROM SKS CAPITAL AND RESEARCH</td><td>50,000,000</td><td>-</td><td>-</td><td>-</td></tr><tr><td>DEBENTURE AXIS MUTUAL FUND CEB</td><td>145,833,338</td><td>-</td><td>174,999,996</td><td>-</td></tr><tr><td>DEBENTURE PRINCIPAL MUTUAL FUND</td><td>112,499,999</td><td>-</td><td>150,000,000</td><td>-</td></tr><tr><td>DEBENTURE SUNDRAM MUTUAL FUND</td><td>75,000,001</td><td>-</td><td>100,000,000</td><td>-</td></tr><tr><td>DEBENTURE UNIFI AIF NORTHAN</td><td>102,272,728</td><td>-</td><td>136,363,636</td><td>-</td></tr><tr><td>Total</td><td>778,485,841</td><td>329,477,501</td><td>1,010,461,357</td><td>181,666,666</td></tr></table>					SCHEDULE OF REDEEMABLE SECURED DEBENTURES	Non Current Portion		Current Maturities		Particular	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	NCD FROM ESSENTIAL CAPITAL CONSORTIUM B.V.	47,238,750	94,477,500	47,238,750	-	FROM FMO (NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V)	53,333,333	160,000,001	106,666,667	106,666,666	NCD FROM A.K. CAPITAL SERVICES I	-	75,000,000	75,000,000	75,000,000	NCD FROM A.K. CAPITAL SERVICES II	-	-	112,500,000	-	NCD FROM A.K. CAPITAL FINANCE	92,307,692	-	107,692,308	-	NCD FROM BLACKSOIL CAPITAL PVT LTD	50,000,000	-	-	-	NCD FROM SCIENT CAPITAL PVT LTD	50,000,000	-	-	-	NCD FROM SKS CAPITAL AND RESEARCH	50,000,000	-	-	-	DEBENTURE AXIS MUTUAL FUND CEB	145,833,338	-	174,999,996	-	DEBENTURE PRINCIPAL MUTUAL FUND	112,499,999	-	150,000,000	-	DEBENTURE SUNDRAM MUTUAL FUND	75,000,001	-	100,000,000	-	DEBENTURE UNIFI AIF NORTHAN	102,272,728	-	136,363,636	-	Total	778,485,841	329,477,501	1,010,461,357	181,666,666
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	ESSENTIAL CAPITAL CONSORTIUM B.V. : The Company had issued and allotted 1,88,955 , 12.05% Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 500/- each, aggregating up to Rs.9,44,77,500/- on 19.12.2015 whose's interest is payable semi-annually on 5th May and 5th Nov of every calendar year until maturity date and first redemption date being 5th Feb 2019 and the final redemption date being 5th May 2019. The NCD's are secured against the charge created by issue in favour of Debenture Trustee being an exclusive first ranking charge by way of hypothecation over specific loan receivables/ book debts , present and future , representing amount due from the various borrowers of the Company . These Non-Convertible Debentures ("NCDs") are listed BSE (WDM) and are privately placed. FMO : The Company had issued and allotted 480, 14.75% Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 100,000/- each, aggregating up to Rs.480,000,000/- on 28.05.2014 which are repayable in 9 equal semi annually installments of Rs 53,333,333/- excluding interest from 30.05.2015 and final redemption date being 30 May 2019 and were privately placed. The NCD's are secured against the hypothecation of exclusive first charge over book debts/ receivables or 100% of outstanding principal plus future interest which ever is higher. These Non-Convertible Debentures ("NCDs") are listed BSE (WDM). A.K. CAPITAL SERVICES I : The Company had issued and allotted 1500, 11.50% Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 100,000/- each, aggregating up to Rs.150,000,000/- on 20.09.2016 which's interest compounded monthly and payable quarterly which are redeemable from 20.12.2017 and final redemption will be on 20.09.2018. The NCD's are secured against first ranking and exclusive charge via a deed of hypothecation over specific standard assets portfolio of receivables and personal guarantee of promoter directors of the company.. These were privately placed and are listed on BSE (WDM). A.K. CAPITAL SERVICES II : The Company had issued and allotted 1500, 11.00% Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 100,000/- each, aggregating up to Rs.150,000,000/- on 16.08.2017 on which interest is payable monthly which are redeemable from 16.02.2018 and final redemption will be on 16.11.2018. The NCD's are secured against first ranking and exclusive charge via a deed of hypothecation over specific standard assets portfolio of receivables and personal guarantee of promoter directors of the company. These were privately placed and are listed on BSE (WDM). NCD FROM A.K. CAPITAL FINANCE : The Company had issued and allotted 2000, carrying interest rate initially started from 9.75% (linked to 1 year MCLR + Spread of 180 basis point with reset at every 3 months from the date of disbursement) , Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 100,000/- each, aggregating up to Rs.200,000,000/- on 12.03.2018 on which interest is payable monthly which are redeemable from 12.09.2018 and final redemption will be on 12.09.2019. The NCD's are secured against first ranking and exclusive charge via a deed of hypothecation over specific standard assets portfolio of receivables and personal guarantee of Mr. Rajendra Kumar Setia , director of the company. These were privately placed and are unlisted.																																																																															

NOTES TO FINANCIAL STATEMENTS

NCD FROM BLACKSOIL CAPITAL PVT LTD : The Company had issued and allotted 2500, carrying interest rate initially started from 12.00% (linked to nifty performance and rating of the company from time to time) , Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 20,000/- each, aggregating up to Rs.50,000,000/- on 18.08.2017 on which interest and principle is payable at the maturity/ redemption. The NCD's are secured against first ranking and exclusive charge via a deed of hypothecation over specific standard assets portfolio of receivables .These were privately placed and are listed on BSE (WDM).

NCD FROM SCIENT CAPITAL PVT LTD : The Company had issued and allotted 2500, carrying interest rate initially started from 12.00% (linked to nifty performance and rating of the company from time to time) , Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 20,000/- each, aggregating up to Rs.50,000,000/- on 18.08.2017 on which interest and principle is payable at the maturity/ redemption. The NCD's are secured against first ranking and exclusive charge via a deed of hypothecation over specific standard assets portfolio of receivables .These were privately placed and are listed on BSE (WDM).

NCD FROM SKS CAPITAL AND RESEARCH: The Company had issued and allotted 2500, carrying interest rate initially started from 12.00% (linked to nifty performance and rating of the company from time to time) , Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 20,000/- each, aggregating up to Rs.50,000,000/- on 18.08.2017 on which interest and principle is payable at the maturity/ redemption. The NCD's are secured against first ranking and exclusive charge via a deed of hypothecation over specific standard assets portfolio of receivables .These were privately placed and are listed on BSE (WDM).

DEBENTURE AXIS MUTUAL FUND CEB : The Company had issued and allotted 350, carrying interest rate @ 10.60% , Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 10,00,000/- each, aggregating up to Rs.350,000,000/- on 18.01.2018 on which interest is payable on monthly basis , which are redeemable from 16.02.2018 and final redemption will be on 17.01.2020. The NCD's are secured against first ranking and exclusive charge via a deed of hypothecation over specific standard assets portfolio of receivables and personal gurantee of Mr. Rajendra Kumar Setia, director of the Company. These were privately placed and are listed on BSE (WDM)..

