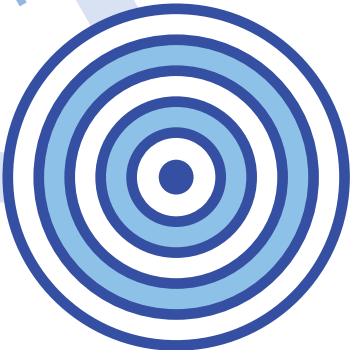




Robust



Resolute



Result-Oriented

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Resolute.
Result-oriented.

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To view this report online, please visit:

www.kogta.in



When the going gets tough, the tough get going...”

This is the truism that inspired us during FY 2020-21.

Our employees, customers, stakeholders' safety and wellbeing became our priority.

We facilitated our employees as they worked-from-home, always staying connected and supportive in whatever way we could.

For our clients, we ensured that they had access to moratorium and restructuring, constantly engaging with them to assure them of our support.

To our investors and lenders, we delivered results. Against all odds, we achieved our operational and financial targets.

We stayed strong, became more agile and focussed on keeping our promises.

In those unprecedented and uncertain times, we stayed...



Robust

in terms of operations
and finances



Resolute

to protecting the
well-being of all our
stakeholders



**Result-
oriented**

in intention and
outcome

Snapshot of Kogta Financial



Based in Jaipur, Kogta Financial is a fast-growing Non-Banking Financial Company (NBFC) with over two decades of asset financing experience.

We specialise in financing for vehicles and loans to the Micro, Small and Medium Enterprise (MSME) segment, along with loans against property. Our financial solutions are delivered through our expanding network of branches across central and western India, underpinned by a strong commitment to customer-centricity.

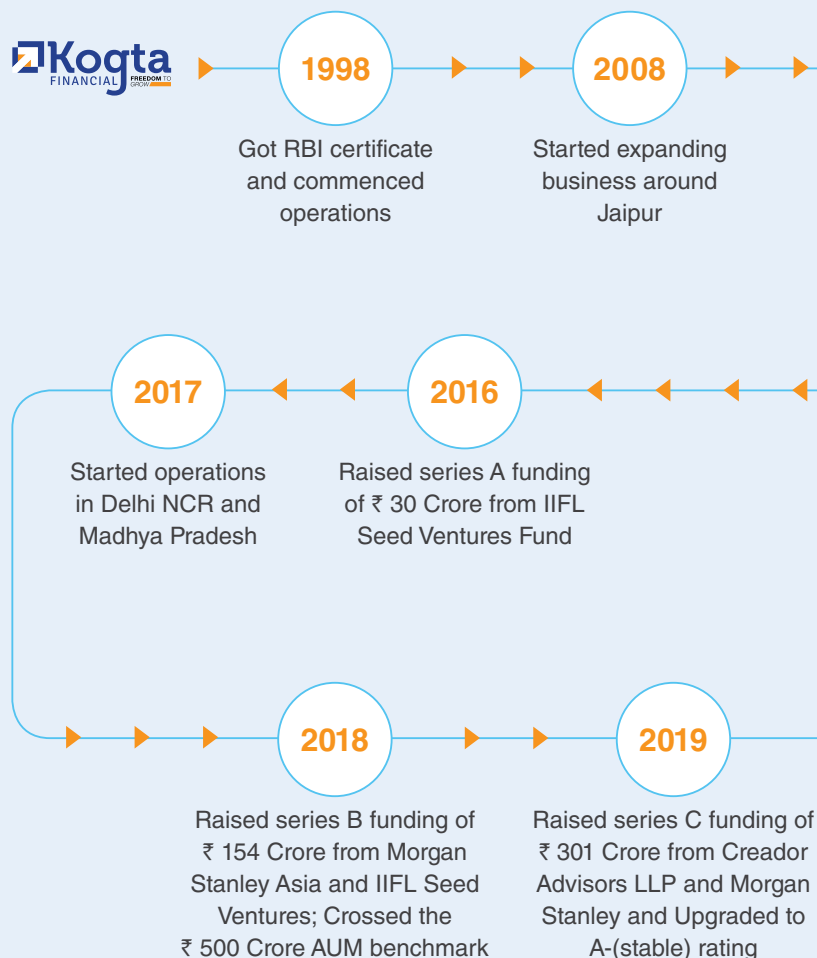
We are committed to partnering the aspirations of underserved India by enhancing the reach of our services. Beyond a strong base in our home state of Rajasthan, we have developed a significant presence in Gujarat, Maharashtra, Delhi NCR and Madhya Pradesh. In recent times, we have also forayed into Punjab and Haryana while deepening our penetration in our existing markets.

Our distribution strength stood at 140+ branches as on March 31, 2021. Through our fast-expanding presence in focussed geographies, we are currently serving around 50,000 active customers. Comprising largely of retail and MSME segments, who form the backbone of India's growth story and our continued success.

Backed by our business differentiators of secured retail lending, presence in high growth markets, robust IT system and collection mechanisms, and experienced leadership, we aim to grow into one of India's leading NBFCs.

Journey down the years

We have come a long way since our enthusiastic beginnings over two decades ago. It has been a fulfilling journey this far as we look back at our milestones.





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

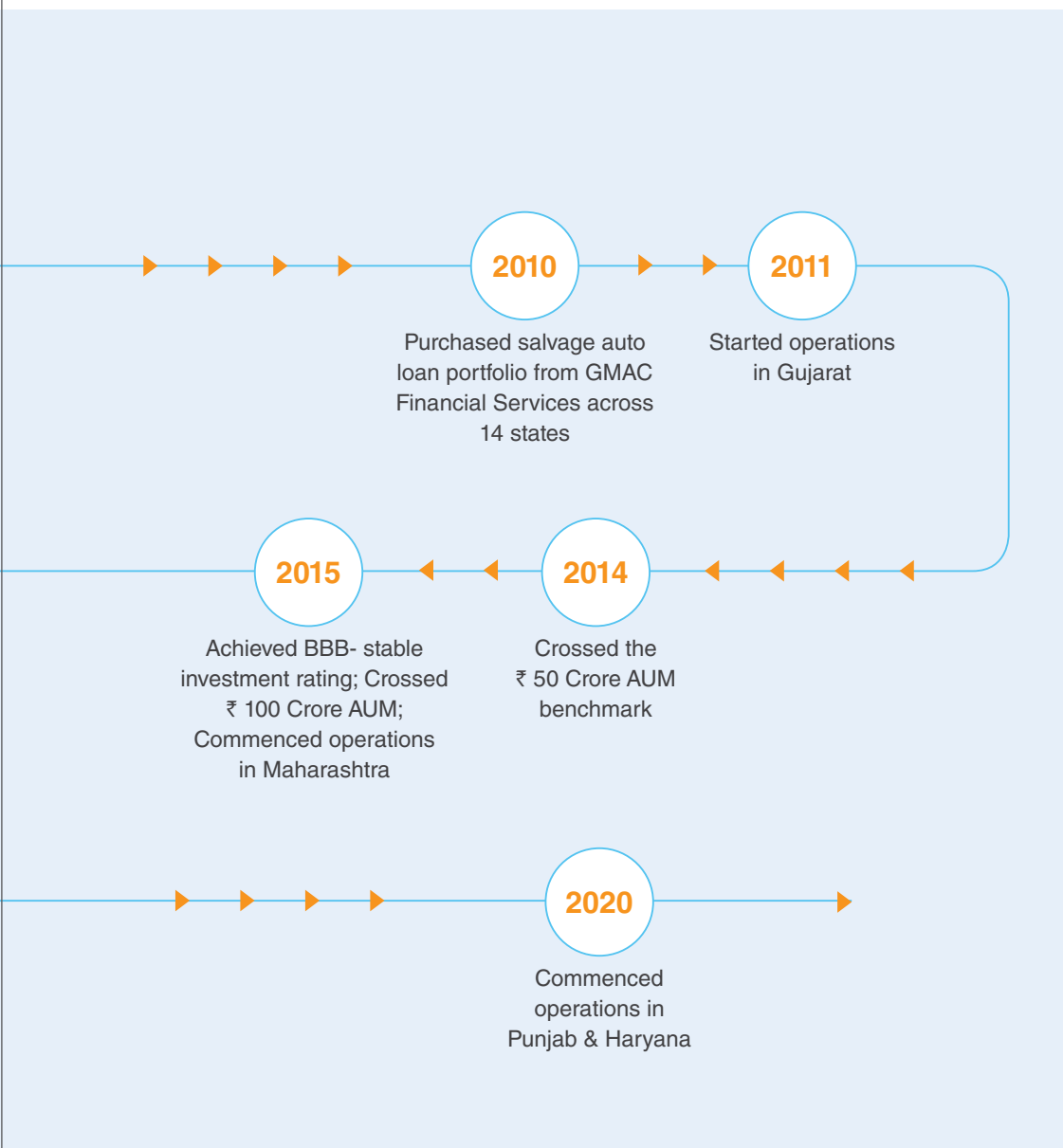
Respect for all.

GREAT WORK CULTURE

We all need balance in life.

TEAMWORK

Our success depends on working together.



Power behind our promise



Experienced Leadership

Management with rich domain experience, supported by professional operational teams.



Diversified product portfolio

Broad suite of products that offer high yield and low risks.



Large addressable customer base

Serving the underserved financial needs of a large customer base.



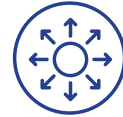
Robust credit and risk assessment framework

Lending framework based on pricing the risk as per the borrower's profile and the product.



Technology advantage

In-house developed, customised ERP platform leading to better internal controls.



Strategic expansion

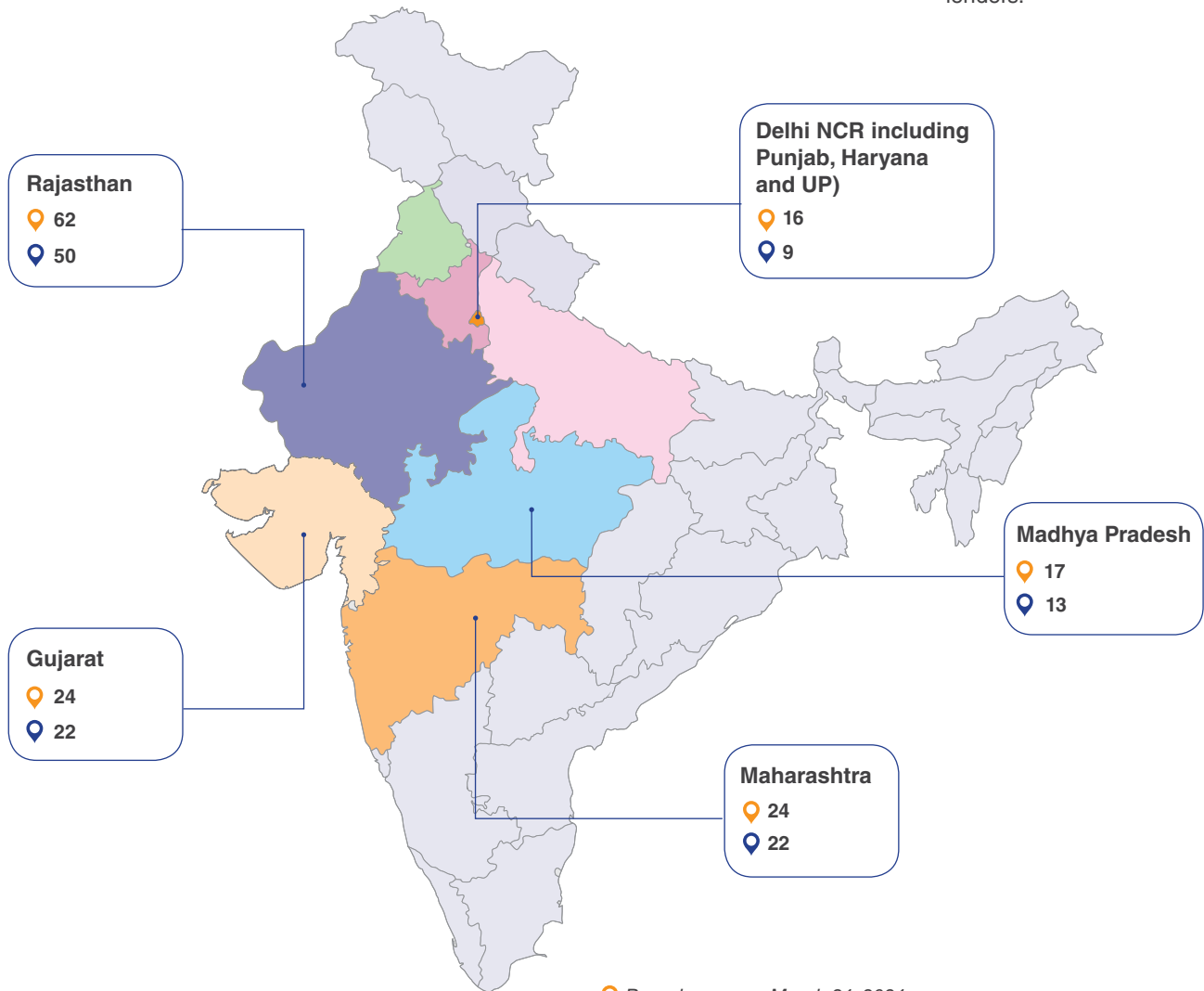
Penetrating markets through contiguous expansion after understanding local dynamics.



Healthy liquidity profile

Funded by marquee private equity investors and broad base mix of lenders.

Expanding presence



Map not to scale.
For illustrative purposes only.

📍 Branches as on March 31, 2021

📍 Branches as on March 31, 2020

Business and Beyond in COVID-19 times



With the announcement of complete lockdown one week prior to the commencement of FY 2020-21, we started the year working remotely. Our employees continued to perform their functions from their homes, facilitated by technology.

We commenced physical operations at the branches and head-office, following all the guidelines and precautions issued by the government, once NBFCs were permitted to resume, as they were on the list of essential services. For the entire year, there were no layoffs or salary cuts on account of COVID-19.

Disbursements and collections

Our disbursement and collection were slow in the first two quarters of the financial year and the impact of the crisis differed from region to region. The two most adversely affected states from our business perspective were Maharashtra and Delhi; economic activities, such as collection, resumed later than in Rajasthan, Gujarat, MP and Haryana. From June 2020 onwards, operations picked up and were robust during the Diwali season.

Liquidity, credit and interest rates

Due to the Government's efforts to increase liquidity in the economy, our fund raising was comfortable in latter half of the year. We were offered funding by banks, NBFCs, mutual funds, credit funds, wealth management firms and other institutions. We have managed to grow our banking relationships last year too. All this contributed to successfully raising over ₹ 1,000 Crore of borrowings last year. With efforts by the RBI to keep interest rates

low, our borrowing cost on the funds raised was around 50 to 100 basis points lower.

