



AIMING HIGHER GOING FURTHER

READ ON...

Corporate Overview

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AIMING HIGHER GOING FURTHER

We have over two decades of experience in asset financing. During this time, we have been building a robust base in terms of our wide geographic presence and dedicated teams of employees, diversified product portfolio and customer segments, strong credit and risk assessment framework, well-established systems and processes, in-house integrated technology platform, diversified resource base and healthy capitalisation.

We weathered the past two years, which challenged the entire NBFC industry and tested the mettle of companies.

We stayed strong till normalcy returned and resumed our disbursements, taking them to the next level while keeping portfolio quality intact.

We continued to enjoy the trust of our numerous lenders and the patronage of our growing circle of valuable customers.

With next generation leadership at the helm, we have been rapidly gaining scale and on the strength of the base we have built this far, we now feel confident to aim higher and go further to delight all stakeholders.

WHO WE ARE

Kogta Financial is a fast-growing Non-Banking Financial Company (NBFC) with over two decades of experience in asset financing. We are committed to partnering in the aspirations of financially underserved of India by catering to the needs of individuals and enterprises in these segments. Our range of products comprises finance for various categories of vehicles and loans to the Micro, Small and Medium Enterprise (MSME) segment, in addition to loans against property.



68,000+

Active customers

179

Branches

8

States



With our headquarters in Jaipur, we have been expanding the reach of our services through our expanding network of branches spread across central and western India. Beyond a strong base in our home state of Rajasthan, we have developed a significant presence in Gujarat, Maharashtra, Delhi NCR and Madhya Pradesh. In recent times, we have also forayed into Punjab and Haryana while deepening our penetration in our existing markets.

Through our fast-expanding presence in focussed geographies, we are currently serving around 68,000+ active customers, present in urban, semi-urban and rural areas, from the retail and MSME segments, via our distribution strength of 179 branches in 8 states, as on March 31, 2022.

We have developed our integrated technology platform for loan origination and portfolio management in-house. It uses real-time data covering enterprisewide functions, enhancing our efficiency and customer service abilities.

Driven by our commitment to customer-centricity and our business differentiators of secured retail lending, presence in high growth markets, robust IT system and collection mechanisms, and experienced leadership, we are constantly aiming higher and going further towards becoming one of India's leading NBFCs.



Our Vision

To become a “Trusted and Innovative” Financial Service Provider in India.



Our Mission

To provide financial products to more and more customers in the “most friendly, professional manner” and to give growth to all our stakeholders.



Our Values

GREAT SERVICE

Best service for our customers.



INTEGRITY

Keep commitments and be ethical.



EXCELLENCE

Excellence in all we do.



GROWTH

Growth for all stakeholders.



INNOVATION

Seek, imagine, create.



RESPECT

Respect for all.



GREAT WORK CULTURE

We all need balance in life.

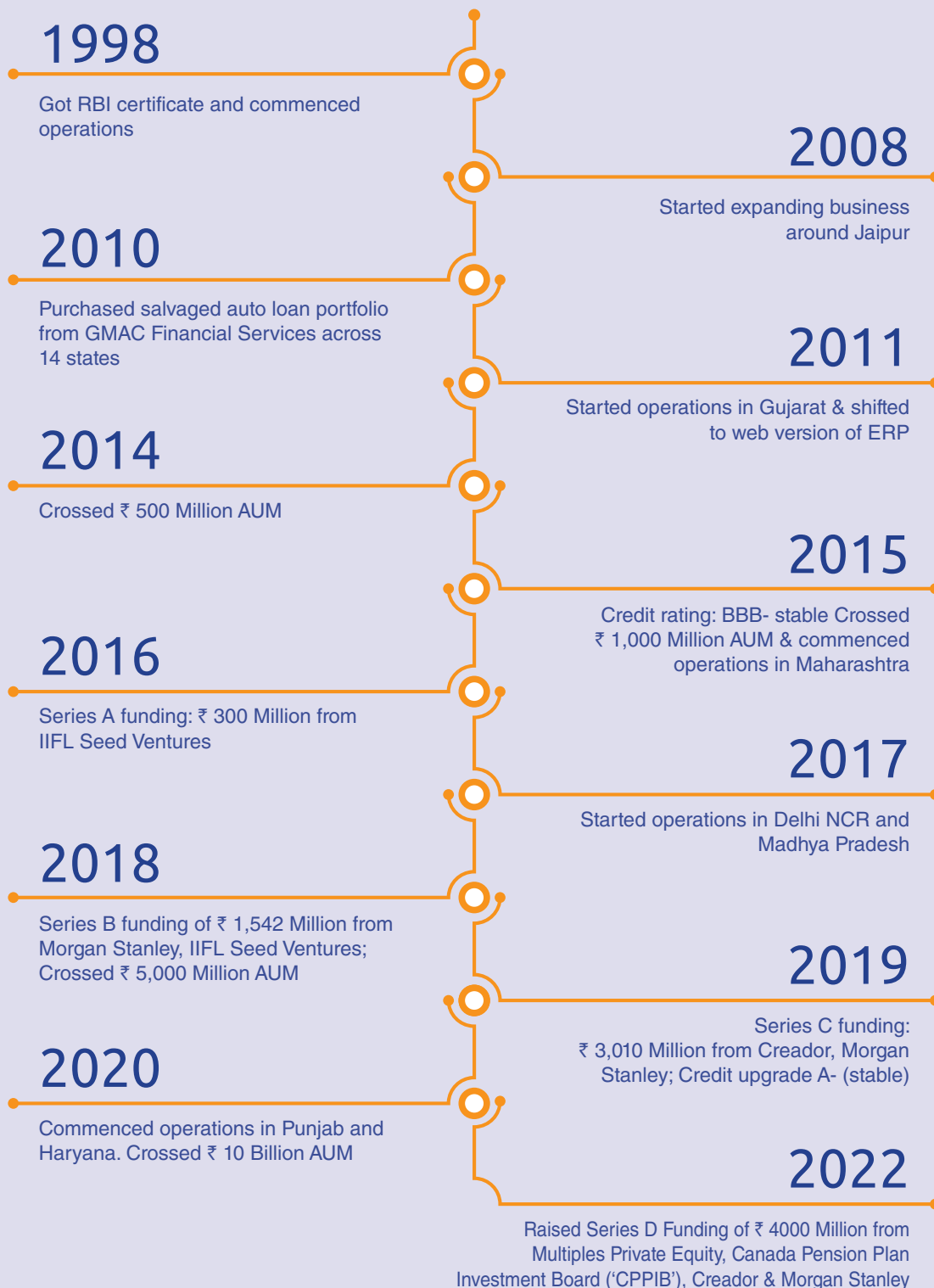


TEAMWORK

Our success depends on working together.



Milestones

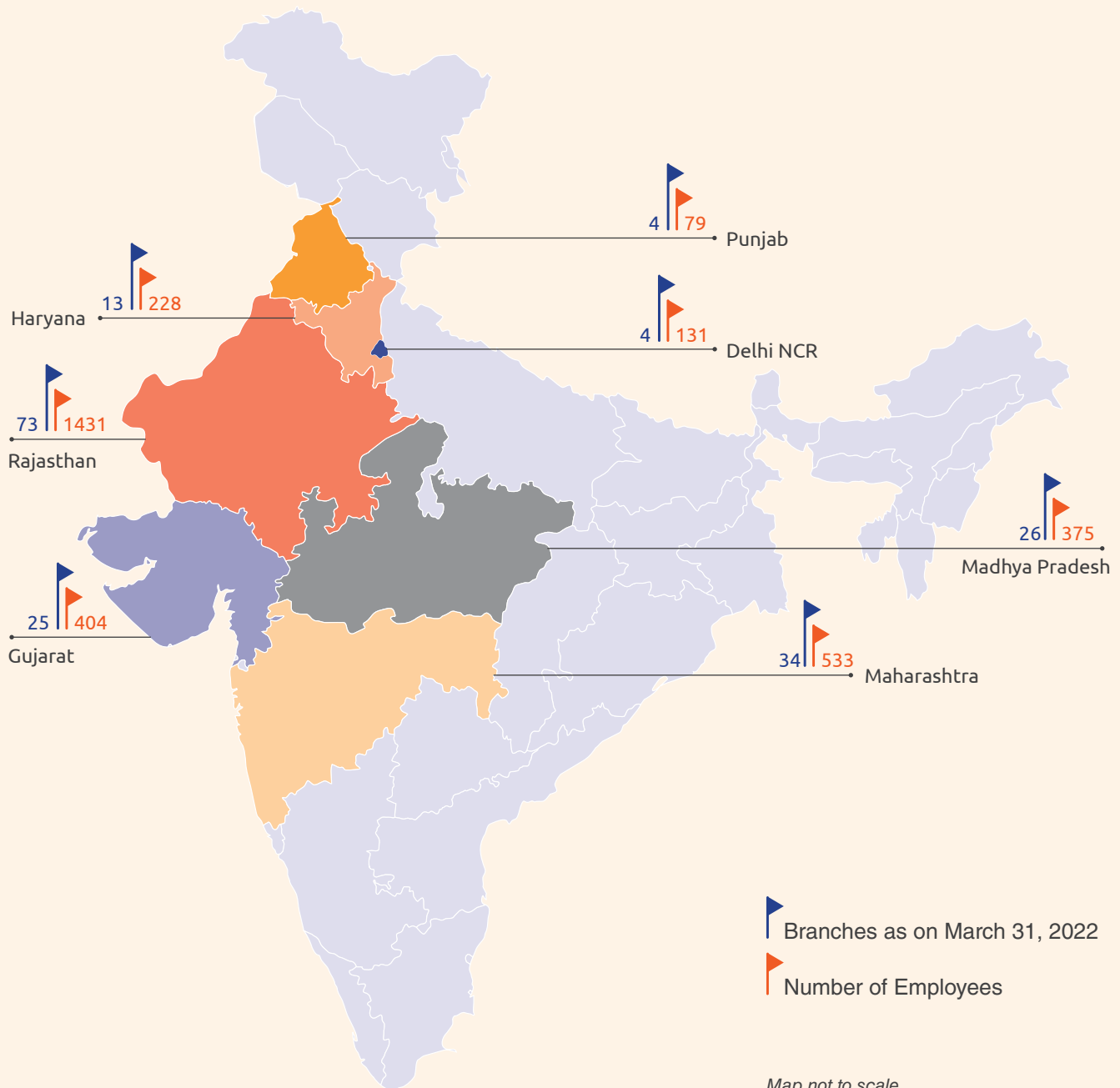




**Driving us
Higher and Further**

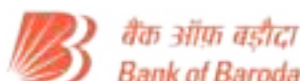
GEOGRAPHIC PRESENCE

Adept at adopting contiguous expansion strategy.



DIVERSIFIED BASE OF LENDERS

Banks



Small Finance Banks



Financial Institutions



Others



LETTER FROM THE MD & CEO



I am very pleased to share that we have raised equity from Multiples Private Equity, CPPIB, Morgan Stanley & Creador for the next stage of Kogta Financial's growth. Our first institutional investor IIFL seed ventures has successfully exited its investment.

Dear Stakeholder,

While FY 2020-21 was the year of unprecedented crisis, by the second half of FY 2021-22, there were signs of recovery. The impact of the third wave of the pandemic was relatively less adverse both in terms of the impact on health and the economy. By the third quarter of the fiscal year, definitive green shoots became visible and global as well as domestic growth estimates were turning optimistic. However, the conflict which erupted between Russia and Ukraine cast a shadow over the economic scenario and fuelled inflation. At the same time, there is a trend towards tighter monetary control by central banks in leading nations across the world. Although it is largely aimed at mopping up excess liquidity infused during the pandemic and simultaneously, to rein in rising inflation, it will impact international monetary fund flows and test the resilience of financial institutions.

During these economic ups and downs, at Kogta Financial, we have continued to follow a pragmatic and supportive approach with our customers. Leveraging our deep understanding of their needs and capabilities, as well as our strong network and reputation, we were able to deliver a robust performance despite the volatile economic environment. With operations in full swing post the second wave, in about nine months period, we disbursed ₹ 1,389 Crore in FY 2021-22. Our Total Assets under Management (AUM) rose to ₹ 2,183.3 Crore by the end of this fiscal, marking an increase of 2X over a period of 3 years.

We continued to meet our financial performance targets for the year, keeping up our commitment to other stakeholders too. Our revenue from operations stood at ₹ 327.45 Crore in FY 2021-22, reflecting a growth of 28.7% over the corresponding figure of ₹ 233.45 Crore for the previous year. Maintaining our focus on risk management and robust asset quality, we maintained Stage III (Gross) and Stage III (Net) Non-Performing Assets (NPA) of 3.61% and 2.52% respectively, during FY 2021-22 as compared with 3.35% and 2.39% respectively during FY 2020-21. Our external credit rating stood at CARE & ICRA A-/ Stable and we were able to secure funds at competitive rates. This enabled us to support our clients during their recovery phase. We also ensured that our Capital Adequacy Ratio remained strong at 28.46%, well above the statutory requirement of 15%.



We hope to continue on our growth trajectory and increase penetration across chosen geographies without compromising on credit quality.

We have been deriving strength from its long-established history, majorly secured nature of the portfolio, well established systems and processes, diversified resource base and healthy capitalisation. These factors have delivered robust growth in our loan portfolio, even during difficult times. On the funding side, our practices have resulted in better asset quality and diversification of resource base – all of which have further accelerated our growth potential.

I am very pleased to share that we have raised equity from Multiples Private Equity, CPPIB, Morgan Stanley & Creador for the next stage of Kogta Financial's growth. Our first institutional investor IIFL seed ventures has successfully exited its investment. While we have nurtured the company with the right mix of product, profile and geography diversification, along with focus on better asset quality and IT systems, the experienced team at Multiples Private Equity will help us further strengthen our systems and processes as we progress towards becoming a world-class institution. We hope to continue on our growth trajectory and increase penetration across chosen geographies without compromising on credit quality.

Before I sign off, I would like to take this opportunity to thank our financing partners for their constant support. I would also like to thank each and every employee for the role they have played in enabling Kogta Financial to achieve what we have during the year and giving us their inputs and support as we plan for the future. I am also grateful to our customers and all our other stakeholders who have enabled us to fulfil our promise to ourselves and to them.

Looking ahead, we feel confident of continuing to serve the financial needs of our clients. We seek to extend more comprehensive services to our existing clients and expand our client base too. We look forward to aiming higher and going further on the strength of the support we receive from our stakeholder and the strong foundation of goodwill and governance we have built since our inception.

Thank you,

ARUN KOGTA
MD and CEO

PRODUCT PORTFOLIO



Commercial Vehicle Loan



We provide finance for the purchase of all categories of new and used Commercial Vehicles through customised schemes that are built to suit the business needs of our clients, based on their profiles.

Car Loan



With a hassle-free loan application processes, we provide finance for Pre-Owned/Used/New Car at attractive interest rates, for all categories of vehicles, across manufacturer and brands.

Tractor Loan



Our strategy of deep penetration, within the regions where we are present, enables us to furnish our customers in towns and rural areas as well as Tier II & Tier III regions with easy access to tractor loans.

MSME Loan



We focus on meeting the funding requirements of Micro and Small Enterprises with a suite of our financial products based on varied needs of businesses with doorstep service, Transparent & Simple processing, Faster Turnaround Time, covering all industries & occupations and catering to both Urban & Rural segments through our wide branch network.

Loan against Property

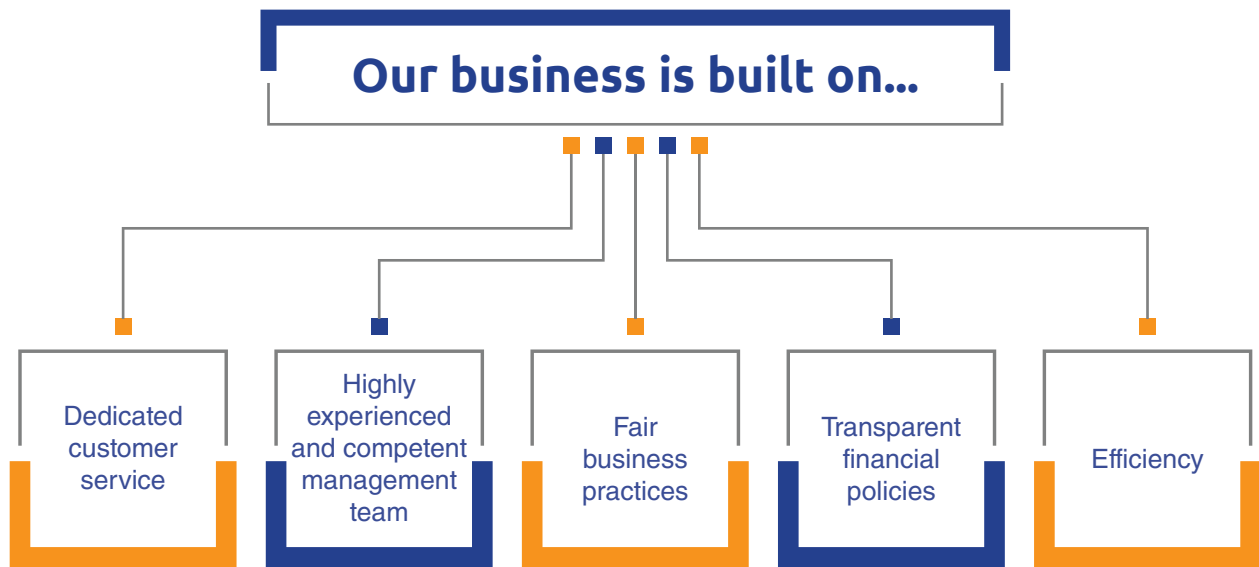


Our LAP product is available to both self-employed as well as salaried borrowers for a wide range of needs including business requirements, funding marriage, higher education, health treatment, property purchase, construction or renovation, repayment of previous loans or a mix of these.

Two-Wheeler Loan



We offer suitably structured loans to support the entry level mobility needs of those who wish to secure their personal vehicles for transportation.



Fleet Owners



Self Employed Non Professionals



Single Vehicle Owners



Sole Proprietors of Businesses



First Time Buyers



First Time Users



Salaried Employees

Customer segmentation

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Protecting the environment and caring for communities around us is a priority at Kogta. We contribute to a range of not for profit organisations which promote these causes.

During FY 2021-22, some of the activities we have participated in include:

Distribution of T-shirts to the underprivileged

At Kogta Financial India Limited, we frequently organise t-shirt distribution drives for the less fortunate. For those who live in slums and on the streets, meeting basic requirements of food and shelter is tough enough and they compromise on clothing by wearing worn-out clothes. With this concern, Kogta Foundation took steps to fulfil their need.



Donation to Goshala

We contributed to the upkeep of cows at a shelter which provides them with food and cares for their wellbeing. The dual benefit of this activity is that it also provides livelihoods to people undertaking these activities.

Be a Good Samaritan Awareness Campaign

The Good Samaritan law was created to protect individuals who help accident victims from any legal proceedings. The legislation encourages individuals to come to the rescue of others suffering from injury, with good intentions and without expecting any reward or payment in return. Kogta Financial has taken the initiative (through the N R Kogta Charitable Trust) to promote road safety awareness and the Good Samaritan law, by involving NCC cadets to inform people about the law through posters and pamphlets. These cadets visit various prominent places, such as parks of the city and made the general public aware that they should fearlessly help people who might be injured in road accidents, within the crucial golden hours, to save their lives.





Establishment of safe & clean drinking water plant at R.T.O Bhilwara

A safe and clean drinking water plant, along with water coolers, has been set up by Kogta Financial through the NR Kogta Charitable Trust at RTO Bhilwara, Rajasthan. This plant and coolers will provide chilled potable drinking water throughout the summers. The Trust will also ensure that the water coolers are repaired and maintained in a timely manner.

Further, the team planted trees and secured their survival by installing tree guards and is committed to nurturing the saplings until they mature into trees.

Establishment of safe & clean drinking water plant at the Government School in Ajmer

A safe and clean drinking water plant, along with water coolers, has been erected by Kogta Financial through the NR Kogta Charitable Trust at the Government School in Ajmer, Rajasthan. These facilities will provide chilled potable drinking water to the staff and students of the school throughout the summers. The repair, if any, and maintenance, will also be attended to in a timely manner.



Tree Plantation and establishment of tree guards to save plants

The NR Kogta Charitable Trust, on behalf of Kogta Financial, contributed towards supporting tree plantations, as part of its larger green initiatives. Tree plantation has been a regular CSR activity undertaken at Bijainagar. The team not only plants trees around its operation sites but it also ensures their survival by erecting tree guards and carefully nurtures them till the saplings mature into trees.

Food donation - Feeding Hands at Jaipur, Rajasthan

The NR Kogta Charitable Trust undertakes food donation drives on behalf of Kogta Financial. Through this initiative, food is served to the needy via food trucks called Feeding Hands at different areas in the city of Jaipur. These food trucks/vans maintain good quality, quantity and cleanliness while preparing the food. This initiative entails feeding the hungry, with nutritious food to ensure good health.



Kids Educational Welfare (Donation of fees to children from underprivileged homes)

Education is a continuous and life changing process and we feel that no children should be deprived of their right to education, especially since they essentially are the country's future. Therefore, an initiative has been taken by NR Kogta Charitable Trust on behalf of Kogta Financial, to provide school fees for children from underprivileged homes. This should go a long way towards ensuring their education continues and their futures are brighter.



Drinking Water Hut and Tree Guard Fabrication at Bijainagar, Rajasthan

A safe and clean drinking water hut has been established by NR Kogta Charitable Trust on behalf of Kogta Financial at Bijainagar, Rajasthan, to provide pure drinking water throughout the summers. It is also ensured that the water huts are repaired and maintained in a timely manner.

Further, tree guard fabrication was undertaken to keep saplings safe until they mature into trees.

Rahat-ae-Sard - (Blanket Donation to the needy)

A pan-India blanket donation drive was initiated by the NR Kogta Charitable Trust on behalf of Kogta Financial so that the less fortunate would be able to sustain themselves during the winters, which are very harsh.



National Cycling Championship – Rajasthan Road Riders (Jaipur)

This sponsorship initiative was taken by the NR Kogta Charitable Trust on behalf of Kogta Financial to promote cycling, which is an environmentally friendly commuting option as well as to increase the awareness of cycling as a sport.

PERFORMANCE HIGHLIGHTS

Network Expansion

(No. of Branches)

2021-22		179
2020-21		143
2019-20		116

Number of Employees

2021-22		3,181
2020-21		2,241
2019-20		1,619

Total Disbursements

(₹ in Crore)

2021-22		1,389.32
2020-21		812.22
2019-20		748.67

Total AUM

(₹ in Crore)

2021-22		2,183.31
2020-21		1,496.31
2019-20		1,071.58

PAT

(₹ in Crore)

2021-22		51.86
2020-21		45.02
2019-20		24.82

Net Worth

(₹ in Crore)

2021-22		650.96
2020-21		596.43
2019-20		548.71

Net Profit Before Tax

(₹ in Crore)

2021-22		70.16
2020-21		60.50
2019-20		32.46

Capital Adequacy Ratio

(%)

2021-22		28.46
2020-21		43.39
2019-20		58.42

Gross stage III

(%)

2021-22		3.61
2020-21		3.35
2019-20		3.22

LEADERSHIP TEAM



Mr. Radha Krishan Kogta

Chairman &
Whole Time Director

Mr. R. K. Kogta is a first generation entrepreneur and one of the founding members of the Company. With his vast experience of over 35 years in finance, construction and other SME businesses, he possesses strong leadership skills and is the major driving force behind the success of Kogta Financial. With expertise in credit and risk analysis, his role in the Company includes strategising finance, corporate planning and risk management. Under his leadership and guidance, the Company has taken great strides in terms of disbursements, profitability and performance. Mr. Kogta holds a Bachelor's degree in Commerce from Rajasthan University.



Mr. Arun Kogta

Managing Director &
Chief Executive Officer

Mr. Arun Kogta holds an MBA in Finance from Cardiff University, U.K. and a Bachelor's degree in Civil Engineering from Pune University. After joining the Company in 2004, he has channelled his insight on finance and business and his professional zeal to catalyse the Company's meteoric rise to its present level. His areas of expertise include marketing, credit, risk analysis and collection. His core area of working comprises formulating business development strategies, setting up of new points of disbursements, risk analysis of areas of operations, evaluating new product segments, risk analysis of current areas of operations, etc. His operations management skills have been crucial in the smooth transactions of the Company and augmenting its presence in new geographies.



Mr. Varun Kogta

Whole Time Director &
Chief Financial Officer

Mr. Varun Kogta is a qualified Chartered Accountant. Being a former employee of ICICI Bank and part of the statutory audit team for ICICI Bank and Axis Bank at Ernst & Young, he is familiar with the business, processes and operations of the banking industry. With his strong managerial skills, extensive knowledge of the banking industry and youthful energy, he has been overseeing the financial, operational, legal and administrative activities of the Company and monitoring financial budgeting & management reporting systems. He is an effective communicator with strong relationship building and interpersonal skills and deep analytical, problem-solving and organisational abilities. Over the years, he has built long-term relationships with banks and people based on trust, integrity and conviction.



Mr. P.R. Kalyanaraman

Independent Director

With over 38 years of experience in commercial banking, Mr. P. R. Kalyanaraman has served as the Managing Director of Centrum Capital (and later as Additional Director), General Manager of Bank of India and Non-Executive Independent Director of Coastal Corp. He has completed a considerable stint on the Board of FedBank Financial Services Limited, first as its Executive Director and then as Chairman. A seasoned commercial banker, he has built up an impeccable record of successful assignments in public and private sector banks, across the country in 8 linguistic states and performed his duties in administrative and operational functions, including resources mobilisation and management of non-performing assets. He has had substantial exposure to both large industrial credit and foreign exchange operations. He has been an Independent Director at Kogta Financial (India) Limited since March 08, 2017.



Mr. Kumar Sharadindu
Independent Director

Mr. Kumar Sharadindu holds a Masters' degree in Physics from Delhi University. He spent more than three decades in banking and has managed branch operations, headed treasury operations, investments and risk management. Retiring as Chief General Manager of State Bank of India, with his last stint as MD & CEO of SBI Pension Funds (P) Ltd at SBI Pension Funds, he was instrumental in doubling the AUM within a span of two years. He has played an important role in the introduction of the Pension Fund Regulatory and Development Authority (PFRDA). He has been an Independent Director at Kogta Financial (India) Limited since August 08, 2019.



Mrs. Shashikala Ramachandra
Independent Director

Mrs. Shashikala Ramachandra spent more than three decades in the banking sector. She was appointed as Senior Manager at Canara Bank and later held various crucial posts, including Divisional Manager, Deputy General Manager, General Manager and Chief Risk Officer. Retiring as General Manager and Group Chief Risk Officer from Canara Bank, she played a major role in implementing enterprise risk management solutions of SAS modules, model development and model validation, credit risk standardised and advanced approaches, group risk, etc. She has been an Independent Director at Kogta Financial (India) Limited since December 12, 2019.



Mr. Amit Mehta
Investor Nominee Director

Mr. Amit Mehta is Principal at IIFL Asset Management Limited. He has a deep understanding of the Private Equity landscape in India and has more than a decade of experience in the sector. He also has years of experience in fund management and investment banking. Before joining IIFL, he has worked with Motilal Oswal Private Equity where he gained experience across investment processes, and was specifically involved in investments and portfolio monitoring. Prior to that, he has completed productive stints at PwC, ICICI Prudential AMC and Citibank. He also worked at the India office of Silicon Valley-based Mayfield Fund. He has a MBA from IIM Ahmedabad and a Bachelor's degree in Chemical Engineering from Nagpur University. He has been an Investor Director at Kogta Financial (India) Limited since October 06, 2016.



Mr. Arjun Saigal
Investor Nominee Director

Mr. Arjun Saigal serves as Executive Director and Co-head of Morgan Stanley's Private Equity operations in India and at Morgan Stanley Private Equity Asia Limited. Mr. Saigal joined the firm in 2012 and focusses on the group's private equity transactions in India. Prior to joining Morgan Stanley, he was with Baring Private Equity Partners India. He serves as a Director on the Board of Southern Health Foods Private Limited and has been a Director of Sahajanand Medical Technologies Pvt. Ltd., since 2018. He is also an Alternate Director of Five-Star Business Finance Limited. Mr. Saigal is a graduate of the London School of Economics and has received his MBA from Columbia Business School. He has been an Investor Director at Kogta Financial (India) Limited since November 28, 2018.



Mr. Robin Agarwal
Investor Nominee Director

Mr. Robin Agarwal is a Director at CR Advisors LLP (An advisor to Creador, a private equity fund in South and South East Asia), where he focusses on growth investments in Financial Services, Consumer and Manufacturing sectors. He has over 9 years of industry experience. He is an alumnus of Indian School of Business, Hyderabad and the Indian Institute of Technology Bombay, Mumbai. He has been an Investor Director at Kogta Financial (India) Limited since October 01, 2019.

CORPORATE INFORMATION

REGISTERED OFFICE

"KOGTA HOUSE", Azad Mohalla,
Near Railway Station, Bijainagar,
Ajmer - 305 624, Rajasthan

CORPORATE OFFICE

S-1, Gopal Bari, Near Ajmer Pulia,
Opp. Metro Pillar No. 143,
Jaipur - 302 001, Rajasthan

AUDITORS

STATUTORY AUDITOR

M/s J C BHALLA & CO.
CHARTERED ACCOUNTANTS
B-17, Maharani Bagh
New Delhi - 110 065

SECRETARIAL AUDITOR

M/s DEEPAK ARORA & ASSOCIATES
COMPANY SECRETARIES
23 KA-4, Jyoti Nagar, Near Vidhan Sabha,
Jaipur - 302 005, Rajasthan

INTERNAL AUDITOR

M/s LODHA & COMPANY
CHARTERED ACCOUNTANTS
Karim Chambers, 40 Ambalal Doshi Marg
Hamam Street, Fort, Mumbai - 400023,
Maharashtra

TRUSTEE & REGISTRAR & SECURITIES TRANSFER AGENT

TRUSTEE

CATALYST TRUSTEESHIP LIMITED

(Erstwhile GDA Trusteeship Limited)
Windsor, 6th Floor, Office No. - 604, C.S.T. Road,
Kalina, Santacruz (East), Mumbai - 400 098
Ph.- 022-49220505
E-mail- compliancectl-mumbai@ctltrustee.com

IDBI TRUSTEESHIP SERVICES LIMITED

Asian Building, 17, R Kamani Rd,
Ballard Estate, Fort, Mumbai - 400 001
Ph.- 022-40807000
E-mail- itsl@idbitrustee.com

VARDHMAN TRUSTEESHIP PRIVATE LTD

The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra
(East), Mumbai - 400 051
Ph.- +91 22 4264 8335
E-mail- corporate@vardhmantrustee.com

REGISTRAR & SECURITIES TRANSFER AGENT

KFIN TECHNOLOGIES LIMITED

(Formerly known as KFin Technologies Private Limited)
"Selenium, Tower-B", Plot No. 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad - 500 032, Telangana

Management Discussion and Analysis

ECONOMIC OVERVIEW

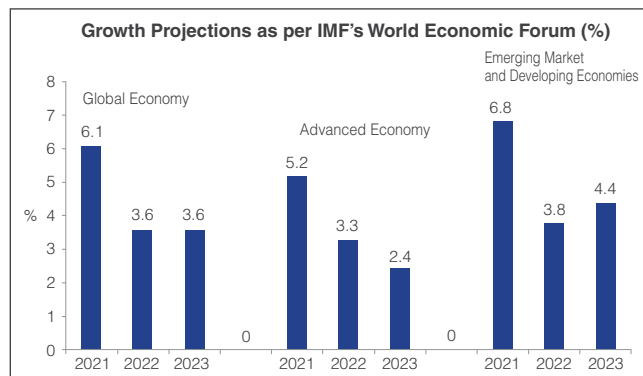
Global Economy

The World Bank noted that a year and a half after the onset of the COVID-19 pandemic, in 2021, the global economy was poised to stage its most robust post-recession recovery in 80 years. However, it reduced its forecast for global growth to 3.2% for CY2022 due to the impact of the Russia-Ukraine conflict.

The IMF too projects that global growth will slow to 3.6% in CY2022 from an estimated 6.1% in CY2021. It expects the figure to remain at 3.6% in CY2023, clarifying that the estimates for CY2022 and CY2023 have been lowered to reflect ongoing geo-political issues.

The conflict between Russia and Ukraine has led to a costly humanitarian crisis and has considerable economic damage too. This is expected to contribute to a significant slowdown in global growth in 2022. It is also expected to adversely impact trade and trigger inflation, especially in fuel and food prices.

The IMF believes that these developments will hit vulnerable populations in low-income countries the hardest.



Source: IMF

Global inflation is expected to remain elevated for longer than in the previous forecast, according to the April 2022 report of the IMF's World Economic Outlook (WEO) - April 2022. For 2022, it projected inflation at 5.7% in advanced economies and 8.7% in emerging market and developing economies. The WEO cautioned that if signs emerge that inflation will be high over the medium term, central banks will be forced to react faster than currently anticipated by raising interest rates and exposing debt vulnerabilities, particularly in emerging markets.

