B S R & Co. LLP
Chartered Accountants

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Tower 4, Nesco Center,
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Limited review report on unaudited half yearly financial results of Ess Kay Fincorp Limited pursuant to Regulation 52 read with Regulation 63(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors of
Ess Kay Fincorp Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Ess Kay Fincorp Limited ('the Company') for the half year ended on 30 September 2020 ("the Statement").

2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 read with Regulation 63(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 read with regulation 63 (2) of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. As described in Note 6 to the Statement, in respect of accounts where moratorium benefit was granted, the staging of those accounts at 30 September 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the Covid-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020.

   Further, the extent to which the Covid-19 pandemic will impact the Company's financial performance is dependent on future developments, which are uncertain.

   Our review report is not modified in respect of these matters.

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

ASHWIN S SUVARNA
Digitally signed by ASHWIN S SUVARNA
Date: 2020.11.05 14:53:23 +05'30'

Ashwin Suvarna
Partner
Membership No: 109503
UDIN: **20109503AAAADN1305**

Place: Mumbai
Date: 5 November 2020

ESS KAY FINCORP LIMITED
G 1-2, NEW MARKET, KHASA KOTHI, JAIPUR, RAJASTHAN - 302001
Email : info@skfin.in || Phone : 0141-4161300
CIN : U65923RJ1994PLC009051

Balance Sheet as at September 30, 2020

(Amount in Rs. in lakhs)

Particulars	As at September 30, 2020 Unaudited	As at March 31, 2020 Audited
ASSETS		
Cash and cash equivalents	4,250.09	6,236.85
Bank balance other than cash and cash equivalents	45,568.51	37,044.98
Receivables		
Other receivables	2.38	0.30
Loans	2,71,008.93	2,85,001.04
Investments	7,291.64	13,836.90
Other financial assets	2,187.04	3,451.28
Total financial assets	**3,30,308.59**	**3,45,571.35**
Non-financial assets		
Current tax assets (Net)	6.68	93.09
Deferred tax assets (Net)	2,484.34	1,931.92
Property, plant and equipment	4,591.69	4,210.18
Capital work-in-progress	236.60	266.72
Intangibles under development	13.68	82.80
Other intangible assets	68.00	50.55
Other non-financial assets	1,586.06	437.38
Total non-financial assets	**8,987.05**	**7,072.64**
Total assets	**3,39,295.64**	**3,52,643.99**
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Derivatives financial instruments	569.94	545.00
Payables		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Debt securities	1,32,593.36	1,26,014.13
Borrowings (other than debt securities)	1,01,542.26	1,25,571.17
Subordinated liabilities	4,057.12	4,047.72
Other financial liabilities	6,758.40	7,201.67
Total financial liabilities	**2,45,521.08**	**2,63,379.69**
Non-financial liabilities		
Current tax liabilities (Net)	320.48	301.68
Provisions	583.10	740.03
Deferred tax liabilities (Net)	-	-
Other non-financial liabilities	199.68	349.84
Total non-financial liabilities	**1,103.26**	**1,391.55**
EQUITY		
Equity share capital	503.97	503.90
Other equity	92,167.33	87,368.85
Total equity	**92,671.30**	**87,872.75**
Total liabilities and equity	**3,39,295.64**	**3,52,643.99**

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Statement of profit & loss for the half year ended September 30, 2020

(Amount in Rs. in lakhs)