DEBENTURE PRINCIPAL MUTUAL FUND : The Company had issued and allotted 300, carrying interest rate @ 10.85% , Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 10,00,000/- each, aggregating up to Rs.300,000,000/- on 28.12.2017 on which interest is payable on monthly basis , which are redeemable from 31.01.2018 and final redemption will be on 27.12.2019. The NCD's are secured against first ranking and exclusive charge via a deed of hypothecation over specific standard assets portfolio of receivables and personal gurantee of Mr. Rajendra Kumar Setia, director of the Company. These were privately placed and are listed on BSE (WDM)..

DEBENTURE SUNDRAM MUTUAL FUND : The Company had issued and allotted 200, carrying interest rate @ 10.85% , Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 10,00,000/- each, aggregating up to Rs.200,000,000/- on 27.12.2017 on which interest is payable on monthly basis , which are redeemable from 31.01.2018 and final redemption will be on 27.12.2019. The NCD's are secured against first ranking and exclusive charge via a deed of hypothecation over specific standard assets portfolio of receivables and personal gurantee of Mr. Rajendra Kumar Setia, director of the Company. These were privately placed and are listed on BSE (WDM)..

DEBENTURE UNIFI AIF NORTHAN : The Company had issued and allotted 250, carrying interest rate @ 10.60% , Secured Non-Convertible Debentures ("NCDs") of face value of Rs. 10,00,000/- each, aggregating up to Rs.250,000,000/- on 27.02.2018 on which interest is payable on monthly basis , which are redeemable from 30.03.2018 and final redemption will be on 27.12.2019. The NCD's are secured against first ranking and exclusive charge via a deed of hypothecation over specific standard assets portfolio of receivables and personal gurantee of Mr. Rajendra Kumar Setia, director of the Company. These were privately placed and are listed on BSE (WDM)..

****The total amount of personal guarantee given by directors and others , against the NCD amounts to Rs 138,44,69,698/- in FY 2017-18 as compared to Rs 15,00,00,000/- in FY 2016-17.**

5.4	SCHEDULE OF REDEEMABLE UNSECURED DEBENTURES	Non Current Portion		Current Maturities	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	Unsecured Non Convertible Debentures				
	BANYANTREE GROWTH CAPITAL LLC	-	-	-	165,000,000
	A.K. CAPITAL SERVICES LIMITED	-	75,000,000	75,000,000	75,000,000
	A. K. CAPITAL FINANCE PRIVATE LIMITED	250,000,000	-	-	-
	IFMR FIMPACT LONG TERM MULTI ASSET CLASS FUND	200,000,000	200,000,000	-	-
	IFMR CAPITAL FINANCE PRIVATE LIMITED	200,000,000	200,000,000	-	-
	Total	650,000,000	475,000,000	75,000,000	240,000,000

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

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

A. K. CAPITAL FINANCE PRIVATE LIMITED : The Company had issued and allotted 250, 12.50% XIRR , Unsecured Non-Convertible Debentures ("NCDs") of face value of Rs. 1,000,000/- each, aggregating up to Rs.250,000,000/- on 12.07.2017, which are redeemable on 21.01.2021. The interest on these NCD is payable at the time of maturity and is linked to performance of the NIFTY and rating of the company/ securities. These were privately placed and are listed on BSE (WDM).

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

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

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

****The total amount of personal guarantee given by directors and others , against the NCD's amounts to Rs 32,50,00,000/- in FY 2017-18 as compared to Rs15,00,00,000/- in FY 2016-17.**

NOTES TO FINANCIAL STATEMENTS

6	OTHER LONG TERM LIABILITIES					
	Particular		31-Mar-18	31-Mar-17		
	Unrealised Gain on Loan transfers under Securitization transactions (refer note no. 31 (c))		115,328,821	61,389,357		
	Total		115,328,821	61,389,357		
7	PROVISIONS		LONG TERM		SHORT TERM	
	Particular		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	PROVISIONS FOR EMPLOYEES BENEFITS					
	Gratuity (Refer not no. 26b)		15,202,620	9,170,652	1,744,096	989,420
	Leave Encashment (Refer not no. 26b)		16,071,376	9,433,732	2,877,745	1,637,868
	OTHER PROVISIONS					
	Provision for Income Tax(Net of Advance Tax)		-	-	34,184,613	24,305,890
	Proposed Dividend on Preference Shares		-	-	-	1,199
	Provision for Dividend distribution Tax		-	-	-	251
	Contingent Provisions on other Advances		-	16,564	24,005,346	10,774,796
	PROVISION ON ASSETS					
	on Standard assets		24,454,213	11,702,988	14,600,044	8,948,392
	on Sub standard assets		-	-	71,612,444	46,769,839
	on Doubtful and Loss assets		-	-	9,909,554	-
	Total		55,728,209	30,323,936	15,893,3842	93,427,655
8	SHORT - TERM BORROWINGS:					
	Particular			As at 31-Mar-18		As at 31-Mar-17
	Loan Repayable on Demand ** From Banks ***			359,303,659		69,739,514
	Working Capital Demand Loan ** From Bank ****			493,003,605		389,977,525
	Total			852,307,264		459,717,039
The Cash Credit facility from IDBI bank is secured against Exclusive Charge on receivables in respect of loans disbursed and is personally guaranteed by Promoter Directors of the Company. It is further secured against collateral security of equitable Mortgage of immovable properties and lien on FDR with Bank . In addition to guarantee from the promoter directors it is also personally guaranteed by Mrs. Bhajan Devi Setia and Mr. Arjun Das Setia. The Cash Credit facility from SBBJ (merged with SBI) is secured against the exclusive charge on hypothecation on pool of receivables and bank lien on FDR pledged with bank along with charge on immovable property and personal guarantees of Promoter Directors of the company. In addition to guarantee from the promoter directors it is also personally guaranteed by Mr. Arjun Das Setia and Mrs. Bhajan Devi Setia. The Cash Credit facility from Ratnakar Bank Limited is secured against exclusive hypothecation charge on specific receivables covered by loan agreeemnts and lien on FDR with bank. The loan is also personally guaranteed by Promoter Directors of the Company. The Cash Credit facility from State Bank of India is secured against the hypothecation first charge on the standard and unencumbered exclusive receivables/ books debts/ loans and advances disbursed by the company and bank lien on FDR pledged with bank and personal guarantees of Promoter Directors of the company. The Cash Credit facility from HDFC Bank Limited is secured against the first and exclusive charge in favour of the bank by way of hypothecation of receivables and personal guarantee of Promoter Directors of the company. The Cash Credit facility from Bank of Maharashtra is secured against exclusive charge on receivables and FDR with Bank and is guaranteed personally by Promoter Directors of the Company. In addition to guarantee from the Promoter Directors it is also personally guaranteed by Mr. Arjun Das Setia. The Cash Credit facility from Indian Overseas bank is secured against Exclusive Hypothecation charge on standard loan receivables and is guaranteed personally by Promoter Directors of the company. It is further secured against lien on FDR with banks. In addition to guarantee from the Promoter directors it is also personally guaranteed by Mr. Arjun Das Setia. The Cash Credit facility from Bank of India is secured against the exclusive hypothecation of specific book debts/ receivables and collateral security of lien on FDR with Bank and personal guarantees of Promoter Directors of the company. The Cash Credit facility from Vijaya Bank is secured against the exclusive hypothecation of specific book debts/ receivables and personal guarantees of Promoter Directors of the company. The Cash Credit facility from Axis Bank is secured against the exclusive hypothecation of specific book debts/ receivables and personal guarantees of Promoter Directors of the company. The Cash Credit facility from AU Small Finance Bank is secured against the exclusive hypothecation of specific book debts/ receivables and personal guarantees of Mr. Rajendra Kumar Setia , director of the company. The WCDL from State Bank of India (Erstwhile State Bank of Bikaner & Jaipur) is made by carving out of cash credit facility of 20 crore and the same was disbursed on 07.02.2018 for a period of 6 Months. The Loan is secured against the exclusive charge on hypothecation on pool of receivables and bank lien on FDR pledged with bank along with charge on immovable property and personal guarantees of Promoter Directors of the company. The WCDL limit from SBI is made by carving out of cash credit facility of 25 crore from SBI will be repaid after the 3 months from the date of sanction of facility and the same will be repaid on 25th April 2018 and is secured by way of exclusive charge on standard specific receivables of the company and Personal Guarantee of Promoter Directors of the company. The WCDL facility from Yes Bank Limited of 25 crore is secured by way of exclusive charge on standard specific receivables of the company and Personal Guarantee of Promoter Directors of the company and will be repaid on 14.02.2019 from the date of disbursement of facility i.e 15th Feb,2017 The Revolving credit facility from Aavas Financiers Limited is secured against collateral and comprises of SME funding portfolio over specific book debts/ receivables and personal guarantee of Promoter Director of the company.						