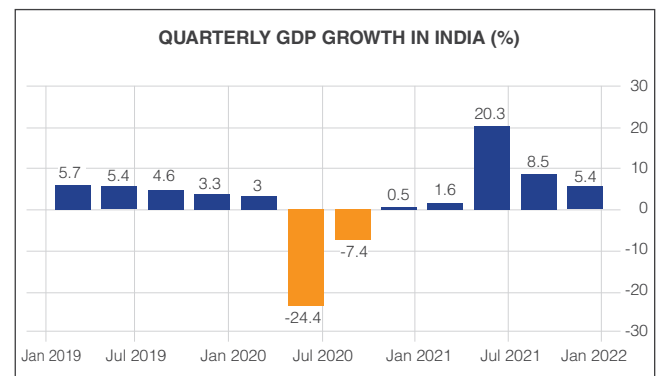
Looking further into the future, the WEO - April 2022 by the IMF forecasts that global growth will decline to about 3.3% over the medium term. It recommends that multilateral efforts must be made to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic.

<https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

Indian Economy

After contracting by 6.6% in during the coronavirus pandemic-hit FY 2020-21, the Indian economy has demonstrated a V-shaped recovery, with GDP returning to pre-pandemic levels. The real GDP was estimated at ₹ 147.72 lakh crore, which is marginally higher than ₹ 145.7 lakh crore posted in 2019-20.

Despite a slowing down of growth in the third quarter of 2021-22 to 5.4%, India's economic growth is estimated at 8.9% as against a contraction of 6.6% in 2020-21.



Source: Trading Economics, MOSPI

The growth in the third quarter was primarily driven by strong growth in the services sector and a pick-up in private final consumption spending. Manufacturing remained flat and the performance of mining, electricity, gas, water supply and other utility services was also better than it was during the same period of the previous year. While growth in agriculture has slowed during this quarter, the construction sector posted negative growth.

Financial, real estate and professional services clocked a growth of 4.6% in Q3 FY 2021-22 compared to a growth of

10.3%. Trade, hotel, transport, communication and services related to broadcasting grew by 6.1% compared to a 10.1% contraction a year ago. Public administration, defence and other services grew at 16.8% during Q3 FY 2021-22 compared to a 2.9% contraction a year earlier.

With respect to the financial markets, although there is adequate liquidity, the RBI's Monetary Policy Committee – April 2022, unanimously voted to keep the benchmark policy rate – the repo rate – unchanged at 4.0%. It also kept the marginal standing facility (MSF) rate and the Bank rate unchanged at 4.25%.

Outlook

The global economy is entering a period of rising inflation and rising interest rates. This is likely to last for an extended period, until excess liquidity that was infused by central banks during the pandemic gets mopped up by businesses and governments. The duration of the high inflation and high interest rate scenario will also be determined by how long it will take for shifting supply chains to stabilise, demand-supply gaps to be bridged and the Russia-Ukraine conflict to subside.

India is experiencing an economic recovery as reflected buoyancy in high frequency indicators and merchandise exports. The higher expected Rabi output should also contribute to keeping rural demand robust and contain food prices, to some extent. Private investment activity also seems to be picking up as the impact of Government schemes such as PLI have started delivering results.

Nevertheless, the ongoing geopolitical tensions, global monetary tightening and a surge in crude oil and commodity prices pose as concerns. Accordingly, although the domestic economy is on a strong footing, these factors have led the RBI to lower its growth forecast to 7.2% for FY 2022-23 from its February 2022 estimate of 7.8%. It has also raised its inflation forecast to 5.7% in FY 2022-23 from its February 2022 projection of 4.5%.

INDUSTRY OVERVIEW

NBFC sector in India

India's Non-Banking Finance Companies (NBFCs) ecosystem is characterised by immense diversity and complexity. According to the RBI, until October 2021, there were 9,651 NBFCs across twelve different categories focussed on a diverse set of products, customer segments and geographies. Some of the leading players in this sector are RBI-regulated all-India financial institutions (AIFIs), non-banking financial companies (NBFCs), primary dealers (PDs) and housing finance companies (HFCs).

NBFCs play a significant role in the financial system as they meet the credit needs of a large segment of society. As on March 31, 2021, NBFC sector (including HFCs) was managing assets of over ₹ 54 lakh crore. This is equivalent to approximately 25% of the asset size of the banking sector.

Over the last five years, assets of the NBFC sector grew at a CAGR of 17.91%. This is largely due to the fact that NBFCs have been able to penetrate markets that were ignored by the formal financial sector or out of its reach. This has been due to the fact that NBFCs are comparatively asset-light, technology-based and low-cost.

They have also successfully developed sector-specific, product-specific and geography-specific niche segments by offering customised products that are perfectly mapped to the needs of their customers. Using differentiated business models, they focus both on technology support and inter-personal interactions with customer to give customers faster and more efficient services along with a human touch.

All this has enabled NBFCs to improve their reach and penetrate unserved and underserved markets and earn the loyalty of customer in the segment to become preferred lenders in such markets.

Like the broader economy and financial sector, NBFCs faced difficult times during FY 2020-21. However, as the economy began to show signs of revival in the second half of the year, on the back of the pent-up demand and after relaxation of the COVID-19 lockdowns, growth and earnings performance began to gain support. In FY 2021-22, the performance of this sector reflected a further uptick, with stronger balance sheets, higher provisions and improved capital positions of NBFCs.

According to Crisil Ratings, the asset under management (AUM) of NBFCs is expected to grow at 6-8% in FY 2021-22 and 8-10% in the next financial year.

Overview of industry segments

Automobile industry

India has a robust automobile sector, ranked 1st in the world market in terms of unit production for Two-wheelers, Three-wheelers and tractors. Two-wheelers and passenger vehicles dominate the domestic auto market in India. Within the passenger car segment, sales are dominated by small and mid-sized cars. In FY 2021-22, Two-wheelers and passenger cars accounted for 77% and 18%, respectively, of the automobile market, which has developed on the back of advancements in infrastructure, the young demographic with rising incomes and access to finance for the purchase of automobiles.

According to the industry body SIAM, the industry produced a total of 2.29 crore vehicles, including Passenger Vehicles, Commercial Vehicles, Three Wheelers and Two Wheelers in FY 2021-22 as against 2.26 crore vehicles in FY 2020-21, registering a marginal growth of 1.32% compared to a degrowth of 14% between FY 2020-21 and FY 2019-20.

Automobile Domestic Sales Trends

						(in millions)
Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Passenger Vehicles	3.047	3.288	3.377	2.773	2.711	3.069
Commercial Vehicles	0.714	0.856	1.007	0.717	0.568	0.716
Three-Wheelers	0.511	0.635	0.701	0.637	0.219	0.260
Two-Wheelers	17.589	20.200	21.179	17.416	15.120	13.466
Grand Total	21.863	24.981	26.266	21.545	18.620	17.513

During FY 2021-22, there was a revival in the commercial vehicle segment due to increased activity in road construction, mining and improved infrastructure spending by the Central and State Governments, apart from the boom in the e-commerce sector. The truck segment witnessed a pick-up on account of replacement demand, recovery in economic activity and government spending on infrastructure.

Automobile Exports Trends

						(in millions)
Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Passenger Vehicles	0.758	0.748	0.676	0.662	0.404	0.577
Commercial Vehicles	0.108	0.096	0.099	0.06	0.05	0.092
Three-Wheelers	0.271	0.381	0.567	0.501	0.393	0.499
Two-Wheelers	2.340	2.815	3.280	3.519	3.282	4.443
Grand Total	3.480	4.042	4.629	4.748	4.134	5.617

While domestic sales declined by close to 6% between FY 2020-21 and FY 2021-22. This was due to supply challenges that persisted in the industry during the year as well as the chip shortage, which affected many carmakers. On the flip side, the chip shortage and introduction of BS VI norms resulted in an increase in demand in the used vehicle industry.

Indian auto manufacturers faced these challenges head-on and kept the value chains functional by indigenising parts, controlling costs, investing in new technologies and focussing on exports. In contrast, exports increased by a robust 36%, reflecting a pick-up in global demand. The Government supported the industry with targeted schemes, like PLI, and also extended the FAME scheme, amongst other measures.

The Indian tractor industry has reported a 6% decline in domestic sales in FY 2021-22, a year after registering highest-ever annual production and domestic sales. However, the industry achieved its highest-ever export volumes during FY 2021-22.

The Micro, Small and Medium Enterprises (MSMEs) Sector

The MSME sector in India plays a crucial role within the economy and has contributed substantially to socio-economic development of the nation too. As per a report titled, 'MSMEs

back to the grind', by ASSOCHAM and CRISIL, amidst the global pandemic, the MSME segment in India alone is estimated to have 6.3 crore units, which employs over 11.10 crore people. The sector accounts for 27% of GDP and is crucial to the functioning of the economy, including in terms of employment generation, exports, and lending opportunities. The sector was the worst hit during the COVID-19 pandemic and the lockdown that followed in 2020.

MSMEs were the most adversely affected segment during the early months of the pandemic. In support, the government announced a series of measures under the Aatmanirbhar Bharat mission, which provided some relief to MSMEs with a lag. These include the ₹ 20,000 crore subordinate debt for stressed MSMEs, ₹ 50,000 crore equity infusion through MSME Fund of Funds (SRI Fund) and the ₹ 3-lakh crore (subsequently increased to ₹ 5-lakh crore in Union Budget 2022-23) Emergency Credit Line Guarantee Scheme (ECLGS) for businesses. The government also mandated that there could be no global tenders for government procurement up to ₹ 200 crore to encourage domestic sourcing by the public sector. It also initiated structural changes by redefining the qualifying criteria for different parts of the MSME space.

The study projects that the MSME sector is expected to rebound sharply with 15-17% growth in revenues for FY 2021-22, on the back of demand recovery, following the pick-up in economic activity with the gradual easing of COVID-19 restrictions. The recovery is anticipated across sectors with construction, commodities, exports and consumption services in the lead. The ASSOCHAM-CRISIL report pointed out that the FY 2021-22 growth follows the negative growth of the sector by an estimated 10% in FY 2020-21 and 6% in FY 2019-20. In FY 2022-23, it estimates 11-13% growth.

Loan against Property

In India, Loan Against Property (LAP) is a product that is commonly offered by NBFCs to SMEs. The demand for this product is driven by its relatively lower interest rates, quick approvals and flexibility in terms. Typically, eligibility for LAP depends on various factors such as age, income, existing financial commitments, repayment and credit history, and the value of the property as per current market rates.

During the pandemic, the disbursement of LAP by the financial sector was slack during the pandemic as SMEs were struggling to keep their businesses going. However, with a pick-up in economic activity, the demand for this product has revived.

According to a report by TechSci Research titled “India Loan Against Property Market”, the country’s LAP market is expected to register a CAGR of over 14% between FY 2020-26 and in value terms it is expected to reach around USD 857.87 billion by FY 2025-26.

NBFC Industry Outlook

The NBFC sector witnessed a sharp economic recovery following the easing of curbs after the second wave of the pandemic subsided. Rating agency ICRA’s report pointed out that the earnings and growth performance of non-banking financial companies saw revival in the third quarter of FY 2021-22 and are expected to head towards pre-COVID levels in FY 2022-23. It explained that the revival in disbursement and AUM witnessed in Q2 FY 2021-22 and Q3 FY 2021-22, were likely to continue in Q4 FY 2021-22 as the impact of the third wave of the pandemic was limited.

Another rating agency, India Ratings & Research stated that NBFCs are likely to report a 7-8% loan growth in FY 2021-22 and a 14% year-on-year loan growth in FY 2022-23. It forecast that NBFCs would begin the year with sufficient capital buffers, stable margins and sizeable on-balance sheet provisioning, while adequate system liquidity would aid funding. Products such as LAP, housing and vehicle loans could witness a higher demand than personal and unsecured business loans, which saw a higher demand during the pandemic.

India Ratings & Research did caution, however, that there was likely to be an increase in systemic interest rates and

asset quality issues in some segments due to the lagged impact of pandemic. This could be a drag on the operating performance of companies in the sector.

To pre-empt such adversities, the RBI has initiated various reforms to ensure better corporate governance in the sector. As the sector has undergone considerable evolution in terms of size, complexity, and interconnectedness within the financial sector, many entities have grown and become systemically significant. Accordingly, the RBI recognised the need to align the regulatory framework for NBFCs keeping in view their changing risk profile. It has introduced a Scale Based Regulation (SBR) framework for the NBFC sector which encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc.

It also provided clarification on income recognition asset classification and provisioning (IRAC) norms for banks, NBFCs and All-India Financial Institutions. This included classification of special mention account (SMA) and NPA on a day-end position basis and upgrade from an NPA to standard category only after clearance of all outstanding overdues.

These directives, and others pertaining to auditor reforms and Liquidity Coverage Ratio, etc., should go a long way towards improving the governance in NBFCs, which in turn will result in better long-term health of entities in the sector.

COMPANY OVERVIEW

Kogta Financial (India) Limited (our Company) has a customer base of over 68,000 active customers in urban, semi-urban and rural markets, whom we service through 179 branches in 8 states, including Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Delhi NCR, Punjab, Haryana and Uttar Pradesh. We are rapidly expanding our footprint across western and central India. In the year gone by, despite the unprecedented disruptions to the economy, we have surpassed our growth targets led by our prudent business practices and controls. The borrowing cost of the Company has further reduced compared to previous year.

Performance of key product offerings

We continue to offer financing for two key sectors – Vehicles and MSMEs. In terms of Vehicle finance, which comprises around 78% of our overall loan book, we offer loans for Commercial Vehicles, such as SCV, LCV, MUV, ICV and HCV. We also offer loans for Consumer Vehicles (cars) and Agri Vehicles (tractors) under our Vehicle finance banner. Around 22% of our AUM is directed towards MSMEs, in the form of LAP and secured business loans.

We design our lending framework based on our customer’s profile and the product for which we are offering the credit and our focus is always on financing products with high yield and low risk.

Business Performance

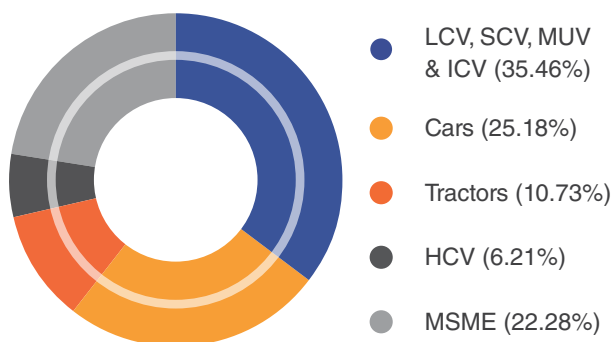
Operational Review

The Company's AUM in FY 2021-22 stood at ₹ 2,183.31 Crore as compared to ₹ 1,496.31 Crore in FY 2020-21, marking an increase of 46%.

Contribution to Overall Portfolio

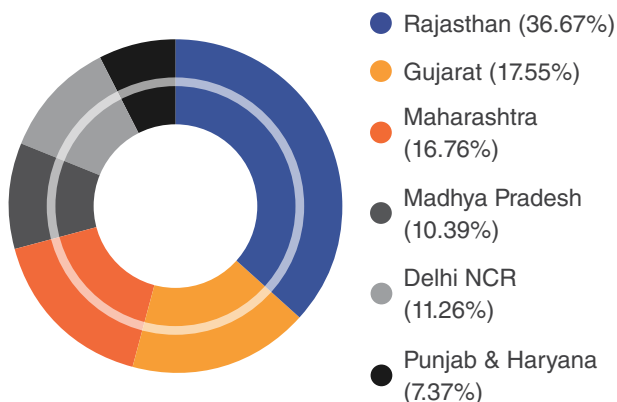
As on March 2022, our loan portfolio was at ₹ 2,183.31 Crore. Of this, LCV, SCV, MUV & ICV comprised 35.46%, Cars at 25.18%, Tractors 10.73%, heavy commercial vehicles accounted for 6.21% while MSME comprised 22.28%, respectively.

Segmentwise break-up of Portfolio



Rajasthan accounted for 36.67% of the loan portfolio, followed by Gujarat at 17.55%, Maharashtra at 16.76%, Madhya Pradesh at 10.39%, Delhi NCR at 11.26%, Punjab & Haryana at 7.37%.

Regionwise break-up of Portfolio



COVID-19 Impact on the Company

With the successful coverage of the vaccination drive and better management of the spread of the pandemic, the third wave of COVID-19 which occurred in January 2022 was relatively less severe. The impact was less, both at the individual as well as the economy level, and the recovery was much faster.

During the past year, the Company's operations have returned to normal. However, it is alert to the possibility of future waves of the pandemic and prepared to ride them.

Management Outlook

Financial Overview

During FY 2021-22, our revenues, PAT and PAT margin remained robust. Our net worth stood at ₹ 651.14 Crore as on March 31, 2022 as compared to ₹ 596.43 Crore as on March 31, 2021.

Risk Management

Liquidity risk – Being in the business of financing assets and offering loans to meet the needs of enterprises, availability of adequate capital and the cost of capital impacts our business. In an unfavourable macro-economic environment or other situations which result in a tight monetary situation, there could be a significant risk to the business.

Mitigation: We have strategically chosen to have a diversified mix of lenders, including banks, NBFCs, and foreign investors. Having cultivated long-term good relationship with our lenders and maintaining a good track record enables us to access adequate capital at low-costs, thereby minimising liquidity risk.

Interest rate risk – Business operations could be adversely impacted by unforeseen events that cause volatility in interest rates.

Mitigation: Our team of experts monitors interest rate movements closely and advises us on appropriate measures to protect our operations from fluctuating interest rates.

Operational risk – As part of our business expansion, we may advance into newer geographies and market segments. An imperfect understanding of local markets and the business environment could pose a risk.

Mitigation: We study local business environments thoroughly before entering new geographies. Further, our in-house ERP-based customised proprietary risk management and reporting software is designed to improve operational efficiency.

Credit risk – Our Company's clients could default on their loans due to a number of factors, including severe liquidity

crunch, bankruptcy, economic downturns, operational failure, fraud or for various other reasons.

Mitigation: We undertake a detailed evaluation of our borrowers' profiles and credit histories to minimise the risk of default. We also follow lending framework which involves product and geographical diversification to mitigate default risk.

Competition risk – The NBFC sector faces high levels of competition from existing players as well as new entrants and foreign players.

Mitigation: Our wide product portfolio, diversified and longstanding lender support, healthy asset quality profile capital adequacy and our ever-evolving in-house IT system helps us mitigate competition risks.

Regulatory risk – The Indian financial sector is well regulated with alert and proactive regulators that monitor various segments of the financial sector stringently. Any act of regulatory noncompliance could pose a threat to business.

Mitigation: Our Company has a strong internal control framework, robust IT systems and an expert team in place to ensure strict adherence to rules and regulations that are applicable to our Company.

Human Resource risk – We value our human capital and any attrition may adversely impact the function of the business operations.

Mitigation: We keep our human resources motivational and provide a work environment that is conducive. We also initiate periodic training and skill upgradation for their growth. By aligning their goals with those of the company, we minimise the risk of attrition. We also constantly add new talent to ensure base and depth of our people pool.

Human Resources

The beginning of the financial year coincided with the more lethal second wave of COVID pandemic. With the help of our technical staff and support of all our employees, we were able to move our operations to the online mode again to contain the spread.

We emphasised a lot on training and have set up processes for overall learning & skill development of the employees

As on March 31, 2022, we had an employee strength of 3,100+.

Internal Controls & Systems

Our Company has strong internal control systems, designed keeping in view the size and nature of the business. Its internal controls enable the Company ensure efficient operations, in compliance with internal policies, applicable laws and regulations, as well as the protection of resources and assets. Accurate recording and reporting of financial transactions is also integral to the internal control systems of your Company.

Our internal team monitors all business operations closely and any deviations are promptly reported to the Management and Audit Committee for timely correction. We ensure sensitive data is adequately safeguarded and audit process is carried out smoothly with the help of our robust IT systems. Our audits help to establish the aptness of mitigation actions to protect the Company from various internal and external risks.

The Company is well safeguarded from uncertain events with several strategies devised as a follow-up measure.

Cautionary Statement

Certain statements in the Management Discussion and Analysis covering the Company's objectives and outlook may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various external and internal risks and uncertainties. These may include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

Board's Report

To,
The Members,
KOGTA FINANCIAL (INDIA) LIMITED

Your Board of Directors ("Board") are pleased to present the 26th (twenty sixth) report of the business and operations of Kogta Financial (India) Limited ("the Company" or "KOGTA FINANCIAL" or "KFL") covering the business and key operational highlights of your Company along with the Audited Financial Statements for the financial year ended on March 31, 2022.

1. FINANCIAL HIGHLIGHTS

The financial statements of the Company for FY 2021-22 have been prepared in compliance with the Companies Act, 2013 (the 'Act') applicable Accounting Standards and amendments thereto and are disclosed in accordance with Schedule III of the Act. Further, the annexed financial statements comply in all materials aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Act, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the Lakhs, except when otherwise indicated.

The financial performance for FY 2021-22 and correspondingly figures of FY 2020-21 are summarized in the following table:

Particulars	(Amount in lakh except per share data)	
	Year ended March 31, 2022	Year ended March 31, 2021
Total Income	36,029.96	24,546.91
Total Expenditure	13,803.69	10,011.04
Profit Before Interest & Depreciation	22,226.27	14,535.87
Less: Interest and Finance charges	14,614.12	7,997.10
Less: Depreciation	596.62	488.81
Profit Before Tax	7,015.53	6,049.96
Total Tax Expenses	1,802.54	1,535.90
Profit After Taxation	5,212.99	4,514.06
Other Comprehensive Income (Net of Tax)	-27.17	-12.26
Total Comprehensive Income for the period	5,185.82	4,501.80
APPROPRIATION:-		
Dividend on Equity Shares	0	0
Dividend on Preference Shares	0.01	0.03
Tax on Dividend	0	0
Transfer to General Reserve	100.00	100.00
Transfer to Statutory Reserve Fund	1037.16	900.36
EPS		
Basic	53.57	46.69
Diluted	19.06	16.64

2. FINANCIAL PERFORMANCE

For the year under review:-

- Gross income crossed to INR 36,029.96 Lakhs as compared to INR 24,546.91 Lakhs in the previous year showing the growth of 46.78%.
- The Profit Before Tax for the year is INR 7,015.53 Lakhs as compared to INR 6,049.96 Lakhs in the previous year showing the growth of 15.96%.
- Net Profit grew by INR 684.02 lakh to INR 5,185.82 Lakhs for FY 2021-22 vis-à-vis INR 4,501.80 Lakhs for FY 2020-21.
- Net Interest Income grew by INR 2,782.34 Lakhs to INR 18,130.74 Lakhs during FY 2021-22 from INR 15,348.40 Lakhs during FY 2020-21 with y-o-y growth of 18.13%.
- Balance sheet size grew to INR 2,57,729.45 Lakhs as on March 31, 2022 vis-à-vis INR 1,85,635.55 Lakhs as on March 31, 2021 with y-o-y growth of 38.84%.
- Capital Adequacy Ratio is 28.46% as on March 31, 2022 vis-à-vis 43.39% as on March 31, 2021 which is well above the stipulated requirement of 15% by RBI.

3. DIVIDEND

Your Directors do not recommend any dividend on equity shares for the financial year 2021-22.

Further, at the Board meeting held on May 19, 2021, the Directors has recommended a final dividend of INR 669.08/- (Indian Rupees Six Hundred Sixty Nine and Zero Eight Paise only) on Pari - Passu & Pro-rata basis, at the rate 0.0001% of face value of preference shares, to the preference shareholders of the Company, for the financial year 2020-21, which was approved by shareholders of the Company in the Annual General Meeting held on July 09, 2021.

In view of the amendment to the Income Tax Act, 1961 through the Finance Act, 2020, imposition of Dividend Distribution Tax has been abolished.

Further, the Board recommended the dividend on preference shares, on Pari - Passu & Pro-rata basis, at the rate 0.0001% of face value of preference shares amounting INR 669.08/- (Indian Rupees Six Hundred Sixty Nine and Zero Eight Paise only) for the financial year 2021-22, at its meeting held on May 05, 2022, which is subject to approval of the shareholders at the ensuing Annual General Meeting.

4. CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business of the Company during FY 2021-22. Further information on the

business overview and outlook and state of the affairs of the Company is covered under the Management Discussion & Analysis section of the Annual Report.

5. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF").

The IEPF Rules mandate Companies to transfer all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of IEPF. The members whose dividend/shares are transferred to the IEPF Authority, can claim their shares/dividend from the IEPF Authority by following the procedure prescribed in the Rules.

There are no unclaimed/unpaid dividend liable for transfer to the IEPF for the year under review.

6. TRANSFER TO RESERVES

The Company has transferred the following amounts to various reserves during the financial year ended on March 31, 2022.

Amount transferred to	Amount (₹) in Lakh
General Reserves	100.00
Transfer to statutory reserve fund (u/s 45IC of RBI Act)	1037.16

7. OPERATIONAL HIGHLIGHTS

a) Disbursements

Your Company offers, different types of loans i.e. Auto Loans (New & Used Car Loans, Tractor Loans, Commercial Vehicles Loans, Two Wheeler and Three Wheeler Loans) and Business Loans i.e. Micro, Small & Medium Enterprises (MSME) and Loan Against Property.

During the year under review, your Company has disbursed loans for ~INR 1389.32 Crore as compared to ~INR 812.22 Crore in the previous year and clocked a growth of 71.05%.

b) Assets Under Management (AUM)

During the year 2021-22, the total Assets Under Management had increased to INR 2,183.31 Crore from INR 1,496.31 Crore with growth rate of 45.91%.

c) Capital Adequacy

Your Company's total Capital Adequacy Ratio (CRAR), as of March 31, 2022 stood at 28.46% which is well above the minimum requirement of 15% CRAR prescribed by the Reserve Bank of India (RBI).

d) Branch Network

For further expansion, the Company increased its footprint by opening some new branches and now your Company strengthened its presence across the 8 states with a network of 179 offices.

8. CREDIT RATING

Below table covers the credit ratings of the Company as on March 31, 2022. During the period under review, the Company has not reported any changes in the credit ratings.

Sr. No.	Facilities / Instruments	Rating agency	Rating assigned	
			2021-22	2020-21
1	Long Term Bank Facilities	CARE Ratings Ltd.	CARE A-; Stable	CARE A-; Stable
2	Non-Convertible Debentures	CARE Ratings Ltd.	CARE A-; Stable	CARE A-; Stable
3	Non-Convertible Debentures (Unsecured) (Listed)	ICRA Ltd.	ICRA A-; Stable	-
4	Non-Convertible Debentures - Market Linked (Secured) (Listed)	ICRA Ltd.	-	[ICRA] AA (CE) (Stable)
5	Non-Convertible Debentures - Market Linked (Unsecured) (Listed)	CARE Ratings Ltd.	CARE PP MLD A-; Stable	CARE PP MLD A-; Stable
6	Non-Convertible Debentures - Covered Bond	ICRA Ltd.	PP-MLD [ICRA] A- (Stable)	-
7	SPICE Term loan	CARE Ratings Ltd.	CARE AA (CE); Stable	CARE AA (CE); Stable
		ICRA Ltd.	-	ICRA A (CE); Stable

9. TECHNOLOGY INITIATIVES

Your Company has focused on building and integrating next generation platforms to achieve wider customer reach and reduce operating leverage through efficiency. Further, progressive integration of various business processes with technology has enabled your Company to establish a lean and agile workflow, analytics driven credit underwriting and robust collection management systems.

- Accurate** – It is an in-house Enterprise Resource Planning (ERP) system integrated with a Model–View–Controller (MVC) pattern. This enables faster development and up-gradation of the system and ability to provide multiple views, which enhances security and acts as an enabler for business growth. Accurate is used for loan origination, loan management, collections, legal, accounting, compliance, Human Resource (HR), administrative tasks, Customer Relationship Management (CRM) solution for real time lead management, customer service and support, providing regular updates and reminders, third party APIs for credit underwriting, asset valuation, add-on loan products and customer interaction were integrated with Accurate to augment its functionality.

- KFin** - The KFin mobile application, developed in-house, was initially designed to implement HR processes, and was later upgraded to include loan application status, undertake field investigation and collections. During the year, the scope of the application was further expanded to include Loan Origination System (LOS) – customer profile, application login and file proposal by the sales team. This enables faster processing of loan and empowers our employees to provide doorstep service to the customers.
- Motor Gaadee** – The mobile application, developed in-house, facilitates authorized users, customers, associates and brokers to get vehicle details, quotation and submit online real time bid for purchase of pre-owned personal/commercial vehicles at the best price. Vehicles listed on the application can be verified at the parking yards located across India.

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

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the

financial markets and slowdown in the economic activities. Though, the national lockdown on account of COVID-19 was lifted by the government, but regional restrictions continued to be implemented in areas as India witnessed two more waves of the COVID-19 pandemic during the year ended March 2022. Currently, while the number of new COVID-19 cases have reduced significantly and the Government of India has withdrawn most of the COVID-19 related restrictions, the Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

Further, we are delighted to inform you that your Company has approved the issuance of Series E compulsorily convertible preference shares ("Series E CCPS") and execution of Share Subscription Agreement (SSA) and Amended and Restated Shareholders' Agreement (Restated SHA) by Board of Directors at their meeting held on March 28, 2022, and by shareholders at the 2nd (Second) Extra-Ordinary General meeting held on March 31, 2022.

11. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Your Company does not have any Company, which is its subsidiary or associate. Hence the details of this clause are not applicable to the Company.

12. THE ANNUAL RETURN

A copy of the annual return as provided under section 92(3) of the Companies Act, 2013, in the prescribed form, which will be filed with the Registrar of Companies/ MCA, is placed on Company's website at <https://www.kogta.in/investor/annual-report/>.

13. BOARD OF DIRECTORS (BOARD) AND KEY MANAGERIAL PERSONNEL (KMP)

a) Directors

During the year under review, following changes took place in the composition of the Board of Directors ("Board") and Key Managerial Personnel of the Company:

1. Mr. Arun Kogta (DIN: 05109722), has been re-appointed as a Managing Director and Chief Executive Officer by the Board in its meeting held on May 19, 2021, and by shareholders of the Company in the 25th Annual General Meeting held on July 09, 2021, for the period of 5 (five) years w.e.f. September 23, 2021.
2. Mr. Radha Krishan Kogta (DIN: 00197552) has been re-appointed as a Whole Time Director and Chairman by the Board in its meeting held on May 19, 2021, and by shareholders of the Company in the 25th Annual General Meeting held on July 09, 2021, for the period of 5 (five) years w.e.f. September 23, 2021.

During the financial year 2022-23, Mr. Amit Mehta (DIN:07089427) has resigned from the post of Nominee Director of the Company w.e.f. May 05, 2022. The resignation from the post of directorship has been caused due to selling of IIFL Seed Venture Fund I ("IIFL") entire shareholding to other Investors.

b) Director liable to retire by rotation

The independent directors holds office for a fixed term and are not liable to retire by rotation. The Companies Act, 2013, mandates that at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation and one-third of such directors shall retire from office at every Annual General Meeting (AGM). Accordingly, Mr. Radha Krishan Kogta (DIN: 00197552) and Mr. Varun Kogta (DIN: 06844307), directors, being the longest in the office among the six (6) directors liable to retire by rotation, shall retire from the Board this year and, being eligible, shall be recommended for re-appointment in the 26th AGM.

The Present Directors of the Company are as follows:

Sr. No.	Name of the Director	Designation
1.	Mr. Radha Krishan Kogta	Chairman & Whole Time Director
2.	Mr. Arun Kogta	Managing Director & Chief Executive Officer
3.	Mr. Varun Kogta	Whole Time Director & Chief Financial Officer
4.	Mr. P R Kalyanaraman	Independent Director
5.	Mr. Kumar Sharadindu	Independent Director
6.	Mrs. Shashikala Ramachandra	Independent Director
7.	Mr. Arjun Saigal	Non-Executive Director
8.	Mr. Robin Bhanwarlal Agarwal	Non-Executive Director

None of the Directors disqualified from being appointed as Director as specified under the Section 164(2) of the Companies Act, 2013, read with its applicable rules.

c) Key Managerial Personnel

During the year under review, following changes took place in the composition of the Key Managerial Personnel ("KMP") of the Company:

1. Mr. Arun Kogta (DIN: 05109722) has been re-appointed as a Managing Director and Chief Executive Officer by the Board in its meeting held on May 19, 2021, and by shareholders of the Company in the 25th Annual General Meeting held on July 09, 2021, for the period of 5 (five) years w.e.f. September 23, 2021.

2. Mr. Varun Kogta (DIN: 06844307) has been re-appointed as a Chief Financial Officer by the Board in its meeting held on May 19, 2021, for the period of 5 (five) years w.e.f. September 23, 2021.

The following are the Key Managerial Personnel of the Company:

Sl. No.	Name of the Director/KMP	Designation
1	Mr. Radha Krishan Kogta	Chairman & Whole Time Director
2	Mr. Arun Kogta	Managing Director & Chief Executive Officer
3	Mr. Varun Kogta	Whole Time Director & Chief Financial Officer
4	Mr. Rahul Agrawal	Company Secretary & Compliance Officer

d) Declaration by an Independent Director(s)

In accordance with provisions of section 149(7) read with rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013, all the Independent Directors have submitted the declaration of independence respectively, confirming that they meet the criteria of independence and registration of their name in the data bank of Independent Directors. Further, the Independent Directors have complied with the Code applicable for Independent Directors as stipulated under Schedule IV of the Companies Act, 2013 and have also passed the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs (IICA). Further, in opinion of the Board of Directors of the Company all the Independent Directors are persons of integrity and has relevant experience and expertise for being an Independent Director of the Company.

e) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee has specified the criteria to carry out a performance evaluation of Board, its Committees, Chairperson, and individual Directors. The manner in which the evaluation has been carried out has been explained in policy on evaluation of performance of directors and the Board and same is also available on the Company's website at <https://www.kogta.in/investor/policy/>.

f) Selection Process

In pursuance to the "Fit and Proper" policy adopted by the Company as per the Reserve Bank of India's (RBI) Master Directions for NBFCs, the Company obtained the 'Fit and Proper' declarations from all the Directors for their respective appointment/re-appointment.