Digital technology solutions

During the year, we were able to align our long-awaited process refinance, in terms of operational processes and undertaken new technology initiatives which will be implemented in FY 2021-22.

Achieving targets

We have achieved all the projections that were made during the post-COVID-19 part of FY 2020-21 in terms of disbursement, PAT and other leading business parameters.



Diversified Base of Lenders

Banks



DCB BANK



Small Finance Banks



Debt Funds



Financial Institutions



Executive Message

“ Looking back on the year under review, I do believe that we have faced the crisis with alacrity in strategy, while never losing sight of our responsibilities to our employees and clients and stakeholders, in general.



DEAR STAKEHOLDER,

It's been a difficult year for India and the world. In the first half of FY 2020-21, as a fallout of the unprecedented coronavirus crisis, India witnessed its worst growth in recent times. However, by the second half, once the number of cases dropped considerably and lockdowns were lifted, the economy demonstrated resilience and made a strong recovery. This was encouraging and reassuring.

But as I write, India is once again in the grip of the second wave of the pandemic and lockdowns are implemented with different intensities in different regions. The positive sentiment that was building up in February 2021 has once again waned. However, the progress of the vaccination drive is spreading hope and the experiences of people and enterprises during the lockdowns of 2020 has been coming in handy while coping with the current situation.

Looking back on the year under review, I do believe that we have faced the crisis with alacrity in strategy, while never losing sight of our responsibilities to our employees and clients and stakeholders, in general.

In response to the RBI's directive to offer moratorium to borrowers, during the first half of the year, we offered this facility to all our clients. By the second half of the financial year, we recommenced operations in full swing. During the second half of the year, we disbursed ₹ 645.19 Crore, which was 41.43% more than during the corresponding period of the previous year. Our disbursements for the whole year stood at ₹ 812.22 Crore. Total Assets under Management (AUM) stood at ₹ 1,496.31 Crore at the end of this fiscal, marking an increase of 39.64% over the previous year.

Our deep insights into the financial requirements of small borrowers and our strategic use of a combination of our branch network and remote engagement and outreach enabled us to deliver a commendable performance against this tough backdrop. I am pleased to share that we also met our financial performance targets for the year, keeping up to our commitment to being result-oriented. Our net profit before tax and exceptional items stood at ₹ 60.50 Crore, reflecting a growth of 86.40% over the corresponding figure of ₹ 32.46 Crore for the previous year.

Despite the ongoing crisis, we were able to manage our risk and maintain robust asset quality. Our Stage III (Gross) and Stage III (Net) Non-Performing Assets (NPA) stood at 3.35% and 2.39% respectively, during FY 2020-21 as compared with 3.22% and 2.62% respectively during FY 2019-20.

Our external credit rating stood at CARE A- with Stable outlook. Our external rating coupled with liquidity profile enable us to secure funds at competitive costs and support our clients who were in distress. At the same time, our Capital Adequacy Ratio also stood strong at 43.39%, well above the statutory requirement of 15.00%, demonstrating our resolute focus on maintaining our financial health.

During the year, we lived up to our values of respect, teamwork and ensuring a great work culture. While our employees worked remotely, we stayed connected with them, constantly checking in on their safety and well-being and that of their families too. Further, there were no pay cuts and lay-offs during COVID-19 time. When the lockdowns were lifted and

essential functions were resumed from the office, we took various measures to ensure that our office premises conformed to all government and administrative guidelines, in letter and in spirit, so that our on-site employees would remain secure.

At another level, we ensured that we kept our commitment to new candidates who were given offer letters before the advent of the crisis. Our people proved once again that they were our most valuable asset and offered their unstinted support in our mission to maintain business continuity.

We have been able to stay Robust, Resolute and Result-oriented in the most fundamental way during the year gone by. For this, we would like to express our gratitude to our financing partners for their constant support. I would also like to personally thank every employee for playing their part in enabling us to achieve what we have during the year and for overcoming their unique personal challenges to ensure that the aspirations of our customers and other stakeholders were fulfilled.

Looking ahead, the near term seems fraught with uncertainty. However, we feel confident that once this uncertainty passes, our industry will experience a golden period as financial inclusion and rising aspirations move to a higher trajectory. With the confidence of our stakeholders in our mission and their support, we look forward to serving the financial needs of the vast and growing aspirational citizens of India.

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 Turn Around Time, covering all industries & occupations and catering to both Urban & Rural segments through our wide branch network.



Loan against Property

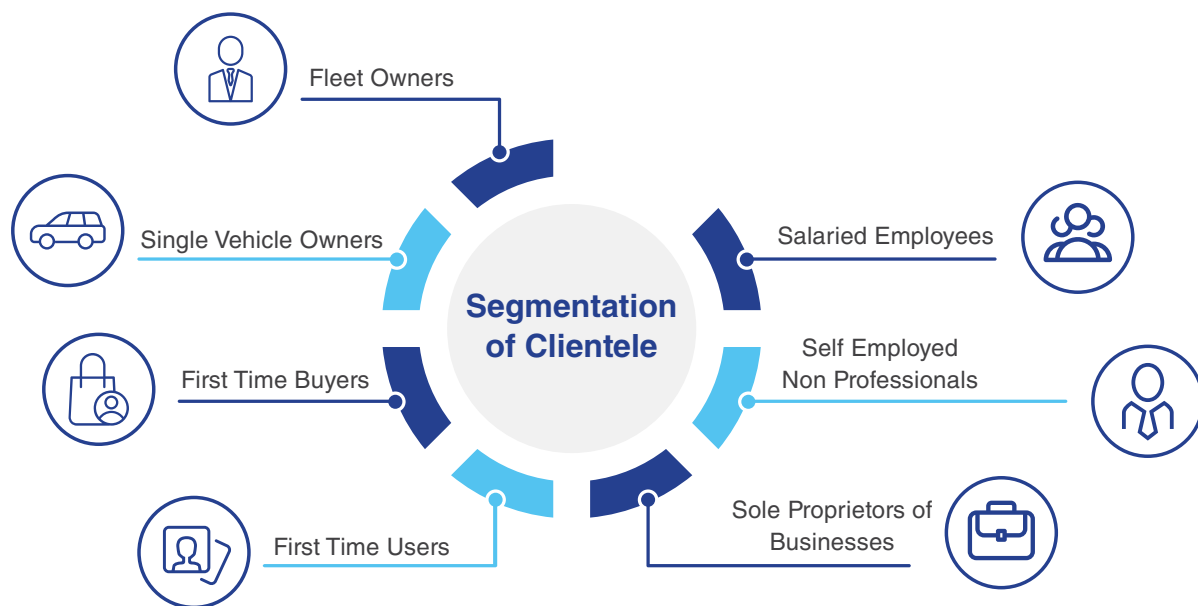
Our LAP product is available to both Self-Employed as well as Salaried borrowers for a wide range of needs including business requirements, funding marriage, higher education, health treatment, property purchase, construction or renovation, repayment of previous loans or a mix of these.



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.





Corporate Social Responsibility Initiatives



At Kogta, we believe caring for the environment and communities is our responsibility and privilege. We support a variety of organisations in their social upliftment initiatives and their mission to care for those who are socially or economically vulnerable.

Some of the causes we have fostered during the year under review include:

Lakshya Road Safety Under-15 Cricket Tournament (Jaipur)

The goal of the Lakshya Road Safety league is to promote road safety awareness and etiquette. It also seeks to promote the value and importance of sports, as part of a healthy lifestyle, especially for children.

This initiative by Kogta Foundation to promote Road Safety Awareness, the Good Samaritan Law and Sports as an integral aspect of the lives of children.

The annual Cricket Tournament, held in Jaipur, was once again co-sponsored by Kogta to promote this mission.

Pan-India mask donation drive during COVID-19

Acknowledging that mass-produced facial masks, which conform to safety norms, was the best way to prevent the spread of COVID-19, Kogta undertook a pan-India mask donation drive in April 2020. The masks that were donated offered protection that was akin to N95 masks, were crafted from commonly available materials,



comfortable to wear for extended periods of time and were reusable.



Tree Plantation

At Kogta, we frequently organise tree planting drives. Our team plants trees around our operations areas, but also secures their survival by installing tree guards and nurturing the saplings until they mature into trees.



Medical Donation

Kogta has been a benefactor to Pratham Shreni Pashu Chikitsalaya at Bijainagar in Ajmer, Rajasthan, towards caring for the well-being of domestic animals, like buffaloes, etc.

Distribution of Blankets

Between December 2020 and January 2021, Jaipur recorded its 2nd lowest temperatures in 55 years. Many residents in the slums were suffering due to this severe cold. Kogta Foundation donated blankets to keep them warm. Majority of these blankets were distributed to the elderly, who were living alone, and to people from extremely poor families.



Blood Donation Drive

Giving blood is often associated with saving lives. People with illnesses and medical conditions, such as anaemia, hemophilia, cancer and sickle cell disease often need blood transfusions to survive. The World Health Organisation (WHO) suggests using the blood quota of 1% of a country's population as a rough approximation of its blood requirements. According to those figures, India faces a 1.9-million-unit blood shortage, which translates into about 60 tankers (according to FY 2016-17 Government of India statistics).



The only way to bridge this gap is to inspire people to donate blood freely, which is exactly what the blood donation camp, organised by Kogta Foundation on February 25, 2021 aimed to do.

Installation of Water Coolers at RTO Bhilwara and Anuthiya Gav, near Bijaynagar

Several water coolers have been installed by Kogta Financial (India) Limited at RTO Bhilwara and Anuthiya

Gav, near Bijaynagar in Rajasthan, in order to provide chilled potable drinking water throughout the warm summers. We also ensure that these water coolers are repaired and maintained in a timely manner.

Our 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 a 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 channeled 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 statutory audit team of ICICI Bank & Axis Bank at Ernst & Young, he is familiar with the business, processes and operations of banking industry. With his strong managerial skills, extensive knowledge of banking industry and youthful energy, he has been overseeing the financial, operational, legal & administrative activities of the Company and monitoring financial budgeting & management reporting system. He is an effective communicator with strong relationship building & interpersonal skills, strong analytical, problem solving & 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, management of non-performing assets. He has had substantial exposure in 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 which spanned from managing branch operations to heading treasury operations, Investments and risk management. Retired as Chief General Manager State Bank of India with last stint as MD & CEO of SBI Pension Funds (P) Ltd. At SBI Pension Funds he was instrumental in doubling the AUM within span of two years from ₹ 66,000 Crore to ₹ 1,37,000 Crore. Played an important role in introduction of policy by Pension Fund Regulatory and Development Authority (PFRDA) for transfer of self-managed Superannuation Funds of Central Public Sector Undertaking (CPSEs) to National Pension System (NPS). He has also been a part of Government delegation to UK to study UK Pension Industry as part of India-UK Technical assistance programme on Financial Services in India. Strengthened bank capitalisation through notable exits of ₹ 2,061 Crore from non-core investments with strong returns. He has managed gross advances of ₹ 12,000 Crore while overseeing a large region for the Bank. 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 banking sector which spanned from managing Credit Policy Section to become Trainer in Risk Management. She was appointed as Senior Manager in Canara Bank then promoted to Divisional Manager, then Deputy General Manager, then General Manager and Chief Risk Officer. She has retired as General Manager and Group Chief Risk Officer from Canara Bank. She played major role in Implementing Enterprise Risk Management Risk solution of SAS modules of Risk solution, 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 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. Responsible for growth stage investments, Mr. Mehta has made successful investments across Pharma, Industrial and Financial sectors. 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 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. He has 13 years of industry experience. 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 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

Robin Agarwal is an Indian School of Business, Hyderabad & Indian Institute of Technology, Mumbai alumnus. He is currently the vice president of Creador Advisors India LLP, Chennai and focusses on growth investment in India & South East Asia. Prior to Creador, he holds experience in Thomas White Global Funds & Deloitte Consulting India Pvt. Ltd. He has been an Investor Director at Kogta Financial (India) Limited since October 01, 2019.

Performance Highlights

Network Expansion (No. of Branches)

2018-19		89
2019-20		116
2020-21		143

Number of employees

2018-19		974
2019-20		1,619
2020-21		2,241

Total disbursements (₹ in Crore)

2018-19		561.29
2019-20		748.67
2020-21		812.22

Total assets under management (₹ in Crore)

2018-19		722.19
2019-20		1,071.58
2020-21		1,496.31

Net Worth (₹ in Crore)

2018-19		222.29
2019-20		548.71
2020-21		596.43

Net Profit Before Tax (₹ in Crore)

2018-19		12.71
2019-20		32.46
2020-21		60.50

Net Profit After Tax (₹ in Crore)

2018-19		8.32
2019-20		24.82
2020-21		45.02

Capital Adequacy Ratio (%)

2018-19		39.23
2019-20		58.42
2020-21		43.39

Gross stage III (%)

2018-19		2.96
2019-20		3.22
2020-21		3.35

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 - 302001, Rajasthan

AUDITORS

STATUTORY AUDITOR

M/s S.R. BATLIBOI & Co. LLP
CHARTERED ACCOUNTANTS
14th Floor, The Ruby, 29, Senapati Bapat Marg,
Dadar (West), Mumbai,
Maharashtra - 400028

SECRETARIAL AUDITOR

M/s DEEPAK ARORA & ASSOCIATES
COMPANY SECRETARIES
23 KA-4, Jyoti Nagar,
Near Vidhan Sabha, Jaipur - 302005, (Raj.)

INTERNAL AUDITOR

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

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

IDBI Trusteeship Service Limited
Asian Building, 17, R Kamani Road,
Ballard Estate, Fort, Mumbai - 400001

REGISTRAR & SECURITIES TRANSFER AGENT

KFIN Technologies Private Limited
(Formerly known as Karvy Fintech Private Limited)
“Karvy Selenium, Tower-B”, Plot No. 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500032, Telangana

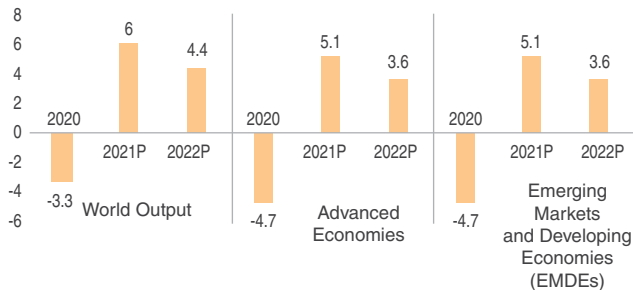
Management Discussion and Analysis

ECONOMIC OVERVIEW

Global Economy

The COVID-19 pandemic, which erupted in 2019, continued to disrupt lives and businesses around the world. On this backdrop, the global economy contracted 3.3% in 2020, according to the IMF's World Economic Outlook – Managing Divergent Recoveries, April 2021. However, it is expected to make a turnaround in 2021 and deliver 6% growth. Looking ahead, the IMF expects a moderate rate of 4.4% growth in 2022.