Note : Range of rate of interest: **The interest rate subsisting as on March 2018 from Cash Credit & WCDL is in the range between 9.05 % to 12.15%

***The total amount of personal guarantee given by directors and others , against the Cash Credit Limits amounts to Rs 35,93,03,659/- in FY 2017-18 as compared to Rs 6,97,39,514/- in FY 2016-17.

****The total amount of personal guarantee given by directors and others , against the Working Capital Demand Loans amounts to Rs 49,30,03,605/- in FY 2017-18 as compared to Rs 38,99,77,525/- in FY 2016-17.

NOTES TO FINANCIAL STATEMENTS

9

OTHER CURRENT LIABILITIES				
Particular		As at 31-Mar-18		As at 31-Mar-17
Current Maturities of Long term Debts (Refer note no. 5)		3,842,500,128		2,666,689,019
Interest Accrued but not due		81,760,125		53,868,395
Unrealised Gain on Loan transfers under Securitization transactions		262,049,998		177,191,845
Other Payable		303,759,323		246,247,887
Employee Payable		26,271,571		4,481,451
Expense Payable		36,585,407		35,613,207
Temporary credit balance in bank accounts		4,974,568		5,737,314
Unearned Securitization income		43,803,378		3,961,912
Other Advances		59,202,471		21,097,090
Dividend Payable		5,995		4,796
Statutory Dues Payables		22,286,150		13,022,109
Total		4,683,199,114		3,227,915,025

10

DEFERRED TAX ASSETS (NET):				
Particular		As at 31-Mar-18		As at 31-Mar-17
Deferred Tax Liabilities				
Difference between Book and tax depreciation		2,172,116		3,019,882
Gross Deferred tax Liabilities		2,172,116		3,019,882
Deferred Tax Asset				
Provision on Loans and Advances		50,036,800		27,067,809
Other Expenses		14,499,311		19,224,220
Gross Deferred Tax Assets		64,536,111		46,292,029
Net Deferred Tax Assets		62,363,995		43,272,147

11

Fixed Assets

TANGIBLE ASSETS	Gross Block				Depreciation & Amortization				Net Block	
Description of Assets	Opening Balance	Addition	Adjustment/ Deletion	TOTAL	Opening Balance	Addition	Adjustment/ Deletion	TOTAL	At 31-Mar-2018	At 31-Mar-2017
(a) Furniture and fixture	45,203,549	9,886,667	-	55,090,216	9,391,690	4,814,636	-	14,206,326	40,883,890	35,811,859
Vehicles	42,085,144	9,260,395	595,516	50,750,235	5,906,681	5,572,612	70,647	11,408,646	39,341,377	36,178,463
Office Equipments	12,961,233	5,132,302	-	18,093,535	4,718,480	2,757,574	-	7,476,054	10,617,481	8,242,753
Computers	29,716,638	11,237,579	-	40,954,217	15,890,050	7,500,032	-	23,390,082	17,564,135	13,826,588
Land	-	888,365	-	888,365	-	-	-	-	888,365	-
Lease Hold Improvements	7,813,752	7,417,661	-	15,231,413	248,104	1,291,835	-	1,539,939	13,691,474	7,565,648
Assets Dep 100%	-	-	-	-	-	-	-	-	-	-
TOTAL	137,780,316	43,822,969	595,516	181,007,769	36,155,005	21,936,689	70,647	58,021,047	122,986,722	101,625,311
PREVIOUS YEAR	71,963,049	68,303,967	2,486,700	137,780,316	22,189,802	15,072,446	1,107,243	36,155,005	101,625,311	49,773,246
INTANGIBLE ASSETS										
Software	5,174,059	1,958,032	-	7,132,091	3,002,654	1,425,736	-	4,428,390	2,703,701	2,171,405
TOTAL	5,174,059	1,958,032	-	7,132,091	3,002,654	1,425,736	-	4,428,390	2,703,701	2,171,405
PREVIOUS YEAR	3,854,112	1,319,947	-	7,132,091	3,002,654	1,425,736	-	4,428,390	2,703,701	2,171,405
CAPITAL WORK IN PROGRESS			-	5,174,059	1,942,711	1,059,943	-	3,002,654	2,171,405	1,911,401
Lease Hold Improvements (Building)	-	9,686,434	-	9,686,434	-	-	-	-	9,686,434	-
TOTAL	-	9,686,434	-	9,686,434	-	-	-	-	9,686,434	-
PREVIOUS YEAR	-	-	-	-	-	-	-	-	-	-
Grand Total (Other Than Capital WIP)	142,954,375	45,781,001	595,516	188,139,860	39,157,659	23,362,425	70,647	62,449,437	125,690,423	103,796,716
Previous Year (Other Than Capital WIP)	75,817,161	69,623,914	2,486,700	142,954,375	24,132,513	16,132,389	1,107,243	39,157,659	103,796,716	51,684,647