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 master directions/guidelines issued by the RBI.

14. MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2021-22, Board of Directors met on six occasions. For further details of these Board Meetings and various Committee meetings, please refer to the Corporate Governance Section forming part as **Annexure-4** of Board's report.

15. REMUNERATION POLICY

In accordance with the provisions of section 178 of the Companies Act, 2013 read with rules made thereunder, and on the recommendation of Nomination and Remuneration Committee, the Company has formulated and adopted a Comprehensive Policy for appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management of the Company. The objective of the Nomination and Remuneration Policy (Policy) is to regulate the appointment and remuneration of Directors including KMP and Senior Management personnel according to the criteria formulated by the Nomination and Remuneration Committee of the Board.

Further, the Nomination and Remuneration policy is enclosed herewith in **Annexure-1** and same is also available on the Company's website at <https://www.kogta.in/investor/policy/>.

16. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's well-defined organizational structure, documented policy and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its systems and undertakes review of policies.

The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to

ensure reliability of financial and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports and also monitors the implemented suggestions.

Proper internal financial controls were in place and operating effectively. Further, the statutory auditors have, in compliance with the requirements of Companies Act, 2013, issued an opinion with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, details of which may be referred to in the Auditor's Report attached to the audited financial statements of FY 2021-22.

17. EMPLOYEE REMUNERATION

Details of top ten (10) employees in terms of the remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, containing details prescribed under Rule 5(3) of the said Rules, forms part of this report and is annexed as **Annexure - 6**.

18. STATUTORY AUDITORS AND THEIR REPORT'S

In terms of Section 139 of the Companies Act, 2013, M/s S. R. BATLIBOI & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 301003E/E300005) were appointed as Statutory Auditors for a period of Five (5) years by the members of the Company at the 21st (Twenty First) Annual General Meeting held on August 25, 2017, to hold the office till the conclusion of ensuing 26th Annual General Meeting of the Company. Reserve Bank of India (RBI) issued guidelines on appointment of statutory auditor(s) by Non-Banking Financial Company (NBFC) vide Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001 /2021-22 dated April 27, 2021 ('Circular'/Guidelines'). In the said circular RBI has given flexibility to Non- Banking Financial Companies (NBFCs) to adopt these Guidelines from H2 (second half) of the Financial Year 2021- 22 in order to ensure that there is no disruption.

Therefore, your Company being a NBFC was in requirement to change the statutory auditor as the present auditor has already completed 4 (four) years and they could not continue to act as statutory auditor of the Company.

Further, considering the regulatory requirement, Members of the Company at their 01st (First) Extra Ordinary General Meeting for F.Y. 2021-22 held on September 15, 2021, has appointed M/s. J.C. Bhalla & Co., Chartered Accountants as the Statutory Auditors

of the Company for the financial year 2021-2022 till the conclusion of the ensuing Annual General Meeting and further be re-appointed for the term of next two financial year i.e. 2022-23 & 2023-24 subject to the approval of the members of the Company.

There are no qualifications, reservations or adverse remarks made by M/s. J.C. Bhalla & Co., Chartered Accountants, Statutory Auditors of the Company, in their report for the year ended on March 31, 2022. There were some delays in deposition of statutory dues due to operational and technical constraints. Further, pursuant to Section 143(12) of the Companies Act, 2013, the Statutory Auditors of the Company have also not reported any instances of material frauds committed in the Company by its officers or employees.

19. INTERNAL AUDITORS AND THEIR REPORT

Pursuant to the provisions of Section 138 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, the Board at its meeting held on May 19, 2021, upon recommendation of the Audit Committee, appointed M/s Lodha & Company, Chartered Accountants, as an Internal Auditors, to carry out the internal audit of the Company for the Financial Year 2021-22. The internal auditor provides its report on quarterly basis to Audit Committee.

20. COST AUDITORS AND THEIR REPORT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable in respect of the business activities carried out by the Company.

21. SECRETARIAL AUDITORS AND THEIR REPORT

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Rules made thereunder, the Board has re-appointed M/s Deepak Arora & Associates, Practicing Company Secretaries, to undertake the secretarial audit of the Company.

The secretarial audit report for the year 2021-22 as issued by secretarial auditor in the prescribed form MR-3 is annexed herewith which forms part of this Board's report and marked as **Annexure - 5**. There is no qualification, reservation or adverse remark or disclaimer made by secretarial auditor in their report.

22. RISK MANAGEMENT

The Company is exposed to various risks such as credit risk, liquidity risk, concentration risk, capital risk and portfolio risk, etc. In the overarching risk management

framework, the relevant risk and mitigation have been covered under Management Discussion and Analysis section of the Annual Report.

The Board of Directors has constituted a Risk Management Committee consisting of the majority of Directors. The terms of reference of the Risk Management Committee include a periodical review of the risk management policy and mitigation of the key risks. We have taken Directors and Officers insurance policy cover to mitigate legal risks to directors and senior management.

The details of the Risk Management Committee and its terms of reference are set out in the Corporate Governance Report forming part as **Annexure - 4** of Board's Report.

23. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013 (Act), the Directors confirm that, to the best of their knowledge and belief:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had 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;
- c) the Directors had 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;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. LOANS, GUARANTEES AND INVESTMENTS

The loan made, guarantee given, or security provided in the ordinary course of business by a NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Companies Act, 2013. As such, the particulars of loans and guarantees have not been disclosed in this Board's report.

25. RELATED PARTY TRANSACTIONS

All the related party transactions were placed before the Audit Committee for its approval and the Company undertakes certain transactions with related parties which were in the ordinary course of business and at Arms' Length Basis. Your Company has entered into certain Related Parties Transactions as defined under Section 188 of the Companies Act, 2013 ("Act") with related parties as defined under Section 2 (76) of the Act. The details of material related party transactions at an aggregate level for year ended on March 31, 2022 are attached herewith in Form No. AOC-2 for your kind perusal and information (**Annexure-3**) and further, details of Related Party Transactions as required to be disclosed by Accounting Standard – 18 on "Related Party Disclosure" specified under Section 133 of the Act, read with rule of the Companies (Accounts) Rules, 2014, are given in the Notes to the Financial Statements.

Further during the year, the Company has not entered into any transactions with Related Parties which are not in its ordinary course of business and/or not on an arm's length basis and which require disclosure in this Report in terms of the provisions of Section 188(1) of the Act.

26. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The CSR Committee comprises of three directors viz., Mr. Radha Krishan Kogta, Mr. P R Kalyanaraman and Mr. Varun Kogta. During the year 2021-22, the Committee met 4 (four) times. The attendance record of members is given in the Annual Report on CSR activities.

The Company established the **Kogta Foundation** in year 2020, to proactively work at ground level in consultation with key stakeholders for understanding social needs and designing CSR programs & initiatives accordingly. The terms of reference of CSR Committee have been disclosed in the Corporate Governance section of Board's Report and in terms of the provisions of the Act read with amended Companies (Corporate Social Responsibility Policy) Rules, 2014, the 'Annual Report on CSR activities' in the format prescribed under Annexure II of the said Rules is annexed as **Annexure - 2** of Board's Report. The policy has also been hosted on the website of the Company at <https://www.kogta.in/investor/policy/>.

The Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the CSR Committee of the Board for FY 2021-22.

27. SHARE CAPITAL

I. During the financial year 2021-22, your Company has increased its Share Capital in following manner:

Authorized Share Capital	As on April 01, 2021 INR 78,56,90,226/-	Addition	As of March 31, 2022 INR 89,17,90,226/-
Equity	INR 10,50,00,000/- consisting of 1,05,00,000 equity shares of face value of INR 10/- each	INR 2,60,00,000/- consisting of 26,00,000 Equity shares of face value of INR 10/- each	INR 13,10,00,000/- consisting of 1,31,00,000 equity shares of face value of INR 10/- each
Preference	INR 68,06,90,226/- consisting of 50,00,000 Series A Preference Shares of face value of INR 10/- each, and 1,01,37,308 Series B Preference Shares of face value of INR 10/- each and 17,74,600 Series C Preference Shares of face value of INR 225.41/- each and 96,99,216 Series D1 Preference Shares of face value of INR 10/- each and 32,31,240 Series D2 Preference Shares of face value of INR 10/- each.	INR 8,01,00,000/- consisting of 80,10,000 Preference shares of face value of INR 10/- each	INR 76,07,90,226/- consisting of 50,00,000 Series A Preference Shares of face value of INR 10/- each, and 1,01,37,308 Series B Preference Shares of face value of INR 10/- each and 17,74,600 Series C Preference Shares of face value of INR 225.41/- each and 96,99,216 Series D1 Preference Shares of face value of INR 10/- each and 32,31,240 Series D2 Preference Shares of face value of INR 10/- each and 80,10,000 Series E Preference Shares of face value of INR 10/- each.
Issued, Subscribed and Paid-Up Share Capital	INR 76,57,37,663.04/-	Addition	INR 76,62,56,213.04/-
Equity	INR 9,66,60,060/- consisting of 96,66,006 equity shares of face value of INR 10/- each	INR 5,18,550/- consisting of 51,855 equity shares of face value of INR 10/- each	INR 9,71,78,610/- consisting of 97,17,861 equity shares of face value of INR 10/- each
Preference	INR 66,90,77,603.04/- consisting of 38,40,000 Series A Preference Shares of face value of INR 10/- each and 1,01,37,308 Series B Preference Shares of face value of INR 10/- each and 17,74,544 Series C Preference Shares of face value of INR 225.41/- each and 96,99,216 Series D1 Preference Shares of face value of INR 10/- each and 32,31,240 Series D2 Preference Shares of face value of INR 10/- each.	-	INR 66,90,77,603.04/- consisting of 38,40,000 Series A Preference Shares of face value of INR 10/- each and 1,01,37,308 Series B Preference Shares of face value of INR 10/- each and 17,74,544 Series C Preference Shares of face value of INR 225.41/- each and 96,99,216 Series D1 Preference Shares of face value of INR 10/- each and 32,31,240 Series D2 Preference Shares of face value of INR 10/- each.

II. During the financial year 2021-22, the Company has issued following Non-Convertible Debentures, as follows:-

- (i) 300 (Three Hundred) Unlisted, Senior, Secured, Redeemable, Rated, Non-Convertible Debentures, bearing a face value of INR 10,00,000/- (Indian Rupees Ten Lakh Only) each, aggregating to INR 30,00,00,000/- (Indian Rupees Thirty Crore Only) issued to Kotak Mahindra Investments Limited;

- (ii) 250 (Two Hundred and Fifty) Secured, Senior, Rated, Unlisted, Redeemable, Taxable, Non-Convertible Debentures, bearing a face value of INR 10,00,000/- (Indian Rupees Ten Lakh Only) each, aggregating to INR 25,00,00,000/- (Indian Rupees Twenty-Five Crore Only) issued to AK Capital Finance Limited;
 - (iii) 250 (Two Hundred and Fifty) Secured, Rated, Listed, Redeemable, Non-Convertible Debentures, bearing a face value of INR 10,00,000/- (Indian Rupees Ten Lakh Only) each, aggregating to INR 25,00,00,000/- (Indian Rupees Twenty Five Crore Only) issued to AU Small Finance Bank Limited;
 - (iv) 200 (Two Hundred) Secured, Rated, Listed, Redeemable, Non-Convertible Debentures, bearing a face value of INR 10,00,000/- (Indian Rupees Ten Lakh Only) each, aggregating to INR 20,00,00,000/- (Indian Rupees Twenty Crore Only) issued to AU Small Finance Bank Limited;
 - (v) 200 (Two Hundred) Rated, Listed, Senior, Secured, Redeemable, Taxable, Market Linked, Principal Protected, Non-Convertible Debentures (Tranche I), bearing a face value of INR 10,00,000/- (Indian Rupees Ten Lakh Only) each, aggregating to INR 20,00,00,000/- (Indian Rupees Twenty Crore Only) issued to Northern Arc Money Market Alpha Trust;
 - (vi) 400 (Four Hundred) Rated, Listed, Senior, Secured, Redeemable, Taxable, Market Linked, Principal Protected, Non-Convertible Debentures (Tranche II), bearing a face value of INR 10,00,000/- (Indian Rupees Ten Lakh Only) each, aggregating to INR 40,00,00,000/- (Indian Rupees Forty Crore Only) issued to Northern Arc Money Market Alpha Trust and Northern Arc Capital Limited;
 - (vii) 150 (One Hundred and Fifty) Rated, Listed, Senior, Secured, Redeemable, Taxable, Market Linked, Principal Protected, Non-convertible Debentures (Tranche III), bearing a face value of INR 10,00,000/- (Indian Rupees Ten Lakh Only) each, aggregating to INR 15,00,00,000/- (Indian Rupees Fifteen Crore Only) issued to Northern Arc Capital Limited;
 - (viii) 300 (Three Hundred) Unsecured, Rated, Listed, Redeemable, Market Linked, Principal Protected, Non-Convertible Debentures, bearing a face value of INR 10,00,000/- (Indian Rupees Ten Lakh Only) each, aggregating to INR 30,00,00,000/- (Indian Rupees Thirty Crore Only) issued to Northern Arc Income Builder Fund Series II;
 - (ix) 300 (Three Hundred) Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected, Market Linked, Non-Convertible Debentures, bearing a face value of INR 10,00,000/- (Indian Rupees Ten Lakh Only) each, aggregating to INR 30,00,00,000/- (Indian Rupees Thirty Crore Only) issued to Vivriti Capital Private Limited, MAS Financial Services Limited and IKF Finance Limited; and
 - (x) 1,00,000 (One Lakh) Senior, Secured, Redeemable, Rated, Unlisted, Non-Convertible Debentures, bearing a face value of INR 1000/- (Indian Rupees One Thousand Only) each, aggregating to INR 10,00,00,000/- (Indian Rupees Ten Crore Only) issued to Kotak Mahindra Investments Limited and Kotak Investment Advisors Limited.
- III. During the financial year 2021-22, the Company has redeemed following Non-Convertible Debentures:-
- (i) 150 (One Hundred and Fifty) Rated, Secured, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures, bearing a face value of INR 10,00,000/- (Indian Rupees Ten Lakh Only) each, aggregating to INR 15,00,00,000/- (Indian Rupees Fifteen Crore Only) issued to Punjab & Sind Bank;
 - (ii) 800 (Eight Hundred) Rated, Listed, Taxable, Secured, Senior, Redeemable, Principal Protected, Market Linked, Non-Convertible Debentures (Series A Debentures) bearing a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) each, aggregating to INR 8,00,00,000/- (Indian Rupees Eight Crore Only) issued to Unifi AIF;
 - (iii) 250 (Two Hundred and Fifty) Rated, Secured, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures, bearing a face value of INR 10,00,000/- (Indian Rupees Ten Lakh Only) each, aggregating to INR 25,00,00,000/- (Indian Rupees Twenty-Five Crore Only) issued to Bank of Maharashtra;
 - (iv) 300 (Three Hundred) Rated, Listed, Senior, Secured, Transferable, Redeemable, Non-Convertible Debentures, bearing a face value of INR 10,00,000/- (Indian Rupees Ten Lakh Only) each, aggregating to INR 30,00,00,000/- (Indian Rupees Thirty Crore Only) issued to Axis Mutual Fund; and
 - (v) 300 (Three Hundred) Rated, Secured, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures, bearing a face value of INR 10,00,000/- (Indian Rupees Ten Lakh Only) each, aggregating to INR 30,00,00,000/- (Indian Rupees Thirty Crore Only) issued to Bank of India.

28. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

PARTICULARS	REMARKS
A) CONSERVATION OF ENERGY:	
the steps taken or impact on conservation of energy;	- The Company extensively monitors its energy consumption. Conservation of energy covers use of LED lights in new branches and in Regional Offices. The Air Conditioners being used are compliant with the “Energy Star” rating, thereby saving lot of electricity. - Periodic Training sessions for employees on ways to conserve energy in their individual roles.
the steps taken by the Company for utilizing alternate sources of energy;	NIL
the capital investment on energy conservation equipments;	NIL
B) TECHNOLOGY ABSORPTION:	
the efforts made towards technology absorption;	Technology is being used as a business enabler at your Company and 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.
the benefits derived like product improvement, cost reduction, product development or import substitution;	NIL
in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	NIL
(a) the details of technology imported;	NIL
(b) the year of import;	NIL
(c) whether the technology been fully absorbed;	NIL
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable since 5 years period is over	NIL
the expenditure incurred on Research and Development	NIL
C) FOREIGN EXCHANGE EARNINGS AND OUTGO:	
the Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	NIL

29. PARTICULARS OF DEPOSITS

Your Company is registered with Reserve Bank of India (RBI), as a non-deposit accepting NBFC under section 45-IA of the RBI Act, 1934. Your Directors hereby report that the Company has not accepted any public deposits during the year under review.

30. CORPORATE GOVERNANCE

The Company has been practicing principle of good Corporate Governance over the years. Corporate Governance is about commitment to values, ethical business conduct and considering all stakeholder's interest in the conduct of its business. The endeavour of the Company is not only to comply with the regulatory requirements but also adhere to good Corporate Governance standards that lays strong emphasis on integrity, transparency, and overall accountability. The report on corporate governance forms integral part of this Board's report as **Annexure – 4**.

31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is attached and forms an integral part of the Annual Report. The report discusses in detail, the overall industry situation, economic developments, sector wise performance, outlook, and state of Company's affairs.

32. SHARES

a) Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

b) Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

c) Bonus Shares

No Bonus Shares were issued during the year under review.

d) Share warrants

During the year under review, the Company has extended the warrants exercise timelines by three months (from 30 months to 33 months) and amended its Articles of Association ("AOA") through Board resolution passed in the meeting of Board of Directors held on March 28, 2022, and special resolution passed by shareholders at the 02nd Extra-Ordinary General meeting held on March 31, 2022.

e. Employees Stock Option Plan

The Company grants share-based benefits to eligible employees with a view to attract and retain talent, align individual performance with the Company's objectives and promoting increased participation by them in the growth of the Company.

In terms of approved plans, the employees are granted options as part of Annual Performance Review of their performance and to hire best talent. Further, several factors including scale, designation, performance, grades, period of service, criticality of role & their contribution is taken into consideration for decision on number of ESOPs to be granted to the employees.

Grant wise details of options vested, exercised, lapsed, and forfeited are provided in the notes to the financial statements.

Below are the ESOP plans under scheme of the Company:

- EMPLOYEE STOCK OPTION PLAN 2018 (ESOP 2018)
- EMPLOYEE STOCK OPTION PLAN 2019 (ESOP 2019)
- EMPLOYEE STOCK OPTION PLAN 2020 (ESOP 2020)
- EMPLOYEE STOCK OPTION PLAN 2020 - SERIES 2 (ESOP PLAN 2020 – SERIES 2)
- EMPLOYEE STOCK OPTION PLAN 2020 - SERIES 3 (ESOP PLAN 2020 – SERIES 3)

Details as per Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 [till March 31, 2022]

Sr. No.	Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP PLAN 2020 - SERIES 2	ESOP PLAN 2020 - SERIES 3	Total
1	No. of options granted	127000	284800	214500	24000	10000	660300
2	No. of options vested	79540	0	79400	0	0	158940
3	No. of options exercised	76870	0	19320	0	0	96190
4	Total number of shares arising as a result of exercise of option	76870	0	19320	0	0	96190
5	No. of options lapsed	17595	68250	25000	0	0	110845
6	Exercise price per option (in INR)	90	170	450	450	450	-
7	Variation of terms of options	As per ESOP Plan 2018	As per ESOP Plan 2019	As per ESOP Plan 2020	As per ESOP Plan 2020 - Series 2	As per ESOP Plan 2020 - Series 3	-
8	Money realized by exercise of options	69,18,300	0	86,94,000	0	0	1,56,12,300
9	Total number of options in force	32535	216550	170180	24000	10000	453265
10	Employee wise details of options granted to KMP: (Mr. Rahul Agrawal, Company Secretary & Compliance Officer)	3000	7000	4000	0	0	14000

Further the Employee Stock Option Plans are administered by the Compensation Committee of the Board of the Company.

33. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

34. PARTICULARS OF RBI COMPLIANCES

Your Company continues to comply with the applicable regulations and guidelines of Reserve Bank of India and provisions as prescribed in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ("Master Directions") as amended from time to time.

Further your Company has complied with all the rules and procedure as prescribed in above mentioned Master Directions and any other applicable circulars & notifications, time to time, issued by Reserve Bank of India.

35. LISTING OF SECURITIES

During the year, the Company has raised Non-Convertible Debentures through private placement some of which are listed on Wholesale Debt Market at BSE Limited, whereas the equity shares of the Company are not listed on any Stock Exchange.

36. NOTICES RECEIVED/PENALTY IMPOSED

NIL

37. VIGIL MECHANISM

The Company's Vigil Mechanism/Whistle Blower Policy ("Policy") provides a mechanism under which an employee/director of the Company may report unethical behaviour, suspected or actual fraud, violation of code of conduct and personnel policies of the Company. The Vigil Mechanism ensures standards of professionalism, honesty, integrity, and ethical behaviour.

This Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. Whistle Blower Policy & Vigil Mechanism Policy as approved by Board is hosted on the website of the Company at <https://www.kogta.in/investor/policy/>.

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

38. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

Your Company hereby discloses that there are no shares in the demat suspense account or unclaimed suspense account.

39. SECRETARIAL STANDARDS

The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India (ICSI).

40. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has in place, a Policy for Prevention of Sexual Harassment at the Workplace, the primary objective of the said policy is to provide all safeguards to employees from sexual harassment at the workplace. Your Company has constituted Internal Complaints Committee in compliance of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to review, investigate & take suitable actions on complaint. The policy is flashed on website of the Company at <https://www.kogta.in/investor/policy/>.

The following is a summary of sexual harassment complaints received and disposed off during the year 2021-22:

No. of Complaints Pending at the Beginning of the Year	No. of Complaints received during the year	No. of Complaints resolved during the year	No. of Complaints pending at the end of the year
NIL	NIL	NIL	NI

41. OTHER DISCLOSURES

- No application was made under the Insolvency and Bankruptcy Code, 2016 during the year, therefore there is no requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
- The requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done

while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable during the year.

for the wholehearted support and confidence reposed on the Company.

For and on behalf of the Board of Directors,
KOGTA FINANCIAL (INDIA) LIMITED

Sd/-

RADHA KRISHAN KOGTA

Chairman

DIN: 00197552

Date: May 05, 2022

Place: Jaipur

CIN: U67120RJ1996PLC011406

Registered Office: 'Kogta House', Azad Mohalla, Near Railway Station, Bijainagar – 305624, Rajasthan

42. ACKNOWLEDGEMENT

Your Directors express sincere appreciation and gratitude to the employees of the Company at all levels for their dedicated service and commitments, to the Reserve Bank of India, Rating Agencies, Stock Exchanges, Debenture Trustees, RTAs, Depositories, Central and State Governments and its statutory bodies for the support, guidance and co-operation. Your directors wish to thank the Customers, Investors, Shareholders, Debenture holders, Bankers, Auditors and other financial institutions and other stakeholders

ANNEXURE - 1

Nomination and Remuneration Policy

1. INTRODUCTION

Kogta Financial (India) Limited ('the Company' or "Kogta" or "KFL") is a Non-Banking Financial Company ('NBFC') having valid Certificate of Registration with Reserve Bank of India ('RBI') vide registration no. B.10.00086 dated May 27, 2016 under current RBI classification as NBFC - Investment and Credit Company (NBFC-ICC) – Non Deposit taking Systemically Important ('ICC-ND-SI') with more than 20 years of experience in asset finance business.

It is focused on offering financing of all kind of commercial vehicles (HCV, LCV, MUV, SCV), Cars, Tractors, Two-wheelers and MSME & Loan against property segment.

2. REGULATORY REQUIREMENT

The Nomination and Remuneration Policy ("Policy") is being formulated in compliance with Section 178 of the Companies Act, 2013 read with applicable rules thereto, as amended from time to time. This Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), senior management (as defined below) and to harmonise the aspirations of human resources with the goals of the Company.

This policy shall act as guidelines on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

3. OBJECTIVE

This objective of the policy is to ensure that: -

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors to run the Company successfully.
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

This includes reviewing and approving corporate goals and objectives relevant to the compensation of the executive Directors, evaluating their performance in light of those goals and objectives and either as a Committee or together with the other independent Directors (as directed by the Board), determine and approve executive Directors' compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation that are subject to approval of the Board.

4. DEFINITIONS

- a. **'Board'** means Board of Directors of the Company.
- b. **'Directors'** means directors of the Company.
- c. **'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act.
- d. **'Independent Director'** means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- e. **'Key Managerial Personnel (KMP)'** shall mean the officers of the Company as defined in Section 2(51) of the Act: -
 - i. the Chief Executive Officer (CEO) or the managing director or the manager;
 - ii. the Company secretary;
 - iii. the whole time director;
 - iv. the Chief Financial Officer (CFO);
 - v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - vi. such other officer as may be prescribed.
- f. **Senior Management** means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, i.e. Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Company Secretary.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has the power to constitute/reconstitute the Committee from time to time in order to make it consistent with Company's policy and applicable statutory requirements. As per the Companies Act, 2013 ("Act"), Nomination and Remuneration Committee ("Committee") shall consist three or more non-executive directors out of which not less than one-half shall be independent directors. Further details of members of the Committee shall be disclosed in the Board Report.

6. ROLE OF THE COMMITTEE

The Nomination and Remuneration Committee shall: -

- i. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- ii. Recommend to the Board their appointment and removal;
- iii. Specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee;
- iv. Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- v. Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- vi. Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

7. MEETINGS OF THE COMMITTEE

The meeting of the Committee shall be held at regular intervals as deemed fit and appropriate. The Company Secretary of the Company shall act as the Secretary of the Committee. The Chairman of the Committee or in his absence any other member of the Committee authorized by him on his behalf shall attend general meetings of the Company.

A member of the Committee is not entitled to participate in the discussions when his/her remuneration is discussed at a meeting or when his/her performance is being evaluated and the Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. POLICY FOR REMUNERATION TO DIRECTORS/ KMP/SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing Director / Whole-time Directors

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the members of the Company.
- b) The Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2. Remuneration to Non-Executive & Independent Directors: -

a) Sitting Fees:

The Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee / general meetings thereof in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

b) Commission:

The profit-linked/related commission shall be paid within the monetary limit approved by the shareholders of the Company.

- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration, and following conditions shall be satisfied:
 - i. The Services are rendered by such Director in his/her capacity as the professional; and
 - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3. Remuneration to Key Managerial Personnel and Senior Management

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time, by the Managing Director of the Company as per the Company's Policy.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

9. TERMS AND TENURE

1. Managing Director / Whole-time Director / Manager (Managerial Person):

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

An Independent Director may hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

10. PERFORMANCE EVALUATION

The Committee shall specify the manner for effective evaluation of performance of Board, its Committees and individual directors of the Company.

The Board of Directors shall carry out the performance evaluation of every individual director except the director being evaluated, along with its various Board Committees and Board as whole.

Evaluation performance should be carried out at least once in a year accordance with the above manner.

11. REMOVAL

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act and rules.

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

12. REVIEW

The Company's CEO, CFO and COO have been entrusted with the responsibility of enforcement of this policy. They are hereby given absolute power to jointly or severally, make necessary changes, amendments or additions or removals for the operational aspects of the policy within the overall spirit and guidance from time to time for reasons like technology or process upgradation, regulatory changes, maintaining competitive edge or responding to changes in market or risk environment, etc. This is required to ensure full operational freedom to the senior management and make the management team more adaptive to rapid changing external environment. All changes so made shall be noted to the policy approving authority during the next policy review.

The CEO, CFO and COO can decide on delegation of authority and can design / redesign MIS systems and reporting as they see fit to improve the responsibility and accountability within the team hierarchy.

ANNEXURE - 2

Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

The object of CSR Policy of the Company is to continue to contribute towards social welfare projects in area of Education & Livelihood, Environment and promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013 ('Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('Rules').

Our CSR Policy delineates the structure for driving social initiatives across locations and projects. Our social initiatives have been designed for community development in compliance of the CSR Policy as prescribed under the Schedule VII of the Act and with the guidelines issued by the Ministry of Corporate Affairs of the Government of India. CSR Policy is available on the website of the Company at <https://www.kogta.in/investor/policy/>.

We have established the **Kogta Foundation** in year 2020 (a trust incorporated by the Company to make CSR expenditure for and on behalf of the Company), to work pro-actively on ground in consultation with key stakeholders for understanding their social needs and designing sustainable initiatives that promote the wellbeing of the society in the long run.

2. COMPOSITION OF CSR COMMITTEE.

The Board have constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Act. The composition of the CSR Committee as on March 31, 2022, was as under:

Sl. No.	Name of Director	Designation/ Directorship	Designation in Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Radha Krishan Kogta	Whole Time Director & Chairman	Chairman	4	4
2.	Mr. Varun Kogta	Whole Time Director & Chief Financial Officer	Member	4	4
3.	Mr. P R Kalyanaraman	Independent Director	Member	4	4

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

Composition of CSR Committee: <https://www.kogta.in/investor-information/composition-of-board-Committee/>

CSR Policy: <https://www.kogta.in/investor/policy/>

CSR initiatives taken by the Company: <https://www.kogta.in/media-center/csr/>

4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT).

As the Company is not having average CSR obligation of ten crore rupees or more in pursuance of sub section (5) of section 135 of the Act, in the three immediately preceding financial years, an impact assessment is not applicable on the Company.

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY.

The Company had not spent an amount in excess of requirement provided under sub-section (5) of section 135 of the Act, therefore, no amount is required to be set off against the requirement to spend under sub-section (5) of section 135 of the Act, up to immediate succeeding three financial years.

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5).

Average net profit: INR 36,43,36,001.90 (Indian Rupees Thirty Six Crore Forty Three Lakh Thirty Six Thousand One and Nine Zero Paise Only).

7. (a) Two percent of average net profit of the Company as per section 135(5):

INR 72,86,720 (Indian Rupees Seventy Two Lakh Eighty Six Thousand Seven Hundred Twenty only) for Financial Year 2021-22.

(b) **Surplus arising out of the CSR projects or programmers or activities of the previous financial years:** INR 3,346/- (Indian Rupees Three Thousand Three Hundred Forty Six Only) (The said amount is interest earned on Bank balance of Kogta Foundation during the Financial Year 2021-22.)

(c) **Amount required to be set off for the financial year, if any:** Not Applicable

(d) **Total CSR obligation for the financial year (7a+7b-7c):** INR 72,90,066 (Indian Rupees Seventy Two Lakh Ninety Thousand Sixty Six only)

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
73,00,730	Nil	N/A	Nil	Nil	N/A

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project State District	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number
1.	Nil	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Amount spent for the project (in ₹)	Mode of implementation- Direct (Yes/No)	Mode of implementation- Through implementing agency Name CSR Registration number
1	Distribution of blankets to needy people	(i)	Yes	Rajasthan Jaipur	68500	No	Kogta Foundation CSR00008779
2	Distribution of blankets to needy people	(i)	Yes	Rajasthan Jaipur	1276800	Yes	N/A N/A
3	Distribution of T-Shirt to needy people	(i)	Yes	Rajasthan Ajmer	53765	Yes	N/A N/A

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	State	District	Amount spent for the project (in ₹)	Mode of implementation-Direct (Yes/No)	Mode of implementation-Through implementing agency Name	CSR Registration number
4	Distribution of T-Shirt to needy people	(i)	Yes	Rajasthan	Jaipur	148400	No	Kogta Foundation	CSR00008779
5	Donation to promoting education	(i)	Yes	Rajasthan	Ajmer	500813	No	Kogta Foundation	CSR00008779
6	Establishment & Maintenance of safe & clean drinking water plant	(i)	Yes	Rajasthan	Ajmer	129070	No	Kogta Foundation	CSR00008779
7	Establishment & Maintenance of safe & clean drinking water plant	(i)	Yes	Rajasthan	Bhilwara	167800	No	Kogta Foundation	CSR00008779
8	Food donation to needy people	(i)	Yes	Rajasthan	Jaipur	51000	No	Kogta Foundation	CSR00008779
9	Organizing safety & health care program	(i)	Yes	Rajasthan	Jaipur	26604	No	Kogta Foundation	CSR00008779
10	Donation to school for infrastructure development	(ii)	Yes	Rajasthan	Jaipur	500000	No	Kogta Foundation	CSR00008779
11	Donation to school for infrastructure development	(ii)	Yes	Rajasthan	Ajmer	853428	No	Kogta Foundation	CSR00008779
12	Donation for development of crematorium	(iv)	Yes	Rajasthan	Jaipur	500000	No	Kogta Foundation	CSR00008779
13	Donation to development of crematorium	(iv)	Yes	Rajasthan	Ajmer	1221000	No	Kogta Foundation	CSR00008779
14	Donation to Krishna Gopal Gaushala	(iv)	Yes	Rajasthan	Ajmer	600000	No	Kogta Foundation	CSR00008779
15	Establishment & Maintenance of tree guards for protecting trees	(iv)	Yes	Rajasthan	Ajmer	668549	No	Kogta Foundation	CSR00008779
16	Plantation of trees for environmental sustainability	(iv)	Yes	Rajasthan	Ajmer	492285	No	Kogta Foundation	CSR00008779
17	Promoting sports activity	(vii)	Yes	Rajasthan	Jaipur	42716	Yes	N/A	N/A
Total						7300730			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 73,00,730/- (Indian Rupees Seventy-Three Lakh Seven Hundred Thirty only)

(g) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	72,86,720/-
(ii)	Total amount spent for the Financial Year	73,00,730/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]*	14,010/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	3,346/-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	10,664/-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹) 2021-22	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. Name of the Fund	Amount (in ₹)	Date of transfer	Amount remaining to be spent in succeeding financial years (in ₹)
1.	2020-21	Nil	73,00,730	Nil	N/A	N/A	Nil
2.	2019-20	Nil	58,19,292	Nil	N/A	N/A	Nil
3.	2018-19	Nil	11,47,000	Nil	N/A	N/A	18,98,549
TOTAL			1,42,67,022				18,98,549

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
1.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR (ASSET-WISE DETAILS).