Global Economic Growth (in %)



The turnaround is expected to be driven by three powerful factors - fiscal support by a few large economies, the anticipated vaccine-powered recovery in the second half of 2021 and continued adaptation of economic activity to subdued mobility.

Nevertheless, the IMF clarified that this outlook remains highly uncertain and depends on the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalisation and the evolution of financial conditions. Further, it observed that economic recoveries are diverging across countries and sectors and hinge on variation in pandemic-induced disruptions and the extent of policy support. Emerging mutations of the original virus and the mounting human toll are also a matter of concern.

The IMF foresees income inequalities increasing significantly due to the pandemic and the biggest concern, by far, is that around 95 million more people are estimated to have fallen below the threshold of extreme poverty in 2020, compared with pre-pandemic projections.

The Asian Development Bank, in its April, 2021 economic forecast, said that Developing Asia's economy shrank by 0.2% in 2020 and divergences have emerged within the region. While recovery began in the region, it has been at

different speeds. Inflation will remain generally benign, with average inflation forecast to fall from 2.8% in 2020 to 2.3% in 2021. It also observed that risks are tilted to the downside and depend mainly on how the COVID-19 pandemic unfolds.

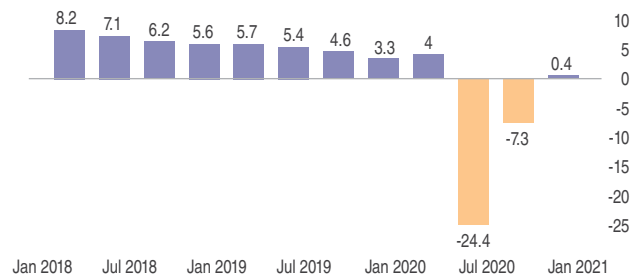
Sources: <https://www.adb.org/outlook>;
<https://www.imf.org/en/Publications/WEO>

<https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>

Indian Economy

The first two quarters of FY 2020-21, the Indian economy contracted by 24.4% and 7.3%, respectively, due to the adverse impact of the COVID-19 pandemic and the lockdowns that it necessitated.

Quarterly GDP growth



However, it turned around by the third quarter, clocking a slight growth to 0.4%. The growth in Q3 was led by Agriculture, Forestry & Fishing, which expanded by 3.9%. In addition, Manufacturing, Electricity, Gas, Water Supply & Other Utility Services, Construction and Financial, Real Estate & Professional Services also demonstrated growth in various magnitudes between September and December 2020.

Despite the deeply negative growth in the initial parts of the year, the National Statistical Office (Update: February 26, 2021) placed the overall contraction in real GDP for FY 2020-21 at 8%.

To ease the impact of the crisis and nurture the fledgling recovery, monetary authorities relaxed inflation targets to 4%, with the lower and upper tolerance levels of 2% and 6%, respectively, for the next five years (April 2021-March 2026). The RBI has also been following a more accommodative monetary policy and stated that it would closely monitor the evolving outlook for inflation, especially once the recovery was secure.

Outlook

Towards the end of the financial year under review consumer and business sentiments began to lift, with signs of a pick-up in some sectors and the progress of the vaccination program.

During the year the Government announced various stimulus packages, including the AatmaNirbharBharat Abhiyan (May 2020) and other measures to boost liquidity in the financial sector, such as the ₹ 450 Billion partial credit guarantee scheme for NBFCs, the ₹ 300 Billion special liquidity scheme for NBFCs, HFCs and MFIs, etc. Further, in November 2020, the Government also announced another stimulus package with measures to boost employment in the formal and informal economy, help housing infrastructure and enhancing the ease of doing business, etc. It also announced new production-linked incentives (PLIs) under another ₹ 2 Trillion PLI scheme for 10 major manufacturing sectors.

The Union Budget 2021-22, presented by the Finance Minister on February 01, also proposed far-reaching reforms. It planned largescale spending over the next five years and announced no major new taxes or levies. The macro-economic policies announced in the Budget focus on stabilising growth, boosting public infrastructure and capital expenditure.

The RBI, in its Monetary Policy Committee meeting in April 2021, projected that real GDP could be expected to grow at 10.5% in FY 2021-22. However, a surge in infections cast a shadow of uncertainty over the outlook, as it necessitated localised and regional lockdowns, which could dampen the improvement in demand conditions and delay the return of normalcy. Nevertheless, the RBI assured that India is better prepared than before to meet the challenges posed by this resurgence in infections as fiscal and monetary authorities stand ready to act in a coordinated manner to limit its spill-overs to the economy at large and contain its fallout on the ongoing recovery.

INDUSTRY OVERVIEW

NBFC sector in India

The NBFC sector in India comprises a group of diverse financial intermediaries that supplement the credit flow from the commercial sector and venture into markets and spaces the banking sector has overlooked. The RBI regulated all India financial institutions (AIFIs), non-banking financial companies (NBFCs), primary dealers (PDs) and housing finance companies (HFCs), which are some of the leading players in this sector.

This segment of the financial sector leveraged its local presences around the country to gain a deeper understanding of customer needs and gain their confidence. As a result, NBFCs were able to pervade unorganised markets and drive credit growth amongst market segments that even banks were unwilling to lend to. They also typically follow relatively asset-light, technology-based, low-cost models through which they are able to improve their reach and penetrate unserved and underserved markets.

NBFCs have been successful at developing sector-specific, product-specific and geography-specific niche segments and differentiated business models that offered customised offerings that were perfectly mapped to the needs of their customers. They focussed both on technology support and inter-personal interactions with customer to forge sticky relationships, thereby becoming the preferred lenders in such markets.

FY 2020-21 began on a difficult note for the NBFC sector, as the RBI urged companies in the sector to offer moratorium to ameliorate the economic hardship that customers were facing. However, by September 2020, non-banks began to recover well and reported a sharp improvement in collection efficiency. A report on NBFCs by CRISIL Ratings pointed out that due to the revival in economic activities that commenced in the second half of FY 2020-21, cash flows in the segment improved and borrowers started repaying their loan instalments.

However, as India is witnessing a second wave of the coronavirus pandemic since February 2021, economic activity, especially non-essential, have once again begun to get adversely impacted. Some NBFCs may face difficult times if they are still unable to secure robust channels of funding and their customers have exhausted their collateral options. Others may respond better in this round, on the back of the learnings from the previous crisis, having digitally transformed their operations and evolved their business strategies to meet the exigencies of the new normal. NBFCs that have demonstrated agility in strategy will be better placed to stay strong and support their growing customer base.

Overview of industry segments

Automobile industry

The Indian automotive industry has been driven by infrastructure development, a growing middle class population and the increasing income and availability of easy finance.

Category	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Passenger Vehicles	32,21,419	34,65,045	38,01,670	40,20,267	4,028,471	34,34,013
Commercial Vehicles	6,828	7,86,692	8,10,253	8,95,448	1,112,405	72,022
Three Wheelers	9,49,019	9,34,104	7,83,721	10,22,181	1,268,833	11,33,858
Two Wheelers	1,84,89,311	1,88,30,227	1,99,33,739	23,14,838	24,499,777	2,10,36,294
Quadricycle*	-	531	1,584	1,713	5,388	6,095
Grand Total	2,33,58,047	2,40,16,599	2,53,30,967	2,90,94,447	30,914,874	2,63,62,282

*Only Oct-March 2016 details is available for FY 2015-16

Source: SIAM

Even before FY 2020-21, the automobile sector was experiencing a severe lull in demand on account of a slowing economy. In the face of the coronavirus pandemic and nationwide lockdowns since April 2020, the situation deteriorated. However, in Q4 of 2021, industry sales became encouraging, on the back of pent-up demand and the need for personal mobility, in the face of social distancing.

Overall sales (across all segments) has declined 13.6% on YoY basis in FY 2020-21, with cumulative sales of 1,86,15,588 units (FY 2019-20: 2,15,45,551 units). However, the last quarter of FY 2020-21 clocked a rise of 25.89% with total sales reaching 55,83,149 units as compared with 44,34,934 units in FY 2019-20.

Looking ahead, it is difficult to gauge the performance of the industry, against the backdrop of a second wave of COVID-19 and the deep structural slowdown that began unfolding even before the advent of the pandemic. A sustainable recovery may require time and efforts by all stakeholders, including government, financiers and the industry.

The Government has announced a number of direct and indirect measures to pump-prime the automobile sector over the past year. In the Budget, a capital investment of ₹ 5.54 Trillion was proposed for development of infrastructure, which in turn will boost the demand for heavy and medium commercial vehicles. It also proposes to spend ₹ 18,000 Crore to improve public transport in cities and procure 20,000 buses in the near future. Last, but not the least, the vehicle scrappage policy was proposed to promote fuel efficient vehicles and reduce pollution as it will encourage the scrappage of older vehicles, it could give rise to considerable fresh demand for new vehicles. Though, the details of this scheme are yet awaited.

The Micro, Small and Medium Enterprises (MSMEs) Sector

The Central Statistics Office (CSO) states that the Micro, Small and Medium Enterprise (MSME) sector contributed 30% of India's Gross Value Added (GVA) and Gross

Domestic Product (GDP) at current prices between FY 2014-15 to FY 2018-19. Further, it recounted that the contribution of Manufacturing MSMEs in the country's total Manufacturing GVO (Gross Value of Output) at current prices has also remained constant at around 33%, i.e., one-third of the total, during the same period. The sector has also contributed substantially to employment and exports from India.

Although this sector has been supporting economic growth over the years, FY 2020-21 was been difficult for the sector. To offer support, Indian policy makers responded rapidly with stimulus packages and monetary relief.

Relief to MSMEs

The RBI cut interest rates, enabled loan moratoriums and implemented measures to infuse liquidity into the system and the Government announced a series of stimulus packages for MSMEs.

As one of its first step, during the lockdowns, to facilitate the sector, the Government announced a change in definitions within the sector with effect from July 1, 2020. This new categorisation, which is based on size of turnover and investment in machinery, was announced as part of the Atmanirbhar Bharat Abhiyan.

The Government also provided ₹ 3 Lakh Crore as collateral-free automatic loans to MSMEs as part of its AatmaNirbharBharat Abhiyan. Further, the World Bank offered US\$ 750 Million in support to 15 Crore MSMEs towards increasing liquidity access for small businesses impacted by the pandemic.

Loan against Property

Especially in micro finance and the SME finance space in India, secure loans have been the preferred route. Loans against property (LAP) have been a secure and effective route for NBFC growth in recent years. At the same time, many MSMEs with abundant land and physical capital but dearth of liquidity has availed this mode of borrowing to fund their business growth.

This form of credit has witnessed headwinds in the last two years, due to the liquidity stress faced by the NBFC sector, weak real estate markets in metros, poor sentiment of buyers, amongst other challenges.

The outbreak of the coronavirus also impacted the LAP sector in the initial quarter as property transactions and construction activities came to a grinding halt. Once businesses limped back towards normalcy in the second half of FY 2020-21, LAP became a route for MSMEs to accessing NBFC funds.

With the second wave of the pandemic erupting in India, there are concerns that many MSMEs may have already pledged their collateral to meet their working capital funding needs in the first round of the pandemic. Further, many are facing challenges in asset quality pressures, on account of a slowdown in property prices, which will lead to lower availability of top-up loans and higher loan-to-value metrics. From an NBFC perspective, finding safe and innovative ways to extend LAP to entrepreneurs, on the back of digital technology could provide solutions.

Industry Outlook

As in the case of other sectors and industries, the outlook for the NBFC sector has become divergent, on account of the disruption wreaked by the pandemic. Some NBFCs that have used the hiatus to revisit and review their operational and client acquisition models and implemented digitisation and automation as core to their strategies are better placed than those that have not. Such companies have found innovative ways to ensure that their products and services reach the customers and collections are more seamless and efficient.

At the same time, customer connect is still a crucial aspect for most NBFCs, especially those that have penetrated underserved markets and cater to the financial needs of those that have hitherto been outside the purview of the formal financial sector. Those NBFCs that have stayed in touch with their customers and supported them through difficult times, enabling them to stay afloat and even grow, will have a more sustainable customer base on the other side of the crisis.

COMPANY OVERVIEW

Kogta Financial (India) Limited (our Company) has a customer base of over 50,000+ active customers in urban, semi-urban and rural markets, whom we service through 140+ 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 achieved our growth targets led by

our prudent business practices and controls. We have also managed to avail a 50-basis point reduction in our borrowing cost on the back of high level of healthy asset quality and our rating continues to stand at A- (stable).

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 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 moderate yield and low risk.

Business Performance

Operational Review

Our Company has a well-diversified exposure to various segments in the auto financing space. AUM in FY 2020-21 stood at ₹ 1,496.31 Crore as compared to ₹ 1,071.58 Crore in FY 2019-20, an increase of ~40%.

Contribution to Overall Portfolio

As on March 2021, our loan portfolio was at ₹ 1,496.31 Crore. Of this, heavy commercial vehicles accounted for 9.42%, LCV, SCV, MUV comprised 40.53%, MSME comprised 22.11%, while cars and tractors comprised of 19.40% and 8.29% respectively. The rest comprised non-vehicle loans. Rajasthan accounted for 36.42% of the loan portfolio, followed by Maharashtra at 17.48%, Gujarat at 21.10%, Madhya Pradesh at 9.15%, Delhi at 4.51%, Uttar Pradesh at 4.38%, Haryana at 5.68% & Punjab 1.27%.

COVID-19 Impact on the Company

FY 2020-21 was characterised by lockdowns and social distancing protocols. To provide some relief to individuals and enterprise borrowers, the RBI urged banks and NBFCs to offer moratorium to customers. In response, we offered a six-month moratorium to all our clients by default, with an option to opt-out if they did not need it. In keeping with the RBI's suggestion, we also offered customer who were in need the opportunity of one-time restructuring. Our customer-care and front-office executives were encouraged to engage with their customers and stay aware of their welfare. Such surveys helped us to gauge which customers needed our help the most and also created stronger bonds. To enable them to take informed decisions, we educated our customers about the meaning and implications of the RBI measures.

Where employees are concerned, the Company rapidly facilitated work from home. The Company commenced physical operations at the branches and head-office once the guidelines were issued, which included NBFCs in the list of essential services that were permitted to function, with certain precautions. A minimum number of employees also began to return to working from the office by June and all protocols were followed to ensure their health and safety.