	Particulars	For the half year ended September 30, 2020 Unaudited	For the half year ended September 30, 2019 Unaudited	For the year ended March 31, 2020 Audited
	Revenue from operations			
	Interest income	30,360.15	24,077.02	54,544.50
	Fees and commission income	590.55	1,038.49	1,951.52
	Net gain on fair value changes	259.25	4.53	752.94
(I)	**Total revenue from operations**	**31,209.95**	**25,120.04**	**57,248.96**
(II)	**Other income**	**485.33**	**591.68**	**991.31**
(III)	**Total income (I+II)**	**31,695.28**	**25,711.72**	**58,240.27**
	Expenses			
	Finance costs	14,192.57	10,619.18	23,248.45
	Net loss on fair value changes	24.94	7.87	-
	Impairment on financial instruments	3,768.27	4,930.22	8,997.98
	Employee benefit expenses	5,375.51	4,715.27	10,571.01
	Depreciation and amortization	613.33	277.93	817.53
	Other expenses	1,353.73	1,485.12	4,054.83
(IV)	**Total expenses**	**25,328.35**	**22,035.59**	**47,689.80**
(V)	**Profit before tax (III-IV)**	**6,366.93**	**3,676.13**	**10,550.47**
(VI)	**Tax expense**			
	(1) Current tax	2,123.44	996.93	3,874.32
	(2) Deferred tax	(534.83)	(126.69)	(1,177.52)
	Total tax expense	**1,588.61**	**870.24**	**2,696.80**
(VII)	**Profit for the year (V-VI)**	**4,778.32**	**2,805.89**	**7,853.67**
(VIII)	**Other comprehensive income / (expenses)**			
	Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans	(69.93)	46.70	8.02
	Sub-total	**(69.93)**	**46.70**	**8.02**
	Income tax relating to items that will not be reclassified to profit or loss	17.60	(12.14)	(2.02)
	Other comprehensive income/(expenses)	**(52.33)**	**34.56**	**6.00**
(IX)	**Total comprehensive income for the year (VII+VIII) (comprising profit and other comprehensive income/(expenses) for the year)**	**4,725.99**	**2,840.45**	**7,859.67**
(X)	**Earnings per equity share#**			
	Basic (Rs.)	18.96	12.19	33.00
	Diluted (Rs.)	18.80	12.19	32.68

Earnings per share for the interim period is not annualized.

Notes:

1) The Company is a systemically important non-deposit taking Non-banking financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India (RBI) act, 1934.

2) The financial results for the six months ended September 30, 2020 have been reviewed by the Audit Committee at it's meeting held on November 4, 2020 and approved by the Board of Directors at its meeting held on November 5, 2020. The report is being filed with the Bombay Stock Exchange Limited ("BSE") and is also available on the Company's website www.skfin.in.

3) In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Limited Review' of financial results for the half year ended September 30, 2020 and September 30, 2019 have been carried out by the Statutory Auditors of the Company.

4) The financial results has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.

5) Other equity include Statutory Reserve as per Section 45-IC of Reserve Bank of India Act, 1934, balance in securities premium, Employee stock option reserve and retained earnings.

6) In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020, April 17, 2020 and May 23, 2020 relating to'COVID-19-regulatory package', the Company has granted moratorium up to six months on the payment of installments falling due between March 1, 2020 and August 31, 2020 to the eligible borrowers. For the accounts where moratorium benefit was granted, the staging as 30 September 30, 2020 is based on the days past due status considering the benefit of moratorium period. The Company continues to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering stage 2 or stage 3 classification criteria.

   Further, the Company holds provisions as at September 30, 2020 against the potential impact of COVID-19 based on the information available at this point in time. The extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. The impact of the global health pandemic may be different from that estimated at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

7) The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme") , as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Company has commenced working on the operational aspects of the Scheme. On the basis of the initial assessment made by the Company, the implementation of the Scheme does not have a material impact on the income statement of the Company.

8) Disclosure as required under RBI notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning.

Particulars	**(Amount in Rs. in lakhs)**
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended *	1,63,339.60
(ii) Respective amount where asset classification benefits is extended **	59,231.03
(iii) Provision made on the cases where asset classification benefit is extended *** In respect of accounts in default but standard where moratorium is granted, and asset classification benefit is extended, the Company has made general provisions of not less than 10 per cent of the total outstanding of such accounts as applicable as at September 30, 2020.	6,185.49
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	NA

* Outstanding as on September 30, 2020 on account of all cases where moratorium benefit is extended by the Company up to August 31, 2020.

** Outstanding on account of cases where the asset classification benefit is extended as on September 30, 2020 for cases which were entitled to a moratorium until August 31, 2020.
*** The Company has made provision for impairment loss allowance (as per Expected credit loss model) for the period ended September 30, 2020.

9) The Secured listed Non-Convertible Debentures of the Company are secured by first pari passu mortgage of immovable property situated at Chennai, Tamilnadu and first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 100% times of the amount outstanding.

10) In terms of the requirement as per RBI notification no. RBI/2019-20/170DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any short fall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at September 30, 2020 and accordingly, no amount is required to be transferred to impairment reserve.

11) The Company is not a large corporate as per the criteria given under SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 and hence the disclosure in respect of said circular is not applicable.

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

Rajendra Kumar Setia
Digitally signed by Rajendra Kumar Setia
Date: 2020.11.05 13:39:46 +05'30'

Rajendra Kumar Setia
Managing Director
DIN : 00957374

Place : Jaipur
Date : 5 November 2020