(a) Date of creation or acquisition of the capital asset(s): Nil

(b) Amount of CSR spent for creation or acquisition of capital asset: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5).

Not Applicable

For and on behalf of the Board of Directors,
KOGTA FINANCIAL (INDIA) LIMITED

Sd/-
ARUN KOGTA
 Managing Director & CEO
 DIN: 05109722

Date: May 05, 2022
 Place: Jaipur

Sd/-
RADHA KRISHAN KOGTA
 Chairman of CSR Committee
 DIN: 00197552

Date: May 05, 2022
 Place: Jaipur

CIN: U67120RJ1996PLC011406

Registered Office: 'Kogta House', Azad Mohalla, Near Railway Station, Bijainagar – 305624, Rajasthan

ANNEXURE - 3

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by Kogta Financial (India) Limited ("KFL or Kogta Financial") with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto:

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

KFL has not done any contracts/ arrangements/ transactions with related party at non arm's length basis i.e. all the contracts/ contracts/ arrangements/ transactions have been done by KFL at Arm's length basis.

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS

Sr. No.	Nature of Contracts / transaction	Name of the related party	Nature of relationship	Duration of contracts	Salient terms of contracts / transactions	Amount in Rupees
1.	Leasing of property/ Renting of property by KFL.	Mrs. Manju Kogta	Relative of Chairman of KFL.	5 Years	Rent at market rate	4,80,000
		Mrs. Ritu Kogta	Relative of Director of KFL.	5 Years	Rent at market rate	12,20,550
		Mr. Varun Kogta	Whole Time Director & CFO of KFL	5 Years	Rent at market rate	2,40,000
		Kogta Housing Development Private Limited.	Director of KFL is also Director in the said Company.	5 Years	Rent at market rate	7,56,510
2.	Loan and advances given by KFL.	M/s Matangi Stonex LLP	Partner of firm is a relative of Chairman of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	34,00,000
		Mr. Varun Kogta	Whole Time Director & CFO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	30,483
		Mrs. Manju Kogta	Relative of Chairman of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	70,000
		Mr. Arun Kogta	Managing Director & CEO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	26,86,800
		Mrs. Ritu Kogta	Relative of Director of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	25,000
		Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Advances / Loan facility at contractual interest rate	39,36,903
		Alka Estates Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Advances / Loan facility at contractual interest rate	3,14,070
3.	Loan and advances recovered by KFL.	M/s Matangi Stonex LLP	Partner of firm is a relative of Chairman of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	27,47,249
		Jaipur Promotors Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Advances / Loan facility at contractual interest rate	18,041
		Mrs. Manju Kogta	Relative of Chairman of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	70,000
		Alka Estates Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Advances / Loan facility at contractual interest rate	3,14,070
		Mr. Varun Kogta	Whole Time Director & CFO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	30,483
		Mrs. Ritu Kogta	Relative of Director of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	25,000
		Mr. Arun Kogta	Managing Director & CEO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	26,86,800
		Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Advances / Loan facility at contractual interest rate	34,41,551

Sr. No.	Nature of Contracts / transaction	Name of the related party	Nature of relationship	Duration of contracts	Salient terms of contracts / transactions	Amount in Rupees
4.	Interest Income received by KFL.	Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Interest on loans and advances at applicable rates.	1,84,500
		M/s Matangi Stonex LLP	Partner of firm is a relative of Chairman of KFL.	Various maturities	Interest on loans and advances at applicable rates.	95,326
		Mr. Arun Kogta	Managing Director & CEO of KFL	Various maturities	Interest on loans and advances at applicable rates.	11,150
5.	Loan and advances received by KFL.	Mr. Arun Kogta	Managing Director & CEO of KFL	Various maturities	On interest rate decided by the Board of Directors of KFL.	28,31,600
		Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	On interest rate decided by the Board of Directors of KFL.	1,91,70,558
6.	Loan and advances repaid by KFL.	Mr. Arun Kogta	Managing Director & CEO of KFL	Various maturities	On interest rate decided by the Board of Directors of KFL.	28,31,600
		Mr. Banwari Lal Kogta	Relative of Director of KFL.	Various maturities	On interest rate decided by the Board of Directors of KFL.	46,18,603
		Mrs. Durga Devi Kogta	Relative of Director of KFL.	Various maturities	On interest rate decided by the Board of Directors of KFL.	15,41,055
		Mrs. Nidhi Kogta	Relative of Director of KFL.	Various maturities	On interest rate decided by the Board of Directors of KFL.	11,30,107
		Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	On interest rate decided by the Board of Directors of KFL.	2,53,53,023
7.	Interest Expenses paid by KFL.	Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Interest on borrowing/ loan at applicable rates.	6,33,627
		Mr. Banwari Lal Kogta	Relative of Director of KFL.	Various maturities	Interest on borrowing/ loan at applicable rates.	2,44,109
		Mrs. Durga Devi Kogta	Relative of Director of KFL.	Various maturities	Interest on borrowing/ loan at applicable rates.	81,370
		Mr. Arun Kogta	Managing Director & CEO of KFL	Various maturities	Interest on borrowing/ loan at applicable rates.	6,485
		Mrs. Nidhi Kogta	Relative of Director of KFL.	Various maturities	Interest on borrowing/ loan at applicable rates.	59,672
8.	Commission paid by KFL	M/s Easy Recovery Solutions	Proprietor of Firm is a relative of Chairman of KFL	5 Years	Commission for Recovery Agent services	22,56,877
9.	CSR Contribution	Kogta Foundation	Settlor is KFL	-	CSR Contribution	59,00,000

For and on behalf of the Board of Directors,
KOGTA FINANCIAL (INDIA) LIMITED

Sd/-
RADHA KRISHAN KOGTA
 Chairman
 DIN: 00197552

Date: May 05, 2022
 Place: Jaipur

CIN: U67120RJ1996PLC011406

Registered Office: 'Kogta House', Azad Mohalla, Near Railway Station, Bijainagar – 305624, Rajasthan

ANNEXURE - 4

Corporate Governance Report

1. OUR PHILOSOPHY CORPORATE GOVERNANCE

Your Company believes that good governance practices, internal control systems, transparent operational activities and proper risk management system are essential for sustainable business. Your Company focuses on enhancement of long-term shareholder value without compromising on ethical standards, corporate social and business responsibilities. Your Company believes that its business plans should be consistent with the above objective leading to sustained corporate growth and long-term benefit to all.

Your Company follows this principle meticulously in all its business dealings and decisions. For us, corporate governance is a reflection of principles entrenched in our values and policies and also embedded in our day-to-day business practices, leading to value driven growth. The governance processes and practices ensure that the interest of all stakeholders is taken into account in a balanced and transparent manner and are firmly embedded into the culture and ethos of the organisation.

Your Company has an active, experienced, diverse and a well-informed Board. Through the governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities towards all its stakeholders by encompassing best practices to support effective and ethical leadership, sustainability and good corporate citizenship.

Key elements of your Company's corporate governance -

- Compliance with all applicable laws, rules and regulations within prescribed time and spirit;
- The Company's Board is composed of directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management as required;
- The Board comprises of independent directors with outstanding track record and reputation;

- There are separate meetings of independent directors without presence of non-independent directors or executive management;
- There is a confidential Board evaluation process where each Board member evaluates the performance of every Director, Committees of the Board, the Chairman of the Board and the Board itself; and
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions.

2. BOARD OF DIRECTORS

i. Composition

The Board of Directors ("Board") of the Company consists of professionals from varied disciplines. The day-to-day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Chairman and Managing Director, who functions under the overall supervision, direction and control of the Board of the Company.

The composition of the Board is in conformity with the Companies Act, 2013 and rules made thereunder and having diverse experience and expertise in their respective areas. As on March 31, 2022, the Board comprised 9 (nine) Directors, consisting of 3 (three) Independent Directors including a women Independent Director, 3 (three) Non-Executive and 3 (three) Executive Directors. The Independent Directors of the Company are duly registered on the Independent Directors databank and have submitted their annual disclosures/declarations with respect to the criteria of independence as stipulated under the Companies Act, 2013, and confirmed that they are independent of the management and meet the criteria of independence laid down thereunder.

The composition and category of Directors as on March 31, 2022, is as follows:

Sl. No.	Name of the Director	Category	Designation
1.	Mr. Radha Krishan Kogta*	Promoter & Executive Director	Chairman & Whole Time Director
2.	Mr. Arun Kogta*	Promoter & Executive Director	Managing Director & Chief Executive Officer
3.	Mr. Varun Kogta*	Promoter & Executive Director	Whole Time Director & Chief Financial Officer
4.	Mr. P R Kalyanaraman	Non-Executive Director	Independent Director
5.	Mr. Kumar Sharadindu	Non-Executive Director	Independent Director
6.	Mrs. Shashikala Ramachandra	Non-Executive Director	Independent Director
7.	Mr. Amit Mehta	Non-Executive Director	Nominee Director representing IIFL Seed Ventures Fund I (Investor)
8.	Mr. Arjun Saigal	Non-Executive Director	Non-Executive Director representing NHPEA Rimo Holding B.V. (Investor)
9.	Mr. Robin Bhanwarlal Agarwal	Non-Executive Director	Non-Executive Director representing Aditya (Mauritius) Limited (Investor)

Note:

* Mr. Radha Krishan Kogta has been re-appointed as Chairman & Whole Time Director, Mr. Arun Kogta has been re-appointed as Managing Director & Chief Executive Officer and Mr. Varun Kogta has been re-appointed as Chief Financial Officer of the Company in the Board Meeting held on May 19, 2021.

- Disclosure of Relationships between directors inter-se;

Sl. No.	Name of the Director	Relationship
1.	Mr. Arun Kogta	Brother of Mr. Varun Kogta
2.	Mr. Varun Kogta	Brother of Mr. Arun Kogta

ii. The brief description consisting of skills and domain expertise of the Board of directors of the Company are as under:

All the Directors possess requisite qualifications and experience in general corporate management, banking, finance, economics, marketing, digitisation, analytics, strategy formulation and other allied fields that allow them to contribute effectively by actively participating in the Board and Committee Meetings, providing valuable guidance and expert advice to the Board and the Management and enhancing the quality of Board's decision making process.

iii. Board Meetings

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business decisions. The discussion among the Board members are held in detail, wherein the Board spends considerable time reviewing the information provided to them, which facilitates informed decision-making and effective participation at meetings.

The Board meetings of the Company are organised by giving appropriate notice, agenda papers and other explanatory notes/presentation/relevant information for the directors of the Company in compliance of applicable requirement under Secretarial Standard-I.

Several Board and Committee meetings were conducted through audio visual means as per the relevant Circulars/Rules issued by the Ministry of Corporate Affairs ('MCA') from time to time, for conducting meetings during the ongoing COVID-19 pandemic. The Board met at least once in a calendar quarter and the maximum time gap between any two meetings was not more than one hundred and twenty days. These meetings were well attended.

During the year Company's board met 6 (six) times on May 07, 2021, May 19, 2021, August 18, 2021, October 29, 2021, February 08, 2022, and March 28, 2022.

Besides, Directors of the Company has passed resolution by circulation on viz. June 29, 2021; September 16, 2021; September 21, 2021, and December 14, 2021.

Attendance of each Director at the Board meetings held during the year and the last Annual General Meeting and the number of other Directorship as on March 31, 2022:

Name of Director	Board Meeting entitled to attend during FY 2021-22	No. of Board Meetings attended during the FY 2021-22	Attendance at Last AGM	No. of Directorship in Boards (Excluding Kogta Financial (India) Limited)		No. of equity shares held in Kogta Financial (India) Limited as on March 31, 2022
				Public	Private	
Mr. Radha Krishan Kogta	6	6	Yes	-	2	729500
Mr. Arun Kogta	6	6	Yes	-	-	791000
Mr. Varun Kogta	6	6	Yes	-	-	627000
Mr. P R Kalyanaraman	6	6	Yes	3	1	NIL
Mr. Amit Mehta	6	6	No	1	3	6700
Mr. Arjun Saigal	6	6	No	1	2	NIL
Mr. Kumar Sharadindu	6	6	No	2	-	NIL
Mr. Robin Bhanwarlal Agarwal	6	6	No	-	1	NIL
Mrs. Shashikala Ramachandra	6	6	No	-	-	NIL

Details of directorship in other Listed Entities of Director(s) as on March 31, 2022.

Name of Director	Name of Listed Entity	Category
Mr. Radha Krishan Kogta	Nil	N/A
Mr. Arun Kogta	Nil	N/A
Mr. Varun Kogta	Nil	N/A
Mr. P R Kalyanaraman	Coastal Corporation Limited	Independent Director
Mr. Amit Mehta	Nil	N/A
Mr. Arjun Saigal	Nil	N/A
Mr. Kumar Sharadindu	Nil	N/A
Mr. Robin Bhanwarlal Agarwal	Nil	N/A
Mrs. Shashikala Ramachandra	Nil	N/A

Notes:

- None of the Directors on the Board hold directorship in more than Ten (10) Public Limited Companies and not exceeding Twenty (20) Companies in compliance of requirement of the Companies Act, 2013.
- None of the Independent Director serves as an Independent Director in more than Seven (7) Listed Companies.
- None of the Directors are related with each other except Mr. Arun Kogta and Mr. Varun Kogta.
- All independent Directors confirmed that they meet the criteria of independence.
- None of the Director belong to promoters or promoter group except Mr. Radha Krishan Kogta, Mr. Arun Kogta and Mr. Varun Kogta.
- None of the Non-Executive Directors hold any convertible instruments of the Company.

iv. Remuneration of Directors

The success of an organisation in achieving good performance and good governing practices depends on its ability to attract and retain quality individuals with requisite knowledge and excellence as Executive and Non-Executive Directors. The Nomination and Remuneration Committee ("NRC") reviews and assesses Board composition and recommends the appointment of new Directors. Based on recommendations of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member.

Your Company has a well-defined Remuneration Policy for its Directors, Key Managerial Personnel and senior management, regulated by NRC. The Policy has set of principles and objectives as more fully and particularly envisaged under Section 178 of the Companies Act, 2013 and principles pertaining to qualifications, positive attributes, integrity and independence of Directors, etc. The NRC while determining the remuneration of the Directors shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully.

The Independent Directors are entitled to receive sitting fees for attending Board Meeting, Committees Meeting and General Meeting and profit related commission, as approved by the shareholders of the Company, time to time. The remuneration to the Managing Director and Whole Time Director(s) is paid as determined by the NRC/Board of Directors which is also approved by the shareholders at the General Meeting.

3. COMMITTEES OF THE BOARD

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as required.

The Board has established the following statutory and non-statutory Committees in line with the Companies Act, 2013 and Rules made thereunder, and Master Directions of Reserve Bank of India, i.e. Audit Committee, Nomination and Remuneration Committee, Asset Liability Management Committee, Risk Management Committee, Corporate Social Responsibility Committee, Loan & Investment Committee, Compensation Committee, Management Committee, IT Strategy Committee and IT Steering Committee.

The composition and functioning of these Committees are in compliance with the applicable provisions of the Companies Act, 2013. Further, the constitution and role of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Asset Liability Management Committee, and IT Strategy Committee is also in consonance with the Corporate Governance Master Directions issued by the Reserve Bank of India.

During the year under review, all recommendations received from its Committees were accepted by the Board.

Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

(a) Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 ('Act'). All the members of the Committee have wide experience in fields of Banking & Finance, Regulatory and Financial service industry.

The terms of reference of this Committee are in accordance with the Act, which inter alia includes:

- 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;
- Reviewing, with the management, the Financial Statements before submission to the Board.
- Approval or any subsequent modification of transactions of the Company with related parties and granting omnibus approval to related party transactions which are in the ordinary course of business and on an arm's length basis and to review and approve such transactions;
- Scrutiny of inter-corporate loans and investments, if any;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- To review the functioning of the vigil mechanism;
- To review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively; and
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment, or modification, as may be applicable.

All Committee meetings were duly held and convened by giving proper notices and within the stipulated timelines as provided under the Companies Act, 2013 and other regulatory requirements. The Audit Committee met 4 (four) times on May 19, 2021, August 18, 2021, October 29, 2021, and February 08, 2022.

The particulars of members of the Audit Committee, number of meetings held/attended during the tenure of a particular member, attendance of the members at the meetings are mentioned hereunder:

Name of the Member	Category	No. of meetings in which Member is entitled to attend	
		Held	Attended
Mr. P R Kalyanaraman	Independent Director as Chairman	4	4
Mr. Varun Kogta	Whole Time Director & Chief Financial Officer as Member	4	4
Mr. Kumar Sharadindu	Independent Director as Member	4	4
Mrs. Shashikala Ramachandra	Independent Director as Member	4	4

Mr. Rahul Agrawal, the Company Secretary acted as the secretary to this Committee.

The Board has accepted all the mandated recommendations made by the Audit Committee during the year. Besides the members of the Committee, meetings of the Audit Committee can be attended by the Invitees, the Company Secretary, the Statutory Auditors, Internal Auditor and Secretarial Auditor, etc.

(b) Risk Management Committee (RMC)

The Company has constituted Risk Management Committee (RMC) in line with the provisions of the RBI Master Direction, 2016.

The Committee reviews the Risk Management Policy, document and improve risk management practices, ensure appropriate / adequate reporting to the Board, manage the integrated risk, and any other matter as the Committee may deem fit. The Committee is involved in the process of identification, measurement, monitoring and mitigation of the various risks faced by the Company.

The terms of reference of the Risk Management Committee, inter alia, shall include the following:

- Review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work;
- Ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's appetite or tolerance for risk;
- Review of Risk Management Policy; and
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

During the year, the Risk Management Committee met 4 (four) times on May 18, 2021, August 18, 2021, October 28, 2021 and January 28, 2022.

The particulars of members of the Risk Management Committee, number of meetings held/attended during the tenure of a particular member, attendance of the members at the meetings are mentioned hereunder:

Name of the Member	Category	No. of Meetings in which Member is entitled to attend	
		Held	Attended
Mrs. Shashikala Ramachandra	Independent Director as Chairperson	4	4
Mr. Arun Kogta	Managing Director & Chief Executive Officer as Member	4	4
Mr. Varun Kogta	Whole Time Director & Chief Financial Officer as Member	4	4
Mr. Nayan Kogta	Chief Operating Officer as Member	4	4
Mr. Shobhit Nawal	Finance Controller as Member	4	4
*Mr. Kumar Sharadindu	Independent Director as Member	1	1
*Mr. P R Kalyanaraman	Independent Director as Member	1	1

*Mr. Kumar Sharadindu and Mr. P R Kalyanaraman has been appointed as member of the Committee w.e.f. October 29, 2021.

Mr. Rahul Agrawal, the Company Secretary acted as the secretary to this Committee.

(c) Nomination and Remuneration Committee (NRC)

The constitution of the Nomination and Remuneration Committee (NRC) is in compliance with the provisions of Section 178 of the Companies Act, 2013 ("Act").

The terms of reference of the Committee, *inter alia*, includes formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and Senior Management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of Nomination & Remuneration Policy for directors, key managerial personnel and senior management, formulation of criteria for evaluation of performance of independent directors and the Board, review of remuneration of senior management team, etc. The terms of reference are placed on Company's website at <https://www.kogta.in/investor/policy/>.

During the year, Nomination and Remuneration Committee met 1 (one) time on May 18, 2021.

The particulars of members of the Nomination & Remuneration Committee, number of meetings held/attended during the tenure of a particular member, attendance of the members at the meetings are mentioned hereunder:

Name of the Member	Category	No. of Meetings in which Member is entitled to attend	
		Held	Attended
Mr. P R Kalyanaraman	Independent Director as Chairman	1	1
Mr. Amit Mehta	Nominee Director as Member	1	1
Mr. Kumar Sharadindu	Independent Director as Member	1	1

Mr. Rahul Agrawal, the Company Secretary acted as the secretary to this Committee.

As per Section 178(7) of the Act and the Secretarial Standards, the Chairperson of the Committee or, in his/her absence, any other member of the Committee authorised by him/her in this behalf shall attend the General Meetings of the Company. Mr. P R Kalyanaraman, Chairman of the Committee was present at the 25th Annual General Meeting of the Company held on July 09, 2021 and Extra Ordinary General Meetings held on September 15, 2021 and March 31, 2022.

(d) Corporate Social Responsibility Committee

The Company has constituted Corporate Social Responsibility Committee (CSR Committee) in line with the provisions of Section 135 of the Companies Act, 2013 ("Act") which has substantial roles and responsibilities in respect of projects to be recommended to the Board and also for the monitoring of the CSR projects and reporting.

In terms of the provisions of the Act read with amended Companies (Corporate Social Responsibility Policy) Rules, 2014, the 'Annual Report on CSR activities' in the format prescribed under Annexure II of the said Rules is annexed as **Annexure-2** to this Board's Report.

The terms of reference of the CSR Committee are as follows:

- Formulate and recommend to the Board, a CSR policy, which shall indicate the activities to be undertaken by the Company as per Companies Act, 2013 and rules made thereunder;
- Review and recommend the amount of expenditure to be incurred on CSR activities;
- Institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time;
- Monitor the CSR policy of the Company from time to time;
- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy of the Company; and
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

During the year, CSR Committee met 4 (four) times on May 18, 2021, August 17, 2021, October 28, 2021 and January 28, 2022.

The particulars of members of the CSR Committee, number of meetings held/attended during the tenure of a particular member, attendance of the members at the meetings are mentioned hereunder:

Name of the Member	Category	No. of meetings in which Member is entitled to attend	
		Held	Attended
Mr. Radha Krishan Kogta	Whole Time Director as Chairman	4	4
Mr. Varun Kogta	Whole Time Director & Chief Financial Officer as Member	4	4
Mr. P R Kalyanaraman	Independent Director as Member	4	4

Mr. Rahul Agrawal, the Company Secretary acted as the secretary to this Committee.

(e) Asset Liability Management Committee

The Company has constituted Asset Liability Management Committee (ALCO) in line with provisions of RBI Master Direction, 2016 and Asset Liability Management (ALM) System for NBFCs – Guidelines. The ALCO reviews the assets and liabilities position of the Company and gives directions to the finance teams in managing the same. The classification of assets and liabilities by the Company into various maturity buckets reflects adjustments for prepayments and renewals in accordance with the guidelines issued by Reserve Bank of India.

The terms of reference of the Asset Liability Management Committee, inter alia, shall include the following:

- Management of liquidity position, long term and short term;
- Review of ALM Returns to be submitted to RBI;
- Decision on disposal of surplus funds of the Company for shorter durations (up to 6 months);
- Consider and approve any other matters related to liquidity and market risk management including matters that might be required by the Reserve Bank of India (RBI) to be dealt with by ALCO and by the Board of Directors, from time to time; and
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

During the year, the ALCO met 4 (four) times on May 15, 2021, August 17, 2021, October 27, 2021 and January 08, 2022.

The particulars of members of the Asset Liability Management Committee, number of meetings held/attended during the tenure of a particular member, attendance of the members at the meetings are mentioned hereunder:

Name of the Member	Category	No. of Meetings in which Member is entitled to attend	
		Held	Attended
Mr. Arun Kogta	Managing Director & Chief Executive Officer as Chairman	4	4
Mr. Varun Kogta	Whole Time Director & Chief Financial Officer as Member	4	4
Mr. Shobhit Nawal	Finance Controller as Member	4	4

Mr. Rahul Agrawal, the Company Secretary acted as the secretary to this Committee.

(f) IT Strategy Committee

The Board constituted the IT Strategy Committee in compliance with the provisions of the Master Direction issued by the Reserve Bank of India specifying the Information Technology framework to be adopted for the NBFC sector.

The terms of reference of the IT Strategy Committee are guided by the prescriptions of the Master Direction - Information Technology Framework for the NBFC Sector issued by the Reserve Bank of India which inter-alia includes to approve and monitor information technology ("IT") strategy and policy documents, monitor processes and practices to ensure IT delivers value to business, ensure that IT investments represent a balance of risks and benefits, determine the IT resources required to achieve strategic goals, providing high-level direction for sourcing and use of IT resources and managing IT related risks.

The terms of reference of the IT Strategy Committee, inter alia, shall include the following:

- Approve IT strategy and policy documents and review the same from time to time and ensure that the management has put an effective strategic planning process in place;
- Ascertain that the management has implemented processes and practices to ensure that IT delivers value to the business and ensure that IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Ensure an independent review and audit in accordance with approved policies and procedures;
- Ensure that business continuity preparedness is not adversely compromised on account of outsourcing; and
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

During the year the IT Strategy Committee met 3 (three) times on May 17, 2021, October 28, 2021 and March 16, 2022.

The particulars of members of the IT Strategy Committee, number of meetings held/attended during the tenure of a particular member, attendance of the members at the meetings are mentioned hereunder:

Name of the Member	Category	No. of Meetings in which Member is entitled to attend	
		Held	Attended
Mr. P. R. Kalyanaraman	Independent Director as Chairman	3	3
Mr. Arun Kogta	Managing Director & Chief Executive Officer as Member	3	2
Mr. Varun Kogta	Chief Information Officer (CIO) as Member	3	3
Mr. Vinod Maheshwari	Chief Technology Officer (CTO) as Member	3	3
*Mr. Chandan Agarwal	Head Product Development & New Business Initiatives as Member	3	3
**Mr. Devendra Kumar Pareek	Senior Manager - IT and System as Member	1	1

* Mr. Chandan Agarwal has been appointed as member of the Committee w.e.f. May 07, 2021.

** Mr. Devendra Kumar Pareek has been appointed as member of the Committee w.e.f. February 08, 2022.

Mr. Rahul Agrawal, the Company Secretary acted as the secretary to this Committee.

(g) IT Steering Committee

The Board constituted the IT Steering Committee in compliance with the provisions of the Master Direction issued by the Reserve Bank of India specifying the Information Technology framework to be adopted for the NBFC sector.

The terms of reference of the IT Steering Committee, inter alia, shall include the following:

- Operating at an executive level and focusing on priority setting, resource allocation and project tracking;

- To provide oversight and monitoring of the progress of the project, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable;
- Undertake any other responsibility as laid down by RBI and Board of Directors from time to time; and
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

During the year the IT Steering Committee met 4 (four) times on May 17, 2021, August 17, 2021, October 27, 2021 and January 19, 2022.

The particulars of members of the IT Steering Committee, number of meetings held/attended during the tenure of a particular member, attendance of the members at the meetings are mentioned hereunder:

Name of the Member	Category	No. of Meetings in which Member is entitled to attend	
		Held	Attended
*Mr. Chandan Agarwal	Head Product Development & New Business Initiatives as Chairman	4	4
**Mr. Varun Kogta	Whole Time Director & Chief Financial Officer as Member	4	4
Mr. Vinod Maheshwari	Chief Technology Officer (CTO) as Member	4	3
***Mr. Deepak Patil	Member	3	3
****Mr. Devendra Kumar Pareek	Senior Manager - IT and System as Member	1	1

*Mr. Chandan Agarwal has been appointed as a Member of the Committee w.e.f. May 07, 2021 and became Chairman of the Committee w.e.f. October 29, 2021.

**Change in designation of Mr. Varun Kogta from Chairman to Member w.e.f. October 29, 2021.

***Mr. Deepak Patil ceased to be member of the Committee w.e.f. October 29, 2021.

****Mr. Devendra Kumar Pareek has been appointed as a Member of the Committee w.e.f. October 29, 2021.

Note: Mr. Durgesh Mali ceased to be member of the Committee w.e.f. May 07, 2021.

Mr. Rahul Agrawal, the Company Secretary acted as the secretary to this Committee.

(h) Loan & Investment Committee

In according to Section 179(3) of the Companies Act, 2013, the Board has constituted Loan & Investment Committee to delegate its powers to borrow money and to invest the funds of the Company.

The terms of reference of the Loan & Investment Committee, inter alia, shall include the following: -

- To approve borrowings from time to time, any sum or sums of money for the purpose of the Company not exceeding the limit approved by the shareholders under the section of 180(1)(c) of the Companies Act, 2013 from time to time;
- Authority to create mortgage, charge etc. to secure borrowings not exceeding the limit approved by the shareholders under the section of 180(1)(a) of the Companies Act, 2013 from time to time;
- To approve all proposals of investment/disinvestment of surplus funds available with the Company;
- To approve and open any type of separate account(s) i.e. Cash Credit account, Current account etc. with one or more banks and also authorize any person(s) to operate such account(s) as authorised signatory(ies);
- To approve and do all types of securitization and assignment transaction with one or more lenders, banks and/or any other Financial institutions; and
- Such other powers/authorities, as may be decided by the Board, from time to time, in connection with the offer and allotment of the Debt Security.

During the year Loan & Investment Committee met 46 (forty six) times on April 09, 2021, April 22, 2021, May 11, 2021, May 17, 2021, June 08, 2021, June 28, 2021, June 30, 2021, July 05, 2021, July 08, 2021, July 13, 2021, July 24, 2021, August 12, 2021, August 20, 2021, August 31, 2021, September 13, 2021, September 17, 2021, September 20, 2021,

September 22, 2021, September 23, 2021, September 27, 2021, September 29, 2021, October 07, 2021, October 27, 2021, November 01, 2021, November 08, 2021, November 20, 2021, November 30, 2021, December 04, 2021, December 10, 2021, December 15, 2021, December 20, 2021, December 23, 2021, December 30, 2021, January 10, 2022, January 18, 2022, January 29, 2022, February 09, 2022, February 19, 2022, February 26, 2022, March 09, 2022, March 14, 2022, March 16, 2022, March 22, 2022, March 26, 2022, March 28, 2022 and March 30, 2022.

The particulars of members of the Loan & Investment Committee, number of meetings held/attended during the tenure of a particular member, attendance of the members at the meetings are mentioned hereunder:

Name of the Member	Category	No. of Meetings in which Member is entitled to attend	
		Held	Attended
Mr. Varun Kogta	Whole Time Director & Chief Financial Officer as Chairman	46	46
Mr. Arun Kogta	Managing Director & Chief Executive Officer as Member	46	17
Mr. Nayan Kogta	Chief Operating Officer as Member	46	46
Mr. Shobhit Nawal	Finance Controller as Member	46	43

Mr. Rahul Agrawal, the Company Secretary acted as the secretary to this Committee.

(i) Compensation Committee

The Compensation Committee functions according to the role and the power delegated to it by the Board, including to consider, discuss and approve the Employee Stock Options (“ESOP”) schemes of the Company and to identify the eligible employees to whom ESOPs shall be given.

The terms of reference of the Compensation Committee, inter alia, shall include the following: -

- To make a plan and shortlist employee to grant, vest and exercise Employee Stock Options;
- To approve the grant letter including the vesting plan of each employee and option acceptance letter;
- To consider and approve the Staff Car Policy of the Company and provide approval to the employees as per term & conditions of the said policy;
- To allot equity share to the eligible employees (as identified by the Committee), who shall exercise its rights to subscribe the ESOPs under the Kogta Employee Stock Option Scheme of the Company; and
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

During the year, the Compensation Committee met 6 (six) times on May 17, 2021, June 24, 2021, August 17, 2021, October 16, 2021, December 29, 2021 and March 29, 2022.

The particulars of members of the Compensation Committee, number of meetings held/attended during the tenure of a particular member, attendance of the members at the meetings are mentioned hereunder:

Name of the Member	Category	No. of Meetings in which Member is entitled to attend	
		Held	Attended
Mr. Arun Kogta	Managing Director & Chief Executive Officer as Chairman	6	6
Mr. Varun Kogta	Whole Time Director & Chief Financial Officer as Member	6	6
Mr. Nayan Kogta	Chief Operating Officer as Member	6	6

Mr. Rahul Agrawal, the Company Secretary acted as the secretary to this Committee.

(j) Management Committee

The Management Committee functions according to the role and the power delegated to it by the Board.