Our operations, both disbursement and collection, were slow in the first two quarters of the financial year. Our performance, in terms of disbursement and collections, was dependent on the region of operation. Maharashtra and Delhi were most adversely affected by the pandemic and accordingly, economic activities and the corresponding collection in business activities resumed late in these geographies. In other states, like Rajasthan, Gujarat, MP and Haryana, disbursement and collection resumed earlier. The momentum picked up in the second half of the year (June 2020 onwards) and became quite robust during the Diwali season. From then on, our collections and disbursements began to improve, month on month. By the third quarter, our operations had recovered to pre-COVID-19 levels and eventually, by the close of the financial year, we surpassed these levels to deliver growth.

In terms of liquidity, our fund raising was comfortable in later half of the year, due to the Government's efforts to increase liquidity in the economy. We were offered liquidity by banks, NBFCs, mutual funds, credit funds, wealth management firms and other institutions. We have managed to grow our banking relationships last year too. All this contributed to successfully raising over ₹ 1,000 Crore of borrowings last year. Our borrowing cost has decreased by 50 to 100 bps for the funds raised during FY 2020-21 in line with the efforts made by the RBI to keep interest rates low.

All in all, the Company has remained financially robust, elevated disbursements and been successful in controlling delinquencies as PAR 90 to AUM remained at 3.09%. Through this, the Company has demonstrated resolute performance on each front by the Company during these difficult times.

Another interesting development was that during the year, we have largely aligned our long-awaited process refinance, in terms of operational processes and undertaken new technology initiatives which will be implemented in FY 2021-22.

Management Outlook

Despite renewed uncertainty in the economic and industry environment, with the second wave of the pandemic sweeping over the country, we remain committed to keeping

our promise to all our stakeholders. We will ensure that our financial parameters remain strong without compromising on our commitment to the safety and health of our employees and the welfare of our customers. We seek to use technology to bring greater efficiency to all our processes and enhanced customer connect.

Financial Overview

During FY 2020-21, our revenues, PAT and PAT margin remained robust. Our net worth stood at ₹ 596.43 Crore as on March 31, 2021 as compared to ₹ 548.71 Crore as on March 31, 2020.

Risk Management

Liquidity risk - Lenders may tighten lending policy and/or increase cost of capital cost because of unfavourable macro-economic environment, which may pose a significant risk to business.

Mitigation: We have a diversified mix of lenders including banks, NBFCs, and foreign investors that provide easy access to low-cost finance. Additionally, our long-term good relation and good track record help minimise liquidity risk.

Interest rate risk - Volatility and drastic fall in interest rates for unforeseen reasons may pose risk to business operations.

Mitigation: We have an expert team that closely monitors interest rate fluctuations and suggests appropriate measures to shield the business from undue fluctuations.

Operational risk - Foraying into newer regions and market segments increases business operation risks because of the limited understanding of the local business environment.

Mitigation: We have an in-house ERP-based customised proprietary risk management and reporting software, which is designed to improve operational efficiency. Additionally, we study local business environment before entering new territories.

Credit risk - Severe liquidity crunch, bankruptcy, economic downturns, operational failure, fraud or any other reasons may lead to loan default by clients.

Mitigation: We follow a strong lending framework with detailed evaluation of borrower's profile and credit history to minimise default risks. We also mitigate the same through product and geographical diversification.

Competition risk - Competitive intensity is high in NBFC sector from existing players as well as new entrants. This is further intensified by entry of foreign players.

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

Regulatory risk - The financial sector is exposed to changes in complex regulatory frameworks. Any regulatory non-compliance poses a threat to business.

Mitigation: A strong internal control framework, robust IT systems and an expert team ensures strict adherence to applicable rules and regulations we respond to changes accordingly.

Human Resource risk - Human capital is a key growth indicator and high attrition rate may adversely impact the normal functioning of business operations.

Mitigation: We focus on a motivational and satisfactory work environment and provide periodical training and skill upgradation for growth. A proper alignment of personal and professional goals minimises attrition. We also encourage new talent acquisition to upgrade talent pool.

Human Resources

The beginning of the financial year coincided with the initial days of the first lockdown. With the help of our technical staff and support of all our employees, we were able to move our operations to the online mode.

While they worked from home, our training on processes and products continued through virtual mode. We also encouraged our employees to upskill by recommending suitable online courses that they could attend to enhance their work-related knowledge and inter-personal skills.

Despite the uncertain environment in the economy and specifically in our industry, we honoured offer letters that we had issued before the crisis erupted. In fact, we were able to generate employment as there was a clear increase of around 30% in our employee head-count between the beginning and the end of the year under review.

When a stipulated minimum number of employees returned to the workplace once the lockdowns were lifted, we ensured

that all the safety protocols were followed to ensure health and protection of employees. We circulated COVID-19 related guidelines with clear 'Dos and Don'ts' enlisted. We are proud to report that we have had no incidents of coronavirus casualties among employees who attended our workplaces.

During FY 2020-21, there have been no salary cuts to our employees or layoffs on account of COVID-19 related exigencies. As on March 31, 2021, we had an employee strength of more than 2,200 people.

Internal Controls & Systems

Your Company's resilience and focus is driven to a large extent by its strong internal control systems designed keeping in view the size and nature of the business. Its internal controls help your 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. Your 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 25th (twenty fifth) 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, 2021. In this regard, your Company is continuously striving to enhance its capabilities to provide new digital technologies, products and services.

1. FINANCIAL HIGHLIGHTS

The Company prepares its financial statements in accordance with accounting standards notified under the 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 Direction (hereinafter referred as ‘previous GAAP’). These financial statements for the year ended on March 31, 2021 are prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 by the Company. The financial statements are presented in Indian Rupees (₹) and all values are rounded to the Lakhs, except when otherwise indicated.

The financial performance for FY 2020-21 and correspondingly figures of FY 2019-20 are summarized in the following table:

Amount (₹ in lakh except per share data)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Total Income		24,544.21		16,937.95
Total Expenditure		10,008.35		6,512.62
Profit Before Interest & Depreciation		14,535.86		10,425.33
Less: Interest and Finance charges	7,997.10		6,758.96	
Less: Depreciation	488.81	8,485.91	420.73	7,179.69
Profit Before Tax		6,049.95		3,245.64
Total Tax Expenses		1,535.90		751.64
Profit After Taxation		4,514.05		2,494.00
Other Comprehensive Income (Net of Tax)		(12.26)		(11.70)
Total Comprehensive Income for the period		4,501.79		2,482.30
APPROPRIATION :-				
Dividend on Equity Shares		0		0
Dividend on Preference Shares		0.03		0.03
Tax on Dividend		0		0.01
Transfer to General Reserve		100.84		100.00
Transfer to Statutory Reserve Fund		900.36		496.46
EPS:-				
Basic		46.69		25.83
Diluted		16.64		10.44

2. FINANCIAL PERFORMANCE

For the year under review:-

- Gross income cross to ₹ 24,544.21 Lakhs as compared to ₹ 16,937.95 Lakhs in the previous year showing the growth of 44.91%.
- The Profit before Tax for the year is ₹ 6,049.95 Lakhs as compared to ₹ 3,245.64 Lakhs in the previous year showing the growth of 86.40%.
- Net Profit grew by ₹ 2,019.49 Lakhs to ₹ 4,501.79 Lakhs for FY 2020-21 vis-à-vis ₹ 2,482.30 Lakhs for FY 2019-20.
- Net Interest Income grew by ₹ 5,985.00 Lakhs to ₹ 15,348.40 Lakhs during FY 2020-21 from ₹ 9,363.40 Lakhs during FY 2019-20 with y-o-y growth of 63.92%.
- Balance sheet size grew to ₹ 1,85,636.77 Lakhs as on March 31, 2021 vis-à-vis ₹ 1,25,633.59 Lakhs as on March 31, 2020 with y-o-y growth of 47.76%.
- Capital Adequacy Ratio decreased to 43.39% as on March 31, 2021 vis-à-vis 58.42% as on March 31, 2020.

3. DIVIDEND

Considering your Company's growth and future strategy and plans, your Directors consider it prudent to conserve resources and despite having sufficient distributable profits, do not recommend any dividend on equity shares for the financial year 2020-21.

Further, at the meeting of the Board of Directors held on June 18, 2020, the Directors has recommended a final dividend of ₹ 604.60/- (Indian Rupees Six Hundred Four and Six Zero 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, which was approved by shareholders of the Company in the Annual General Meeting held on July 30, 2020. The tax on distributed profits paid on dividend was ₹ 80/- (Indian Rupees Eighty only).

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 ₹ 669.08/- (Indian Rupees Six Hundred Sixty Nine and Zero Eight Paise only) at its meeting held on May 19, 2021, 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 for the year under review. Further information on the business overview and outlook and state of the affairs of the Company is covered under the Management Discussion and Analysis section of the Annual Report.

5. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124 & 125 of the Companies Act, 2013 (the Act) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, dividends which remains unpaid or unclaimed for a period of 7 (seven) years from the date of transfer are required to be transferred to the Investors Education and Protection Fund. There are no unclaimed/unpaid dividend liable for transfer to the Investors Education and Protection Fund for the year under review.

6. RESERVES

The Board of the Company has decided/proposed to transfer the following amounts to various reserves during the financial year ended March 31, 2021.

Amount transferred to	Amount (₹ in lakh)
General Reserves	100.84
Transfer to statutory reserve fund (u/s 45IC of the RBI Act)	900.36

7. OPERATIONAL HIGHLIGHTS

a) Disbursements

During the year under review, your Company has disbursed loans for ₹ 812.22 Crore as compared to ₹ 748.67 Crore in the previous year and clocked a growth of 2.62%.

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

There is a very huge market to be served, which needs an efficient last mile delivery of credit, thus creating enormous opportunity for all the financial institutions and Non-Banking Financial Companies ("NBFC") in special. Your Company continues to pursue the strategy of being multi product and multi locational. The focus across the product is of catering to the lower and the middle income segment, which is the key driver of our economy.

b) Assets Under Management (AUM)

In the year 2020-21, your Company registering a robust growth of 39.64% in Asset Under Management (AUM) as AUM of the Company crossed ₹ 1,450 Crore and stood at ₹ 1,496.31 Crore for the year ended on March 31, 2021 against March 31, 2020 which stood at ₹ 1071.58 Crore.

c) Capital Adequacy

Your Company continues its Endeavour for greater capital efficiency and shoring up its capital adequacy to enhance shareholder value. Your Company is well capitalized with an overall capital adequacy ratio (CRAR) being at 43.39% at the end of the year including, well above the benchmark requirement of 15% stipulated by Reserve Bank of India (RBI).

d) Branch Network

Your Company therefore sees greater merit in a calibrated growth of its branch network through combination of advanced analytics that help in identifying high potential locations and technology tools that increase staff productivity & smaller branch formats. Your Company further expanded its geographical presence by entering into semi urban areas and increased its footprint by opening some new branches and making it more accessible to its customers. Your Company strengthened its presence across the 8 states with a network of 140+ offices.

8. CREDIT RATING

Below table covers the Credit Ratings of the Company as on March 31, 2021, during the period under review, the Company has not reported any changes in the credit ratings.

S. No.	Facilities / Instruments	Rating agency	Rating assigned	
			2020-21	2019-20
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] AA (CE) (Stable)	[ICRA] AA (CE) (Stable)
4	Non- Convertible Debentures - Market Linked	CARE Ratings Ltd.	CARE PP MLD A-; Stable	-
5	Non-Convertible Debentures - Covered Bond	CARE Ratings Ltd.	CARE AA (CE); Stable	-
6	SPIICE Term loan	ICRA Ltd.	ICRA A (CE); Stable	ICRA A (CE); Stable

9. TECHNOLOGY INITIATIVES

In tune with the current dynamic technological environment, your Company aims to achieve market leadership through continuous development and enhancement of its technology platforms, enabling it to provide secure, innovative and customized services to all customers. Progressive integration of various business processes with technology has enabled your Company to establish a lean and agile workflow, digital customer onboarding, analytics driven credit underwriting and robust collection management systems. Your Company is focussed on building and integrating next generation platforms to achieve wider customer reach and reduce operating leverage through efficiency.

Technology readiness in terms of infrastructure, software and skilled personnel enabled your Company to respond proactively to challenges posed by the national lockdown due to outbreak of coronavirus pandemic. Your Company is able to promptly incorporate recurring

regulatory policy updates, deliver uninterrupted services to support its customers, and ensure safety of our personnel by enabling work from home.

- 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, etc. During the year, 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 door step 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

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

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

In accordance with the provisions of Companies (Amendment) Act, 2017, read with Section 134(3) of the Companies Act, 2013, the Annual Return, under Section 92 (3) of the Companies Act, 2013, is hosted on the website of the Company at www.kogta.in/notices-and-circular.php

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

I. Directors: -

During the year, no changes took place in the composition of the Board of Directors and Key Managerial Personnel of the Company and the composition of Board and KMP is in compliance with the applicable regulatory norms.

The Present Directors of the Company are as follows:

Sl. No.	Name of the Director	Designation
1.	Mr. Radha Krishan Kogta	Chairman and Whole Time Director
2.	Mr. Arun Kogta	Managing Director and Chief Executive Officer
3.	Mr. Varun Kogta	Whole Time Director and Chief Financial Officer
4.	Mr. P R Kalyanaraman	Independent Director
5.	Mr. Kumar Sharadindu	Independent Director
6.	Mrs. Shashikala Ramachandra	Independent Director
7.	Mr. Amit Mehta	Nominee Director
8.	Mr. Arjun Saigal	Non-Executive Director
9.	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.

II. Key Managerial Personnel

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

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

III. Declaration by an Independent Director(s)

In accordance with provisions of Section 149(7) 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. The Independent Directors have complied with the Code applicable for Independent Directors as stipulated under schedule IV of the Companies Act, 2013.

IV. 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 Committee, 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 website www.kogta.in/policy.php

V. Selection Process

Pursuant to the “Fit and Proper” policy adopted by the Company under the RBI Master Directions for NBFCs, the Company obtain 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 Guidelines issued by the RBI.

14. MEETINGS OF THE BOARD OF DIRECTORS

During the period under review, 8 (Eight) Board meetings were convened and duly held. The intervening gap between the said meetings were in accordance with the provisions of Companies Act, 2013, relevant Rules made thereunder, Secretarial Standard-I issued by Institute of Company Secretaries of India (ICSI). The dates of Board meetings and details of attendance of each director has been disclosed in the Report on Corporate Governance forming part of **Annexure-4** of Board's Report.

15. BOARD COMMITTEES

The Board places significant reliance on its committees by delegating responsibilities to assist it in carrying out its function under its supervision and stewardship. It therefore remains crucial that effective linkages are in place between the committees and the Board as a whole.