NOTES TO FINANCIAL STATEMENTS

12	OTHER NON CURRENT ASSETS				
Particular			As at 31-Mar-18		As at 31-Mar-17
Fixed Deposit					
Term Deposits under lien for Borrowings			11,900,000		64,215,618
Term Deposits under lien for Securitisation / Assignment			85,151,357		76,460,932
Total			97,051,357		1,40,676,550
13	TRADE RECEIVABLE				
Particular			As at 31-Mar-18		As at 31-Mar-17
(Unsecured considered Good)					
(1) Outstanding for a period less than six months from the date of due for payment			2,375,132		18,905,055
(2) Outstanding for a period more than six months from the date of due for payment			8,979		19,456
Total			2,384,111		18,924,511
14	NON-CURRENT INVESTMENTS				
(a)					
Particular		No of Units	As at 31-Mar-18	No of Units	As at 31-Mar-17
Investment in Pass Through Certificate VOLGA CV IFMR CAPITAL 2017 , SERIES A2		46,666,786	46,666,786	-	-
Total		46,666,786	46,666,786	-	-
Agreegate amount of book value of unquoted investment		46,666,786	46,666,786	-	-
Total		46,666,786	46,666,786	-	-
14	CURRENT INVESTMENTS				
(b)					
Particular		No of Units	As at 31-Mar-18	No of Units	As at 31-Mar-17
Investment in Mutual Fund BOI AXA Treasury Advantage Fund - Regular Plan - Growth (TFRGG)		*	-	84,760	165,050,163
Total					165,050,163
Agreegate amount of book value of quoted investment		-	-	84,760	165,050,163
Agreegate amount of Market value of quoted investment		-	-	84,760	165,488,163
Total		-	-		165,050,163
15	CASH & BANK BALANCES:				
Particular			As at 31-Mar-18		As at 31-Mar-17
(a) CASH AND CASH EQUIVALENTS					
Cash in Hand			75,991,249		46,154,424
Balances with bank in current Accounts			12,879,290		340,410,797
Fixed Deposit(Having Maturity Less than three months)			3,022,401		14,358,621
(b) OTHER BANK BALANCES					
Term Deposits under lien for Borrowings			146,548,270		119,258,248
Term Deposits under lien for Securitisation / Assignment			55,274,037		34,075,753
Total			293,715,247		554,257,843

NOTES TO FINANCIAL STATEMENTS

15.1	FDR Balances with Bank (Kept as margin money against guarantees/Loan)				
	Particular		As at 31-Mar-18		As at 31-Mar-17
	-Upto 3 months maturity from date of acquisition		3,022,401		14,358,621
	-Upto 12 months maturity from date of acquisition		44,144,287		117,052,789
	-Maturity more than 12 months but within one year from the reporting date		157,678,020		36,281,212
	Shown as Current Assets		204,844,708		167,692,622
	-Maturity more than 12 months but after one year from the reporting date		97,051,357		140,676,550
	Shown as Non-current Assets		97,051,357		140,676,550
	Total		301,896,065		308,369,172
16	LOANS & ADVANCES:	Non Current		Current	
	Particular	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17
	LOAN & ADVANCES (Unsecured considered good)				
	Related Party (Refer point no. 27)	-	-	-	3,441,995
	Advance to staff	-	-	2,209,637	1,527,721
	Other Advances	-	4,732,679	105,713,742	57,476,390
	Interest Only strip (I/O) strip under securitisation transactions (refer note no. 31 (c))	115,328,821	61,389,357	262,049,998	177,191,845
	Security Deposits (others)	6,313,136	5,339,160	-	-
	Other Statutory Receivables	2,264,035	2,302,446	9,734,565	1,150,728
	Secured Advances				
	Retained interest under Securitisation / Assignment Transactions	461,538,925	264,557,819	33,102,648	33,161,354
	LOAN (Secured Against Hypothecation of Vehicles etc.)				
	Standard	6,113,553,320	3,357,737,820	3,650,010,978	2,151,233,988
	Sub Standard	-	-	321,568,330	241,266,145
	Doubtful	-	-	19,188,302	1,593,827
	Total	6,698,998,237	3,696,059,281	4,403,578,200	2,668,043,993
17	Other Current Assets				
	Particular		As at 31-Mar-18		As at 31-Mar-17
	Prepaid Expenses		10,486,288		39,203,673
	Unamortised Borrowing cost & Servicing Fees		46,636,033		30,023,215
	Income Accrued but not received		412,764,054		295,927,465
	Total		469,886,375		365,154,353
18	Revenue from Operations				
	Particular		As at 31-Mar-18		As at 31-Mar-17
	Revenue				
	Interest on Hypothecation of Assets		1,656,098,335		1,177,643,110
	Income from Assignments		312,294,091		159,153,541
	Total Revenue		1,968,392,426		1,336,796,651
	Other Operating Revenue				
	Interest from Margin Money Deposits		36,963,189		28,003,227
	Income from Processing and other charges		239,994,799		134,922,477
	Total Other Operating Revenue		276,957,988		162,925,704
	Total		2,245,350,414		1,499,722,355

NOTES TO FINANCIAL STATEMENTS

19	OTHER INCOME:			
	Particular		As at 31-Mar-18	As at 31-Mar-17
	Income from Insurance Support Services		11,330,793	55,143,586
	Loans Written off recovered		14,594,912	16,948,201
	Misc Income		2,023,207	246,691
	Total		27,948,912	72,338,478
20	EMPLOYEE BENEFITS EXPENSE			
	Particular		As at 31-Mar-18	As at 31-Mar-17
	Salary and Wages		445,888,154	285,950,924
	Contribution to Provident and Other Funds		30,096,354	18,338,337
	Gratuity and Lease Encashments Expenses(Refer Note-26 b)		16,405,663	6,448,218
	Staff Welfare Expenses		7,814,708	5,975,379
	Total		500,204,879	316,712,858
21	FINANCIAL COSTS:			
	Particular		As at 31-Mar-18	As at 31-Mar-17
	Interest			
	To Bank		403,925,858	334,397,253
	To Others		443,939,472	322,593,405
	Other Borrowing Costs		46,641,167	34,562,711
	Total		894,506,497	691,553,369
22	DEPRECIATION AND AMORTIZATION EXPENSE:			
	Particular		As at 31-Mar-18	As at 31-Mar-17
	Depreciation of Property Plant & Equipment (Refer note 11 (a))		21,936,689	15,072,446
	Amortization of Intangible Assets (Refer note 11 (b))		1,425,736	1,059,943
	Total		23,362,425	16,132,389
23	Provisions and Bad Debts written off			
	Particular		As at 31-Mar-18	As at 31-Mar-17
	Bad Debts		71,254,787	17,335,833
	Provision for NPA		34,752,159	27,933,731
	Provision for Standard Assets		18,402,877	4,018,326
	Contingent Provisions for other Advances		13,213,986	6,705,010
	Total		137,623,809	55,992,900