The terms of reference of the Management Committee, inter alia, shall include the following: -

- To prepare, arrange, execute, file and sign all application(s), letter(s), form(s), agreement(s) or any other document(s) as may be necessary with Registrar or any Government bodies to get register and/or renew such registration(s) of the Branch offices of the Company under the Shop and Establishment Act as notified by the related states and under any other Act, as required and necessary;
- To prepare, arrange, execute, file and sign all application(s), letter(s), form(s), agreement(s) or any other document(s) as may be necessary to transact the Administrative activities related to financial and non- financial transaction(s) with Customers/service providers including but not limited to RTO, Seizer, Lawyer, Valuer, Parking yard, Etc./agents including but not limited to Direct Selling Agents, Direct Marketing Agents, Business Associate Agents, Etc. /Government and Non- Government departments and all other statutory bodies/authorities on behalf of the Company; and
- To delegate all or any aforesaid powers to any other person/ employee of the Company and/or to any outsider agency or person as may deems fit by the Management Committee and to do all or any acts as mentioned above with or without any specific condition(s) as may be deem fit for benefit of the Company.

During the year the Management Committee met 1 (one) time on April 26, 2021.

The particulars of members of the Management Committee, number of meetings held/attended during the tenure of a particular member, attendance of the members at the meetings are mentioned hereunder:

Name of the Member	Category	No. of Meetings in which Member is entitled to attend	
		Held	Attended
Mr. Varun Kogta	Whole Time Director & Chief Financial Officer as Chairman	1	1
Mr. Rahul Agrawal	Company Secretary & Compliance Officer as Member	1	1
Mr. Manoj Sharda	National Operation Manager as Member	1	1
Mr. Vijendra Singh	Chief Manager CMS Banking as Member	1	1

Mr. Rahul Agrawal, the Company Secretary also acted as the secretary to this Committee.

4. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met once during the year under review, on February 04, 2022. The meeting conducted in an informal manner without the presence of the Whole Time Director(s), the Non-Executive Non-Independent Directors, or any other Management Personnel.

All Independent Directors were present in the meeting held during the period under the review and no sitting fees was paid to the Independent Directors of the Company for the above said meeting.

5. SHAREHOLDERS GENERAL MEETINGS

- The details of the location and time of the last three annual general meetings are given below: -

Financial Year	Date	Time	Venue	Special Resolution Passed
2021-22	July 9, 2021	1.00 P.M.	Kogta House, Azad Mohalla, Near Railway Station, Bijainagar, Ajmer – 305624, Rajasthan	• Authority to accept borrowings upto an aggregate value not exceeding to INR 3000 Crores; • Authority to create mortgage, charge etc. to secure borrowings upto an aggregate value not exceeding INR 3000 Crores; • Approval to authorise the board to grant loans advances, provide guarantee, security and make investment in terms of section 186 of the Companies Act, 2013; • Approval to change the place, other than the registered office, where books of accounts and other relevant books and statutory registers of the Company may be kept; and • To review and approve remuneration to be paid to executive directors of the Company for financial year 2021-22.

Financial Year	Date	Time	Venue	Special Resolution Passed
2020-21	July 30, 2020	1.00 P.M.	Kogta House, Azad Mohalla, Near Railway Station, Bijainagar, Ajmer – 305624, Rajasthan	- To review and approve remuneration of Mr. Radha Krishan Kogta, Chairman & Whole Time Director of the Company; - To review and approve remuneration of Mr. Arun Kogta, Managing Director & Chief Executive Officer of the Company; and - To review and approve remuneration of Mr. Varun Kogta, Whole Time Director & Chief Financial Officer of the Company.
2019-20	June 30, 2019	1.00 P.M.	Kogta House, Azad Mohalla, Near Railway Station, Bijainagar, Ajmer – 305624, Rajasthan	- To approve increase in remuneration of Mr. Radha Krishan Kogta, Whole Time Director & Chairman of the Company; - To approve increase in remuneration of Mr. Arun Kogta, Managing Director & Chief Executive Officer of the Company; and - To approve increase in remuneration of Mr. Varun Kogta, Whole Time Director & Chief Financial Officer of the Company.

- The details of the location and time of the extra ordinary general meetings held in Financial Year 2021-22 are given below:

Financial Year	Date	Time	Venue	Special Resolution Passed
2021-22	March 31, 2022	10.00 A.M.	S-1, Gopal Bari, Near Ajmer Pulia, Opposite Metro Pillar No. 143, Jaipur – 302001, Rajasthan	- To consider, review and approve the amended articles of association of the Company pursuant to the investors consent on change in the terms of convertible warrants to be exercised by the promoter management as per shareholders' agreement dated September 20, 2019; - Approval of the share subscription agreement amended and restated shareholders' agreement and other related documents; - Approval of the issuance and preferential allotment of compulsorily convertible preference shares on a private placement basis, recordal of the name of the offerees of compulsorily convertible preference shares in the register of members and register of beneficial owners and approval of the draft private placement offer cum application letter; - To vary and adopt the terms of the series A compulsorily convertible preference shares; - To vary and adopt the terms of the series B compulsorily convertible preference shares; - To vary and adopt the terms of the series C compulsorily convertible preference shares; - To vary and adopt the terms of the series D1 compulsorily convertible preference shares; and - To vary and adopt the terms of the series D2 compulsorily convertible preference shares.
2021-22	September 15, 2021	1.00 P.M.	S-1, Gopal Bari, Near Ajmer Pulia, Opposite Metro Pillar No. 143, Jaipur – 302001, Rajasthan	To appoint M/s JC Bhalla & Company, Chartered Accountants, as Statutory Auditors of the Company.

- **Postal Ballot**

During the Financial Year, no resolutions has been passed through postal Ballot.

6. ANNUAL GENERAL MEETING INFORMATION:

AGM Date, Time And Venue	June 27, 2022 at 01:00 P.M. at "Kogta House", Azad Mohalla, Bijainagar – 305624
Financial Year	April 01, 2021 to March 31, 2022
Dividend Payment Date	Within 30 days from declaration of dividend
Registrar And Share Transfer Agent	KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) "Selenium, Tower-B", Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana
Debenture Trustees	CATALYST TRUSTEESHIP LIMITED (Erstwhile GDA Trusteeship Limited) Windsor, 6th Floor, Office No - 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098 Ph.- 022 - 49220505 Email: compliancectl-mumbai@ctltrustee.com IDBI TRUSTEESHIP SERVICES LIMITED Asian Building, 17, R Kamani Rd, Ballard Estate, Fort, Mumbai – 400001 Ph.- 022 - 40807000 Email: itsl@idbitrustee.com
Address For Correspondences	The Company Secretary & Compliance Officer, Kogta Financial (India) Limited Registered Office: "Kogta House", Azad Mohalla Near Railway Station, Bijainagar, Ajmer – 305 624, Rajasthan Corporate Office: S-1, Gopal Bari, Near Ajmer Pulia, Opposite Metro Pillar No. 143, Jaipur – 302001, Rajasthan Ph.- +91 141 - 6767000 Email: compliance@kogta.in
Listing On Stock Exchange(S)	Privately Placed Debentures are Listed on BSE Limited 25 th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400 001 Annual Listing Fees to the stock exchange have been paid for the financial year ended March 31, 2022
Scrip Code / ISIN [listed during FY 2021-22]	Scrip Code: 973482 ISIN: INE192U07228 Scrip Code: 973485 ISIN: INE192U07236 Scrip Code: 973502 ISIN: INE192U07244 Scrip Code: 973503 ISIN: INE192U07251 Scrip Code: 973504 ISIN: INE192U07269 Scrip Code: 973496 ISIN: INE192U08051 Scrip Code: 973662 ISIN: INE192U07285
Share Transfer System	100% of the Equity Shares of the Company are in Demat Form. Transfers of these shares are done through the depositories with no involvement of the Company.

7. SHAREHOLDING AS ON MARCH 31, 2022 (Below details are on fully diluted basis and does not include ESOP and Warrants to be allotted)

a. Distribution of shareholding as on March 31, 2022

Category (Number of Shares)	No. of Shareholders	% of total no. of shareholders	Total shares	% of total no. of shares
1 - 200000	92	82.14	488741	1.82
200001 - 500000	8	7.14	2967500	11.05
500001 - 1000000	8	7.14	4939500	18.38
1000001 - 5000000	2	1.79	6171618	22.97
5000001 & above	2	1.79	12298928	45.78
Total	112	100	26866287	100

b. Categories of Shareholders as on March 31, 2022

Category	No. of Shares	% of Holding
Promoters	9600000	35.73
Public	117741	0.44
Other Institutions / FI	5614644	20.90
Foreign Corporates / FI	11533902	42.93
Total	26866287	100

c. Top ten shareholders of the Company as on March 31, 2022

Sr. No.	Name	No. of Shares	% of holding
Promoter Group Shareholding			
1	Bal Mukund Kogta	1322000	4.92
2	Arun Kogta	791000	2.94
3	Radha Krishan Kogta	729500	2.72
4	Varun Kogta	627000	2.33
5	Nidhi Kogta	580000	2.16
6	Banwari Lal Kogta HUF	574500	2.14
7	Nayan Kogta	567000	2.11
Investor's Shareholding			
8	NHPEA Rimo Holding B.V.	6684284	24.88
9	IIFL Seed Ventures Fund 1	5614644	20.90
10	Aditya (Mauritius) Limited	4849618	18.05

8. OTHER DISCLOSURES
1. Related Party Transactions

In line with the requirements of the Companies Act, 2013, your Company has adopted Policy on Related Party Transactions & Materiality:

- Related Party Transactions were placed before the Audit Committee for review and approval. Annual omnibus approval was obtained for transactions which were of repetitive nature and / or entered in the ordinary course of business.
- All the related party transactions entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. Further, there were no material related party transaction entered by the Company.
- The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties. The Policy on Related Party Transactions & Materiality is hosted on the website of the Company at <https://www.kogta.in/investor/policy/>.

2. Code of Conduct

The Board has laid down Codes of Conduct for Board Members and for Senior Management and Employees of the Company ('Codes'). The Code stands widely communicated across the Company at all times. These Codes are also accessible at the Company's website at <https://www.kogta.in/investor/policy/>.

The Board has also laid down a Code of Conduct for Independent Directors pursuant to Section 149(8) read with Schedule IV of the Act, which is a guide to professional conduct for Independent Directors of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with these Codes.

3. 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, issued by the RBI, in the context of recommendations made by the Financial Intelligence Unit on Reporting Standards. The details of the Fair Practice Code are available on the website of the Company at <https://www.kogta.in/investor/policy/>.

4. ALM Policy

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

5. Code of Conduct for Prohibition of Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has adopted a Code for the Prohibition of Insider Trading

to regulate, monitor and report trading by Designated Person(s) in listed securities of the Company. The Code is hosted on the website of the Company at <https://www.kogta.in/investor/policy/>.

6. Accounting Treatment

Your Company has adopted accounting policies which are in line with the Accounting Standards and the Financial Statements are prepared in adherence to the accounting policies, Accounting Standards and applicable provisions of Companies Act, 2013 and Master Directions of Reserve Bank of India.

7. Means of Communication

The Company publishes the un-audited/audited financial results on quarterly basis in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The financial results in the prescribed format were published in newspapers. The Company has its website at www.kogta.in where in relevant information about the Company and its performance including board approved policies/code are given. The financial results and relevant.

Relevant information/communication for debenture holders are duly filed with BSE Limited and the same are posted on the Company's website at <https://kogta.in/investor-information/financial-performance/>.

8. Utilisation of Funds

The debt fund raised during the year, through private placement has been utilised to meet the capital & business requirements while supporting the growth plans and for other general corporate purposes as mentioned in the offer documents.

9. Dematerialization of shares

All Shares of the Company are held in Dematerialization form.

10. Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity.

During the financial year 2021-22, there were no outstanding GDRs/ADRs/Warrants and there were no CCPS, outstanding to be converted in Financial Year 2021-22 and which would have an impact on the equity of the Company. Further, the Company has outstanding

Compulsory Convertible Preference Shares ("CCPS"), which shall be converted on or before 20 (twenty) years from the date of allotment and as per the terms mentioned in Articles of Association of the Company.

11. Recommendations of the Committees

No instances have been observed where the Board has not accepted recommendations of any of the Board Committee(s).

12. Penalties

No penalties, strictures have been imposed on the Company by the Stock Exchange(s)/SEBI or any other statutory authorities on matters relating to capital market during the last three years.

13. Status of Compliance of Discretionary Requirements

a. A half-yearly/quarterly (wherever applicable) declaration of financial performance including summary of the significant events in the last six months/quarter may be sent to each household of shareholders.

Half-yearly/Quarterly (wherever applicable) financial results published in the newspapers, displayed on the website of the Company as well as disseminated to the Stock Exchanges after Board approval for information of Shareholders and other Stakeholders.

b. The Company may appoint separate persons to the post of Chairperson and MD & Chief Executive Officer

The Company is having separate positions for Chairman and MD & Chief Executive Officer.

c. The Internal auditor may report directly to the Audit Committee.

The internal auditor reports directly to the Audit Committee.

For and on behalf of the Board of Directors,
KOGTA FINANCIAL (INDIA) LIMITED

Sd/-

RADHA KRISHAN KOGTA

Chairman

DIN: 00197552

Date: May 05, 2022

Place: Jaipur

CIN: U67120RJ1996PLC011406

Registered Office: 'Kogta House', Azad Mohalla, Near Railway Station, Bijainagar – 305624, Rajasthan

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
KOGTA FINANCIAL (INDIA) LIMITED
(CIN: U67120RJ1996PLC011406)
'KOGTA HOUSE' AZAD MOHALLA,
NEAR RLY. STATION,
BIJAINAGAR 305624- RAJASTHAN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KOGTA FINANCIAL (INDIA) 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, e-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 financial year ended on March 31, 2022 ('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, e-forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- | | |
|--|--|
| <ol 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; | <ol style="list-style-type: none"> IV. The 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'):- <ol style="list-style-type: none"> i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;(Not applicable on the Company during the Audit Period) ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;(Not applicable on the Company during the Audit Period) iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;(Not applicable on the Company during the Audit Period) v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; vi. 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; vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable on the Company during the Audit Period) viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review) |
|--|--|

- ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- x. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

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:

- i. The Reserve Bank of India Act, 1934 read with all applicable guidelines circulars, notifications etc.
- ii. Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.
- iii. Master Direction - Non-Banking Financial Company Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- iv. Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs - RBI Guidelines.
- v. Master Circular – “Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.
- vi. Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2016.
- vii. Master Direction-Information Technology Framework for NBFC Sector and
- viii. Miscellaneous Non- Banking Companies (Reserve Bank) Directions, 2016.

VII. We have also examined compliance with the applicable provisions of the following:

- Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- The Listing Agreement entered into by the Company with BSE Limited read with the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There was no change in the composition of the Board of Directors during the period under review except re-appointment of Mr. Radha Krishan Kogta as Chairman and Whole Time Director of the Company, re-appointment of Mr. Arun Kogta as Managing Director and Chief Executive Officer of the Company and re-appointment of Mr. Varun Kogta as Chief Financial Officer of the Company.

Adequate notice is given to all Directors/members/ invitees to schedule the Board meetings, Committee meetings and General Meetings, along with its agenda and detailed notes on agenda were sent in advance as required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of Board, Committee and General Meetings were carried with requisite majority.

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 however it is recommended to further strengthen the controls and processes, considering the growing scale and operations of the Company to avoid non compliances of rules and regulations under any statue.

We further report that during the audit period some major events were taken place in Company, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. of which some are as under:-

i. During the audit period Company has made the allotment of following non- convertible debentures on private placement basis:

S. N.	Date of Allotment	Number of Debentures	Face Value per Debenture	Total Amount	Remarks
1.	08.07.2021	300	10,00,000	30.00 Crores	Unlisted
2.	20.09.2021	250	10,00,000	25.00 Crores	Unlisted
3.	23.09.2021	250	10,00,000	25.00 Crores	Listed on BSE Limited
4.	23.09.2021	200	10,00,000	20.00 Crores	Listed on BSE Limited
5.	27.09.2021	300	10,00,000	30.00 Crores	Listed on BSE Limited
6.	27.09.2021	200	10,00,000	20.00 Crores	Listed on BSE Limited
7.	27.09.2021	400	10,00,000	40.00 Crores	Listed on BSE Limited
8.	27.09.2021	150	10,00,000	15.00 Crores	Listed on BSE Limited
9.	20.12.2021	300	10,00,000	30.00 Crores	Listed on BSE Limited
10.	30.03.2022	100000	1000	10.00 Crores	Unlisted

ii. During the period under review, the Company has made allotments of the following Equity Shares: -

- 1,575 (One Thousand Five Hundred Seventy Five) Equity Shares having face value of INR 10/- (Indian Rupees Ten Only) per share at a premium of INR 80/- (Indian Rupees Eighty Only) each aggregating to INR 1,41,750/- (Indian Rupees One Lakh Forty One Thousand Seven Hundred Fifty Only) under the EMPLOYEE STOCK OPTION PLAN - 2018 on August 17, 2021.
- 30,960 (Thirty Thousand Nine Hundred Sixty) Equity Shares having face value of INR 10/- (Indian Rupees Ten Only) per share at a premium of INR 80/- (Indian Rupees Eighty Only) each, aggregating to INR 27,86,400/- (Indian Rupees Twenty-Seven Lakh Eighty Six Thousand Four Hundred Only) under the EMPLOYEE STOCK OPTION PLAN - 2018 on October 16, 2021.
- 19,320 (Nineteen Thousand Three Hundred Twenty) Equity Shares having face value of INR 10/- (Indian Rupees Ten Only) per share at a premium of INR 440/- (Indian Rupees Four Hundred Forty Only) each, aggregating to INR 86,94,000/- (Indian Rupees Eighty-Six Lakh Ninety Four Thousand Only) under the EMPLOYEE STOCK OPTION PLAN - 2020 on March 29, 2022.

iii. During the period under review, the Company has redeemed the following Non- Convertible Debentures: -

S. N.	Date of Allotment	Number of Debentures	Face Value per Debenture	Total Amount	Date of Redemption	Remarks
1.	16.07.2020	150	10,00,000	15.00 Crores	21.01.2022	Listed on BSE Limited
2.	24.12.2020	800	1,00,000	8.00 Crores	28.01.2022	Listed on BSE Limited
3.	18.08.2020	250	10,00,000	25.00 Crores	25.02.2022	Listed on BSE Limited
4.	18.02.2021	300	10,00,000	30.00 Crores	03.03.2022	Listed on BSE Limited
5.	03.09.2020	300	10,00,000	30.00 Crores	10.03.2022	Listed on BSE Limited

iv. During the audit period the Company has obtained shareholder's approval of special business in the General Meeting held for the following items:

- | | |
|---|--|
| <p>a) Authority to accept borrowings upto an aggregate value not exceeding to INR 3000 crores.</p> <p>b) Authority to create mortgage, charge etc. to secure borrowings upto an aggregate value not exceeding INR 3000 crore.</p> | <p>c) Approval to authorize the Board to grant loan and advances, provide guarantee, security and make investment in terms of Section 186 of the Companies Act, 2013.</p> <p>d) Approval to change the place other than the registered office where books of accounts and other relevant documents and statutory registers of the Company may be kept.</p> <p>e) To review and approve remuneration to be paid to executive directors of the Company for Financial Year 2021-22.</p> |
|---|--|

- f) To review and approve re-appointment of Mr. Radha Krishan Kogta (DIN: 00197552) as Chairman and Whole Time Director of the Company.
- g) To review and approve re-appointment of Mr. Arun Kogta (DIN: 05109722) as Managing Director and Chief Executive Officer of the Company.
- h) To appoint M/s JC Bhalla & Company, Chartered Accountants, as Statutory Auditors of the Company.
- i) To consider, review and approve the amended Articles of Association of the Company pursuant to the investors consent on change in the terms of convertible warrants to be exercised by the promoter management as per shareholders' agreement dated September 20, 2019.
- j) Approval of the share subscription agreements, amended and restated shareholders' agreement and other related documents.
- k) To consider and approve the increase of the authorized share capital and amendment of the memorandum of association ("MOA") of the Company.
- l) Approval of the issuance and preferential allotment of compulsorily convertible preference shares on a private placement basis, recordal of the name of the offerees of

compulsorily convertible preference shares in the register of members and register of beneficial owners and approval of the draft private placement offer cum application letter.

- m) To vary and adopt the terms of the series A compulsorily convertible preference shares.
- n) To vary and adopt the terms of the series B compulsorily convertible preference shares.
- o) To vary and adopt the terms of the series C compulsorily convertible preference shares.
- p) To vary and adopt the terms of the series D1 compulsorily convertible preference shares. and
- q) To vary and adopt the terms of the series D2 compulsorily convertible preference shares.

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

For **DEEPAK ARORA & ASSOCIATES**
Practicing Company Secretaries
ICSI Unique Code
P2001RJ080000

Sd/-
DEEPAK ARORA
Partner

Date: May 05, 2022
Place: Jaipur

FCS No. 5104 ICOP No. 3641
UDIN: F005104D000273471

ANNEXURE - A

To,
The Members,
KOGTA FINANCIAL (INDIA) LIMITED
(CIN: U67120RJ1996PLC011406)
'KOGTA HOUSE' AZAD MOHALLA,
NEAR RLY. STATION,
BIJAINAGAR 305624- RAJASTHAN

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **DEEPAK ARORA & ASSOCIATES**
Practicing Company Secretaries
ICSI Unique Code
P2001RJ080000

Sd/-
DEEPAK ARORA
Partner

Date: May 05, 2022
Place: Jaipur

FCS No. 5104 ICOP No. 3641
UDIN: F005104D000273471

ANNEXURE - 6

Disclosures on Remuneration

Information as per Rule 5 (2) and Rule 5(3) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (As Amended) is provided below:

- i) If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One crore and two lakh rupees: **Not Applicable**
- ii). 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 Eight lakh and fifty thousand rupees per month: **Not Applicable**
- iii) 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:

Only 2 employees received salary more than Mr. Radha Krishan Kogta, Chairman & Whole Time Director of the Company.

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

Sr. No.	Employee Name	Designation	Date of Joining of Company	Educational Qualification	Age	Experience (In years)	Remuneration (Per Annum in INR)	Last Employment
1	Arun Kogta	MD & CEO	01-Apr-13	MBA – Finance	40	17	7000000	N/A
2	Varun Kogta	WTD & CFO	01-Apr-14	Chartered Accountant	38	17	6000000	ICICI Bank Ltd.
3	Nayan Kogta	Chief Operating Officer	01-Apr-13	Chartered Accountant and Company Secretary	30	10	5000000	N/A
4	Kirti Maheshwari	National Sales Manager	04-Aug-20	PGDBM	51	24	4220538	Volkswagen Finance Pvt. Ltd
5	Radha Krishan Kogta	Chairman & WTD	15-Jan-96	B. Com	58	39	4000000	N/A
6	Brijesh Shukla	National Credit Manager	01-Jan-20	PGDBM	50	28	3923686	Reliance Capital Ltd.
7	Rakshit Garg	National Collection Manager	27-Aug-18	MBA - Marketing & Finance	44	21	3524308	India Infoline Finance Limited
8	Santosh Kumar Sharma	Regional Sales Manager	01-Jun-20	B.A, LLB	42	16	3109385	Bajaj Finance Ltd
9	Sanjay Bhatnagar	National Sales Manager	08-Aug-18	MBA – Marketing	56	32	2999255	IKF Finance Ltd.
10	Anupam Singh Sirohi	National Sales Manager	03-May-21	BE Mechanical with Diploma in Management	48	25	2979038	HDB Financial Limited

- All abovementioned employees are in permanent employment.
- None of the employees listed above except directors is a relative of any director of the Company.
- None of the employees listed above except directors & COO hold 2% or more of the paid-up share capital of the Company as on March 31, 2022.

Independent Auditor's Report

To the Members of Kogta Financial (India) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Kogta Financial (India) Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended ("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, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe

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

Emphasis of Matter- Assessment of COVID-19 Impact

We draw attention to Note 38.1 (G) to the financial statements, which describes the uncertainties arising from COVID-19 pandemic and its impact on impairment of assets, which are dependent on future developments regarding the severity and duration of pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of financial instruments as on balance sheet date (expected credit losses) as described in Note 1.17 of the financial statements) Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its loan receivables (financial instruments) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the Management for: - Defining Staging of loans (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories); - Grouping of borrowers based on homogeneity by using appropriate statistical techniques; - Estimation of behavioral life; - Estimation of losses for loan products with no/minimal historical defaults; and - Management overlay for macro-economic factors and estimation of their impact on the credit quality. In view of such high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic and related events, it is a key audit matter.	- Our audit procedures included reading the Company's accounting policies for impairment of Financial Instruments and assessing compliance with the policies in terms of Ind AS 109 and with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 ("the RBI Guidelines"). - Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. - Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested samples of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. - Assessed the additional considerations applied by the management for staging of loans as SICR. - Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of account and records. - Tested the arithmetical accuracy of computation of ECL provision performed by the Company. - Read and assessed adequacy of the disclosures included in the financial statements in respect of expected credit losses with the requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and Ind AS 109.
(b) IT systems and controls The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting. Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	We performed the following procedures, assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting: - Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. - Tested the Company's periodic review of access rights. - In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with the Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

- 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 purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii) No amount is required to be transferred to the Investor Education and Protection Fund by the Company.

iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company,

shall, whether, directly or indirectly, lend or invest, in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) During the year, the Company has declared the final dividend for the financial year 2021-22 and has paid the final dividend for the financial year 2020-21 on the preference shares in compliance with Section 123 of the Act.

For J. C. Bhalla & Co.
Chartered Accountants
Firm Regn No. 001111N

(Rajesh Sethi)

Partner

Place : Noida
Date : May 05, 2022

Membership No. 085669
UDIN: 22085669AILWJW2449

Annexure 1

referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our Report to the Members of Kogta Financial (India) Limited for the year ended March 31, 2022.

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments;
- B. The Company has maintained proper records showing full particulars of intangible assets;
- (b) All these property, plant and equipment are physically verified by the management in the current year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company;
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable;
- (e) According to the information and explanations given by the management, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- (ii) (a) The Company's business does not involve inventories and, accordingly, the requirements under clause 3 (ii) (a) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to the information and explanations given by the management and audit procedure performed by us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company;
- (iii) (a) According to the information and explanations given by the management, the principal business of the Company is to give loans. Therefore, in our opinion, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company;
- (b) According to the information and explanations given by the management and audit procedure performed by us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;
- (c) According to the information and explanations given by the management and audit procedure performed by us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated. The principal business of the Company is to give loans, so the irregular repayments or receipts of loans and advances overdue by more than 90 days are as below;
- | Number of borrowers | Overdue amount more than 90 days (in Lakhs) | Remarks |
|---------------------|---|---------|
| 2,415 | 6,653.50 | |
- (d) According to the information and explanations given by the management and audit procedure performed by us, the total amount overdue for more than ninety days is ₹ 6,653.50 lakhs, and the reasonable steps have been taken by the company for recovery of the principal and interest;
- (e) According to the information and explanations given by the management, the principal business of the Company is to give loans. Therefore, in our opinion, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company;
- (f) According to the information and explanations given by the management and audit procedure performed by us, the Company has granted loans

or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. The aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013 is as below;

(Amounts in lakhs)			
Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
Repayable on demand (A)	Nil	31.03	79.51
Agreement does not specify any terms or period of repayment (B)	Nil	Nil	Nil
Total (A+B)	Nil	31.03	79.51
Percentage of loans/ advances in nature of loans to the total loans	Not applicable	0.02%	0.06%

- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and security given in respect of which provisions of sections 185 and 186 of the Companies Act are applicable and hence not commented upon.
- (v) 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.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, cess and any other statutory dues to the appropriate authorities except Goods and Service tax where there is a slight delay in few months. The provisions relating to sales-tax, service tax, duty of customs, duty of excise, value added tax are not applicable to the Company.

According to the information and explanations given to us and audit procedure performed by us, no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, cess, sales-tax, service tax, duty of customs, duty of excise, value added tax and other statutory dues were outstanding as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of goods and service tax, provident fund, employees' state insurance, income-tax, cess, sales-tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and audit procedure performed by us, the Company has not surrendered or disclosed any transaction as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, the provisions of clause 3(viii) of the Order are not applicable to the Company.
- (ix) (a) In our opinion and according to the information and explanations given by the management, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and audit procedure performed by us, the company is not declared wilful defaulter by any bank or financial institution or other lender;
- (c) According to the information and explanations given by the management and audit procedure performed by us, the Company has applied the term loans for the purpose for which the loans were obtained;
- (d) According to the information and explanations given by the management, the Company deploys funds based on their respective maturity pattern. Based on overall examination of the balance sheet of the Company, no funds raised on short term basis have been utilised for long term purposes during the year;
- (e) According to the information and explanations given to us and audit procedure performed by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and audit procedure performed by us, the Company does not have any subsidiary, joint venture or associate company. Therefore, the provisions of clause 3(viii) of the Order are not applicable to the Company.
- (x) (a) According to the information and explanation given by the Management and audit procedure performed by us, the Company has not raised any money by way of initial public offer or further public offer during the year. Further, monies raised by the Company by way of non-convertible debentures were applied for the purposes for which those were raised;

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xi) (a) According to the information and explanation given by the Management and audit procedure performed by us, no fraud by the company or on the company has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us, no whistle-blower complaints has been received during the year. Therefore, the provisions of clause 3(xi)(c) of the Order are not applicable to the Company;
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) The reports of the Internal Auditors for the period under audit were considered by us;
- (xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) (a) The company is required and obtained the registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934);
- (b) The company has not conducted Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company and hence not commented upon;
- (d) According to the information and explanations given by the management to us, the Group does not have any Core Investment Company as part of the Group;
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year;
- (xviii) There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given by the Management and audit procedures performed by us, there is no amount which remains unspent as per the provision of section 135 of the Companies Act 2013 during the year. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the Company;
- (xxi) The Companies (Auditor's Report) Order (CARO) is reported on the standalone financial statements of the Company. Therefore, the provision of clause 3(xxi) of the Order is not applicable to the Company.