Kogta Financial has 10 committees of Board, which are as below;

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

6. IT Strategy Committee;
7. IT Steering Committee;
8. Loan and Investment Committee;
9. Management Committee;
10. Compensation Committee.

The Board Committees constitution is in acquiescence of provisions of the Companies Act, 2013, the relevant rules made thereunder. The details of the Board Committees along with their composition, terms of reference and meetings held during the year and attendance thereof of the Company are disclosed in the report on Corporate Governance forming part of **Annexure-4** of the Board's Report.

16. REMUNERATION POLICY

In accordance with the provisions of section 178(3) of the Companies Act, 2013 read with rules made thereunder, and on the recommendation of the Nomination and Remuneration Committee, the Company has formulated and adopted a comprehensive policy for Director's appointment and remuneration covering Directors, KMPs and Senior Management of the Company. The objective of the Director's appointment and remuneration policy is to regulate the appointment and remuneration of Directors (including Independent Directors), Key Managerial Personnel (KMP), Senior Management personnel according to the criteria formulated by the Nomination and Remuneration Committee of the Board as per the provisions of section 178 of the Companies Act, 2013 read with applicable rules made thereunder.

The key objectives of the Policy are to ensure that:

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

Further, the Nomination & Remuneration policy is enclosed herewith in **Annexure-1** and same is also available on the Company website www.kogta.in/policy.php

17. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control system in line with the risk appetite of the Company and aligned to the scale, size and complexity of its operations. The audit function essentially validates the compliances of Company's processes and operations with regulatory guidelines, accounting procedures and Company's own internal rules and guidelines. The Company has put in place policies and procedures for continuously monitoring and ensuring the orderly and efficient conduct of the business, including adherence to the Company's Policies, for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparations of reliable financial disclosures. The Audit Committee periodically reviews and evaluates the effectiveness of internal financial control system.

The Internal Audit function provides independent assurance to the Board of Directors and Audit Committee on the quality and effectiveness of the Company's internal control, risk management and governance systems and processes.

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 2020-21.

18. EMPLOYEE REMUNERATION

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, form part of this report and is annexed as **Annexure - 6** to this Report.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report and is annexed as **Annexure - 7** to this Report.

19. STATUTORY AUDITORS AND THEIR REPORT'S

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 Twenty First (21st) Annual General Meeting held on August 25, 2017, in terms of Section 139 of the Companies Act, 2013.

There are no qualifications, reservations or adverse remarks made by M/s S.R. BATLIBOI & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, in their report for the year ended on March 31, 2021. 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 not reported any instances of material frauds committed in the Company by its officers or employees.

20. INTERNAL AUDITOR & INTERNAL AUDIT 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 in its meeting held on June 18, 2020, upon recommendation of the Audit Committee appointed M/s Lodha & Company, Chartered Accountants, as an Internal Auditors to carry out internal audit of the Company for the Financial Year 2020-21. The internal auditor provides its report on quarterly basis.

21. COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintenance is not applicable on the Company as it is carrying on business of finance.

22. SECRETARIAL AUDIT & SECRETARIAL AUDIT REPORT

In compliance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the board in its meeting held on June 18, 2020, upon recommendation of the Audit Committee appointed M/s Deepak Arora & Associates, Practicing Company Secretaries to undertake the secretarial audit of the Company for FY 2020-21.

The Secretarial Audit Report in form MR-3 is annexed herewith which forms part of this report and marked as **Annexure - 5**. There is no qualification, reservation or adverse remark or disclaimer in their Report.

23. RISK MANAGEMENT

Risk is the most critical element for any organisation and in the financing industry. The nature of Risk in a financing industry has a wide array which evolves around Credit Risk, Market Risk, Liquidity Risk and other risks. The organisation is required to be proactive to mitigate the impact of risks around its businesses and an efficient Risk Management framework assist the Company to balance the risk adjusted returns in line with the risk appetite.

In the overarching risk management framework, the relevant risk and mitigates have been covered under Management Discussion and Analysis section of the Annual Report.

Your Company has formulated and adopted a robust Risk Management Framework. Whilst the Board is responsible for framing, implementing and monitoring the Risk Management Framework, it has delegated its powers relating to monitoring and reviewing of risks associated with the business of the Company to the Risk Management Committee. The details of the Risk Management Committee and its terms of reference are set out in the Corporate Governance Report forming part of **Annexure - 4** of Board's Report.

24. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform that the audited financial statements for the financial year ended March 31, 2021, are in conformity with the requirements of Clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013 ("Act") and hereby confirm that:

- 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.

25. LOANS, GUARANTEES AND INVESTMENTS

Pursuant to the clarification dated February 13, 2015 issued by Ministry of Corporate Affairs and Section 186 of the Companies Act, 2013 read with rule 11(2) of the Companies (Meetings of the board and its powers) Rule, 2014, requiring disclosure in the financial statements of the full particulars of the loan given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security is not applicable on Non-Banking Financial Company.

26. RELATED PARTY TRANSACTIONS

All the related party transactions are 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 March 31, 2021 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.

27. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In compliance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has a Board level Corporate Social

Responsibility (CSR) Committee. It is committed to ensure the social wellbeing of the communities in the vicinity of its business operations through its Corporate Social Responsibility (CSR) initiatives. On the recommendation of the Corporate Social Responsibility Committee, the Board of Directors has adopted and formulated comprehensive Corporate Social Responsibility policy, which sets out the objective, areas, activities and the manner in which the expenditure on CSR obligation would be carried out by the Company.

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 has been disclosed in the Corporate Governance section of Board's Report and a detailed breakup of expenditure carried out on CSR activities has been disclosed in the Corporate Social Responsibility report attached as **Annexure - 2** of Board's Report. The policy has also been hosted on the website of the Company at www.kogta.in/policy.php

28. SHARE CAPITAL

- I. During the financial year 2020-21, your Company has increased its Share Capital in following manner:

	As on April 01, 2020	Addition	As on March 31, 2021
Authorized Share Capital	₹ 78,56,90,226/-	-	₹ 78,56,90,226/-
Equity	₹ 10,50,00,000/- consisting of 1,05,00,000 equity shares of face value of ₹ 10/- each	-	₹ 10,50,00,000/- consisting of 1,05,00,000 equity shares of face value of ₹ 10/- each
Preference	₹ 68,06,90,226/- consisting of 50,00,000 Series A Preference Shares of face value of ₹ 10/- each, and 1,01,37,308 Series B Preference Shares of face value of ₹ 10/- each and 17,74,600 Series C Preference Shares of face value of ₹ 225.41/- each and 96,99,216 Series D1 Preference Shares of face value of ₹ 10/- each and 32,31,240 Series D2 Preference Shares of face value of ₹ 10/- each.	-	₹ 68,06,90,226/- consisting of 50,00,000 Series A Preference Shares of face value of ₹ 10/- each, and 1,01,37,308 Series B Preference Shares of face value of ₹ 10/- each and 17,74,600 Series C Preference Shares of face value of ₹ 225.41/- each and 96,99,216 Series D1 Preference Shares of face value of ₹ 10/- each and 32,31,240 Series D2 Preference Shares of face value of ₹ 10/- each.
Issued, Subscribed and Paid-Up Share Capital	₹ 76,52,94,313.04/-	-	₹ 76,57,37,663.04/-
Equity	₹ 9,62,16,710/- consisting of 96,21,671 equity shares of face value of ₹ 10/- each	₹ 4,43,350/- consisting of 44,335 equity shares of face value of ₹ 10/- each	₹ 9,66,60,060/- consisting of 96,66,006 equity shares of face value of ₹ 10/- each
Preference	₹ 66,90,77,603.04/- consisting of 38,40,000 Series A Preference Shares of face value of ₹ 10/- each and 1,01,37,308 Series B Preference Shares of face value of ₹ 10/- each and 17,74,544 Series C Preference Shares of face value of ₹ 225.41/- each and 96,99,216 Series D1 Preference Shares of face value of ₹ 10/- each and 32,31,240 Series D2 Preference Shares of face value of ₹ 10/- each.	-	₹ 66,90,77,603.04/- consisting of 38,40,000 Series A Preference Shares of face value of ₹ 10/- each and 1,01,37,308 Series B Preference Shares of face value of ₹ 10/- each and 17,74,544 Series C Preference Shares of face value of ₹ 225.41/- each and 96,99,216 Series D1 Preference Shares of face value of ₹ 10/- each and 32,31,240 Series D2 Preference Shares of face value of ₹ 10/- each.

II. During the financial year 2020-21, the Company has issued following Non-Convertible Debenture to the following Debenture holders: -

- (i) 1000 (One Thousand) Rated, Listed, Taxable, Secured, Senior, Redeemable, Transferable Non-Convertible Debentures, bearing a face value of ₹ 1,00,000/- (Indian Rupees One Lakh Only) each, aggregating up to ₹ 10,00,00,000/- (Indian Rupees Ten Crore only) to DCB Bank Limited.
- (ii) 150 (One Hundred Fifty) Rated, Secured, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakh Only) each, aggregating up to ₹ 15,00,00,000/- (Indian Rupees Fifteen Crore only) to Punjab & Sind Bank.
- (iii) 50 (Fifty) Rated, Secured, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures, bearing a face value of ₹ 1,00,00,000/- (Indian Rupees One Crore Only) each, aggregating up to ₹ 50,00,00,000/- (Indian Rupees Fifty Crore only) to State Bank of India.
- (iv) 250 (Two Hundred and Fifty) Rated, Secured, Senior Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakhs Only) each, aggregating up to ₹ 25,00,00,000/- (Indian Rupees Twenty Five Crore only) to Bank of Maharashtra.
- (v) 300 (Three Hundred) Rated, Listed, Senior, Secured, Taxable, Transferable and Redeemable Non-convertible Debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakhs Only) each, aggregating up to ₹ 30,00,00,000/- (Indian Rupees Thirty Crore only) to Bank of India.
- (vi) 2500 (Two Thousand Five Hundred) Secured, Senior, Rated, Listed, Redeemable, Taxable, Transferable, Non-Convertible Debentures, bearing a face value of ₹ 1,00,000/- (Indian Rupees One Lakh Only) each, aggregating up to ₹ 25,00,00,000/- (Indian Rupees Twenty Five Crore only) to A K Capital Finance Limited.
- (vii) 250 (Two Hundred and Fifty) rated, senior, secured, transferable, listed, redeemable, non-convertible debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakhs Only) each, aggregating up to ₹ 25,00,00,000/- (Indian Rupees Twenty Five Crore only) to Indian Overseas Bank.
- (viii) 800 (Eight Hundred) Rated, Listed, Taxable, Secured, Senior, Redeemable, Principal Protected, Market Linked, non – convertible debentures (Series A Debentures), bearing a face value of ₹ 1,00,000/- (Indian Rupees One Lakh Only) each, aggregating up to ₹ 8,00,00,000/- (Indian Rupees Eight Crore only) to Unifi AIF.
- (ix) 800 (Eight Hundred) Rated, Listed, Taxable, Secured, Senior, Redeemable, Principal Protected, Market Linked, non – convertible debentures (Series B Debentures), bearing a face value of ₹ 1,00,000/- (Indian Rupees One Lakh Only) each, aggregating up to ₹ 8,00,00,000/- (Indian Rupees Eight Crore only) to Unifi AIF.
- (x) 800 (Eight Hundred) Rated, Listed, Taxable, Secured, Senior, Redeemable, Principal Protected, Market Linked, non – convertible debentures (Series C Debentures), bearing a face value of ₹ 1,00,000/- (Indian Rupees One Lakh Only) each, aggregating up to ₹ 8,00,00,000/- (Indian Rupees Eight Crore only) to Unifi AIF.
- (xi) 250 (Two Hundred and Fifty) rated, senior, secured, transferable, listed, redeemable, non-convertible debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakhs Only) each, aggregating up to ₹ 25,00,00,000/- (Indian Rupees Twenty Five Crore only) to Bank of Baroda.
- (xii) 300 (Three Hundred) rated, listed, senior, secured, transferable, redeemable, non-convertible debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakhs Only) each, aggregating up to ₹ 30,00,00,000/- (Indian Rupees Thirty Crore only) to Axis Mutual Fund.
- (xiii) 250 (Two Hundred and Fifty) Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakhs Only) each, aggregating up to ₹ 25,00,00,000/- (Indian Rupees Twenty Five Crore only) to Vivriti Capital Private Limited.
- (xiv) 2,00,000 (Two Lakhs) rated, secured, unsubordinated, transferable, listed, redeemable, non-convertible debentures, bearing a face value of ₹ 1,000/- (Indian Rupees One Thousand Only) each, aggregating up to ₹ 20,00,00,000/- (Indian Rupees Twenty Crore only) to Fourdegreewater Private Limited.

(xv) 3500 (Three Thousand Five Hundred) secured, senior, rated, listed, redeemable, taxable non-convertible debentures, bearing a face value of ₹ 1,00,000/- (Indian Rupees One Lakh only) each, aggregating to ₹ 35,00,00,000/- (Indian Rupees Thirty Five Crore) to A K Capital Finance Limited.

(xvi) 250 (Two Hundred and Fifty) Rated, Senior, Secured, Transferable, Unlisted, Redeemable, Non-Convertible Debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakh only) each, aggregating up to ₹ 25,00,00,000 (Indian Rupees Twenty Five Crore only) to Vivriti Short Term Bond Fund through its Trustee Vistra (ITCL) India Limited.

III. During the financial year 2020-21, the Company has redeemed following Non-Convertible Debentures: -

(i) 3,807 (Three Thousand Eight Hundred and Seven) rated, redeemable, transferable, secured non-convertible debentures of face value of ₹ 50,000/- (Indian Rupees Fifty Thousand Only) each, aggregating to ₹ 19,03,50,000 (Indian Rupees Nineteen Crore Three Lakhs and Fifty Thousand only) ("Series A Debentures") issued to Microvest Short Duration Fund, LP.

(ii) 3,807 (Three Thousand Eight Hundred and Seven) rated, redeemable, transferable, secured non-convertible debentures of face value of ₹ 50,000/- (Indian Rupees Fifty Thousand Only) each, aggregating to ₹ 19,03,50,000 (Indian Rupees Nineteen Crore Three Lakhs and Fifty Thousand only) ("Series B Debentures") issued to Microvest Short Duration Fund, LP.

(iii) 500 (Five Hundred) rated, listed, redeemable non-convertible debentures having face value of ₹ 5,00,000 (Indian Rupees Five Lakh only) each, aggregating up to ₹ 25,00,00,000/- (Indian Rupees Twenty Five Crore only) ("the Debentures") issued to Sundaram Short Term Credit Risk Fund (scheme managed by Sundaram Asset Management Company Limited).