NOTES TO FINANCIAL STATEMENTS

24	OTHER EXPENSES:				
	Particular		As at 31-Mar-18		As at 31-Mar-17
	Rent Rates & Taxes		49,317,637		30,114,211
	Commission & Brokerage		105,654,829		95,340,598
	Advertisement & Publicity		4,759,399		2,969,317
	Travelling & Conveyance		26,463,694		17,106,447
	Repair & Maintenance				
	(I) Buildings		2,312,297		1,693,329
	(ii) Others		1,357,972		1,263,660
	Legal & Professional Charges		32,934,624		28,777,425
	Printing & Stationery		8,815,695		6,536,836
	Audit Fees		3,707,117		2,527,695
	Postage & Telegram		5,501,462		3,945,119
	Electricity & Water		7,492,769		5,065,371
	Telephone Expenses		8,594,216		8,149,570
	Office expenses		25,172,096		23,960,181
	Collection Expenses		16,473,972		17,255,901
	Business Promotion Exp.		8,745,679		7,337,261
	Rebate & Claim		79,255,505		47,859,393
	CSR Expenses (Refer note 35)		1,756,607		3,158,865
	Loss on Sale of Fixed Assets		41,109		385,457
	Total (A+B)		388,356,679		303,446,636
24.1	Payment to Auditors				
	Particular		As at 31-Mar-18		As at 31-Mar-17
	As Auditor				
	Audit Fees		2,300,000		1,400,000
	In Other Capacity				
	Limited Review		400,000		300,000
	Certification Fees		965,000		805,000
	Reimbursement of Expenses		42,117		22,695
	Total		3,707,117		2,527,695
24.2	MOVEMENT OF NPA's				
	Particular		As at 31-Mar-18		As at 31-Mar-17
i)	Net NPA's as to Advances (%)		2.57%		3.41%
ii)	Movement of NPA's (Gross)				
	a) Opening balance		242,859,972		81,797,083
	b) Addition during the year		319,396,671		233,518,497
	c) Reduction during the year		221,500,011		72,455,608
	d) Closing balance		340,756,632		242,859,972
iii)	Movement of Net NPA's				
	a) Opening balance		196,090,133		62,960,975
	b) Addition during the year		251,211,486		187,761,985
	c) Reduction during the year		188,066,985		54,632,827
	d) Closing balance		259,234,634		196,090,133
iv)	Movement of provision for NPA's				
	a) Opening balance		46,769,839		18,836,108
	b) Provision made during the year		68,185,185		45,756,512
	c) Write-off / write-back of excess provisions		33,433,026		17,822,781
	d) Closing balance		81,521,998		46,769,839
The Company classifies non-performing assets (NPAs) at 3 months overdue and is compliant with the requirement for the financial year ending 31st March 2018. These provisioning norms are considered the minimum and additional provision is made based on perceived credit risk where necessary.					

NOTES TO FINANCIAL STATEMENTS

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 2018 and 31 March 2017.				
24.4	Lease Payment				
	The Company has taken certain offices on cancellable operating lease. Lease payments of Rs.3,49,67,496/- (PY Rs.2,37,25,443/-) are charged to Statement of Profit & Loss during the year.				
25	EARNING PER SHARE				
	Particular		As at 31-Mar-18		As at 31-Mar-17
	Basic Earning Per Share				
	Net Profit available for Equity Shareholders		219,522,313		122,985,600
	Weighted Average No of Equity Shares		291,146		202,976
	Basic EPS		754		606
	Diluted Earning Per Share				
	Weighted Average No of Equity Shares		291,146		202,976
	Effect of Dilution		-		67,733
	Weighted Average No of Equity Shares in Dilution		291,146		270,709
	Weighted Average Diluted EPS		754		454
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. 3,00,96,354/- (Previous Year Rs. 1,83,38,337/-) towards the defined contribution plan.				
b)	Defined benefits plans - as per actuarial valuation				
		Gratuity Benefit Plan (Unfunded)		Leave Encashment Plan (Unfunded)	
	Particular	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17
	Changes in Present value of benefit obligation				
	Opening present Value of Obligation	10,160,072	6,360,505	11,071,600	9,345,273
	Interest Cost	742,915	450,254	795,030	630,589
	Current Service Cost	3,710,350	2,581,450	5,340,810	3,732,663
	Past service Cost	1,012,552	-	-	-
	Benefits Paid	(587,994)	(19,899)	(1,026,859)	(902,425)
	Actuarial Gain / Loss	1,908,821	787,762	2,768,540	(1,734,500)
	Closing present Value	16,946,716	10,160,072	18,949,121	11,071,600
	Component of Employers Expense				
	Current Service Cost	3,710,350	2,581,450	5,340,810	3,732,663
	Interest Cost	742,915	450,254	795,030	630,589
	Expected return on plan assets	-	-	-	-
	Net actuarial Gain/ Loss recognise in the year	1,908,821	787,762	2,768,540	(1,734,500)
	Past service Cost	1,012,552	-	-	-
	Expenses recognised in P & L A/c	7,374,638	3,819,466	8,904,380	2,628,752
	Movement in net liability recognised in balance sheet				
	Opening net Liability	10,160,072	6,360,505	11,071,600	9,345,273
	Expenses Recognised in P & L	7,374,638	3,819,466	8,904,380	2,628,752
	Contribution	(587,994)	(19,899)	(1,026,859)	(902,425)
	Closing Balance	16,946,716	10,160,072	18,949,121	11,071,600
	Actuarial Assumptions				
	Discount Rate	7.53%	7.09%	7.53%	7.09%
	Salary Escalation rate	7.50%	7.50%	7.50%	7.50%
	Withdrawal Rate	15%	15%	15%	15%