For and on behalf of
J. C. Bhalla & Co.
Chartered Accountants
Firm Registration Number: 001111N

Rajesh Sethi
Partner

Place: Noida Membership No.: 085669
Date : May 05, 2022 UDIN: 22085669AILWJW2449

Annexure 2

referred to in paragraph 2 (f) under the heading “Report on Other Legal and Regulatory Requirements” to the Independent Auditor’s Report of even date on the Financial Statements of Kogta Financial (India) Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to these financial statements of Kogta Financial (India) Limited (“the Company”) as of March 31, 2022 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, 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.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included

obtaining an understanding of internal financial controls with reference to these financial statements, 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 with reference to these financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A company’s internal financial controls over financial reporting with reference to these financial statements 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 controls with reference to these financial statements 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 WITH REFERENCE TO THESE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control with reference to these financial statements 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, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls with reference to these financial

statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

For **J. C. Bhalla & Co.**
Chartered Accountants
Firm Regn No. 001111N

(Rajesh Sethi)

Partner

Place : Noida
Date : May 05, 2022

Membership No. 085669
UDIN: 22085669AILWJW2449

Balance Sheet

as at March 31, 2022

(All amounts in lakhs, except per share data and as stated otherwise)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	2	7,385.65	10,636.56
Bank Balances other than cash and cash equivalents	3	26,914.08	25,126.12
Loans	4	183,255.58	130,530.66
Investments	5	31,189.83	13,854.12
Other Financial Assets	6	4,402.22	1,931.37
Sub-total-Financial assets		253,147.36	182,078.83
Non-Financial Assets			
Deferred Tax Assets (net)		426.26	597.97
Property, plant and equipment	7	761.22	573.50
Right of Use Assets	8	1,243.79	844.11
Other Intangible Assets	9	127.38	74.81
Other non-financial assets	10	2,023.44	1,466.33
Sub-total-Non-financial assets		4,582.09	3,556.72
Total - Assets		257,729.45	185,635.55
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables	11	783.80	312.33
Debt securities	12	47,936.87	39,345.90
Borrowings (Other than debt securities)	13	139,895.40	83,299.90
Lease Liability	14	1,394.41	949.66
Other financial liabilities	15	2,103.84	1,224.34
Sub-total-Financial liabilities		192,114.32	125,132.13
Non-Financial liabilities			
Current tax liabilities (net)			
Provisions	16	195.34	713.75
Other non-financial liabilities	17	323.87	146.42
Sub-total-Non-financial liabilities		519.21	860.17
EQUITY			
Equity share capital	18	7,662.56	7,657.38
Other equity	19	57,433.36	51,985.87
Sub total - Equity		65,095.92	59,643.25
Total - Liabilities and Equity		257,729.45	185,635.55

Summary of significant accounting policies

1

The accompanying notes are forming part of financial statements

As per our attached report of even date

 For and on behalf of the Board of Directors of
Kogta Financial (India) Limited

 For **J.C. Bhalla & Co.**
 Chartered Accountants
 ICAI Firm Reg. No. : 001111N

 per **Rajesh Sethi**
 Partner
 Membership No.: 085669

 Place: Jaipur
 Date: May 05, 2022

R. K. Kogta
 (Chairman)
 DIN 00197552

Varun Kogta
 (Executive Director & CFO)
 DIN 06844307

 Place: Jaipur
 Date: May 05, 2022

Arun Kogta
 (Managing Director & CEO)
 DIN 05109722

Rahul Agrawal
 (Company Secretary)
 Membership No. F10834

Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in lakhs, except per share data and as stated otherwise)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations			
Interest Income	20	32,744.86	23,345.50
Fee and Commission Income	21	1,978.35	946.68
Net gain on fair value changes	22	1,293.83	245.42
Total Revenue from operations		36,017.04	24,537.60
Other Income	23	12.92	9.31
Total income		36,029.96	24,546.91
Expenses			
Finance Costs	24	14,614.12	7,997.10
Impairment on financial instruments	25	1,795.17	2,928.17
Employee Benefits Expenses	26	10,141.83	5,894.68
Depreciation, amortization and impairment	27	596.61	488.81
Others expenses	28	1,866.70	1,188.19
Total expenses		29,014.43	18,496.95
Profit before taxes		7,015.53	6,049.96
Tax expenses			
- Current Taxes		1,630.83	1,606.17
- Deferred Taxes		171.71	(70.27)
Profit for the year		5,212.99	4,514.06
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(a) Re-measurements of net defined benefit plans		(36.31)	(16.38)
A (ii) Income tax relating to items that will not be reclassified to profit or loss		(9.14)	(4.12)
Sub-total (A)		(27.17)	(12.26)
B (i) Items that will be reclassified to profit or loss		-	-
Sub-total (B)		-	-
Other Comprehensive Income (A+B)		(27.17)	(12.26)
Total Comprehensive Income for the year		5,185.82	4,501.80
Earning per equity share	29		
Basic		53.57	46.69
Diluted		19.06	16.64
Nominal value per share		10/-	10/-

The accompanying notes are forming part of financial statements

As per our attached report of even date

For and on behalf of the Board of Directors of
Kogta Financial (India) Limited

For **J.C. Bhalla & Co.**
Chartered Accountants
ICAI Firm Reg. No. : 001111N

per **Rajesh Sethi**
Partner
Membership No.: 085669

Place: Jaipur
Date: May 05, 2022

R. K. Kogta
(Chairman)
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Varun Kogta
(Executive Director & CFO)
DIN 06844307

Place: Jaipur
Date: May 05, 2022

Arun Kogta
(Managing Director & CEO)
DIN 05109722

Rahul Agrawal
(Company Secretary)
Membership No. F10834

Cash Flow Statement

for the year ended March 31, 2022

(All amounts in lakhs, except per share data and as stated otherwise)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A Cash flow from operating activities:		
Net profit before tax as per statement of profit and loss	7,015.53	6,049.96
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation of PPE, ROU and other intangible assets	596.61	491.18
Loans & advances written off	784.37	797.72
Amortization of ancillary cost	(730.23)	(171.88)
Provision for expected credit loss (ECL)	717.61	1,795.88
EIS receivable on assignment transactions	(2,178.71)	(1,003.26)
Provision for employee benefits	47.65	33.60
Loss/(Profit) on sale of property, plant and equipment	2.65	2.70
Net (gain)/ loss on sale of current investments	(689.77)	17.82
ESOP Expenses	257.52	212.46
Interest Expense on Lease	111.89	96.64
Interest expenses on vehicle loans	10.59	12.01
Rental income	(5.20)	(4.45)
Operating profit before working capital changes	5,940.51	8,330.38
Changes in working capital		
(Increase)/decrease in Loans	(53,953.75)	(35,181.39)
(Increase)/decrease in bank deposits	(1,787.96)	(3,309.43)
Increase in financial and other assets	(493.60)	(154.92)
Increase/(decrease) in financial and other liabilities	1,528.41	759.54
Total of changes in working capital	(54,706.90)	(37,886.20)
Direct taxes paid	2,559.06	1,143.13
Net cash flow used in operating activities (A)	(51,325.45)	(30,698.95)
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(562.90)	(209.12)
Sale of Property, plant and equipment (including capital work-in- progress)	5.21	2.62
Purchase of current investments	(66,641.91)	(16,389.75)
Proceeds from sale/maturity of current investments	49,995.97	2,517.82
Rental income	5.20	4.45
Net cash flow used in investing activities (B)	(17,198.43)	(14,073.98)
C Cash flow from financing activities:		
Issue of equity shares (including share premium)	179.87	58.16
Share / debenture issue expenses	(170.55)	-
Dividend paid on preference shares	(0.01)	(0.03)
Payment of lease liability	(348.67)	(260.24)
Interest paid on vehicle loan	(10.59)	(12.01)
Proceeds from borrowings	127,388.50	83,409.93
Repayments of borrowings	(61,765.58)	(28,457.23)
Net Cash flow from financing activities (C)	65,272.97	54,738.58
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(3,250.91)	9,965.65

Cash Flow Statement (contd...)

for the year ended March 31, 2022

(All amounts in lakhs, except per share data and as stated otherwise)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash and cash equivalents as at the beginning of the year	10,636.56	670.91
Cash and cash equivalents at the end of the year	7,385.65	10,636.56
Components of cash and cash equivalents		
Cash on hand	374.68	372.99
Balance in franking machine*	-	-
Balance with banks		
In current accounts/collection accounts	1,016.13	531.11
In cash credit	2,994.26	6,231.86
In deposit account	3,000.58	3,500.60
Total cash and cash equivalents	7,385.65	10,636.56

The accompanying notes are forming part of financial statements

As per our attached report of even date

For and on behalf of the Board of Directors of
Kogta Financial (India) Limited

For **J.C. Bhalla & Co.**
Chartered Accountants
ICAI Firm Reg. No. : 001111N

per **Rajesh Sethi**
Partner
Membership No.: 085669

Place: Jaipur
Date: May 05, 2022

R. K. Kogta
(Chairman)
DIN 00197552

Varun Kogta
(Executive Director & CFO)
DIN 06844307

Place: Jaipur
Date: May 05, 2022

Arun Kogta
(Managing Director & CEO)
DIN 05109722

Rahul Agrawal
(Company Secretary)
Membership No. F10834

Significant Accounting Policies

for the year ended March 31, 2022

A. CORPORATE INFORMATION

Kogta Financial (India) Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is holding a certificate of registration as Non Deposit taking Asset Finance Company ('AFC-ND'), with Reserve Bank of India ('RBI') under section 45-IA of Reserve Bank of India Act, 1934 vide certificate of registration no B.10.00086.

The Company is primarily engaged in lending activities to the retail customers under various product lines.

B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis.

The Company uses accrual basis of accounting except in case of significant uncertainties. The Company had prepares its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as 'Previous GAAP'). The financial statements are presented in Indian Rupees (INR) and all values are rounded to the lakhs, except when otherwise indicated.

The regulatory disclosures as required by Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company Directions, 2016 issued by the RBI ('RBI Master Directions') to be included as a part of the Notes to Accounts are also prepared as per the Ind AS financial statements.

b) Basis of measurement

The financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for, derivative financial instruments and other financial assets held for trading and foreign currency borrowings denominated in INR which have been measured at fair value at the end of each reporting date as required under relevant Ind AS.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Use of estimates

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

1.1.1 Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company considers the frequency, volume and timing of disbursements in prior years, the reason for such disbursement, and its expectations about future business activity. However, information about business activity is not considered in isolation, but as part of an holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flows are realised. Therefore, the Company considers information about past disbursements in the

Significant Accounting Policies

for the year ended March 31, 2022

context of the reasons for those disbursements, and the conditions that existed at that time as compared to current conditions.

Based on this assessment and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principle and interest ('the 'SPPI criterion').

1.1.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

1.1.3 Impairment losses on financial assets

The measurement of impairment losses across all categories of financial assets except assets valued at Fair value through P&L (FVTPL), requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's Expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's model, which assigns Probability of default (PD)s
- The Company's criteria for assessing if there has been a significant increase in credit risk and so

allowances for financial assets should be measured on a Lifetime expected credit loss (LTECL) basis

- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, Exposure at default (EAD)s and Loss given default (LGD)s

1.1.4 Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

1.1.5 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

1.1.6 Effective Interest rate method

The Company's EIR methodology, recognises interest income using an internal rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and other characteristics of the product life cycle (including prepayments). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well other fee income/expense that are integral parts of the instruments.

Significant Accounting Policies

for the year ended March 31, 2022

1.2 Cash and cash equivalents

Cash and cash equivalent comprises cash in hand, demand deposits & time deposits and short term investments with original maturity of less than three months.

1.3 Revenue recognition

1.3.1 Interest and similar income

Interest income, for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation of the effective interest rate takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes transaction costs and fees that are an integral part of the contract but not future credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets, other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

1.3.2 Fee and commission income

All other financial charges pertaining to loan agreement are recognized only on receipt basis.

Commission Income is booked on accrual basis.

1.3.3 Other income

Rental income is recognized on accrual basis of accounting.

Income on units of mutual funds is recognized on receipt basis as and when redeemed in cash based on the NAV of redemption date.

1.4 Property, plant and equipment (PPE) and other Intangible assets

PPE and Capital work in progress are stated at acquisition cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, non-refundable taxes or levies, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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.

Computer software which is not an integral part of the related hardware is classified as an intangible asset. Intangible assets are measured and recorded at cost and carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life as determined by management.

Significant Accounting Policies

for the year ended March 31, 2022

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

1.5 Operating Leases

1.5.1 Company as a lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset
- The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- The Company has the right to direct the use of the asset

Measurement and recognition

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company

also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of less than 12 months or where the lease security deposit is less than 50,000/. The Company recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

1.5.2 Company as lessor

The Company's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

1.6 Depreciation and Amortization

Depreciation on property, plant and equipment is calculated on Written Down Value Method (W.D.V.) at the rates calculated with reference to the estimated useful life of assets prescribed in Schedule II to the Companies Act, 2013 or actual useful life of assets whichever is lower. Depreciation is recognized on a pro-rata basis to the Statement of Profit and Loss on the assets acquired, sold or disposed off during the year till the date of acquisition, sale or disposition.

Significant Accounting Policies

for the year ended March 31, 2022

Asset	Useful Life (years)
Property, Plant and Equipment	
Buildings	60
Furniture & fixtures	10
Computer & data processing units	
a) Server & networks	6
b) End user device	3
Office equipment	5
Air conditioner & DG set	15
Vehicles	
a) Two wheelers	10
b) Four wheelers	8
c) Four wheelers (given under car policy to specified employees)	4

Amortization

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company estimates the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds five years, the Company amortizes the intangible asset over the best estimate of its useful life.

1.7 Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1.9 Contingent liabilities and assets

The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date. Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

1.10 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service

Significant Accounting Policies

for the year ended March 31, 2022

received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in Profit or Loss on the earlier of: The date of the plan amendment or curtailment, and The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

Earned leave is granted at the start of the financial year and lapsed at the end of the year therefore, the company is not required to provide for the leave encashment.

1.11 Taxes

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax

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for the year ended March 31, 2022

assets and deferred taxes relate to the same taxable entity and the same taxation authority.

1.12 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

1.13 Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 31.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.14 Financial Assets

1.14.1 Initial recognition and measurement

The financial asset is held within a business model with the objective to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Accordingly, the Company measures Bank balances, Loans & advances, Trade receivables and other financial instruments at amortised cost.

1.14.2 Classification and Subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

For purposes of subsequent measurement, financial assets are classified in Three categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

1.14.2.1 Debt instruments at amortised costs

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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for the year ended March 31, 2022

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

1.14.2.2 Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

1.14.2.3 Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However,

such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

1.15 Financial Liabilities

1.15.1 Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

The Company's financial liabilities include loans and borrowings including bank overdrafts and trade & other payables.

1.15.2 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

1.15.3 Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any

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for the year ended March 31, 2022

of its financial assets or liabilities in 2020-21 and 2019-20.

1.16 De-recognition of financial assets and liabilities

1.16.1 Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognised the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition.

The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities ('eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the year between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised at FVTPL.

1.16.2 Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled

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for the year ended March 31, 2022

or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

1.17 Impairment of financial assets

1.17.1 Overview of the ECL principles

The Company records allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, (in this section all referred to as 'financial instruments'). Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined further in notes.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on individual basis, depending on the nature of the underlying portfolio of financial instruments.

The company has established a policy to perform an assessment, at the end of each reporting period, whether credit risk of a financial asset has increased significantly since initial recognition and while determining this & estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available with the company. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

Based on the above process, the Company group its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The company records an allowance for the LTECLs.

1.17.2 The calculation of ECLs

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of the ECL calculations are as follows:

- PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.
- EAD - The Exposure at Default is the current exposure as on the reporting date.
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on actual cash flows received from the financial asset, including from the realisation of any collateral and discounted by EIR. It is usually expressed as a percentage of the EAD.

The maximum year for which the credit losses are determined is the expected life of a financial instrument.

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for the year ended March 31, 2022

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

1.17.3 Definition of Default

The Company considers a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower becomes more than 90 days past due on its contractual payments.

1.17.4 Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

1.17.5 Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Consumer Price Index, Unemployment

rates, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

1.17.6 Collateral repossessed

Based on operational requirements, the Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category for capitalisation at their fair market value. The Company generally does not use the assets repossessed for the internal operations.

These repossessed assets which are intended to be realised by way of sale are considered equivalent to Stage 3 assets and the ECL allowance is determined based on the estimated net realisable value of the repossessed asset. The Company resorts to regular repossession of collateral provided against vehicle loans.

1.17.7 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

1.18 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Significant Accounting Policies

for the year ended March 31, 2022

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

Statement of Changes in Equity

for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

Particulars	(₹ in lakhs)
Balance as at April 01, 2020	7,652.94
Changes in equity share capital due to prior period errors	-
Restated balance as at April 01, 2020	7,652.94
Shares issued during the year ended March 31, 2021	4.43
Balance as at March 31, 2021	7,657.38
Changes in equity share capital due to prior period errors	-
Restated balance as at April 01, 2021	7,657.38
Shares issued during the year ended March 31, 2022	5.18
Balance as at March 31, 2022	7,662.56

B. OTHER EQUITY

Equity Component of compounded financial instruments	Reserves and surplus						Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Capital reserves	Securities premium	General Reserves	Stock option outstanding account	Retained earnings	
Balance as at April 01, 2020	1,286.27	40.00	41,833.92	1,000.00	140.42	2,917.30	47,217.91
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance as at April 01, 2020	1,286.27	40.00	41,833.92	1,000.00	140.42	2,917.30	47,217.91
Profit for the year (A)	-	-	-	-	-	4,514.06	4,514.06
Other comprehensive loss for the year (B)	-	-	-	-	-	(12.26)	(12.26)
Total comprehensive income for the year (A+B)	-	-	-	-	-	4,501.80	4,501.80
Additions during the year	900.36	-	-	100.84	230.72	-	1,231.92
Transfer to reserve from retained earnings during the year	-	-	-	-	(0.84)	(1,000.34)	(1,001.18)
Issue of share capital	-	-	-	-	-	-	-
Share options exercised during the year	-	-	52.88	-	(17.42)	-	35.46
Share issue expenses	-	-	-	-	-	-	-
Dividend paid (including DDT)	-	-	-	-	-	(0.03)	(0.03)
Balance as at March 31, 2021	2,186.63	40.00	41,886.80	1,100.84	352.88	6,418.73	51,985.88
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance as at April 01, 2021	2,186.63	40.00	41,886.80	1,100.84	352.88	6,418.73	51,985.88
Profit for the year (C)	-	-	-	-	-	5,212.99	5,212.99
Other comprehensive loss for the year (D)	-	-	-	-	-	(27.17)	(27.17)
Total comprehensive income for the year (C+D)	-	-	-	-	-	5,185.82	5,185.82
Additions during the year	1,037.16	-	-	109.26	321.18	-	1,467.60
Transfer to reserve from retained earnings during the year	-	-	-	-	(9.26)	(1,137.16)	(1,146.42)
Issue of share capital	-	-	-	-	-	-	-
Share options exercised during the year	-	-	165.44	-	(54.40)	-	111.04
Share issue expenses	-	-	(170.55)	-	-	-	(170.55)
Dividend paid (including DDT)	-	-	-	-	-	(0.01)	(0.01)
Balance as at March 31, 2022	3,223.79	40.00	41,881.68	1,210.10	610.40	10,467.38	57,433.36

The accompanying notes are forming part of financial statements

As per our attached report of even date

For and on behalf of the Board of Directors of
Kogta Financial (India) Limited

For **J.C. Bhalla & Co.**
Chartered Accountants
ICAI Firm Reg. No. : 001111N

per **Rajesh Sethi**
Partner
Membership No.: 085669

Place: Jaipur
Date: May 05, 2022

R. K. Kogta
(Chairman)
DIN 00197552

Varun Kogta
(Executive Director & CFO)
DIN 06844307

Place: Jaipur
Date: May 05, 2022

Arun Kogta
(Managing Director & CEO)
DIN 05109722

Rahul Agrawal
(Company Secretary)
Membership No. F10834

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

2. CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	374.68	372.99
Balances with banks		
(a) In current accounts/collection accounts	1,016.13	531.11
(b) In cash credit or overdraft accounts	2,994.26	6,231.86
(c) In deposits where original maturity is less than three months	3,000.58	3,500.60
Total	7,385.65	10,636.56

3. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
In deposits where original maturity is more than three months but less than twelve months	7,878.55	9,331.70
In deposits where original maturity is more than twelve months	19,035.53	15,794.42
Total	26,914.08	25,126.12

Other bank balance in deposit accounts include deposits under lien aggregating to ₹ 2,942.46 lakhs (P.Y. ₹ 2,683.63 lakhs) towards the credit enhancement provided by the company under the securitization agreements and other credit facilities.

4. LOANS (AT AMORTISED COST)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans	187,502.18	133,957.38
Total Gross	187,502.18	133,957.38
Less: Impairment loss allowances	4,246.60	3,426.72
Total Net	183,255.58	130,530.66
Secured by tangible assets (Vehicles, PPE including land & building)	187,343.76	133,719.64
Unsecured	158.42	237.74
Total Gross	187,502.18	133,957.38
Less: Impairment loss allowances	4,246.60	3,426.72
Total Net	183,255.58	130,530.66
Loans in India		
Public sector	-	-
Others	187,502.18	133,957.38
Total Gross	187,502.18	133,957.38
Less: Impairment loss allowances	4,246.60	3,426.72
Total Net	183,255.58	130,530.66

- 4.1 Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and hypothecation of vehicles.

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

- 4.2** Loans includes unsecured loans to employees and related parties aggregating to ₹ 55.54 lakhs (P.Y. 37.71 lakhs) and ₹ 24.95 lakhs (P.Y. 24.88 lakhs) respectively.
- 4.3** Impairment loss allowance includes ₹ 800 lakhs (P.Y. 733.16 lakhs) on account of management overlay.
- 4.4** The Company has assigned a pool of certain loans amounting to ₹ 30,697.56 lakhs (P.Y. ₹ 15,159.67 lakhs) by way of a direct assignment transaction. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreement, the Company pays to assignee, on a monthly basis, the pro-rata collection amounts.
- 4.5** The Company has given impairment assessment and measurement approach in note no. 1.17 of the Summary of significant accounting policies.
- 4.6** The Company has defined risk assessment model in note no. 38.
- 4.7 Details of Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties:**

(₹ in lakhs)

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	0.00%	-	0.00%
Directors	-	0.00%	-	0.00%
KMPs	-	0.00%	-	0.00%
Related parties	69.55	0.04%	83.39	0.06%

4.8 Grouping financial assets measured on a collective basis

The Company has divided loan portfolio on the basis of the risk characteristics of the borrowers / products for the purpose of Ind AS 109 calculation. The Company calculates ECLs on collective basis on following sub categories:

- Vehicle
- LAP & MSME

The purpose of this bifurcation is to estimate some of the risk parameters specifically for each of these sub-categories, so that better risk differentiation can be achieved and appropriate ECL calculation can be undertaken.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances with respect to all asset classes have been explained below:

4.8.1 Vehicle

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to the Vehicle loans is, as follows:

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2020	70,134.94	7,381.03	2,748.91	80,264.88
New assets originated	56,588.23	-	-	56,588.23
Increase in existing assets	1,081.18	-	-	1,081.18
Assets derecognised or repaid	(29,808.69)	(2,165.75)	(597.20)	(32,571.64)
Transfers from Stage 1	(12,975.27)	11,392.58	1,582.69	-
Transfers from Stage 2	1,295.71	(2,663.93)	1,368.21	-
Transfers from Stage 3	122.44	59.04	(181.48)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	(1.45)	-	(1,303.52)	(1,304.97)
As at March 31, 2021	86,437.09	14,002.98	3,617.61	104,057.68

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2021	86,437.09	14,002.98	3,617.61	104,057.68
New assets originated	100,968.95	-	-	100,968.95
Increase in existing assets	541.56	-	-	541.56
Assets derecognised or repaid	(43,271.22)	(8,146.73)	(1,043.21)	(52,461.16)
Transfers from Stage 1	(10,008.32)	7,317.03	2,691.29	-
Transfers from Stage 2	1,494.36	(2,466.25)	971.89	-
Transfers from Stage 3	70.28	41.83	(112.11)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	-	-	(1,689.81)	(1,689.81)
As at March 31, 2022	136,232.70	10,748.85	4,435.66	151,417.21

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 01, 2020	636.50	224.25	556.60	1,417.35
New assets originated	388.49	-	-	388.49
Increase in existing assets	73.57	-	-	73.57
Assets derecognised or repaid	(182.38)	(86.96)	(113.23)	(382.57)
Transfers from Stage 1	(200.98)	127.48	73.50	-
Transfers from Stage 2	54.76	(100.12)	45.36	-
Transfers from Stage 3	49.28	17.21	(66.49)	-
Net remeasurement of ECL arising from transfer of stage	(81.28)	674.23	817.16	1,410.11
Write offs	(0.01)	-	(256.13)	(256.14)
As at March 31, 2021	737.95	856.08	1,056.77	2,650.80

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 01, 2021	737.95	856.08	1,056.77	2,650.80
New assets originated	653.00	-	-	653.00
Increase in existing assets	(6.92)	-	-	(6.92)
Assets derecognised or repaid	(347.91)	(462.99)	(302.33)	(1,113.22)
Transfers from Stage 1	(106.47)	56.38	50.09	-
Transfers from Stage 2	171.59	(268.73)	97.14	-
Transfers from Stage 3	33.46	21.84	(55.30)	-
Net remeasurement of ECL arising from transfer of stage	(167.52)	310.58	1,018.66	1,161.73
Write offs	-	-	(491.92)	(491.92)
As at March 31, 2022	967.19	513.17	1,373.11	2,853.47

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4.8.2 MSME

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to the MSME loans is, as follows:

(₹ in lakhs)				
Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2020	18,282.24	730.81	464.97	19,478.02
New assets originated	13,747.48	-	-	13,747.48
increase in existing assets	1,610.69	-	-	1,610.69
Assets derecognised or repaid	(4,594.14)	(53.77)	(36.96)	(4,684.87)
Transfers from Stage 1	(3,352.90)	2,769.62	583.28	-
Transfers from Stage 2	159.86	(346.99)	187.13	-
Transfers from Stage 3	63.67	13.06	(76.73)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	-	-	(251.62)	(251.62)
As at March 31, 2021	25,916.90	3,112.72	870.08	29,899.70

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2021	25,916.90	3,112.72	870.08	29,899.70
New assets originated	20,904.94	-	-	20,904.94
increase in existing assets	1,991.33	-	-	1,991.33
Assets derecognised or repaid	(14,899.86)	(1,451.89)	(64.43)	(16,416.18)
Transfers from Stage 1	(4,743.88)	3,551.35	1,192.53	-
Transfers from Stage 2	269.30	(1,026.28)	756.98	-
Transfers from Stage 3	87.09	32.06	(119.15)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	-	-	(294.82)	(294.82)
As at March 31, 2022	29,525.82	4,217.96	2,341.19	36,084.97

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 01, 2020	124.29	53.27	92.54	270.09
New assets originated	106.31	-	-	106.31
increase in existing assets	46.59	-	-	46.59
Assets derecognised or repaid	(16.83)	(9.50)	(6.75)	(33.08)
Transfers from Stage 1	(25.20)	12.24	12.97	-
Transfers from Stage 2	10.02	(24.41)	14.40	-
Transfers from Stage 3	14.62	3.81	(18.43)	-
Net remeasurement of ECL arising from transfer of stage	(22.07)	247.23	209.66	434.82
Write offs	-	-	(48.83)	(48.83)
As at March 31, 2021	237.73	282.64	255.56	775.91

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Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 01, 2021	237.73	282.64	255.56	775.93
New assets originated	193.36	-	-	193.36
increase in existing assets	11.96	-	-	11.96
Assets derecognised or repaid	(99.98)	(104.89)	(18.89)	(223.76)
Transfers from Stage 1	(55.48)	27.52	27.96	-
Transfers from Stage 2	42.86	(119.06)	76.20	-
Transfers from Stage 3	51.03	11.55	(62.58)	-
Net remeasurement of ECL arising from transfer of stage	(85.34)	270.31	536.41	721.38
Write offs	-	-	(85.72)	(85.72)
As at March 31, 2022	296.14	368.07	728.94	1,393.15

5. INVESTMENTS

As at March 31, 2022

(₹ in lakhs)

Particulars	Amortised Cost	Through profit and loss account	Total
	1	2	(3=1+2)
Mutual fund	-	5,504.44	5,504.44
Debt instruments	-	18,501.17	18,501.17
Pass through certificate (PTC)	-	-	-
Unquoted			
Mutual fund	-	5,141.69	5,141.69
Pass through certificate (PTC)	-	2,042.53	2,042.53
Total – Gross (A)	-	31,189.83	31,189.83
Less: Allowance for impairment loss(B)	-	-	-
Total – Net (A-B)	-	31,189.83	31,189.83

As at March 31, 2021

(₹ in lakhs)

Investments	Amortised Cost	Through profit and loss account	Total
	1	2	(3=1+2)
Mutual fund	-	2,108.30	2,108.30
Debt instruments	-	7,621.30	7,621.30
Unquoted			
Mutual fund	-	4,124.52	4,124.52
Pass through certificate (PTC)	-	-	-
Total – Gross (A)	-	13,854.12	13,854.12
Less: Allowance for impairment loss (B)	-	-	-
Total – Net (A-B)	-	13,854.12	13,854.12

5.1 All Investments represented above are made in India.

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

6. OTHER FINANCIAL ASSETS

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Security Deposit	161.45	112.55
Advance Recoverable in cash or value to be received	418.17	142.30
EIS Receivable	3,487.60	1,308.89
Grant of Ex gratia payment by Central Government	-	367.63
Advance Income tax	335.00	-
Total	4,402.22	1,931.37

6.1 In respect to Assignment deals, the Company has created an Excess Interest Spread (EIS) receivable, with corresponding credit to Statement of Profit and loss for the period, which has been computed by discounting EIS to present value.

6.2 Trade Receivables aging schedule

As at March 31, 2022

Particulars	(₹ in lakhs)				
	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years
(i) Undisputed Trade receivables – considered good	417.91	0.23	0.03	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-

As at March 31, 2021

Particulars	(₹ in lakhs)				
	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years
(i) Undisputed Trade receivables – considered good	140.72	1.46	0.12	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

7. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Computers	Air conditioner & DG set	Office equipment	Furniture & fixtures	Vehicles	Land and Building	Total
Cost:							
As at April 01, 2020	181.06	54.51	86.93	322.46	319.35	32.50	996.81
Additions	83.44	0.41	34.16	37.22	30.79	-	186.02
Disposals	0.47	-	4.25	4.03	25.80	-	34.55
As at March 31, 2021	264.03	54.92	116.84	355.65	324.34	32.50	1,148.28
Additions	175.30	19.20	32.49	175.93	71.64	-	474.56
Disposals	17.09	-	0.62	-	13.06	-	30.76
As at March 31, 2022	422.24	74.12	148.71	531.58	382.92	32.50	1,592.08
Depreciation and impairment:							
As at April 01, 2020	87.63	8.40	31.89	77.18	149.28	2.69	357.07
Disposals	0.31	-	3.35	2.24	23.34	-	29.24
Charge for the year	65.47	8.63	31.83	68.32	71.48	1.22	246.95
As at March 31, 2021	152.79	17.03	60.37	143.26	197.42	3.91	574.78
Disposals	14.42	-	0.54	-	7.94	-	22.90
Charge for the year	101.23	7.35	30.73	68.64	69.87	1.15	278.98
As at March 31, 2022	239.60	24.38	90.56	211.90	259.35	5.06	830.86
Capital work-in-progress							
As at April 01, 2020	-	-	-	-	-	-	-
As at March 31, 2021	-	-	-	-	-	-	-
As at March 31, 2022	-	-	-	-	-	-	-
Net book value:							
As at April 01, 2020	93.43	46.11	55.04	245.28	170.07	29.81	639.74
As at March 31, 2021	111.24	37.89	56.47	212.39	126.92	28.59	573.50
As at March 31, 2022	182.64	49.74	58.15	319.68	123.57	27.44	761.22

7.1 Title deeds of all the immovable properties of the company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

8. RIGHT OF USE ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Right of Use Assets	1,243.79	844.11
Total	1,243.79	844.11

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

9. OTHER INTANGIBLE ASSETS

(₹ in lakhs)			
Particulars	Trademark	Software	Total
Cost:			
As at April 01, 2020	3.39	113.47	116.86
Additions	-	23.10	23.10
Disposals	-	-	-
As at March 31, 2021	3.39	136.57	139.96
Additions	-	88.34	88.34
Disposals	-	-	-
As at March 31, 2022	3.39	224.91	228.30
Accumulative amortisation and impairment:			
As at April 01, 2020	0.93	36.24	37.17
Disposals	-	-	-
Amortisation charge for the year	0.68	27.30	27.98
As at March 31, 2021	1.61	63.54	65.15
Disposals	-	-	-
Amortisation charge for the year	0.68	35.09	35.77
As at March 31, 2022	2.29	98.63	100.92
Net book value other intangible assets:			
As at April 01, 2020	2.46	77.23	79.69
As at March 31, 2021	1.78	73.03	74.81
As at March 31, 2022	1.10	126.28	127.38
Other intangible assets under development			
As at April 01, 2020	-	-	-
As at March 31, 2021	-	-	-
As at March 31, 2022	-	-	-
Total other intangible assets			
As at April 01, 2020	2.46	77.23	79.70
As at March 31, 2021	1.78	73.03	74.81
As at March 31, 2022	1.10	126.28	127.38

10. OTHER NON-FINANCIAL ASSETS

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Reposessed Assets (net of impairment allowance)	1,917.64	1,395.98
Prepaid expenses	67.56	46.93
Deferred lease expense	38.24	23.42
Total	2,023.44	1,466.33

11. TRADE PAYABLES

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	783.61	302.68
Total outstanding dues of Micro enterprises and Small enterprises	0.19	9.65
Total	783.80	312.33

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forming part of the Financial Statements for the year ended March 31, 2022

11.1. Trade Payables aging schedule

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.19	-	-	-	0.19
(ii) Others	783.61	-	-	-	783.61
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	9.65	-	-	-	9.65
(ii) Others	302.51	0.17	-	-	302.68
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

12. DEBT SECURITIES (AT AMORTISED COST)

Particulars	As at	
	March 31, 2022	March 31, 2021
Secured		
Non Convertible Debentures	43,250.53	37,846.11
Unsecured		
Non Convertible Debentures*	4,686.34	1,499.79
Total	47,936.87	39,345.90
Debt securities in India	47,936.87	39,345.90
Debt securities in outside India	-	-
Total	47,936.87	39,345.90

* Non Convertible Debentures are partially secured by way of pari passu charge and equitable mortgage of the immovable property (land) owned by the company amounting to ₹ 5.46 lakhs.