29. 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;	- maximizing the use of day-light inside the office premises or emphasising the organisation-wide usage of energy efficient LED lights, covering all of the Company's branches and 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;	The Company in most offices uses wide glass windows to utilise maximum natural lights to conserve electricity used by the lighting system.
the capital investment on energy conservation equipments;	NIL

PARTICULARS	REMARKS
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 year's 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

30. PARTICULARS OF DEPOSITS

Your Company is registered with Reserve Bank of India (RBI), as a non-deposit accepting NBFC under section 45-1A of the RBI Act, 1934. Your Directors hereby report that the Company has not accepted any public deposits during the year under review and it continues to be a non-deposit taking non-banking financial company in conformity with the guidelines of the RBI.

31. CORPORATE GOVERNANCE

Your Company is committed to the highest standards of corporate governance, and setting industry leading benchmarks. Corporate Governance mechanism of your Company is aimed at creating and nurturing a valuable bond with stakeholders to maximize stakeholders' value. Your Company has conducted itself by adhering to the core values of transparency, accountability and integrity in all its business practices and management. Corporate Governance is about commitment to values, ethical business conduct and considering all stakeholder's interest in the conduct of its business. The report on corporate governance forms integral part of this Board's report as **Annexure – 4**.

32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which is presented in a separate section forming part of the Annual Report.

33. 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. Employees Stock Option Plan

Your Company has formulated Employee Stock Option Scheme ("Scheme"), which has been duly approved by the shareholders of the Company, to attract and retain the personnel for positions of substantial responsibility

and to provide additional incentive to employees. The scheme is implemented to enable the employees to share the wealth that they help to create for the Company over a certain period of time. The grants in the Employee Stock Option ("ESOP") Plans are approved by the Compensation Committee based on the approved criteria. 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.

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)

Details as per Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014

Sr. No.	Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP PLAN 2020 - SERIES 2	Total
1	No. of options granted	127000	284800	214500	24000	650300
2	No. of options vested	46480	0	0	0	46480
3	No. of options exercised	44335	0	0	0	44335
4	Total number of shares arising as a result of exercise of option	44335	0	0	0	44335
5	No. of options lapsed	13545	35750	2000	0	51295
6	Exercise price per option (in ₹)	90	170	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	-
8	Money realized by exercise of options	3990150	-	-	-	3990150
9	Total number of options in force	69120	249050	212500	24000	554670
10	Employee wise details of options granted to KMP: (Mr. Rahul Agrawal, Company Secretary & Compliance Officer)	3000	7000	4000	-	14000

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

34. 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.

35. PARTICULARS OF RBI COMPLIANCES

Being a Non-Banking Non Deposit Taking Systemically Important Asset Finance Company ("NBFC-ND-SI-AFC"), 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 circulars & notifications, time to time, issued by Reserve Bank of India.

36. LISTING OF SECURITIES

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

37. NOTICES RECEIVED/PENALTY IMPOSED

NIL

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

NIL

39. VIGIL MECHANISM

Your Company has established the Vigil Mechanism to encourage employees to report suspected legal violations, fraudulent or irregular conduct of an employee or business associate of the Company. Such incidents, if not reported would breach trust and endanger the Company's reputation. Through this mechanism, the Company provides a channel to the employees and Directors to report to the management about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or legal or regulatory requirements incorrect or misrepresentation of any financial statements and reports, etc.

The Company has a Vigil Mechanism/Whistle Blower Policy ("Policy") to deal with instances of fraud and mismanagement, if any. 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 as approved by Board is hosted on the website of the Company at www.kogta.in/policy.php

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.

40. 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.

41. SECRETARIAL STANDARDS

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

42. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (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 fleshed on website of the Company at <https://www.kogta.in/policy.php>

The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21:

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	NIL

43. ACKNOWLEDGEMENT

The Board of Directors wish to place on record their gratitude to the RBI, SEBI, MCA, CERSAI, Bankers & other Lenders, Members, Debenture holders, Trustees, Government of India and other regulators and stakeholders for their continued support and faith reposed in the Company. The Directors would also like to thank the BSE Limited, National Securities Depository Limited, Central Depository Services (India) Limited, Registrar & Securities Transfer Agent (RTA) and the Credit Rating Agencies for their continued co-operation. The Board also places on record its deep appreciation for the dedication and commitment of the employees at all levels as their hard work, co-operation and support that enabled the Company to achieve consistent growth.

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

Sd/-

Radha Krishan Kogta

Chairman

DIN: 00197552

Date: May 19, 2021

Place: Jaipur

CIN: U67120RJ1996PLC011406

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

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. To 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. Shall 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. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- v. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- vi. 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.

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 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 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, Chairperson 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 Chairperson, 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 and regulatory changes in the policy from time to time. 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.

Your Company is working towards the upliftment of the economically weaker sections of society, we consider it our responsibility to extend our capabilities to provide them with the direction and the opportunities to enhance their quality of life. Over the years, our business model is embedded with socio-economic development of local areas, while targeting business growth.

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 Companies Act, 2013, 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 i.e. <https://www.kogta.in/policy.php>

During the year, our CSR activities were focused on making a meaningful and measurable impact on the lives of the deprived communities and seek to create an enabling environment for sustainable livelihoods of the communities we serve. We have established the **Kogta Foundation** in year 2020, 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 of Directors have constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Companies Act 2013 (“Act”). The composition of the CSR Committee as at March 31, 2021, 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.

CSR Policy is available on the website of the Company i.e. www.kogta.in/policy.php

(5) of section 135 of the Act, in the three immediately preceding financial years, an impact assessment is not applicable on the Company.

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. 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: ₹ 19,60,37,132/- (Indian Rupees Nineteen Crore Sixty Lakh Thirty Seven Thousand One Hundred Thirty Two only).

7. (a) **Two percent of average net profit of the Company as per section 135(5):** ₹ 39,20,743/- (Indian Rupees Thirty Nine Lakh Twenty Thousand Seven Hundred Forty Three only) for financial year 2020-21 and ₹ 18,98,549/- (Indian Rupees Eighteen Lakh Ninety Eight Thousand Five Hundred Forty Nine only) carry forward

unspent amount for till financial year ended on March 31, 2020.

- (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil
- (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):** ₹ 58,19,292/- (Indian Rupees Fifty Eight Lakh Nineteen Thousand Two Hundred Ninety Two only)

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

Amount Unspent (in ₹)

Total Amount Spent for the Financial Year. (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).			
Total Income	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
58,19,292	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.		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	
				State	District						Name	CSR Registration number
1.	Nil	N/A	N/A	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		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration number
1.	Donation to Gaushala	(iv)	Yes	Rajasthan	Jaipur	2,12,000	Yes	N/A	N/A
2.	Establishment of safe & clean drinking water plant	(i)	Yes	Rajasthan	Ajmer	3,22,880	Yes	N/A	N/A
3.	Distribution of school bags to school students	(ii)	Yes	Rajasthan	Ajmer	88,320	Yes	N/A	N/A
4.	Distribution of blankets to needy peoples’	(i)	Yes	Rajasthan	Jaipur/ Ajmer	54,204	Yes	N/A	N/A
5.	Contribution to Public Charitable Trust	(i) to (xii)	Yes	Rajasthan	Ajmer	51,41,888	No	N. R. Kogta Charitable Trust	N/A
	TOTAL					58,19,292			

(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): ₹ 58,19,292 (Indian Rupees Fifty Eight Lakh Nineteen Thousand Two Hundred Ninety Two 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)	39,20,743
(ii)	Total amount spent for the Financial Year	58,19,292
(iii)	Excess amount spent for the financial year [(ii)-(i)]*	18,98,549
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

*Amount related to unspent CSR amount till financial year ended on March 31, 2020, which was spent in financial year 2020-21.

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 ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2019-20	Nil	58,19,292	Nil	N/A	N/A	Nil
2.	2018-19	Nil	11,47,000	Nil	N/A	N/A	18,98,549
3.	2017-18	Nil	4,92,500	Nil	N/A	N/A	9,48,324
	TOTAL		74,58,792				28,46,873

(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		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
				State	District			
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/-
Mr. Arun Kogta
Managing Director & CEO
DIN: 05109722

Date: May 19, 2021
Place: Jaipur

Sd/-
Mr. Radha Krishan Kogta
Chairman of CSR Committee
DIN: 00197552

Date: May 19, 2021
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	11,70,000
		Mr. Varun Kogta	Whole Time Director & CFO of KFL	5 Years	Rent at market rate	2,40,000
		Kogta Housing Development Pvt. Ltd.	Director of KFL is also Director in the said Company.	5 Years	Rent at market rate	7,17,680
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	12,00,807
		Jaipur Promoters Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Advances / Loan facility at contractual interest rate	11,883
		Mr. Radha Krishan Kogta	Chairman of KFL	Various maturities	Advances / Loan facility at contractual interest rate	5,523
		Mr. Ayush Kogta	Relative of Chairman of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	90,619
		Mrs. Ayushi Kogta	Relative of Chairman of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	62,136
		Mr. Arun Kogta	Managing Director & CEO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	6,56,205
		Mrs. Ritu Kogta	Relative of Director of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	76,808
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	23,02,840
		Jaipur Promoters Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Advances / Loan facility at contractual interest rate	5,53,131
		Mr. Radha Krishan Kogta	Chairman of KFL	Various maturities	Advances / Loan facility at contractual interest rate	5,523
		Mr. Ayush Kogta	Relative of Chairman of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	90,619

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
		Mrs. Ayushi Kogta	Relative of Chairman of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	62,136
		Mr. Varun Kogta	Whole Time Director & CFO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	19,00,000
		Mrs. Ritu Kogta	Relative of Director of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	76,808
		Mr. Arun Kogta	Managing Director & CEO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	6,56,205
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.	1,83,748
		Mr. Varun Kogta	Whole Time Director & CFO of KFL	Various maturities	Interest on loans and advances at applicable rates.	2,29,344
		Mr. Banwari Lal Kogta	Relative of Director of KFL.	Various maturities	Interest on loans and advances at applicable rates.	627
5.	Loan and advances received by KFL.	Mr. Ayush Kogta	Relative of Chairman of KFL.	Various maturities	Interest at market rate.	11,000
		Mr. Arun Kogta	Managing Director & CEO of KFL	Various maturities	Interest at market rate.	13,60,434
		Mr. Banwari Lal Kogta	Relative of Director of KFL.	Various maturities	Interest at market rate.	78,62,472
		Mr. Bal Mukund Kogta	Relative of Chairman of KFL.	Various maturities	Interest at market rate.	43,00,000
		Mrs. Durga Devi Kogta	Relative of Director of KFL.	Various maturities	Interest at market rate.	15,81,055
		Mrs. Nidhi Kogta	Relative of Director of KFL.	Various maturities	Interest at market rate.	11,51,560
		Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Interest at market rate.	5,17,84,627
6.	Loan and advances repaid by KFL.	Mr. Ayush Kogta	Relative of Chairman of KFL.	Various maturities	Interest at market rate.	11,000
		Mr. Arun Kogta	Managing Director & CEO of KFL	Various maturities	Interest at market rate.	13,60,434
		Mr. Banwari Lal Kogta	Relative of Director of KFL.	Various maturities	Interest at market rate.	32,43,869
		Mr. Bal Mukund Kogta	Relative of Chairman of KFL.	Various maturities	Interest at market rate.	43,00,000
		Mrs. Durga Devi Kogta	Relative of Director of KFL.	Various maturities	Interest at market rate.	40,000
		Mrs. Nidhi Kogta	Relative of Director of KFL.	Various maturities	Interest at market rate.	21,453
		Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Interest at market rate.	4,75,75,008

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
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.	8,21,173
		Mr. Banwari Lal Kogta	Relative of Director of KFL.	Various maturities	Interest on borrowing/ loan at applicable rates.	2,86,904
		Mr. Bal Mukund Kogta	Relative of Chairman of KFL.	Various maturities	Interest on borrowing/ loan at applicable rates.	2,54,095
		Mrs. Durga Devi Kogta	Relative of Director of KFL.	Various maturities	Interest on borrowing/ loan at applicable rates.	53,261
		Mr. Arun Kogta	Managing Director & CEO of KFL	Various maturities	Interest on borrowing/ loan at applicable rates.	39,560
		Mrs. Nidhi Kogta	Relative of Director of KFL.	Various maturities	Interest on borrowing/ loan at applicable rates.	1,07,991
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	20,33,261
9.	Donation	Kogta Foundation	Settlor is KFL	-	Donation	1,00,000

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

Sd/-
Mr. Radha Krishan Kogta
Chairman
DIN: 00197552

Date: May 19, 2021
Place: Jaipur

ANNEXURE - 4

Corporate Governance Report

1. OUR PHILOSOPHY CORPORATE GOVERNANCE

Your Company is committed towards achieving the highest standards of Corporate Governance by maintaining the right balance between economic, social, individual and community goals. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

Your Company understands and respects its fiduciary role and responsibility to enhance the long-term interest of its shareholders, customers, employees and other stakeholders, to provide good management, to adopt prudent risk management structure and comply with required standards of capital adequacy, thereby safeguarding the interest of all stakeholders. We continuously focus on upgrading Company's governance practices and systems to effectively address the challenges that are faced by Company under ever-evolving regulatory environment.

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

- Composition of Board of Directors and committee thereof, experience and commitment to discharge their responsibilities and duties, with transparency and independence in the functions of the Board.
- Flow of information within the stipulated and sufficient time gaps to the Board and its Committees to enable them to discharge their functions effectively.
- Transparent and independent verification and assured integrity of financial reporting.
- Disclosure of all material information concerning the Company to all the stakeholders for protection of their rights and interests.
- Controlling with application of risk management, internal control, and anti-bribery & anti-corruption business practices.
- Compliance with all applicable laws, rules and regulations within prescribed time and spirit.

2. BOARD OF DIRECTORS

i. Composition

The Board of Directors have ultimate responsibility of the management, general affairs, direction, performance and long-term success of business as a whole. The Board of your Company has a good and diverse mix of Independent, Non- Executive and Executive Directors. The Board consists of professionals having diversified background, specialised knowledge and vast experience that enables it to discharge its responsibilities and provide effective leadership to the business.

The composition of the Board is in conformity with the Companies Act, 2013 and rules made thereunder. As on March 31, 2021, the Board comprised 9 (nine) Directors, consisting of 3 (three) Independent Directors including a women Director, 3 (three) Non-Executive and 3 (three) Executive Directors. The Independent Directors of the Company are duly registered on the Independent Director 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, 2021 is as follows:

Sl. No.	Name of the Director	Category	Designation
1.	Mr. Radha Krishan Kogta	Promoter & Executive Director	Chairman and Whole Time Director
2.	Mr. Arun Kogta	Promoter & Executive Director	Managing Director and Chief Executive Officer
3.	Mr. Varun Kogta	Promoter & Executive Director	Whole Time Director and 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)

- 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:

Your Board members possess requisite skills for carrying out their duties effectively for the business of the Company: -

- Understanding of Business/Industry;
- Strategy and Strategic Planning;
- Critical and Innovative;
- Financial Understanding;
- Market Understanding;
- Information Technology;
- Risk management & Business Management.