NOTES TO FINANCIAL STATEMENTS

	Gratuity					
	Particular	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
	Value of Obligation	16,946,716	10,160,072	6,360,505	5,094,852	6,323,531
	Fair Value of Plan Assets	-	-	-	-	-
	Balance Sheet Liability / (Asset)	16,946,716	10,160,072	6,360,505	5,094,852	6,323,531
	P&L – (Income)/Expenses	7,374,638	3,819,466	1,362,674	(1,228,679)	2,953,517
	Experience adjustment on Plan Liabilities (Gain) / Loss	2,328,748	494,375	(375,810)	(2,823,687)	1,850,301
	Leave Encasement					
	Particular	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
	Value of Obligation	18,949,121	11,071,600	9,345,273	5,262,445	2,718,229
	Fair Value of Plan Assets	-	-	-	-	-
	Balance Sheet Liability/(Asset)	18,949,121	11,071,600	9,345,273	5,262,445	2,718,229
	P&L –(Income)/Expenses	8,904,380	2,628,752	4,546,639	2,910,634	2,219,144
	Experience adjustment on Plan Liabilities (Gain) / Loss	3,157,229	-2,016,368	1,277,932	1,593,081	1,353,491
	""The company has provided for compensatory leaves which can be availed and not encashed as per policy of the company as present value obligation of the benefit at related current service cost measured using the projected unit credit method on the basis of an actuarial valuation.The estimates of future salary increases, considered in ctuarial valuation, are on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market."					
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 (Till date 29th Dec 2017)					
	Banyan Tree Growth Capital LLC (Till date 29th Dec 2017)					
	Norwest Venture Partners X - Mauritius (With effect from 30th Dec 2017)					
	B Key Management Personnel and Directors					
	Rajendra Kumar Setia	Managing Director				
	Shalini Setia	Director				
	Amar Chand Chug	Independent Director				
	Amar Lal Daultani	Independent Director				
	Atul Arora	CFO				
	Anagha Bangur	Company Secretary				
	Sanjeev Singhal (Till Date 30th Dec 2017)	Nominee Director				
	Rahul Bhasin (Till effect from 30th Dec 2017)	Nominee Director				
	Munish Dayal (With effect from 26th Feb 2018)	Alternate Director				
	C. Relatives of Key Management Person					
	a.. Raj Kumar Setia	Brother of Rajendra Kumar Setia				
	b.. Surendra Kumar Setia	Brother of Rajendra Kumar Setia				
	c.. Sameer Arora	Brother of Shalini Setia				
	d. Sanjeev Arora	Brother of Shalini Setia				
	e. Raina Nagpal	Sister of Rajendra Kumar Setia				
	f. Arjun Das Setia	Father of Rajendra Kumar Setia				
	D. Enterprises owned and significantly influenced by key management personal or their relatives					
	• Sharma Brothers	Brother of Rajendra Kumar Setia (Managing Director) is Partner				
	• Shubham Leasing & Financial co.	Brother of Rajendra Kumar Setia (Managing Director) is Proprietor				
	• Diamond Capfin Pvt. Ltd	Brother of Rajendra Kumar Setia(Managing Director) is Director				
	• 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				
	• Rakam Credit Private Limited	Brother of Rajendra Kumar Setia(Managing Director) is Director				

NATURE OF TRANSACTION			As at 31-Mar-18			As at 31-Mar-17
EXPENDITURE						
Salary	Key Management Personnel	Rajendra Kumar Setia	7,382,158		4,800,000	
		Shalini Setia	1,112,299		720,000	
		Atul Arora	2,070,140		1,200,517	
		Anagha Bangur	542,485		451,487	
		Relative of Key Management personnel				
		Sameer Arora	2,560,849		1,980,000	
		Sanjeev Arora	712,980		593,329	
		Independent Director				
		Amar Chand Chug	400,000		300,000	
		Amar Lal Daultani	400,000		300,000	
Sitting Fees (including reimbursement of expenses)		Atul Arora	112,884		21,600	
		Anagha Bangur	21,360		20,160	
		Sanjeev Arora	21,600		21,600	
		Sameer Arora	145,266			
Provident Fund paid		Rajendra Kumar Setia	331,243		192,000	
		Sameer Arora	110,447		76,600	
		Atul Arora	75,694		-	
		Insurance Expenses	Key Management Personnel			
Commission	Relative of Key Management personnel	Rajendra Kumar Setia	429,000		429,000	
		Surendra Kumar Setia	393,360		868,880	
		Raj Kumar Setia	-		875,977	
		Raina Nagpal	-		899,481	
		Enterprises under significant Influence				
		Shubham Leasing & Finance Co.	600,382		289,710	
		V.R Financers	-		10,989	
		Friend Software Services	-		90,080	
		Diamond Capfin Private Limited	21,601		-	
		Rent Expenses	Key Management Personnel			
Vehicle Running & Maintenance	Enterprises under significant Influence	Shalini Setia			-	
		Sharma Brothers	2,500,000		320,592	
Business Promotion	Enterprises under significant Influence					
		Chamunda Computers	454,485		7,000	
Purchase of Fixed Assets	Enterprises under significant Influence					
		Chamunda Computers	-		72,625	
Balances with Related Parties						
Salary payable	Key Management Personnel	Rajendra Kumar Setia	415,761		130,930	
		Shalini Setia	95,251		-	
Provident Fund payable	Key Management Personnel	Atul Arora	10,617		1,800	
		Anagha Bangur	1,800		1,680	
		Relative of Key Management personnel				
		Sanjeev Arora	1,800		1,800	
Sitting Fees Payable	Independent Director	Sameer Arora	12,735		1,800	
		Amar Chand Chug	90,000		67,500	
		Amar Lal Daultani	90,000		67,500	
		Commission Payable	Relative of Key Management personnel			
Vehicle Running & Maintenance Payable	Enterprises under significant Influence	Surendra Kumar Setia	300,873		146,347	
		Raj Kumar Setia	-		4,375	
		Sharma Brothers	-		48,159	
Particular		Open Balance	Taken	Given	Interest	Closing
Advances Given						
Key Managerial Personnel						
Arjun Das Setia		-	7,970,840	8,125,095	154,255	-
		(733,397)	(33,194,600)	(34,218,470)	(290,473)	(0)
Enterprises under significant Influence						
Diamond Capfin Pvt. Ltd.		3,441,995	-	3,853,063	411,068	-
		(3,840,464)	(1,000,000)	(1,844,615)	(446,146)	(3,441,995)
Sharma Brothers		-	3,100,000	3,108,838	8,838	-
		(0)	(11,500,000)	(11,519,398)	(19,398)	(0)
Chamunda Computers		-	5,500,000	5,501,749	1,749	-
		(0)	(22,050,000)	(23,954,103)	(1,904,103)	(0)
Advances Taken						
Enterprises under significant Influence						
Rakam Credit Private Limited		-	13,400,000	13,502,611	102,611	-
		(0)	(0)	(0)	(0)	(0)
Figures in brackets() represent previous year figures						