12.1. Detail of Redeemable Non-Convertible Debentures

Sr. No	ISIN No.	Date of allotment	Date of redemption	Total number of debentures	Rate of Interest p.a.	Face value	As at March 31, 2022	As at March 31, 2021	Secured/ Unsecured
1	INE192U07095	30-09-2020	30-09-2022	2,500	10.95%	24,994	623.62	1,863.08	Secured
2	INE192U07186	10-03-2021	10-09-2023	3,500	11.00%	59,992	2,106.30	3,503.26	Secured
3	INE192U07210	20-09-2021	20-03-2025	250	10.50%	857,140	2,138.79	-	Secured
4	INE192U07228	23-09-2021	23-09-2023	250	9.95%	1,000,000	2,493.29	-	Secured
5	INE192U07236	23-09-2021	23-09-2025	200	9.95%	1,000,000	1,993.25	-	Secured
6	INE192U07152	18-02-2021	21-02-2022	0	11.07%	-	-	2,912.31	Secured
7	INE192U07145	29-12-2020	29-06-2022	250	9.46%	1,000,000	2,498.31	2,483.89	Secured

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Sr. No	ISIN No.	Date of allotment	Date of redemption	Total number of debentures	Rate of Interest p.a.	Face value	As at March 31, 2022	As at March 31, 2021	Secured/ Unsecured
8	INE192U07087	03-09-2020	03-03-2022	0	9.50%	-	-	3,146.09	Secured
9	INE192U07079	18-08-2020	18-02-2022	0	9.50%	-	-	2,620.71	Secured
10	INE192U07046	01-06-2020	01-06-2023	1,000	10.75%	100,000	997.01	994.78	Secured
11	INE192U07178	03-03-2021	03-03-2023	200,000	10.80%	1,000	1,984.98	1,993.73	Secured
12	INE192U08044	22-08-2019	15-04-2022	150	15.90%	1,000,000	1,499.99	1,499.79	Unsecured
13	INE192U07244	27-09-2021	27-09-2023	200	9.80%	1,000,000	2,072.89	-	Secured
14	INE192U07251	27-09-2021	27-03-2024	300	10.15%	1,000,000	3,111.99	-	Secured
15	INE192U07251	27-09-2021	27-03-2024	100	10.15%	1,000,000	1,037.33	-	Secured
16	INE192U07269	27-09-2021	27-08-2024	150	10.45%	1,000,000	1,557.52	-	Secured
17	INE192U08051	27-09-2021	21-10-2024	300	12.40%	1,000,000	3,186.35	-	Unsecured
18	INE192U07103	17-11-2020	16-05-2022	250	9.50%	1,000,000	2,581.86	2,569.74	Secured
19	INE192U07202	08-07-2021	22-06-2024	300	9.65%	680,448	2,031.21	-	Secured
20	INE192U07293	30-03-2022	30-09-2024	100,000	8.71%	1,000	986.80	-	Secured
21	INE192U07053	16-07-2020	16-01-2022	0	9.85%	-	-	1,595.17	Secured
22	INE192U07061	21-07-2020	21-04-2023	50	10.50%	10,000,000	5,086.48	5,075.09	Secured
23	INE192U07038	28-01-2020	28-01-2023	2,700	12.36%	27,778	744.24	1,636.89	Secured
24	INE192U07111	24-12-2020	24-01-2022	0	12.10%	-	-	818.51	Secured
25	INE192U07129	24-12-2020	24-10-2022	800	12.40%	100,000	918.35	819.15	Secured
26	INE192U07137	24-12-2020	24-06-2023	800	12.60%	100,000	920.38	819.58	Secured
27	INE192U07194	17-03-2021	31-12-2024	250	11.40%	1,000,000	2,486.97	2,480.32	Secured
28	INE192U07160	25-02-2021	25-02-2025	250	11.45%	750,000	1,887.28	2,513.82	Secured
29	INE192U07285	20-12-2021	20-06-2024	300	9.50%	1,000,000	2,991.68	-	Secured
Total							47,936.87	39,345.90	

12.2 Non convertible debentures are redeemable at par.

13. BORROWINGS OTHER THAN DEBT SECURITIES (AT AMORTISED COST)

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term loans		
From Banks	78,423.05	35,444.83
From Others	35,639.90	22,702.31
Others		
Cash Credit from Banks	3,017.01	6,818.99
Overdraft Credit from Banks	3,851.95	3,317.28
Working capital demand loan facility	-	-
Securitization	13,801.58	13,365.74
Unsecured		
Term loans		
From Others	5,161.91	1,588.93
Inter Corporate Deposits	-	61.82
Total	139,895.40	83,299.90
Borrowings in India	139,895.40	83,299.90
Total	139,895.40	83,299.90

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- 13.1** Secured term loans from banks amounting to ₹ 78,423.05 lakhs carry rate of interest in the range of 5.75% to 12.75% p.a. The loans are having tenure of 1 to 6 years from the date of disbursement and are repayable in both monthly & quarterly instalments. These loans are secured by hypothecation (exclusive charge) of the loans given by the Company.
- 13.2** Secured term loans from financial institutions amounting to ₹ 35,639.90 lakhs carry rate of interest in the range of 9.50% to 12.80% p.a. The loans are having tenure of 2 to 5 years from the date of disbursement and are repayable in both monthly & quarterly instalments. These loans are secured by hypothecation (exclusive charge) of the loans given by the Company. Loans from financial institutions to the extent of ₹ NIL (P.Y. ₹ 402.49 lakhs) have been guaranteed by corporate guarantee of Northern Arc Capital Limited.
- 13.3** Cash credit borrowings from bank are secured against hypothecation of receivables given by the company, are repayable on demand and carry interest rates ranging from 8.00% to 12.15%.
- 13.4** Overdraft borrowings from bank are secured against fixed deposits placed by the company, are repayable on demand and carry interest rates ranging from 3.90% to 5.85%.
- 13.5** Other borrowings includes associated liabilities to securitized asset that has been re-recognised due to non fulfilment of derecognition criteria as per Ind AS.
- 13.6** Unsecured term loans from financial institutions amounting to ₹ 5,161.91 lakhs carry rate of interest in the range of 11.00% to 12.90% p.a. The loans are having tenure of 3 years from the date of disbursement and are repayable in both monthly & quarterly instalments.
- 13.7** Inter corporate deposits from companies are unsecured and repayable within one year and carries interest rate ranging from 12.00% to 15.00%.
- 13.8** The company has not defaulted in the repayment of dues to its lenders.
- 13.9** Periodical returns or statements of loan receivables filed by the Company with banks or financial institutions are in agreement with the books of accounts

13.10 Changes in liabilities arising from financing activities

Particulars	As at March 31, 2021	Cash flows	Other*	As at March 31, 2022
Debt securities	39,345.90	8,485.63	105.34	47,936.87
Borrowings	83,299.90	56,264.38	331.12	139,895.40
Subordinate liabilities	0.00	-	-	0.00
Total	122,645.80	64,750.01	436.46	187,832.27

Particulars	As at March 31, 2020	Cash flows	Other*	As at March 31, 2021
Debt securities	8,592.78	30,539.74	213.38	39,345.90
Borrowings	59,463.96	23,685.68	150.26	83,299.90
Subordinate liabilities	0.00	-	-	0.00
Total	68,056.74	54,225.42	363.64	122,645.80

*Other column includes amortisation of transaction cost.

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13.11 Terms of repayment of long term borrowings outstanding as at March 31, 2022

(₹ in lakhs, except as stated otherwise)

Particulars	Interest rate range	No. of instalments	As at March 31, 2022	As at March 31, 2021
Monthly repayment				
Less than 1 Year	Less than 10%	486	27,729.55	8,616.40
	10% - 12%	565	18,016.94	19,441.31
	12% - 14%	48	2,854.77	3,860.56
	Above 14%	0	-	44.77
1 - 3 Year	Less than 10%	601	28,085.77	7,260.71
	10% - 12%	604	21,548.74	22,805.78
	12% - 14%	23	1,640.18	2,268.38
	Above 14%	0	-	-
3 - 5 Year	Less than 10%	154	9,098.78	462.99
	10% - 12%	100	3,527.25	3,631.43
	12% - 14%	0	-	-
	Above 14%	0	-	-
Over 5 Years	Less than 10%	1	43.99	-
	10% - 12%	0	-	-
	12% - 14%	0	-	-
	Above 14%	0	-	-
Quarterly repayment				
Less than 1 Year	Less than 10%	19	2,234.22	-
	10% - 12%	21	3,417.49	532.53
	12% - 14%	6	626.97	834.56
	Above 14%	0	-	-
1 - 3 Year	Less than 10%	40	4,657.16	-
	10% - 12%	37	6,048.99	1,226.14
	12% - 14%	0	-	623.40
	Above 14%	0	-	-
3 - 5 Year	Less than 10%	27	2,448.51	-
	10% - 12%	12	1,047.16	1,193.27
	12% - 14%	0	-	-
	Above 14%	0	-	-
Over 5 Years	Less than 10%	0	-	-
	10% - 12%	0	-	299.59
	12% - 14%	0	-	-
	Above 14%	0	-	-
Total		2,744.00	133,026.45	73,101.81

14. LEASE LIABILITY

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liability	1,394.41	949.66
Total	1,394.41	949.66

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

15. OTHER FINANCIAL LIABILITIES

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Commission Payable	369.71	219.59
Employee Incentive Payable	56.65	46.67
Due to assignee towards collections in derecognised assets	1,648.11	946.30
Security deposits	29.37	11.78
Total	2,103.84	1,224.34

16. PROVISIONS

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for gratuity	195.34	111.38
Other provisions		
Provision for Income tax	-	602.37
Total	195.34	713.75

17. OTHER NON-FINANCIAL LIABILITIES

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	323.87	146.42
Total	323.87	146.42

18. EQUITY SHARE CAPITAL

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposit		
1,31,00,000 (March 31, 2021: 1,05,00,000) equity shares of ₹ 10/- each	1,310.00	1,050.00
3,60,77,764 (March 31, 2021: 2,80,67,764) preference shares of ₹ 10/- each	3,607.78	2,806.78
17,74,600 (March 31, 2021: 17,74,600) Preference shares of ₹ 225.41/- each	4,000.13	4,000.13
	8,917.91	7,856.91
Issued, subscribed and fully paid-up:		
97,17,861 (March 31, 2021: 96,66,006) equity shares of ₹ 10/- each	971.79	966.61
2,69,07,764 (March 31, 2021: 2,69,07,764) Preference shares of ₹ 10/- each	2,690.78	2,690.78
17,74,544 (March 31, 2021: 17,74,544) Preference shares of ₹ 225.41/- each	3,999.99	3,999.99
	7,662.56	7,657.38

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forming part of the Financial Statements for the year ended March 31, 2022

18.1. Reconciliation of the shares outstanding at the beginning and at the end of year

Equity shares

(₹ in lakhs, except as stated otherwise)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity Share at the beginning of the year	9,666,006	966.61	9,621,671	962.17
Add:				
Equity Share Allotted during the year				
Shares issued during the year of ₹ 10/- each	-	-	-	-
Shares issued under ESOP	51,855	5.18	44,335	4.43
	9,717,861	971.79	9,666,006	966.61

Preference share

(₹ in lakhs, except as stated otherwise)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Preference Share at the beginning of the year	28,682,308	6,690.78	28,682,308	6,690.78
Add:				
Preference Share Allotted during the year				
Shares issued during the year of ₹ 10/- each	-	-	-	-
	28,682,308	6,690.78	28,682,308	6,690.78

18.2 Terms/right attached to shares

Equity shares

The company has only one class of the equity shares having par value of ₹10/- per share. Each shareholder is eligible for vote in proportion to his share of the paid up equity capital of the company. The company declares and pays dividends in Indian rupees.

Preference shares

The company has five class of compulsory convertible preference shares (CCPS). All the preference shareholders are entitled to receive preference dividend of 0.0001%, in priority to equity shareholders of the company, in each financial year. The company declares and pays dividends in Indian rupees. Each class of preference shares are eligible for conversion into equity shares at following terms within twenty years at the option of the investor.

Series A:

The company has 38,40,000 compulsory convertible preference shares (CCPS) issued at face value of ₹ 10/- per share. The preference shares are eligible for conversion into equivalent number of equity shares.

Series B:

The company has 1,01,37,308 compulsory convertible preference shares having face value of ₹ 10/-. The preference shares are eligible for conversion into one equity share against every two preference shares.

Series C:

The company has 17,74,544 compulsory convertible preference shares having face value of ₹ 225.41/-. The preference shares are eligible for conversion into equivalent number of equity shares.

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

Series D1:

The company has 96,99,216 compulsory convertible preference shares having face value of ₹ 10/-. The preference shares are eligible for conversion into one equity share against every two preference shares.

Series D2:

The company has 32,31,240 compulsory convertible preference shares having face value of ₹ 10/-. The preference shares are eligible for conversion into one equity share against every two preference shares.

18.3 In the event of the liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders adjusted by the partly paid up value of the share, if applicable.

18.4 Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares				
Bal Mukund Kogta	1,322,000	13.60%	1,322,000	13.68%
Arun Kogta, Director	791,000	8.14%	791,000	8.18%
Radha Krishan Kogta, Director	729,500	7.51%	729,500	7.55%
Varun Kogta, Director	627,000	6.45%	627,000	6.49%
Nidhi Kogta	580,000	5.97%	580,000	6.00%
Banwari Lal Kogta HUF	574,500	5.91%	574,500	5.94%
Nayan Kogta	567,000	5.83%	567,000	5.87%
Banwari Lal Kogta	549,000	5.65%	549,000	5.68%
Arun Kogta HUF	521,500	5.37%	521,500	5.40%
Preference shares				
NHPEA Rimo Holding B.V.	13,368,548	46.61%	13,368,548	46.61%
Aditya (Mauritius) Ltd.	9,699,216	33.82%	9,699,216	33.82%
IIFL Seed Ventures Fund I	5,614,544	19.57%	5,614,544	19.57%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

18.5 Shareholding of promoters

Shares held by promoters at the end of the year	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Promoter name						
Bal Mukund Kogta	1,322,000	13.60%	-0.06%	1,322,000	13.68%	-0.04%
Arun Kogta	791,000	8.14%	-0.03%	791,000	8.18%	-0.03%
Radha Krishan Kogta	729,500	7.51%	-0.03%	729,500	7.55%	-0.02%
Varun Kogta	627,000	6.45%	-0.03%	627,000	6.49%	-0.02%
Nidhi Kogta	580,000	5.97%	-0.02%	580,000	6.00%	-0.02%
Banwari Lal Kogta HUF	574,500	5.91%	-0.02%	574,500	5.94%	-0.02%
Nayan Kogta	567,000	5.83%	-0.02%	567,000	5.87%	-0.02%
Banwari Lal Kogta	549,000	5.65%	-0.02%	549,000	5.68%	-0.02%
Arun Kogta HUF	521,500	5.37%	-0.02%	521,500	5.40%	-0.02%
Radha Kishan Kogta HUF	454,500	4.68%	-0.02%	454,500	4.70%	-0.02%
Prem Lal Kogta HUF	426,000	4.38%	-0.02%	426,000	4.41%	-0.01%

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Shares held by promoters at the end of the year	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Promoter name						
Ritu Kogta	403,000	4.15%	-0.02%	403,000	4.17%	-0.01%
Bal Mukund Kogta HUF	400,000	4.12%	-0.02%	400,000	4.14%	-0.01%
Madhu Kogta	391,000	4.02%	-0.02%	391,000	4.05%	-0.01%
Durga Devi Kogta	349,500	3.60%	-0.01%	349,500	3.62%	-0.01%
Varun Kogta HUF	304,500	3.13%	-0.01%	304,500	3.15%	-0.01%
Ayush Kogta	239,000	2.46%	-0.01%	239,000	2.47%	-0.01%
Manju Kogta	199,000	2.05%	-0.01%	199,000	2.06%	-0.01%
Neha Suryaprakash Kalya	172,000	1.77%	-0.01%	172,000	1.78%	-0.01%
Total	9,600,000	98.79%	-0.40%	9,600,000	99.32%	-0.32%

19. OTHER EQUITY

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
General Reserve		
Balance at the beginning of the year	1,100.84	1,000.00
Add:- Addition during the year	109.26	100.84
Balance at the end of the year	1,210.10	1,100.84
Securities Premium		
Balance at the beginning of the year	41,886.80	41,833.92
Add:- Addition during the year	165.44	52.88
Less:- Utilization during the year against share issue expense	(170.55)	-
Balance at the end of the year	41,881.68	41,886.80
Statutory reserve u/s 45-IC of RBI Act		
Balance at the beginning of the year	2,186.63	1,286.27
Add:- Addition during the year	1,037.16	900.36
Balance at the end of the year	3,223.79	2,186.63
Capital reserve	40.00	40.00
	40.00	40.00
Share based payment reserve		
Balance at the beginning of the year	352.88	140.42
Add:- Addition during the year	321.18	230.72
Less:- Transfer to share capital on account of options exercised during the year	(54.40)	(17.42)
Less:- Transfer to reserve	(9.26)	(0.84)
Balance at the end of the year	610.40	352.88
Retained Earnings		
Balance at the beginning of the year	6,418.73	2,917.32
Profit for the year	5,185.82	4,501.80
Less:- Preference share Dividend	(0.01)	(0.03)
Less:- Dividend distribution tax on preference share dividend	-	-
Less:- Transfer to statutory reserve	(1,037.16)	(900.36)
Less:- Transfer to general reserve	(100.00)	(100.00)
Balance at the end of the year	10,467.38	6,418.73
Total	57,433.36	51,985.88

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19.1 Nature and purpose of reserve

General Reserve

General reserve is a free reserve, retained from company's profit and can be utilized upon fulfilling certain conditions in accordance with the statute of the relevant act.

Securities Premium

Securities Premium Account is used to record the premium on issue of shares. The reserve can be utilised in accordance with provisions of the Companies Act, 2013.

Statutory reserve u/s 45-IC of RBI Act

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

Capital reserve

Capital reserve represents the reserve created on account of forfeiture of the shares.

Share based payment reserve

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at the grant date fair value on stock options vested but not exercised by employees in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the company.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

20. INTEREST INCOME

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
	On Financial Assets measured at Amortised Cost	
Interest on Loans	28,417.26	21,091.83
Net gain on derecognition of financial instruments under amortised cost category	2,952.44	1,324.54
Interest income from fixed deposits	1,375.16	929.13
Total	32,744.86	23,345.50

Loan origination income included in Interest income on Loan is disclosed net of the direct incremental costs of ₹ 587.12 lakhs for year ended March 31, 2022 (P.Y. ₹ 359.33 lakhs) associated with the origination of the underlying loans.

21. FEE AND COMMISSION INCOME

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Fee income	1,786.83	870.42
Commission income	191.52	76.26
Total	1,978.35	946.68

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22. NET GAIN ON FAIR VALUE CHANGES

	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Particulars		
On Trading Portfolio		
Net gain on financial instruments at fair value through profit and loss - Realised		
Income from sale of Mutual funds	234.11	17.82
Income from Debentures	455.66	-
Net gain on financial instruments at fair value through profit and loss - Unrealised		
Income from Mutual funds	222.92	225.05
Income from Debentures	372.66	2.55
Income from Pass through certificate (PTC)	8.48	-
On Other Portfolio		
Total	1,293.83	245.42

23. OTHER INCOME

	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Particulars		
Net gain on derecognition of Property, plant and equipment	-	-
Rental Income	12.92	9.31
Total	12.92	9.31

24. FINANCE COSTS

	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Particulars		
Interest on financial liabilities		
Borrowings other than debt securities	8,849.73	5,621.97
Debt securities	4,935.44	1,933.40
Lease liability	111.89	96.64
Others		
Bank charges	53.41	52.93
Other finance cost	663.65	292.16
Total	14,614.12	7,997.10

25. IMPAIRMENT ON FINANCIAL INSTRUMENTS

	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Particulars		
On Financial instruments measured at Amortised Cost		
Loan assets	717.61	1,760.88
Loan assets written off (net of recoveries)	784.37	797.72
Loss on disposal of repossessed assets	293.19	369.57
Total	1,795.17	2,928.17

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26. EMPLOYEE BENEFITS

	(₹ in lakhs)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	9,134.75	5,281.83
Share based payments to employees	321.18	230.72
Contribution to provident and other funds	611.13	333.12
Gratuity expense	53.66	33.60
Staff welfare expenses	21.11	15.41
Total	10,141.83	5,894.68

26.1 Gratuity and other post-employment benefit plans:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed in accordance with the rules as prescribed under the payment of Gratuity Act, 1972.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

	(₹ in lakhs)	
Particulars	March 31, 2022	March 31, 2021
Details of Actuarial Valuation:		
Present value of the obligation at the beginning of the year	111.38	61.40
Current service cost	48.81	29.43
Interest cost on benefit obligation	4.84	4.17
Benefits paid (if any)	(6.01)	-
Net actuarial (gain)/loss recognized in the year	36.31	16.38
Present value of the obligation at the end of the year	195.34	111.38
Balance sheet		
Present value of defined benefit obligation	195.34	111.38
Fair value of plan assets	-	-
Plan assets/(liabilities)	195.34	111.38
Amount recognized in the statement of P&L		
Interest cost	4.84	4.17
Current service cost	48.81	29.43
Expenses to be recognized in P&L	53.65	33.60
Remeasurement (gains)/loss recognized in other comprehensive income		
Remeasurement (gains)/loss on obligations arising from changes in experience adjustments	43.42	17.83
Remeasurement (gains)/loss on obligations arising from changes in financial assumptions	(1.88)	(1.45)
Remeasurement (gains)/loss on obligations arising from changes in demographic assumptions	(5.22)	-
Total	36.31	16.38

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forming part of the Financial Statements for the year ended March 31, 2022

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
Principal assumptions used in determining gratuity obligations		
Discount rate	4.70% p.a.	4.35% p.a.
Salary Growth Rate	7.00% p.a.	7.00% p.a.
Mortality	IALM 2012-14	IALM 2012-14
Expected rate of return	-	-
Withdrawal rate	40% to 65% p.a.	45.00% p.a.

Sensitivity Analysis

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 1%)	190.18	200.76	108.34	114.57
Salary Growth rate (+/- 1%)	200.58	190.24	114.46	108.39
Withdrawal Rate (+/- 50%)	161.65	262.62	87.02	157.92

27. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in lakhs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Property, plant and equipment	278.98	244.57
Other Intangible Assets	35.77	27.98
Right of Use Assets	281.86	216.26
Total	596.61	488.81

28. OTHER EXPENSES

(₹ in lakhs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent	189.15	147.71
Electricity expenses	89.83	66.05
Repairs and maintenance	54.35	22.91
Printing and stationery	147.88	81.13
Travelling and conveyance	54.87	31.83
Professional fees	259.35	145.76
CSR expenditure	72.87	58.19
Director sitting fees	7.15	9.80
Commission to directors	9.00	-
Auditor Remuneration	21.00	27.60
Telephone and internet expenses	78.21	61.85
Business promotion	10.52	7.12
Rates & taxes	244.65	141.38
Office expenses	249.00	139.43
Share issue expenses	-	-
Donation	1.13	2.42
Collection & recovery expenses	188.78	100.24
Insurance expenses	8.16	20.89
Legal expenses	178.15	121.18
Net Loss on derecognition of Property, plant and equipment	2.65	2.70
Total	1,866.70	1,188.19

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28.1 Auditor Remuneration

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory audit fees	16.00	18.40
Limited review	5.00	5.75
Other services (Certification fee)	-	3.45
Total	21.00	27.60

28.2 Amount Spent towards Corporate Social Responsibility (CSR)

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Amount unspent for the last year	-	18.98
(b) Amount required to be spent by the company during the year	72.87	39.21
(c) Amount of expenditure incurred		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	72.87	58.19
(d) Shortfall at the end of the year	-	(18.98)
(e) Total of previous years shortfall	-	18.98
(f) Net shortfall	-	-
(g) Reason for shortfall	NA	NA
(h) Nature of CSR activities	Animal welfare, Making available safe drinking water, Promoting education, Promoting health care including preventive health care	Animal welfare, Making available safe drinking water, Promoting education, Promoting health care including preventive health care
(i) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	59.00	-
(j) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

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29. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Particulars		
Continuing operations for the year		
Profit/(loss) after tax	5,185.82	4,501.80
Less: dividends on convertible preference shares & tax thereon	0.01	0.01
Net profit/ (loss) for calculation of basic EPS	5,185.81	4,501.79
Net profit as above	5,185.81	4,501.79
Add: dividends on convertible preference shares & tax thereon	0.01	0.01
Net profit/ (loss) for calculation of diluted EPS	5,185.82	4,501.80
Weighted average number of equity shares in calculating basic EPS		
Effect of dilution:		
Equity shares (in lakhs)	96.81	96.42
Weighted average no. of equity shares for Diluted EPS (in lakhs)	272.15	270.52
Earning per equity share		
Basic	53.57	46.69
Diluted	19.06	16.64

30. INCOME TAX

The major components of income tax expense for the year ended March 31, 2022 are:

	Year ended March 31, 2022	Year ended March 31, 2021
Particulars		
Current income tax:		
Current income tax charge	1,630.83	1,606.17
Deferred tax:		
Relating to origination and reversal of temporary differences	171.71	(70.27)
Income tax expense reported in the statement of profit or loss	1,802.54	1,535.90
Deferred tax relating to OCI		
Net loss/(gain) on re-measurements of defined benefit plans	(9.14)	(4.12)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022:

	Year ended March 31, 2022	Year ended March 31, 2021
Particulars		
Accounting profit before tax from continuing operations	7,015.53	6,049.96
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	7,015.53	6,049.96
Tax at statutory Income Tax rate of 25.17%	1,765.67	1,522.65
Expenses Disallowed in Income tax Act	40.17	43.00
Deduction allowed u/s 80JJAA of the Income tax act	-	-
Expenses Disallowed u/s 43B of the Income tax Act	97.00	66.00
Incremental deferred tax liabilities /(assets)	(100.30)	(95.75)
Decrease in deferred tax liabilities /(assets) on account of change in tax rate	-	-
Tax on Long term capital gain @23.30%	-	-
Other adjustments	-	-
Tax at effective Income Tax rate of 25.69% (P.Y. 23.39%) (a)	1,802.54	1,535.90
Tax on Other comprehensive income (b)	(9.14)	(4.12)
Total Tax expenses at effective tax rate of 25.56% (P.Y. 25.32%) (a+b)	1,793.40	1,531.78

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31. DEFERRED TAX ASSET

Deferred tax liabilities/(assets)	As at March 31, 2022	As at March 31, 2021
Deferred tax asset		
Impact of EIR adjustments on financial assets	193.07	221.52
Impairment on Loans	1,063.80	879.75
Provision for gratuity and Leave availment	35.90	23.91
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	80.02	56.11
Employee stock options outstanding	154.04	89.22
Other adjustments	38.66	27.11
Gross deferred tax asset	1,565.49	1,297.62
Deferred tax liability	-	-
Impact of EIR adjustments on financial liabilities	2.97	2.97
Gain on De-recognition of Loans	(253.80)	(360.50)
Upfront interest income on assignment transaction	(888.40)	(342.12)
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	-
Gross deferred tax liability	(1,139.22)	(699.65)
Net Deferred Tax Liability	426.26	597.97

Deferred Tax charged to statement of profit and loss account	Year ended March 31, 2022		Year ended March 31, 2021	
	Income statement	OCI	Income statement	OCI
Impact of EIR adjustments on financial assets	28.45	-	(42.32)	-
Impairment on Loans	(184.05)	-	(438.88)	-
Provision for gratuity and Leave availment	(11.99)	-	(8.46)	-
Employee stock options outstanding	(64.81)	-	(63.41)	-
Impact of EIR adjustments on financial liabilities	(0.00)	-	18.05	-
Gain on De-recognition of Loans	(106.70)	-	250.23	-
Upfront interest income on assignment transaction	546.28	-	252.15	-
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(23.90)	-	(24.13)	-
Other adjustments	(11.55)	-	(13.50)	-
Deferred Tax charged to statement of profit and loss account	171.72	-	(70.27)	-

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32. STOCK OPTIONS

The Company has formulated share based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2022 are as given below:

Particulars	ESOP 2020 (Series 3)	ESOP 2020 (Series 2)	ESOP 2020 (Series 1)	ESOP 2019	ESOP 2018
Date of Grant for employee stock options outstanding	17-08-2021	30-03-2021	13-11-2020	16-05-2019	12-05-2018
Vesting Period:					
2 years from the date of grant	NA	NA	NA	NA	40%
Expiry of 1 year from 1st vesting	NA	NA	NA	NA	30%
Expiry of 2 year from 1st vesting	NA	NA	NA	NA	30%
3 years from the date of grant	NA	NA	NA	50%	NA
Expiry of 2 year from 1st vesting	NA	NA	NA	50%	NA
1 years from the date of grant	40%	40%	40%	NA	NA
Expiry of 1 year from 1st vesting	30%	30%	30%	NA	NA
Expiry of 2 year from 1st vesting	30%	30%	30%	NA	NA
Exercise period	3 Years from the date of Vesting	3 Years from the date of Vesting	3 Years from the date of Vesting	2 Years from the date of Vesting	3 months from the date of vesting
Method of settlement	Equity	Equity	Equity	Equity	Equity
Vesting condition	Continuous service	Continuous service	Continuous service	Continuous service	Continuous service
Maximum term of Options	6 Years 1 Month	6 Years 1 Month	6 Years 2 Month	7 Years 1 Month	4 Years 4 Months
Weighted average remaining contractual life (years)	4.32 Years	3.98 Years	3.66 Years	3.25 Years	0.50 Years
Weighted average exercise price per option	₹ 450.00	₹ 450.00	₹ 450.00	₹ 170.00	₹ 90.00

Year ended March 31, 2022

Number of options outstanding at the beginning of the year	10,000	24,000	212,500	249,050	69,120
Number of options granted during the year	-	-	-	-	-
Number of options forfeited during the year	-	-	18,800	32,500	3,525
Number of options exercised during the year	-	-	19,320	-	32,535
Number of options expired during the year	-	-	4,200	-	525
Number of options outstanding at the end of the year	10,000	24,000	170,180	216,550	32,535
Number of options exercisable at the end of the year	-	-	-	-	-
Weighted average fair values of the outstanding options	₹ 457.34	₹ 215.45	₹ 215.45	₹ 189.94	₹ 39.27

Year ended March 31, 2021

Number of options outstanding at the beginning of the year	-	-	-	255,800.00	117,200
Number of options granted during the year	24,000.00	214,500.00	-	-	-
Number of options forfeited during the year	-	2,000.00	6,750	1,600	-
Number of options exercised during the year	-	-	-	44,335	-
Number of options expired during the year	-	-	-	2,145	-
Number of options outstanding at the end of the year	24,000.00	212,500.00	249,050	69,120	-
Number of options exercisable at the end of the year	-	-	-	-	-
Weighted average fair values of the outstanding options	₹ 215.45	₹ 215.45	₹ 189.94	₹ 39.27	-

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Particulars	ESOP 2020 (Series 3)	ESOP 2020 (Series 2)	ESOP 2020 (Series 1)	ESOP 2019	ESOP 2018
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The Company measures the cost of Employee stock options using the fair value method and has calculated fair value of option at the time of Grant using Black-Scholes pricing model with the following assumptions:

ESOP 2021

Particulars	Tranche 1	Tranche 2	Tranche 3
Weighted average share price	₹ 765.85	₹ 765.85	₹ 765.85
Exercise price	₹ 450.00	₹ 450.00	₹ 450.00
Weighted average fair value of stock option	₹ 430.76	₹ 458.93	₹ 491.18
Risk free interest rate	4.76%	5.24%	5.62%
Expected Life of Options	2.54 years	3.54 years	4.54 years
Expected volatility	56.19%	52.28%	52.08%
Expected dividend rate	0.00%	0.00%	0.00%

ESOP 2020

Particulars	Tranche 1	Tranche 2	Tranche 3
Weighted average share price	₹ 521.91	₹ 521.91	₹ 521.91
Exercise price	₹ 450.00	₹ 450.00	₹ 450.00
Weighted average fair value of stock option	₹ 199.04	₹ 219.71	₹ 233.08
Risk free interest rate	4.38%	4.81%	5.17%
Expected Life of Options	2.64 years	3.64 years	4.64 years
Expected volatility	44.59%	40.97%	36.58%
Expected dividend rate	0.00%	0.00%	0.00%

ESOP 2019

Particulars	Tranche 1	Tranche 2
Weighted average share price	₹ 224.17	₹ 224.17
Exercise price	₹ 170.00	₹ 170.00
Weighted average fair value of stock option	₹ 182.25	₹ 197.63
Risk free interest rate	6.98%	7.21%
Expected Life of Options	4.13 years	6.13 years
Expected volatility	46.38%	46.38%
Expected dividend rate	0.99%	0.99%

ESOP 2018

Particulars	Tranche 1	Tranche 2	Tranche 3
Weighted average share price	₹ 100.51	₹ 100.51	₹ 100.51
Exercise price	₹ 90.00	₹ 90.00	₹ 90.00
Weighted average fair value of stock option	₹ 34.15	₹ 40.20	₹ 45.17
Risk free interest rate	7.43%	7.65%	7.78%
Expected Life of Options	2.26 years	3.26 years	4.26 years
Expected volatility	41.45%	41.45%	41.45%
Expected dividend rate	0.99%	0.99%	0.99%

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Expense charged for the year	321.18	230.72
Employee stock options outstanding balance	610.40	352.88

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33. FAIR VALUE OF FINANCIAL INSTRUMENTS

33.1 Fair value of Financial instruments not measured at fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, that are not carried at fair value in the balance sheet. This table does not include the fair values of non financial assets and non financial liabilities:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Loans (Fixed rate)	183,255.58	183,183.12	130,530.66	130,447.64

(₹ in lakhs)

Valuation techniques

The management assessed that cash and cash equivalents, bank balances other than cash & cash equivalents, other financial assets, trade payables, lease liability and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of financial assets or liabilities.

Loans - The fair value of fixed rate loans are determined by discounting expected future contractual cash flows using current market interest rates charged to similar categories of new loans.

Debt Securities, Borrowings (other than debt securities) and subordinated liabilities - The fair value of certain fixed rate debt securities, borrowings (other than debt securities) and subordinated liabilities is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans. The fair value of floating rate debt securities, borrowings (other than debt securities) and subordinated liabilities are deemed to be equivalent to the carrying value.

33.2 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosure fair value measurement hierarchy of assets & liabilities as at March 31, 2022

Particulars	Fair value			
	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans (Fixed rate)	-	-	183,183.12	183,183.12

(₹ in lakhs)

Quantitative disclosure fair value measurement hierarchy of assets & liabilities as at March 31, 2021

Particulars	Fair value			
	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans (Fixed rate)	-	-	130,447.64	130,447.64

(₹ in lakhs)

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2022, March 31, 2021.

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34. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES WHICH ARE RECOGNISED AT AMORTISED COST

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets		
Cash & Cash Equivalents	7,385.65	10,636.56
Bank Balances Other than Cash & Cash Equivalents	26,914.08	25,126.12
Loans (Fixed rate)	183,255.58	130,530.66
Investments	31,189.83	13,854.12
Other Financial Assets	4,402.22	1,931.37
Total Financial Assets	253,147.36	182,078.83
Financial liabilities		
Trade Payables	783.80	312.33
Debt Securities	47,936.87	39,345.90
Borrowings (Other than debt securities)	139,895.40	83,299.90
Lease Liability	1,394.41	949.66
Other financial liabilities	2,103.84	1,224.34
Total Financial liabilities	192,114.32	125,132.13

35. IND AS 116 ON LEASE

The changes in the carrying value of ROU assets for the year ended March 31, 2022 are as follows

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Gross carrying value		
Opening Balance	1,220.35	1,041.61
Addition	697.17	191.81
Translation adjustments	-	-
Adjustment/Deletion	(160.71)	(13.07)
Closing Balance	1,756.81	1,220.35
Accumulative amortisation		
Opening Balance	376.24	166.48
Depreciation	281.86	216.26
Translation adjustments	-	-
Adjustment/Deletion	(145.08)	(6.50)
Closing Balance	513.02	376.24
Net carrying value	1,243.79	844.11

The following is the movement in lease liabilities during the year ended March 31, 2022.