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 are pre-scheduled and calendar invitation for Board Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure better participation in the meetings. However, in case of a special and urgent business need, the Company convene meetings with shorter notice in accordance with the applicable provisions of the Companies Act, 2013 and also taken Board's approval by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

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 with applicable requirement under Secretarial Standard-I. The Board Agenda also includes an Action Taken Report comprising actions emanating from the Board Meetings and status updates thereof. Video/tele-conferencing facilities are also used to facilitate Directors, keeping in view the persisting situations in the country due to COVID-19 pandemic and various practical difficulties being faced by the directors in terms of travelling or located at other locations to participate in the Meetings. At least one meeting is

held in every quarter to review the quarterly performance of the Company and the Chief Operating Officer and Finance Controller are invited to attend the Board meetings to present specific details as desired by the Board for their deliberation and decision.

During the year Company's board met 8 (eight) times on June 16, 2020, June 18, 2020, August 07, 2020, September 18, 2020, September 28, 2020, November 11, 2020, January 20, 2021 and March 26, 2021.

The gap between two Board meetings did not exceed the prescribed limit of 120 days. The requisite quorum was present for all the meetings of the Board that were held during FY 2020-21.

Besides, Directors of the Company has passed resolution by circulation viz. April 03, 2020; May 26, 2020; June 01, 2020; July 01, 2020; July 10, 2020; December 21, 2020; February 12, 2021; March 04, 2021 and March 13, 2021.

Attendance of each Director at the Board of Directors' Meetings held during the year and the last Annual General Meeting and the number of other Directorship as on March 31, 2021:

Name of Director	Board Meeting entitled to attend during FY 2020-21	No. of Board Meetings attended during the FY 2020-21	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, 2021
				Public	Private	
Mr. Radha Krishan Kogta	8	8	Yes	-	3	729500
Mr. Arun Kogta	8	8	Yes	-	-	791000
Mr. Varun Kogta	8	8	Yes	-	-	627000
Mr. P R Kalyanaraman	8	8	Yes	3	2	NIL
Mr. Amit Mehta	8	7	Yes	1	2	6500
Mr. Arjun Saigal	8	8	Yes	2	2	NIL
Mr. Kumar Sharadindu	8	8	No	2	0	NIL
Mr. Robin Bhanwarlal Agarwal	8	8	Yes	-	1	NIL
Mrs. Shashikala Ramachandra	8	8	Yes	-	-	NIL

Details of directorship of Director(s) in other Listed Entities as on March 31, 2021.

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 Company has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other Employees, regulated by the Nomination and Remuneration Committee of the Board. The Independent Directors are entitled to receive sitting fees for attending Board Meeting, Committees Meeting and General Meeting of the Company. The remuneration to the Managing Director and Whole-Time Director(s) is paid on the scale determined by the Nomination and Remuneration Committee/Board of Directors which is also approved by the shareholders at the General Meeting.

3. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as prescribed under the applicable regulations. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as required and appropriate.

The Board at the time of constitution of each committee decides the terms of reference and also delegates powers & responsibilities from time to time. During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

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 number of meetings held during the financial year and participation of the members at the meetings of the committees, are covered herein below.

The role and the composition of Board Committees constituted by the Board as on March 31, 2021, are as follows:

(a) Audit Committee

The Audit Committee has been constituted by the Company in terms of provisions of Section 177 of the Companies Act, 2013. As on March 31, 2021, the audit committee comprises 4 (four) Directors as its members, all of them being financially literate and of which 3 (three) are Independent Directors i.e. Mr. P R Kalyanaraman, Independent Director as Chairman, Mrs. Shashikala Ramachandra, Independent Director as member, Mr. Kumar Sharadindu, Independent Director as members and Mr. Varun Kogta, Whole Time Director & Chief Financial Officer as member of the committee. The composition of the Committee is in adherence to provisions of the Companies Act, 2013.

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

The core function area of Audit Committee is as follow:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statements and the auditors' report thereon;
- Approval or any subsequent modifications of transactions of the Company, if any, with related parties;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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;

- Monitoring the end use of funds, if raised through public offers and related matters;
- 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 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 June 17, 2020, August 07, 2020, November 11, 2020 and January 20, 2021.

The particulars of members of the audit committee, number of meetings attended/held 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

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) Nomination and Remuneration Committee (NRC)

The NRC has been constituted by the Company in terms of Provisions of Section 178 of the Companies Act, 2013 and is chaired by Independent director. As on March 31, 2021, the NRC comprised 3 (three) Directors i.e. Mr. P R Kalyanaraman, Independent Director as Chairman, Mr. Amit Mehta, Nominee Director as member and Mr. Kumar Sharadindu, Independent Director as member of the Committee, all of them being Non-Executive Directors. The composition of the Committee is in adherence to provisions of the Companies Act, 2013.

The Board of Directors has formed and approved a charter for the NRC setting out the roles, responsibilities and functioning of the Committee and approved the manner and criteria of performance evaluation of Board, its Committees and Individual Director of the Company. In addition to adherence to the provisions of the Companies Act, 2013, the terms of reference of NRC is covered by its Charter and its functioning broadly inter alia includes the following:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in charter, recommend to the Board their appointment and removal;
- 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 or by an independent external agency and review its implementation and compliance;
- Formulate the criteria for determining qualifications and positive attributes and independence of a director;
- Recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees;
- Ensuring 'fit and proper' status of proposed / existing directors; 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.

Further, the Board of Directors shall do the performance evaluation of every director except the director being evaluated and along with its various Board Committees and Board (as a whole), during the year, together with suggestions for improvement thereon, pursuant to the performance objectives.

During the year committee met 2 (two) times on June 17, 2020 and November 10, 2020.

The particulars of members of the Nomination & Remuneration Committee, number of meetings attended/held 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	2	2
Mr. Amit Mehta	Nominee Director as Member	2	2
Mr. Kumar Sharadindu	Independent Director as Member	2	2

(c) Corporate Social Responsibility Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013, Corporate Social Responsibility (CSR) Committee was constituted and the Board has approved the Charter of the CSR Committee setting out the responsibilities, roles of the Committee.

As on March 31, 2021, CSR Committee comprised 3 (three) Directors as its members i.e. Mr. Radha Krishan Kogta, Chairman & Whole Time Director as Chairman, Mr. P R Kalyanaraman, Independent Director as Member and Mr. Varun Kogta, Whole Time Director & Chief Financial Officer as member. The composition of the Committee is in adherence to the provisions of the Companies Act, 2013.

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; and
- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy of the Company;

During the year, CSR Committee met 4 (four) times on June 17, 2020, August 07, 2020, November 10, 2020 and March 27, 2021.

The particulars of members of the Corporate Social Responsibility Committee, number of meetings attended/held 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 and Chief Financial Officer as Member	4	4
Mr. P R Kalyanaraman	Independent Director as Member	4	4

(d) Loan and Investment Committee

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

As on March 31, 2021, the Loan and Investment Committee comprised 4 (four) members i.e. Mr. Varun Kogta as Chairman and Mr. Arun Kogta, Mr. Nayan Kogta and Mr. Shobhit Nawal as members of the Committee.

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 securitisation and assignment transaction with one or more lenders, banks and/or any other Financial institutions;
- To advise the Board in setting strategic direction for borrowing operations & planning;
- To delegate authority/powers to any other person to negotiate, re- negotiate, finalize, execute and deliver, cause to be executed or deliver, sign, deal with, modify, alter, amend and do all other acts, deeds, things and matters in connection with the Facility, the Finance Documents and other documents, letter(s), applications, receipts, notices, mandates, assignments, powers of attorney, undertakings, declarations, notices (including utilisation request), agreements and other documents, instruments, writings and papers in connection to borrowing with all Lenders and to do all acts, deeds, matters and things as deem necessary, proper or desirable;
- To negotiate, decide and approve the terms and conditions of the issue of Non-Convertible Debentures ("NCD"), Commercial Papers ("CP"), Bond and other debt securities ("Debt Security") to the eligible investors as identified by the Board;
- To make offers to the eligible investors, as identified by the Board, and issue the private placement offer letter for each series of Debt Security and accept the funding of the subscription amounts for each series of Debt Security in accordance with the offer schedule prescribed in the private placement offer letter;
- To make allotment of Debt Security to eligible investors, which shall be identified by the Board of Directors, from time to time; 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 committee met 46 (forty six) times on April 9, 2020, May 26, 2020, May 30, 2020, June 9, 2020, July 3, 2020, July 11, 2020, July 16, 2020, July 21, 2020, August 14, 2020, August 18, 2020, August 20, 2020, August 26, 2020, August 28, 2020, August 31, 2020, September 3, 2020, September 4, 2020, September 24, 2020, September 29, 2020, September 30, 2020, October 14, 2020, October 28, 2020, October 31, 2020, November 12, 2020, November 17, 2020, December 11, 2020, December 22, 2020, December 24, 2020, December 29, 2020, December 31, 2020, January 16, 2021, January 28, 2021, February 8, 2021, February 11, 2021, February 15, 2021, February 18, 2021, February 22, 2021, February 25, 2021, March 3, 2021, March 5, 2021, March 10, 2021, March 15, 2021, March 17, 2021, March 23, 2021, March 27, 2021, March 30, 2021 and March 31, 2021.

The particulars of members of the Loan and Investment Committee, number of meetings attended/held 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	44
Mr. Arun Kogta	Managing Director & Chief Executive Officer as Member	46	42
Mr. Nayan Kogta	Chief Operating Officer as Member	46	46
*Mr. Amit Mehta	Nominee Director as Member	8	0
Mr. Shobhit Nawal	Finance Controller as Member	46	45

*Mr. Amit Mehta was ceased to be member of the Loan & Investment Committee w.e.f. August 07, 2020.

(e) Management Committee

The Management Committee functions according to the role and the power given to it, including to authorize any person and to get registration(s) of the Branch offices of the Company under the Shop and Establishment Act, 1958 and other powers according to charter of the Committee. As on March 31, 2021, the Management Committee comprised 4 (four) members i.e. Mr. Varun Kogta as Chairman and Mr. Rahul Agrawal, Mr. Manoj Sharda, Mr. Vijendra Singh as members of the Committee.

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 with any person(s), firm(s), body corporate(s) to obtain/take on lease or on rent any immovable property to establish new Branch offices of the Company and also to negotiate and finalise the terms and conditions of such rent/ lease agreement.
- to sign, execute and submit any application, letter, document and/or agreement, in respect of any matter relating to take and obtain telephone connections, internet connections, electricity connections and water connections, on behalf of the Company, as may be required for every offices of the Company whether new or existing to effectively running the business of the Company.
- 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;
- to appear on behalf of the Company before any person(s), firm(s), body corporate(s), association of person(s), Registrar and Government and Non-Government departments and all other statutory bodies as may be necessary in respect of all above mentioned matters; 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 6 (six) times on June 1, 2020, August 25, 2020, November 27, 2020, February 3, 2021, March 1, 2021 and March 25, 2021.

The particulars of members of the Management Committee, number of meetings attended/held 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	6	6
Mr. Rahul Agrawal	Company Secretary & Compliance Officer as Member	6	6
Mr. Manoj Sharda	National Operation Manager as Member	6	6
Mr. Vijendra Singh	Operation Manager as Member	6	6

(f) Risk Management Committee (RMC)

The Company has formed Risk Management Committee of the Board for assisting the Board to establish a risk governance framework in the organisation. The function of the Committee is to identify management of risk inherent in all the products and services across the Company and to ensure that the established risk culture is adopted across all levels.

As on March 31, 2021, composition of the Risk Management Committee comprised 5 (five) members i.e. Mrs. Shashikala Ramachandra as Chairperson, Mr. Arun Kogta, Mr. Varun Kogta, Mr. Nayan Kogta and Mr. Shobhit Nawal as members of the Committee, who have very rich experience in the industry and have put in place preventive mechanisms to contain various risks.

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

- Assist the Board in setting risk strategy policies in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting;
- Review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed;
- 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;
- Oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained;
- Review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;
- Monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts;
- Provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk, also taking account of reports by internal auditor to the Board on all categories of identified risks facing by Company;
- Review the risk acceptance criteria, review loan loss provisioning; and
- Take care matters related to pricing of credit as per RBI guidelines.

During the year, the RMC committee met 5 (five) times on June 17, 2020, August 7, 2020, September 17, 2020, November 10, 2020 and January 19, 2021.

The particulars of members of the Risk Management Committee, number of meetings attended/held 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	5	5
Mr. Varun Kogta	Whole Time Director & Chief Financial Officer as Member	5	5
Mr. Nayan Kogta	Chief Operating Officer as Member	5	5
Mr. Shobhit Nawal	Finance Controller as Member	5	5
Mr. Arun Kogta	Managing Director & Chief Executive Officer as member	5	5

*Mrs. Shashikala Ramachandra has been appointed as Chairperson of Risk Management Committee in place of Mr. Arun Kogta w.e.f. June 17, 2020.

(g) Compensation Committee

The Compensation Committee functions according to the role and the power given to it, 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.

As on March 31, 2021, composition of the Compensation Committee comprised 3 (three) members i.e. Mr. Arun Kogta as Chairman and Mr. Varun Kogta and Mr. Nayan Kogta as members.

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 ESOP under the Kogta Employee Stock Option Scheme of the Company; and
- Such other tasks as may be entrusted to it by the Board of Directors from time to time.

During the year, the Compensation Committee met 4 (four) times on June 30, 2020, October 14, 2020, November 10, 2020 and March 27, 2021.

The particulars of members of the Compensation Committee, number of meetings attended/held 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. Nayan Kogta	Chief Operating Officer as Member	4	4

(h) Asset Liability Management Committee

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

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

- Responsible for balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
- Ensure that the Company operates its activities within the limits / parameters set by the Board regarding the business and risk management strategy;
- Review the results of and progress in implementation of the decisions made in the previous meetings;
- Articulate the current interest rate view of the Company and base its decisions for future business strategy on this view;
- Review, revise as necessary, and recommend for Board approval the Asset Liability Management Policy and Loan & Investment Policy. In respect of the Loan & Investment Policy, for instance, its responsibility would be to decide on source and mix of liabilities or sale of assets;
- Oversee the management of the Company's assets and funding sources consistent with the Company's growth and profitability objectives while meeting policy on interest rate risk, liquidity, and capital adequacy;
- 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.