NOTES TO FINANCIAL STATEMENTS

28	CONTINGENT LIABILITY, CAPITAL AND OTHER COMMITMENTS			
	Particular	As at 31-Mar-18		As at 31-Mar-17
	CONTINGENT LIABILITY			
	(a) Claims against the company not acknowledged as debt	-		-
	(b) Guarantees			
	Bank Guarantee given to President , DCF , Alwar against legal matter of vehicle no RJ 02 RD 5733	2,500		-
	Bank Guarantee given to President , DCF , Nagaur against legal matter of vehicle no RJ 21 GA 5066	7,500		7,500
	Corporate Guarantees towards assignment transaction	43,250,726		-
	Income Tax deposited under protest	190,500		294,946
	Service tax liability	55,037,596		55,037,596
	COMMITMENTS			
	- Capital Commitments:			
	Estimating amount of contracts remaining to be executed on capital account and not provided for	2,006,450		-
	During the Financial Year 2016-17 , a demand raised by the Office of Commissioner , Central Excise , Jaipur for the period 2009-10 to 2014-15 for non-payment of service tax on services rendered towards provision of collection of receivables and liquidity facilities in respect of Securitisation / Direct assignments. shown as an contingent liability. Consequently the Company has filed an appeal against this order with the CESTAT , New Delhi and has deposited an amount equal to 7.5% of the demand i.e.Rs. 20,63,535/- under protest against and is hopeful that no such liability exist as pointed out by service tax department and no provision is considered appropriate.			
29	DETAILS OF DUES UNDER MSMED ACT			
	There are no outstanding liability of the undertaking which are registered under the Micro, Small and Medium Enterprises, Development Act, 2006. The information required under the said Act has been complied by the company and this has been relied upon by the auditors.			
30	SUPPLEMENTRY STATUTORY INFORMATION IN PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT			
	There are no transactions which are required to be disclosed separately under this clause.			
31	SECURITISATION / ASSIGNMENT TRANSACTIONS			
a.	During the year, the company has with recourse securitised vide PTC route, loan receivables of 11,198 contracts (14335) amounting to Rs.213,28,23,871/- (P.Y.Rs.2,65,05,58,362/-) for a consideration of Rs. 213,28,23,871/- (Rs. 2,65,05,58,362/-) and de-recognised the assets from the books.			
b.	During the year, the company has without recourse assigned loan receivables of 1387 contracts (P.Y. 2492 contracts) amounting to Rs. 33,12,68,723/- (P.Y. 45,41,41,697/-) for a consideration of Rs. 29,81,41,851/- (P.Y.Rs.40,87,27,527/-) and de-recognised the assets from the books.			
c.	In terms of the accounting policies stated in 2.3 (c), securitisation income is recognised as per RBI guidelines dated 21.08.2012. Accordingly, Interest only(I/O) strip representing present value of interest spread receivable has been recognised and reflected under loans and advances (refer note no. 16) and equivalent amount of Unrealised gain has been recognised as liabilities (refer note no. 6 & 9)			
d.	Excess Interest spread redeemed during the year by the Special Purpose Vehicle Trust (SPV Trust) has been recognised as income & included in income from assignment/ securitisation.			
e.	Disclosure in the notes to accounts in respect of securitisation transactions as required under revised guidelines on securitisation transactions issued by RBI vide circular no. DNBS.PD.No.301/3.10.01/2012-13 dated 21.08.2012. Applicable for transactions effected after the date of circular			
f.	Details of Financial Assets sold to Securitization / Reconstruction company for Asset Reconstruction :			
	The Company has not sold any financial assets to securitisation / reconstruction company during the financial year ended 31 March 2018 and 31 March 2017			

NOTES TO FINANCIAL STATEMENTS

S. No.	Particular	No. / Amount
1	No of SPVs sponsored by the NBFC for securitisation transactions	11
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	2,413,044,362
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	
	a) Off-balance sheet exposures	
	* First Loss Credit enhancement in form of corporate undertaking	43,250,726
	* Others	
	b) On-balance sheet exposures	
	* First Loss	129,469,305
	(Cash collateral term deposits with banks)	
	* Others	457,670,108
4	Amount of exposures to securitisation transactions other than MRR	
	a) Off-balance sheet exposures	
	i) Exposure to own securitisations	
	* First Loss	-
	* Others	-
	ii) Exposure to third party securitisations	
	* First Loss	-
	* Others	-
	b) On-balance sheet exposures	
	i) Exposure to own securitisations	
	* First Loss	-
	* Others	-
	(Investment in Pass- through Certificates(PTC))	
	ii) Exposure to third party securitisations	
	* First Loss	-
	* Others	-
g	Disclosure in the notes to accounts in respect of assignment transactions as required under revised guidelines on securitisation transactions issued by RBI vide circular no. DNBS.PD.No.301/3.10.01/2012-13 dated 21.08.2012.	
	Applicable for transactions effected after the date of circular	
S. No.	Particular	No. / Amount
1	No. of the transactions assigned by the company	7
2	Total amount outstanding	369,714,650
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	
	a) Off-balance sheet exposures	
	* First Loss	-
	* Others	-
	b) On-balance sheet exposures	
	* First Loss	-
	* Others	36,971,465
4	Amount of exposures to assignment transactions other than MRR	
	a) Off-balance sheet exposures	
	i) Exposure to own assigned transactions	
	* First Loss	-
	* Others	-
	ii) Exposure to third party assigned transactions	
	* First Loss	-
	* Others	-
	b) On-balance sheet exposures	
	i) Exposure to own assigned transactions	
	* First Loss	-
	* Others	-
	ii) Exposure to third party assigned transactions	
	* First Loss	-
	* Others	-
32	There were no cases (P.Y. Nil cases) of frauds amounting to Rs NIL (P.Y. NIL) reported during the year.	

33	DISCLOSURE AS PER RBI NBFC (NON-DEPOSIT ACCEPTING) DIRECTIONS, 2007				
33.1	Disclosure as per RBI Guidelines of systematic Important Non Deposit taking Non Banking Financial Company pertaining to capital to Risk Asset Ratio (CRAR)				
	Particulars	2017-18		2016-17	
	CRAR (%)	20.46%		17.76%	
	CRAR-Tier- I Capital (%)	16.87%		11.56%	
	CRAR-Tier- II Capital (%)	3.59%		6.20%	
	Amount of subordinated debt raised as Tier-II capital (Rs. in Lacs)	4,000		2,000	
	Amount raised by issue of Perpetual Debt Instruments (Rs. in Lacs)	-			
33.2	Exposure to Real Estate Sector both Direct and Indirect The company does not have any direct or indirect exposure to real estate sector during the year ended on March 31, 2018 and March 31, 2017				
33.3	Exposure to Capital Market The company has no exposure to the Capital market in current year (Prev FY exposure : Nil)				
33.4	Details of Single Borrower Limit (SGL) / Group Borrower Limits (GBL) exceeded by NBFC's The Company has not exceeded the prudential exposure limits during the financial year ended 31 March 2018 and 31 March 2017.				
33.5	Unsecured Advances				
	Particulars	As at 31st March 2018		As at 31st March 2017	
		Non Current	Current Maturities	Non Current	Current Maturities
	1. Unsecured Advances	-	105,713,742	4,732,679	60,918,385
	The Company has not given any unsecured advances against intangible securities such as charge over the rights licenses, authority, etc. during the financial year ended 31 March 2018 and 31 March 2017				
33.6	Asset Liability Management Maturity pattern of certain items of assets and liability as required by the RBI Guidelines is enclosed at Annexure "A"				
34	FOREIGN EXCHANGE IN-GO AND OUT-GO a. Earnings in foreign currency : NIL (P.Y. - NIL) b. Expenditure in foreign currency on account of professional fees : NIL [P.Y. - NIL] c. Expenditure in foreign currency on account of payment of interest : Rs 1,19,44,758/- [P.Y. - Rs 1,05,01,692/-]				
35	CORPORATE SOCIAL RESPONSIBILITY In line with the provisions of Section 135 of Companies Act 2013, the company was required to spend Rs 38,42,962/- towards CSR expenditure for the current financial year & Rs.44,99,569 for the previous financial years against which Rs 62,56,176/- has been spent in the current financial year.				
	CSR Project Or Activity Identified	Sector in which the project is covered		Amount spent on the projects or programs	
	Eradicating hunger, poverty and malnutrition through provision of food, nutrition supplement, clothes etc for the poor, children and other deprived sections of the society. Supporting nutrition in anganwadi centres and building capacities of anganwadi workers to this effect and provision of shelter for homeless and promoting sanitation, making available safe drinking waterand preventive health care programme	Preventing Poor Relief & Promoting Health Care		1,351,295	
	Promoting education providing quality education initiatives or by financial assistance to the poor and needy students, vocational education, adult education programs.	Education		4,122,881	
	Ensuring environmental sustainability and ecological balance through plantation drives in schools, villages, our manufacturing units & offices/business premises and other areas in general and Animal welfare and veterinary services	Environmental Sustainability and Ecological Balance		782,000	
	TOTAL			6,256,176	
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 2018 and 31st March 2017.				