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities		
Opening Balance	949.66	928.02
Additions	697.17	191.81
Adjustment/Deletion	(15.63)	(8.46)
Translation adjustments	-	-
Finance expense	111.89	96.64
Payment of lease liabilities	(348.67)	(258.35)
Closing Balance	1,394.41	949.66

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Amounts recognised in profit & loss during the year ended March 31, 2022

	(₹ in lakhs)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation expense of right-of-use assets	281.86	216.26
Interest expense on lease liabilities	111.89	96.64
Total	393.75	312.90

Total cash outflow for leases:

	(₹ in lakhs)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total cash outflow for leases	348.67	258.35
Total	348.67	258.35

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022, on an undiscounted basis

	(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Tenure		
Less than 1 year	267.57	192.13
1-3 years	479.26	337.42
3-5 years	427.22	195.23
More than 5 years	220.36	224.88
Closing balance	1,394.41	949.66

The company has paid following rent on account of short term leases or where the lease security deposit is less than 50,000:

	(₹ in lakhs)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short Term Lease	-	24.81
Low value Lease	180.54	106.04
Total	180.54	130.85

36. TRANSFER OF FINANCIAL ASSETS

Transferred financial assets that are not derecognized in their entirety

Securitisation:

The Company uses securitisations as a source of finance. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued securities. Securitisation has resulted in the continued recognition of the securitised assets.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

	(₹ in lakhs)	
Loans and advances measured at amortised cost	As at March 31, 2022	As at March 31, 2021
Carrying amount of transferred assets measured at amortised cost	16,221.64	17,224.73
Carrying amount of associated liabilities	13,801.58	13,365.74

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Assignment Deal:

During the year ended March 31, 2022, the Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.

The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the Company business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition, per type of asset.

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Loans and advances measured at amortised cost		
Carrying amount of derecognised financial assets	30,697.56	15,159.67
Gain from derecognition	2,927.58	1,318.02

37. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity and preference capital, share premium and all other reserves attributable to the shareholders of the Company net of intangible assets. The company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the capital is monitored by the Risk management committee and Board considering the regulations issued by RBI.

The Company manages its capital structure in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is total debt divided by net worth. The Company's policy is to keep the capital adequacy ratio at reasonable level in imminent year well above the stipulated requirement of 15% by RBI. The company has complied with the capital requirements prescribed by RBI over the reported period.

	(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Debts	187,832.27	122,645.80
Net worth	64,630.32	59,020.08
Debt to Net worth (in times)	2.91	2.08

38. RISK MANAGEMENT

The Company's Principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations. At the other hand company's Principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. The Company's risk governance structure operates with a robust board and risk management committee with a clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and monitors the risk profile of the company directly as well as through its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The key risks faced by the company are liquidity risk, credit risk, Concentration risk, market risk, interest rate risk and Operational Risk.

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38.1 Objectives and Policies

(A) Liquidity risk

Liquidity Risk refers to the risk that the Company will encounter difficulty in meeting its financial obligations primarily associated with financial liabilities. The objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. Liquidity risk may arise because of the possibility that the company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities.

(₹ in lakhs)			
Maturity profile of Financial liabilities as on March 31, 2022			
Particulars	Borrowings	Payables	Other Financial liabilities
1 Day to 31 Days / One month	7,084.93	23.90	1,704.76
Over 1 month to 2 month	8,044.51	23.74	-
Over 2 month to 3 month	8,381.08	22.91	-
Over 3 month to 6 month	16,281.01	850.44	369.71
Over 6 month to 1 year	38,983.42	130.37	29.37
Over 1 year to 3 years	91,892.64	479.26	-
Over 3 year to 5 years	17,120.71	427.22	-
Over 5 years	43.98	220.36	-
Total	187,832.27	2,178.21	2,103.84

(B) Credit risk

Credit risk arises when a borrower is unable to meet financial obligations under the loan agreement to the Company. This could be either because of wrong assessment of the borrower's repayment capabilities or due to uncertainties in future. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

The company has comprehensive and well-defined credit policies across all products and segments, which are backed by analytics and technology for mitigating the risks associated with them. Company has developed "Credit scoring model" which uses quantitative measures of the performance and characteristics of past loans to predict the future performance of loans with similar characteristics. It is a statistical method of assessing the credit risk associated with new loan applications. Various Parameters or risk identifiers of this function are empirically designed; that is, they are developed entirely from information and experience gained through prior experience. It is the set of decision models and their underlying techniques that aid the company in determining to ascertain the credit worthiness of a potential customer and also fairly price credit risks. It is an objective risk assessment/identification tool, as opposed to subjective methods that rely on a credit underwriter's opinion. It helps the company in taking credit decisions in a consistent manner.

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Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, cash flow analysis, physical verifications of a customer's business and residence and field visits and required term cover for insurance.

The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals.

(C) Concentration of Risk/Exposure

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Company is in retail lending business in western & central India. Vehicle Finance segment (consisting of new and used Commercial Vehicles, Passenger Vehicles, Tractors and Construction Equipment) is lending against security of hypothecation on underlying vehicle and contributes to 81% of the loan book of the Company as of March 31, 2022 (78% as of March 31, 2021). Portfolio is reasonably well diversified across 8 states of the country. Similarly, sub segments within Vehicle Finance like Heavy Commercial Vehicles, Light Commercial Vehicles, Car and Multi Utility Vehicles, three wheeler and Small Commercial Vehicles, Tractors and Construction Equipment have portfolio share between 3.78% to 45.00% leading to well diversified product mix.

MSME & Loan against Property segment is mortgage loan against security of immovable property (primarily self-occupied residential property) to self employed non-professional category of borrowers and contributes to 19% of the lending book of the company as of March 31, 2022 (22% as of March 31, 2021). Portfolio is diversified and distributed between 2.14% to 47.50% across 6 states i.e. Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Punjab & Haryana.

The Concentration of risk is managed by company for each product by its region and its sub segments. Company did not overly depend on few regions or sub-segments as of March 31, 2022.

(D) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market variables. Such changes in the values of financial instruments may result from changes in the interest rates, credit, and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk and liquidity risk.

(E) Interest Rate Risk

The Company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Change in interest rate affects Company's earnings (measured by NII or NIM) and corresponding net worth, Hence it is essential for the Company to not only quantify the interest rate risk but also to manage it proactively. The Company mitigates its interest rate risk by keeping a balanced mix of borrowings. The Company lends at fixed rate of interest thus, the company is not exposed to interest rate risk on loans.

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The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

Particulars	(₹ in lakhs)			
	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Borrowings (Floating)				
Increase in basis points (+/- 1%)	(519.74)	(519.74)	(275.84)	(275.84)
Decrease in basis points (+/- 1%)	519.74	519.74	275.84	275.84

(F) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of concurrent audit.

The company has put in place a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with any adverse events.

(G) Risk assessment for COVID 19

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas as India witnessed two more waves of the COVID-19 pandemic during the year ended March 2022. Currently, while the number of new COVID-19 cases have reduced significantly and the Government of India has withdrawn most of the COVID-19 related restrictions, the Company has retained the additional ECL provision as management overlay based on the collection efficiencies post lockdown, internal assessment & other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

38.2 Collateral and other Credit Enhancements

Although collateral can be an important mitigation of credit risk, it is the Company's policy to lend on the basis of the customer's ability & intention to meet the repayment obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements. The company obtains first and exclusive charge on all collateral for the loans given. Vehicle Finance and MSME & Loan against Property are secured by collateral at the time of origination. In case of Vehicle loans, Company values the vehicle either through proforma invoice (for new vehicles) or using registered valuers for used vehicles. In case of MSME & Loan against Property, the value of the property at the time of origination will be arrived by obtaining valuation report from Company's empanelled valuers.

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Hypothecation endorsement is obtained in favour of the Company in the Registration Certificate of the underlying vehicle funded under the vehicle finance segment. Immovable Property is the collateral for MSME & Loan against Property. Security Interest in favour of the Company is created through deposit of title deed by equitable or registered Mortgage.

The company does not obtain any other form of credit enhancement other than the above. All the loans are secured by way of tangible Collateral. Any surplus remaining after settlement of outstanding debt by way of sale of collateral is returned to the borrower.

39. MATURITY ANALYSIS AS AT MARCH 31, 2022 AND MARCH 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Amount	Within 12 Months	After 12 Months	Amount	Within 12 Months	After 12 Months
ASSETS						
Financial assets						
Cash and cash equivalents	7,385.65	7,385.65	-	10,636.56	10,636.56	-
Bank balance other than cash and cash equivalents	26,914.08	19,410.59	7,503.49	25,126.12	18,303.60	6,822.52
Loans	183,255.58	56,679.60	126,575.98	130,530.66	39,746.92	90,783.74
Investments	31,189.83	28,072.68	3,117.15	13,854.12	13,854.12	-
Other financial assets	4,402.22	2,232.70	2,169.52	1,931.37	1,263.67	667.70
Non-financial assets						
Deferred tax assets (Net)	426.26	-	426.26	597.97	-	597.97
Property, plant and equipment	761.22	-	761.22	573.50	-	573.50
Right of use assets	1,243.79	307.81	935.98	844.11	225.88	618.23
Other intangible assets	127.38	-	127.38	74.81	-	74.81
Other non-financial assets	2,023.44	1,985.86	37.58	1,466.33	1,443.38	22.95
Total - Assets	257,729.45	116,074.89	141,654.56	185,635.55	85,474.13	100,161.41
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Trade Payables	783.80	783.80	-	312.33	312.33	-
Debt securities	47,936.87	17,026.05	30,910.82	39,345.90	15,547.87	23,798.02
Borrowings (other than debt securities)	139,895.40	61,748.91	78,146.49	83,299.90	43,528.22	39,771.68
Lease Liability	1,394.41	267.56	1,126.85	949.66	192.14	757.52
Other financial liabilities	2,103.84	2,103.84	-	1,224.34	1,224.34	-
Non-financial liabilities						
Provisions	195.34	-	195.34	713.75	602.37	111.38
Other non-financial liabilities	323.87	323.87	-	146.42	146.42	-
Equity						
Equity share capital	7,662.56	-	7,662.56	7,657.38	-	7,657.38
Other equity	57,433.36	-	57,433.36	51,985.87	-	51,985.87
Total - Liabilities and Equity	257,729.45	82,254.03	175,475.42	185,635.55	61,553.69	124,081.85

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

40. RELATED PARTY DISCLOSURES (IND AS - 24)

A. Names of related parties and nature of relationship

Relationship	Name of Related Party
Key Managerial Personnel	1. Radha Krishan Kogta (Chairman)
	2. Arun Kogta (Managing Director & Chief Executive Officer)
	3. Varun Kogta (Executive Director & Chief Financial Officer)
	4. Rahul Agrawal (Company Secretary & Compliance Officer)
Relatives of Key Managerial Personnel & other parties	1. Banwari Lal Kogta
	2. Bal Mukund Kogta
	3. Durga Devi Kogta
	4. Madhu Kogta
	5. Manju Kogta
	6. Nidhi Kogta
	7. Ritu Kogta
	8. Nayan Kogta
	9. Akansha Kogta
	10. Neha Suryaprakash Kalya
	11. Aayush Kogta
	12. Ayushi Kogta
	13. Prem Lal Kogta HUF
	14. Banwari Lal Kogta HUF
	15. Bal Mukund Kogta HUF
	16. Radha Krishan Kogta HUF
	17. Arun Kogta HUF
	18. Varun Kogta HUF
	19. Nayan Kogta HUF
	20. Giriraj Allied Industries
	21. Giriraj Construction
	22. Giriraj Industries
	23. Giriraj Automobiles
	24. Nidhi Freight Carrier
	25. Easy Recovery Solutions
	26. Shri Nath Marble Mines
	27. Shri Giriraj Marble
	28. Jaipur Insurance Brokers
	29. Matangi Stonex LLP
	30. Kogta Foundation
	31. Kogta Employees Welfare Trust
	32. Kogta Housing Development Private Limited
	33. Alka Estates Private Limited
	34. Jaipur Promotors Private Limited
	35. JIB Advisors LLP
	36. Hivestica Partners LLP
	37. NHPEA Rimo Holding B.V.

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

B. Details of Transactions during the year with Related Parties

(₹ in lakhs)

Nature of Transactions	Key Managerial Personnel		Relatives of Key Managerial Personnel	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Remuneration	184.55	127.72	50.00	35.00
Rent	2.40	2.40	24.57	23.68
Loans Accepted	28.32	13.60	191.71	667.31
Repayment made	28.32	13.60	326.43	552.31
Loans/ Advances Given	27.17	6.62	83.37	73.97
Repayment received	27.17	25.62	99.61	117.26
Commission	-	-	22.57	20.33
Servicing Income	-	-	282.93	53.73
Interest Paid	0.06	0.40	10.19	15.23
Interest Received	0.11	2.29	2.80	6.58
Processing Fees	-	-	-	-
Donation Paid	-	-	59.00	1.00
Property Sold	-	-	-	-
Number of Share warrants issued	-	-	-	-
Share based payments				
Number of outstanding stock options granted under ESOP 2018	900	1,800	-	-
Number of outstanding stock options granted under ESOP 2019	7,000	7,000	-	-
Number of outstanding stock options granted under ESOP 2020	3,400	4,000	-	-
Issuance of Equity Shares of the Company				
Number of shares issued under ESOP 2018	2,100	1,200	-	-
Number of shares issued under ESOP 2020	600	-	-	-
BALANCE OUTSTANDING:				
Loans/ Advances Given	-	-	69.55	83.39
Loans Accepted	-	-	-	134.72

41. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Contingent Liabilities:		
Claim not acknowledge as debt by the Company	-	-
Bill Discounted & Outstanding	-	-
Guarantee and Letter of Credit issued by banker on behalf of the Company (including guarantee given by the Company)	-	-
Capital commitments:		
Estimated amount of the contract to be executed on capital account	-	-

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

42. CAPITAL

		(₹ in lakhs)	
S. No.	Particulars	March 31, 2022	March 31, 2021
i)	CRAR (%)	28.46	43.39
ii)	CRAR-Tier I Capital (%)	28.46	43.39
iii)	CRAR-Tier II Capital (%)	0.00	0.00
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

42.1 CRAR as at March 31, 2022 (P.Y. March 31, 2021) has been determined in accordance with the RBI Master Directions read with RBI notification RBI/2019-20/170, DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards.

43. INVESTMENTS

		(₹ in lakhs)	
Particulars		March 31, 2022	March 31, 2021
1 Value of Investments			
(i) Gross Value of Investments			
(a) In India		31,189.83	13,854.12
(a) Outside India		-	-
(ii) Provisions for Depreciation			
(a) In India		-	-
(a) Outside India		-	-
(iii) Net Value of Investments			
(a) In India		31,189.83	13,854.12
(a) Outside India		-	-
2 Movement of provisions held towards depreciation on Investments			
(i) Opening Balance		-	-
(ii) Add: Provisions made during the year		-	-
(iii) Less: Write-off/ write-back of excess provisions		-	-
(iv) Closing balance		-	-

44. DERIVATIVES

a Forward Rate Agreement/Interest Rate Swap

The Company has no transactions/exposure in forward rate agreement/interest rate swap during 2021-22 and 2020-21.

b Exchange Traded Interest Rate (IR) Derivatives

The Company has no transactions/exposure in exchange traded interest rate (IR) derivatives during 2021-22 and 2020-21.

c Currency derivatives and interest rate derivatives

The Company has no transactions/exposure in currency or interest rate derivatives during 2021-22 and 2020-21.

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

45. DETAILS OF FINANCIAL ASSETS SOLD TO SECURITIZATION/RECONSTRUCTION COMPANY FOR ASSET RECONSTRUCTION

The Company has not sold any financial assets to Securitisation/Reconstruction Company for asset Reconstruction during 2021-22 and 2020-21.

46. VALUE OF IMPORTS CALCULATED ON CIF BASIS

The Company has not imported any goods therefore value of import on CIF basis is Nil. (As on March 31, 2021 – Nil).

47. EXPENDITURE IN FOREIGN CURRENCY

The Company does not have any expenditure in Foreign Currency (As on March 31, 2021 – Nil).

48. EARNING IN FOREIGN CURRENCY

The Company does not have any earnings in Foreign Currency (As on March 31, 2021 – Nil).

49. DISCLOSURES RELATING TO SECURITIZATION FOR STC TRANSACTIONS

The Company has securitized its portfolio through SPV route. The MRR and other exposure details are given herein below:

		(₹ in lakhs)	
S. No.	Particulars	No./ Amount	
		March 31, 2022	March 31, 2021
1	No of SPVs sponsored by the NBFC for securitization transactions	5	10
2	Total amount of securitized assets as per books of the SPVs sponsored	17,360.61	18,420.92
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	-	130.79
	Others	-	-
	b) On-balance sheet exposures		
	First loss (in the form of fixed deposit)	2,222.87	2,255.48
	Others	2,943.90	2,931.73
4	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	(i) Exposure to own Securitization		
	First loss	-	-
	Others*	-	-
	(ii) Exposure to third party securitizations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	(i) Exposure to own Securitization		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitizations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation	25,723.07	32,188.89

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

		(₹ in lakhs)	
S. No.	Particulars	No./ Amount	
		March 31, 2022	March 31, 2021
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	17,360.61	18,420.92
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.	Servicing Agent	Servicing Agent
	(a) Amount paid	43.22%	56.49%
	(b) Repayment received	47.75%	59.96%
	(c) Outstanding amount	4.53%	3.47%
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	NIL	NIL
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	NIL	NIL
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	NIL	NIL

*Others include second loss credit enhancement.

50. DISCLOSURE OF ASSIGNMENT TRANSACTIONS UNDERTAKEN

The company has undertaken 8 assignment transactions during the year ended March 31, 2022 (P.Y. 7 transactions). Details are given below:

		(₹ in lakhs)	
Particulars		March 31, 2022	March 31, 2021
(i)	No. of accounts	8,616	4,894
(ii)	Aggregate value (net of provisions) of accounts sold (₹)	25,777.92	13,462.22
(iii)	Aggregate consideration (₹)	25,777.92	13,462.22
(iv)	Additional consideration realized in respect of accounts transferred in earlier years (₹)	-	-
(v)	Aggregate gain/(loss) over net book value (₹)	-	-
(vi)	Weighted Average Maturity (Remaining)	4.12	2.78
(vii)	Weighted Average Holding (After Origination)	11.82	10.55
(viii)	Retention of Beneficial Economic Interest (Average)	10%	10%
(ix)	Coverage of Tangible Security Coverage	100%	100%
(x)	Rating wise Distribution of rated Loans	Unrated	Unrated
(xi)	No. of Instances(Transactions) where transferor has agreed to replace the transferred loans	NA	NA
(xii)	No of Transferred Loans Replaced	NA	NA

51. DETAILS OF NON-PERFORMING FINANCIAL ASSETS PURCHASED/SOLD

The Company has neither purchased nor sold any non performing financial asset during 2021-22 and 2020-21.

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

52. ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

(₹ in lakhs)

For the year 2021-22	Deposits	Advances*	Investments	Borrowings	Foreign Currency assets	Foreign Currency liabilities
1 to 7 days	-	4,708.79	-	820.74	-	-
8 to 14 days	-	7.77	271.50	382.82	-	-
15 to 30/31 days	-	2,298.48	7,248.64	5,881.38	-	-
Over 1 month up to 2 month	-	4,968.78	451.03	8,044.51	-	-
Over 2 months up to 3 months	-	3,178.99	3,883.48	8,381.08	-	-
Over 3 month & up to 6 month	-	12,232.29	9,070.80	16,281.01	-	-
Over 6 month & up to 1 year	-	29,284.50	7,147.23	38,983.42	-	-
Over 1 year & up to 3 years	-	82,738.07	3,117.15	91,892.64	-	-
Over 3 years & up to 5 years	-	24,044.95	-	17,120.71	-	-
Over 5 years	-	19,792.96	-	43.98	-	-
Total	-	183,255.58	31,189.83	187,832.27	-	-

For the year 2020-21	Deposits	Advances*	Investments	Borrowings	Foreign Currency assets	Foreign Currency liabilities
1 to 7 days	-	3,325.58	-	866.35	-	-
8 to 14 days	-	3.25	1,500.72	713.34	-	-
15 to 30/31 days	-	1,698.00	-	3,332.35	-	-
Over 1 month up to 2 month	-	3,397.53	3,520.02	3,509.27	-	-
Over 2 months up to 3 months	-	2,032.29	2,062.26	3,159.49	-	-
Over 3 month & up to 6 month	-	8,469.33	4,662.82	10,640.46	-	-
Over 6 month & up to 1 year	-	20,820.95	2,108.29	36,854.84	-	-
Over 1 year & up to 3 years	-	56,401.84	-	56,526.97	-	-
Over 3 years & up to 5 years	-	19,046.24	-	6,743.15	-	-
Over 5 years	-	15,335.65	-	299.59	-	-
Total	-	130,530.66	13,854.12	122,645.80	-	-

*Advances are net of ECL provision.

52.1 Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI.

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

53. EXPOSURE TO REAL ESTATE SECTOR

The Company has exposure to real estate sector as on March 31, 2022 and March 31, 2021 which is given herein below:

Category	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
A Direct Exposure (Fund and Non Fund Based)		
(i) Residential Mortgages-		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii) Commercial Real Estate-		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).	265.07	359.33
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures-		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	265.07	359.33
B Indirect Exposure (Fund and Non Fund Based)	-	-

54. EXPOSURE TO CAPITAL MARKET

The Company has no exposure to capital market as on March 31, 2022 and March 31, 2021

55. DETAILS OF (SGL)/GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE COMPANY

The prescribed exposure limit of credit and investment concentration of single party and single group of parties has not exceeded during the year 2021-22 and 2020-21.

56. ADVANCES AGAINST INTANGIBLE SECURITY

No finance has been made against the collateral of intangible security such as rights, licenses, authorizations, etc. in respect of projects (including infrastructure projects) during the year 2021-22 and 2020-21.

57. PROVISIONS AND CONTINGENCIES

Particulars	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss		
Provisions for depreciation on Investment	-	-
Provision towards NPA (Expected credit loss on Stage 3 assets)	687.45	684.80
Provision made towards Income tax (Net of Deferred Tax)	1,793.40	1,531.78
Other Provision and Contingencies	83.96	49.98
Provision for standard Assets (Expected credit loss on Stage 1 & 2 assets)	30.16	1,076.08

58. DRAW DOWN FROM RESERVES

No reserves have been draw down during the financial year 2021-22 and 2020-21 except as disclosed in the part (b) of statement of changes in equity.

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

59. CONCENTRATION OF ADVANCES

Particulars	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Total Advances to twenty largest borrowers	1,174.95	1,255.86
Percentage of Advances to twenty largest borrowers to total advances of the NBFC	0.63%	0.94%

60. CONCENTRATION OF EXPOSURES

Particulars	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Total Exposure to twenty largest borrowers/customers	1,174.95	1,255.86
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	0.63%	0.94%

61. CONCENTRATION OF NPAs

Particulars	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Total Exposure to top four NPA accounts	163.23	121.45

62. SECTOR-WISE NPAs

S. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		March 31, 2022	March 31, 2021
1	Agriculture & allied activities	0.00%	0.00%
2	MSME	6.49%	2.92%
3	Corporate borrowers	0.00%	0.00%
4	Services	0.00%	0.00%
5	Unsecured personal loans	0.00%	0.00%
6	Auto loans	2.93%	3.48%
7	Other personal loans	0.00%	0.00%

63. MOVEMENT OF NPAs

Particulars	(₹ in lakhs, except as stated otherwise)	
	March 31, 2022	March 31, 2021
(i) Net NPAs to Net Advances (%)	2.52%	2.39%
(ii) Movement of NPAs(Gross)		
(a) Opening balance	4,487.69	3,213.88
(b) Additions during the year	5,782.73	3,869.41
(c) Reductions during the year	3,493.57	2,595.60
(d) Closing balance	6,776.85	4,487.69
(iii) Movement of Net NPAs		
(a) Opening balance	3,175.36	2,564.74
(b) Additions during the year	3,976.27	2,695.96
(c) Reductions during the year	2,476.84	2,085.34
(d) Closing balance	4,674.80	3,175.36
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1,312.33	649.14
(b) Provisions made during the year	1,806.46	1,173.45
(c) Write-off/write-back of excess provisions	1,016.73	510.26
(d) Closing balance	2,102.05	1,312.33

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

64. OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Company does not have any joint venture or subsidiary overseas.

65. OFF-BALANCE SHEET SPVS SPONSORED

The Company does not have any off balance sheet SPV sponsored either domestic or overseas.

66. DISCLOSURE OF CUSTOMER COMPLAINTS

S. No.	Particulars	March 31, 2022	March 31, 2021
1	No. of complaints pending at the beginning of the year	1	-
2	No. of complaints received during the year	11	10
3	No. of complaints redressed during the year	11	9
4	No. of complaints pending at the end of the year	1	1

67. TRANSACTION WITH NON-EXECUTIVE DIRECTORS

(₹ in lakhs)

S. No.	Name of Non-Executive Director	Transaction Type	March 31, 2022	March 31, 2021
1	Mr. P R Kalyanaraman	Payment of sitting fees	2.70	3.40
2	Mr. Kumar Sharadindu	Payment of sitting fees	2.20	3.10
3	Mrs. Shashikala Ramachandra	Payment of sitting fees	2.25	3.30
4	Mr. P R Kalyanaraman	Payment of commission	3.00	-
5	Mr. Kumar Sharadindu	Payment of commission	3.00	-
6	Mrs. Shashikala Ramachandra	Payment of commission	3.00	-

68. DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

There is no parent Company to finance any product.

69. POSTPONEMENT OF REVENUE RECOGNITION

There is no significant uncertainty which requires postponement of revenue recognition.

70. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms.

On the basis of information and record available with the management, the details of the outstanding balances of such suppliers and interest due on such accounts as on March 31, 2022 is ₹ 0.19 Lakhs (as on March 31, 2021 is ₹ 9.65 Lakhs).

The Company has neither paid any interest nor such amount is payable to buyer covered under the MSMED Act, 2006.

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

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

The Company has been assigned following credit rating from all rating agencies during the financial year ended March 31, 2022.

S. No.	Instrument	Rating agency	Date of rating assigned/ reviewed	Rating valid up to	Rating assigned	
					2021-22	2020-21
1	Bank Loan Rating	CARE	January 06, 2022	January 05, 2023	A-/Stable	A-/Stable
2	Non-Convertible Debentures	CARE	September 24, 2021	September 23, 2022	A-/Stable	A-/Stable
3	Non-Convertible Debentures (MLD)	CARE	September 24, 2021	September 23, 2022	PP MLD A-/Stable	PP MLD-/Stable
4	Non-Convertible Debentures (Covered Bond)	CARE	March 04, 2022	March 03, 2023	AA (CE)/Stable	AA (CE)/Stable
5	Non-Convertible Debentures	ICRA	NA	NA	NA	ICRA AA(CE)/Stable
6	Non-Convertible Debentures	ICRA	December 09, 2021	December 08, 2022	A-/Stable	NA
7	Term Loan rating	ICRA	NA	NA	NA	ICRA A(CE)/Stable
8	Non-Convertible Debentures (MLD)	ICRA	December 09, 2021	December 08, 2022	PP MLD A-/Stable	NA

72. DETAILS OF IMPAIRMENT LOSS ALLOWANCE RESERVE

						(₹ in lakhs)
	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms*
Asset Classification as per RBI Norms	1	2	3	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	165,758.52	1,263.32	164,495.20	891.07	372.25
	Stage 2	14,966.81	881.23	14,085.58	337.15	544.08
Subtotal		180,725.33	2,144.55	178,580.78	1,228.22	916.33
Non-Performing Assets (NPA)						
Substandard	Stage 3	6,014.51	1,865.54	4,148.97	809.62	1,055.92
Doubtful						
Up to 1 year	Stage 3	762.34	236.51	525.83	152.78	83.73
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		762.34	236.51	525.83	152.78	83.73
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		6,776.85	2,102.05	4,674.80	962.39	1,139.66
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	165,758.52	1,263.32	164,495.20	891.07	372.25
	Stage 2	14,966.81	881.23	14,085.58	337.15	544.08
	Stage 3	6,776.85	2,102.05	4,674.80	962.39	1,139.66
Grand Total		187,502.18	4,246.60	183,255.58	2,190.61	2,055.99

*Loss allowances (Provision) as required under Ind AS 109 is greater than the provision required as per IRACP norms, hence the Company is not required to create impairment reserve.

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

73. DISCLOSURE ON LIQUIDITY RISK

Disclosure on Liquidity Risk, as per extant RBI guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies as at March 31, 2022 is as follows:

A. Funding Concentration based on Significant Counterparty

(₹ in lakhs)			
Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
38	173,849.79	-	90.25%

B. Top 20 Large Deposits (amount in ₹ lakhs and % of Total Deposits) - Not Applicable

C. Top 10 Borrowings

(₹ in lakhs)	
Particulars	Amount
Total Value of top 10 Borrowings	58,343.84
% of Total Borrowings	31.06%

D. Funding Concentration based on Significant Instrument/Product

S. No.	Name of the Instrument/Product	Amount	% of Total Liabilities
1	Term Loans	133,026.45	69.06%
2	Working Capital / Line of Credit /Overdraft facilities	6,868.97	3.57%
3	Commercial Papers	-	0.00%
4	Non-Convertible Debentures	47,936.87	24.89%
	Total	187,832.29	97.51%

E. Stock Ratios

Sr. No.	Name of the Instrument/Product	%
1)	a Commercial Papers as a % of Total Public Funds	0.00%
	b Commercial Papers as a % of Total Liabilities	0.00%
	c Commercial Papers as a % of Total Assets	0.00%
2)	a Non-Convertible Debentures (original maturity of less than one year) as a % of Total Public Funds	0.00%
	b Non-Convertible Debentures (original maturity of less than one year) as a % of Total Liabilities	0.00%
	c Non-Convertible Debentures (original maturity of less than one year) as a % of Total Assets	0.00%
3)	a Other Short-Term Liabilities as a % of Total Public Funds	6.33%
	b Other Short-Term Liabilities as a % of Total Liabilities	3.57%
	c Other Short-Term Liabilities as a % of Total Assets	2.66%

F. Institutional set-up for Liquidity Risk Management

The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee (RMC), which is a committee of the Board, is responsible for evaluating the overall risks faced by AFL including liquidity risk. The meetings of RMC are held at quarterly intervals. The Asset Liability Management Committee (ALCO) is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level. The minutes of ALCO meetings are placed before the RMC during its quarterly meetings for its noting.

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

74. As per the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, liquidity coverage ratio is not applicable on the company.

75. DETAILS OF RESOLUTION PLAN IMPLEMENTED UNDER THE RESOLUTION FRAMEWORK FOR COVID-19 RELATED STRESS AS PER CIRCULAR - RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 DATED AUGUST 06, 2020

(₹ in lakhs)

(a) Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	456.44	135.20	-	97.14	224.10
Corporate persons	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	456.44	135.20	-	97.14	224.10

There were 77 borrower accounts having an aggregate exposure of ₹ 509.78 Lacs, where resolution plan had been implemented under RBI's resolution framework 1.0 dated August 06, 2020 and now modified under RBI's Resolution Framework 2.0 dated May 05, 2021.

(b) Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	1,686.52	448.16	-	177.31	1,061.05
Corporate persons	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1,686.52	448.16	-	177.31	1,061.05

76. DETAILS OF THE CODE ON SOCIAL SECURITY, 2020 ('CODE') RELATING TO EMPLOYEE BENEFITS

The Indian parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

Notes on Financial Statements

forming part of the Financial Statements for the year ended March 31, 2022

77. There is no transaction which is not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

78. MISCELLANEOUS

- a** The Company operates in a single reportable segment i.e. lending to retail customers under various product lines, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographic segment i.e. domestic.
- b** The Company has not obtained registration from other financial sector regulators except Reserve Bank of India.
- c** No penalties were imposed by the regulator during the year during the financial year ended March 31, 2022, (March 31, 2021: Nil)
- d** Previous year figures have been regrouped/ rearranged to conform to current year classification.

The accompanying notes are forming part of financial statements

As per our attached report of even date

For and on behalf of the Board of Directors of
Kogta Financial (India) Limited

For **J.C. Bhalla & Co.**
 Chartered Accountants
 ICAI Firm Reg. No. : 001111N

per **Rajesh Sethi**
 Partner
 Membership No.: 085669

Place: Jaipur
 Date: May 05, 2022

R. K. Kogta
 (Chairman)
 DIN 00197552

Varun Kogta
 (Executive Director & CFO)
 DIN 06844307

Place: Jaipur
 Date: May 05, 2022

Arun Kogta
 (Managing Director & CEO)
 DIN 05109722

Rahul Agrawal
 (Company Secretary)
 Membership No. F10834

[illegible]

[illegible]



Kogta Financial (India) Limited

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District Ajmer - 305 624 (Rajasthan) India.

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