38	DETAILS OF RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR			
	Products	31st March 2018		31st March 2017
	(a) Secured Debentures	CARE BBB+ BWR "A"		CARE BBB
	(a) Unsecured Debentures	CARE BBB (Tier-II) Care BBB+		CARE BBB
	(c) Subordinated Term Loan	CARE BBB		CARE BBB / ICRA BBB
	(d) Bank Loan Facility	CARE BBB+		CARE BBB
	(e) Commercial Papers	CARE A3+		CARE A3+
39	REMUNERATION OF NON- EXECUTIVE DIRECTORS			
	Name of Director	Nature Of Payment	Year Ended 31st March 2018	Year ended 31st March 2017
	1. Mr. Amar Lal Daultani	Sitting Fees	400,000	300,000
	2. Mr. Amar Chand Chug	Sitting Fees	400,000	300,000
40	Concentration of Deposits, Advances , Exposures and NPA's (Rs in Lacs)			
	Particulars			As on 31st March 2018
	1. Concentration of Advances			
	Total advances to twenty largest borrowers			549.00
	Percentage of advances to twenty largest borrowers to total advances			0.54%
	2. Concentration of Exposures			
	Total exposure to twenty largest borrowers/ customers			521.17
	" Percentage of exposures to twenty largest borrowers/ customers to total exposure on borrowers/ customers"			0.52%
	3. Concentration of NPA's			
	Total exposure to top four NPA accounts			37.75
	4. Sector wise NPA			% of NPAs to total advances in that sector
	(i) Agriculture & allied activities			-
	(ii) SME			0.58%
	(iii) Corporate borrowers			-
	(iv) Services			-
	(v) Unsecured personal loans			-
	(vi) Auto loans			3.72%
	(vii) Other personal loans			-
41	DISCLOSURE OF COMPLAINTS / CUSTOMER COMPLAINT			
	Particulars			Year ended 31st March 2018
	No. of complaints pending at the beginning of the year			-
	No. of complaints received during the year			26
	No. of complaints redressed during the year			26
	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. Security deposit for assigned cases is maintained as cash collateral deposits with banks under lien with respective trustee			
	c. Provision for impairment loss as required under AS-28 on impairment of assets is not necessary as in the opinion of management there is no impairment of the company's assets in terms of AS-28.			
	d. The Company has no transaction/exposure in derivatives in the current and previous year. The Company has no unhedged foreign currency exposure as on 31st March, 2018 (P.Y.Nil)			
	e. During the year under review , company has changed its name from Ess Kay Fincorp Private Limited to Ess Kay Fincorp Limited with effect from 4th September 2017.			
	f. Previous year figures have been re-grouped/re-arranged to make them comparable with current year figures.			
	For S.S. Kothari Mehta & Co .		For and on behalf of the board of Directors of	
	Chartered Accountants		Ess Kay Fincorp Limited	
	Firm Reg. No. 000756N			
	Sd/-	Sd/-	Sd/-	Sd/-
	(Harish Gupta)	(Rajendra Kumar Setia)	(Shalini Setia)	(Atul Arora)
	Partner	Managing Director	Whole Time Director	Chief Financial Officer
	Place : Jaipur			(Anagha Bangur)
	Date : May 08, 2018	(M. No - 098336)	(Din- 00957374)	Company Secretary

ANNEX - SCHEDULE

Balance Sheet of a Non-deposit Taking Non-Banking Financial Company

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

(Rs. in Lacs)

	Particulars		
	Liabilities Side:	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	18159.73	Nil
	: Unsecured	7520.01	Nil
	(Other than falling within the meaning of public deposits*)		
	(b) Deferred Credits		
	(c) Term Loans From bank	Nil	Nil
	(d) Inter-corporate loans and borrowing	28890.36	Nil
	(e) Commercial Paper	23778.13	Nil
	(f) Other Loans (Specify nature)	Nil	Nil
	Loan from: -		
	(I) Directors	Nil	Nil
	(ii) Shareholders	Nil	Nil
	(iii) CC Limit from Bank	8532.4	Nil
	(iv) Unsecured Loan from Bank and Financial Institution	3709.38	Nil
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued		
	(a) In the form of Unsecured debentures	Nil	Nil
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
	(c) Other public deposits	Nil	Nil
	Assets side:	Amount Outstanding	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured		105989.63
	(b) Unsecured		1057.15
4	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors		
	(a) Financial lease		Nil
	(b) Operating lease		Nil
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		Nil
	(b) Repossessed Assets		Nil
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		Nil
	(b) Loans other than (a) above		107046.78
5	Break-up of Investments:		
	Current Investments:		
	1. Quoted:		
	(I) Shares: (a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others		NIL

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8	Other information	
	Particulars	Amount
1	Gross Non-Performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	3,407.57
ii	Net Non-Performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	2,592.35
iii	Assets acquired in satisfaction of debt	NIL

(iii) Asset Liabilities Management:-

As certified by the management

Maturity pattern of certain items of assets & liabilities

(Rs. in Crores)

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	15.12	8.93	17.39	85.13	100.61	144.82	1.53	0.00	373.52
Market Borrowings	9.50	20.57	38.82	57.38	116.06	211.57	70.23	0.00	524.13
Assets									
Advances	30.31	32.28	41.69	95.57	165.14	510.69	105.70	29.05	1010.43
Investments	-	-	-	-	-	-	4.67	-	4.67

For S.S. Kothari Mehta & Co .

Chartered Accountants

Firm Reg. No. 000756N

For and on behalf of the board of Directors of

Ess Kay Fincorp Limited

Sd/-
(Harish Gupta)
Partner
(M. No - 098336)

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

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

Sd/-
(Atul Arora)
Chief Financial Officer

Sd/-
(Anagha Bangur)
Company Secretary

Place : Jaipur

Date : May 08, 2018



ANNUAL REPORT

2017-18

ESS KAY FINCORP LIMITED

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

CIN: U65923RJ1994PLC009051

GST NO: 08AAACE5115F1Z2

Corporate Office:

Adarsh Plaza, Khalsa Kothi Circle, Jaipur - 302 001 (Rajasthan)

Registered Office:

G1-2, New Market, Khalsa Kothi Circle, Jaipur - 302 001 (Rajasthan)

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