As on March 31, 2021, composition of the ALCO comprised 3 (three) members i.e. Mr. Arun Kogta as Chairman, Mr. Varun Kogta and Mr. Shobhit Nawal as members of the Committee.

During the year, the ALCO met 5 (five) times on June 17, 2020, August 7, 2020, September 16, 2020, November 10, 2020 and January 15, 2021.

The particulars of members of the ALCO, number of meetings attended/held 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	5	5
Mr. Varun Kogta	Whole Time Director & Chief Financial Officer as Member	5	5
Mr. Shobhit Nawal	Finance Controller as Member	5	5

(i) IT Strategy Committee

IT Strategy Committee was formed by the Board of Directors of the Company for facilitating and building an effective IT infrastructure, governance framework and periodically review the Company's IT policy. The Committee further identifies the risks affecting operations of the Company and managing it through internal controls and ensuring that the management has sufficient resources for mitigation of IT and security related risks.

As on March 31, 2021, Composition of the IT Strategy Committee comprises 4 (four) members i.e. Mr. P R Kalyanaraman as Chairman and Mr. Arun Kogta, Mr. Varun Kogta and Mr. Vinod Maheshwari as members of the committee.

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 proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and controls and evaluate effectiveness of management's monitoring of IT risks through oversight over the proceedings of the Information Steering Committee.
- Review the assessment conducted by the Chief Information Officer for imparting IT training and completion of such trainings done by the Company's IT senior/middle management, on an annual basis.
- Institute an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner;
- Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;
- Develop sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;
- Undertake a periodic review of outsourcing strategies and all existing material outsourcing arrangements;
- Evaluate the risks and materiality of all prospective outsourcing based on the framework developed by the Board;
- Periodically review the effectiveness of policies and procedures;
- Communicate significant risks in outsourcing to the NBFC's Board on a periodic basis;
- Ensure an independent review and audit in accordance with approved policies and procedures;
- Ensure that contingency plans have been developed and tested adequately;
- Ensure that business continuity preparedness is not adversely compromised on account of outsourcing;
- Undertake any other responsibility as laid down by RBI from time to time.
- such other tasks as may be entrusted to it by the Board of Directors from time to time.

During the year under review, the IT Strategy Committee met 2 (two) time on June 17, 2020 and December 16, 2020.

The particulars of members of the IT Strategy Committee, number of meetings attended/held 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	2	2
Mr. Arun Kogta	Managing Director & Chief Executive Officer as Member	2	2
Mr. Varun Kogta	Chief Information Officer (CIO) as Member	2	2
Mr. Vinod Maheshwari	Chief Technology Officer (CTO) as Member	2	2

(j) IT Steering Committee

The IT Steering Committee comprises 4 (four) members i.e. Mr. Varun Kogta, Whole Time Director & Chief Financial Officer as Chairman, Mr. Vinod Maheshwari, Chief Technology Officer (CTO), Mr. Durgesh Mali and Mr. Deepak Patil as members of the Committee.

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.

During the year under review, the IT Steering Committee met 3 (three) times on May 25, 2020, November 11, 2020 and January 28, 2021.

The particulars of members of the IT Steering Committee, number of meetings attended/held 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	3	3
Mr. Vinod Maheshwari	Chief Technology Officer (CTO) as Member	3	3
Mr. Durgesh Mali	Member	3	3
Mr. Deepak Patil	Member	3	3

4. MEETING OF INDEPENDENT DIRECTORS

Pursuant to Section 149(8) read with Schedule IV of the Companies Act, 2013, a meeting of the Independent Directors of the Company is required to be held once in a year in absence of non-independent directors. During the period under review, the meeting of Independent Directors was held on March 26, 2021 chaired by Mr. P R Kalyanaraman and attended by all the Independent Directors of the Company.

All Independent Directors were present in the meeting held during the period under the review and that no sitting fees was paid to them for attending 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
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 and Whole Time Director of the Company; - To review and approve remuneration of Mr. Arun Kogta, Managing Director & Chief Executive Officer of the Company; - 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 Radha Krishan Kogta, Whole Time Director of the Company; - To approve increase in remuneration of Mr. Arun Kogta, Managing Director & Chief Executive Officer of the Company; - To approve increase in remuneration of Mr. Varun Kogta, whole time Director & Chief Financial Officer of the Company.
2018-19	August 27, 2018	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 ₹ 2000 Crore; - Authority to create mortgage, charge etc. to secure borrowings upto an aggregate value not exceeding ₹ 2000 Crore; - Private placement of non-convertible debentures.

- The details of the location and time of the extra ordinary general meetings held in Financial Year 2020-21 are given below: -

Financial Year	Date	Time	Venue	Special Resolution Passed
2020-21	December 24, 2020	1.00 P.M.	S-1, Gopal Bari, Near Ajmer Pulia, Opposite Metro Pillar No. 143, Jaipur – 302001, Rajasthan	- To review and approve the amendment in the Employee Stock Option Scheme of the Company; - To review and approve the incorporation of a trust in the name and style of Kogta Foundation for the purpose of Corporate Social Responsibility; - To review and approve the compensation (profit related commission) payable to independent Directors 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	July 09, 2021 at 1:00 P.M. at “Kogta House”, Azad Mohalla, Bijainagar – 305624
Financial Year	April 01, 2020 to March 31, 2021
Dividend Payment Date	Within 30 days from declaration of dividend
Registrar and Share Transfer Agent	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) “Karvy Selenium, Tower-B”, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana
Debenture Trustees	CATALYST TRUSTEESHIP LIMITED (Erstwhile GDA Trusteeship Limited) Catalyst Trusteeship Limited Windsor, 6th Floor, Office No - 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098 IDBI TRUSTEESHIP SERVICE LIMITED Asian Building, 17, R Kamani Rd, Ballard Estate, Fort, Mumbai - 400001
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 Ph. +91 141 - 6767000 Email: info@kogta.in
Listing on Stock Exchange(s)	Privately Placed Debentures are Listed on BSE Limited 25th Floor, P J Towers, Dalal Street, Fort, Mumbai - 400 001 Annual Listing Fees have been paid to the stock exchange for the financial year ended on March 31, 2021

Scrip Code / ISIN	Scrip Code: 959221	ISIN: INE192U07038
	Scrip Code: 959523	ISIN: INE192U07046
	Scrip Code: 959793	ISIN: INE192U07053
	Scrip Code: 959765	ISIN: INE192U07061
	Scrip Code: 959938	ISIN: INE192U07079
	Scrip Code: 959977	ISIN: INE192U07087
	Scrip Code: 960094	ISIN: INE192U07095
	Scrip Code: 960198	ISIN: INE192U07103
	Scrip Code: 960367	ISIN: INE192U07111
	Scrip Code: 960368	ISIN: INE192U07129
	Scrip Code: 960369	ISIN: INE192U07137
	Scrip Code: 960365	ISIN: INE192U07145
	Scrip Code: 960494	ISIN: INE192U07152
	Scrip Code: 973019	ISIN: INE192U07160
	Scrip Code: 973033	ISIN: INE192U07178
	Scrip Code: 973044	ISIN: INE192U07186

Share Transfer System	100 % of the Equity Shares of the Company are in Electronic Form. Transfers of these shares are done through the depositories with no involvement of the Company.
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SHAREHOLDING AS ON MARCH 31, 2021 (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, 2021

Category (Nominal value of Shares)	No. of Shareholders	% of total	Total shares	% of total share amount
1 - 200000	71	78.02	436886	1.63
200001 - 500000	8	8.79	2967500	11.07
500001 - 1000000	8	8.79	4939500	18.42
1000001 - 5000000	2	2.20	6171618	23.02
5000001 & above	2	2.20	12298928	45.87
Total	91	100	26814432	100

b. Categories of Shareholders as on March 31, 2021: -

Category	No. of Shares	Percentage of Holding
Promoters	9600000	35.80
Public	65886	0.25
Other Institutions / FI	5614644	20.94
Foreign Corporates / FI	11533902	43.01
Total	26814432	100

c. Top ten shareholders of the Company as on March 31, 2021: -

Sr. No.	Name	No. of Shares	% of holding
Promoter Group Shareholding			
1	Bal Mukund Kogta	1322000	4.93
2	Arun Kogta	791000	2.95
3	Radha Krishan Kogta	729500	2.72
4	Varun Kogta	627000	2.34
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	24.93
9	IIFL Seed Ventures Fund 1	5614644	20.94
10	Aditya (Mauritius) Limited	4849618	18.09

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 are placed before the Audit Committee for review and approval. Annual omnibus approval is obtained for transactions which are 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 are 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/policy.php>

2. Code of Conduct

A Code of Conduct stating framework of Directors and senior management personnel is adopted by the Board of Directors. For the year under review, all the Directors and senior management personnel have affirmed compliance with the provisions of the said Code. The Code is hosted on the website of the Company at <https://www.kogta.in/policy.php>

3. Vigil Mechanism / Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has formulated a Board approved Whistle Blower & Vigil Mechanism Policy with a view to provide a mechanism to employees and other stakeholders of the Company to approach the Vigilance Officer. The policy aims at establishing an efficient Vigil mechanism in the Company to quickly spot aberrations and deal with it at the earliest.

The Vigil Mechanism provides a channel to the employees and other stakeholders to report to the Management about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct and such other matters as prescribed in the Whistle Blower & Vigil Mechanism Policy of the Company. The Vigilance Officer of the Company is responsible for ensuring and promoting a culture of speaking up/raising red flags on matters relating to breaches/ violations of the Company's Code of Conduct, fraudulent transactions and provides a non-threatening environment to employees etc. and building trust and transparency in the Company. During the year, no person was denied access to the Audit Committee or its Chairman to raise his/her concern under vigil mechanism. The Whistle Blower and Vigil Mechanism Policy is hosted on the website of the Company at www.kogta.in/policy.php

4. 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/policy.php>

5. ALM Policy

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

6. Code of Conduct for Prohibition of Insider Trading

The Board 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 Company periodically reviews the efficacy of its systems, controls and processes to ensure that access to unpublished price sensitive information relating to its financial results or that of its securities is on a need to know basis. The Code is hosted on the website of the Company at <https://www.kogta.in/policy.php>.

7. Accounting Treatment

Your Company has adopted accounting policies which are in line with the Accounting Standards and Financials 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.

8. Means of Communication

The Company's website keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, etc.

- The half-yearly Financial Results of the Company will be submitted to the Stock Exchanges in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and will be published in at least one English national daily newspaper circulating in the whole or substantially the whole of India and will also communicated to the Debenture holders every six months through a half-yearly communication. Official news releases, including the half-yearly results, will also be posted on the Company's website <http://kogta.in>;
- For Share transfers, dividend payments and all other investor related activities are attended to and processed at the office of our Registrars & Share Transfer Agents, i.e. KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), contact details of the agents are as specified above.

9. 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.

10. Dematerialisation of shares

All Shares of the Company held in Dematerialisation form.

11. 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 2020-21, there were no outstanding GDRs/ADRs/Warrants and there were no CCPS, outstanding to be converted in Financial Year 2020-21 and which would have an impact on the equity of the Company. Further, the Company has issued Compulsory Convertible Preference Shares ("CCPS") to the shareholders, which shall be converted on or before 20 (twenty) years from the date of allotment and on the request of the shareholders.

12. Recommendations of the Committees

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

13. 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.

14. Status of Compliance of Discretionary Requirements

- a. **A half-yearly declaration of financial performance including summary of the significant events in the last six months may be sent to each household of shareholders.**

Half-yearly financial results will be published in the newspapers, displayed on the website of the Company as well as will be 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 has separate positions of a Chairman and a MD & Chief Executive Officer.

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

The internal auditor reports directly to the Audit Committee.

15. Subsidiary Companies

During the period under review the Company does not have any Subsidiary Companies.

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

Sd/-

Mr. Radha Krishan Kogta

Chairman

DIN: 00197552

Date: May 19, 2021

Place: Jaipur

ANNEXURE - 5

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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) LTD
(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) LTD** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period)**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review.); and**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (vi) As confirmed following other laws are specifically applicable to the Company for which the Management has confirmed, that the Company has devised proper

systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:

- a) The Reserve Bank of India Act, 1934 read with all applicable guidelines circulars, notifications etc.
- b) Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.
- c) Master Direction - Non-Banking Financial Company Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- d) Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs - RBI Guidelines.
- e) Master Circular – “Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015”
- f) Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2016; and
- g) Master Direction-Information Technology Framework for NBFC Sector.
- h) Miscellaneous Non- Banking Companies (Reserve Bank) Directions, 2016.

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

- i. 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;
- ii. The Listing Agreement entered into by the Company with BSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There was no change in the composition of the Board of Directors during the period under review.

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 statute.

We further report that during the audit period some major events were taken 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 areas under:-

- i. During the audit period the Company has made the allotment of followings non convertible debentures on private placement basis and same have been listed on BSE Limited:

Sl. No.	Date of Allotment	Number of Debentures	Face Value per Debenture	Total Amount
1	01.06.2020	1000	1,00,000	10 Crore
2	16.07.2020	150	10,00,000	15 Crore
3	21.07.2020	50	1,00,00,000	50 Crore
4	18.08.2020	250	10,00,000	25 Crore
5	03.09.2020	300	10,00,000	30 Crore
6	30.09.2020	2500	1,00,000	25 Crore
7	17.11.2020	250	10,00,000	25 Crore
8	24.12.2020	2400	1,00,000	24 Crore
9	29.12.2020	250	10,00,000	25 Crore
10	18.02.2021	300	10,00,000	30 Crore
11	25.02.2021	250	10,00,000	25 Crore
12	03.03.2021	200000	1,000	20 Crore
13	10.03.2021	3500	1,00,000	35 Crore

- ii. During the audit period the Company has made the allotment of 250 (Two hundred fifty) rated, unlisted, senior, secured, redeemable, taxable non-convertible debentures bearing face value of ₹ 10,00,000/- (Indian Rupees Ten Lakh only) each aggregating up to ₹ 25,00,00,000/- (Indian Rupees Twenty Five Crore Only) on March 17, 2021 on private placement basis.
- iii. During the audit period the Company has made the allotment of 44,335 (Forty four thousand three hundred thirty five) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten only) per share at a premium of ₹ 80/- (Indian Rupees Eighty only) each aggregating to ₹ 39,90,150/- (Indian Rupees Thirty Nine Lakh Ninety Thousand and One Hundred Fifty only) under the EMPLOYEE STOCK OPTION PLAN - 2018 on October 14, 2020.
- iv. During the audit period the Company has made the redemption of 3,807 (Three Thousand Eight Hundred and Seven) rated, redeemable, transferable, secured non-convertible debentures of face value of ₹ 50,000/- (Indian Rupees Fifty Thousand only) each, aggregating to ₹ 19,03,50,000 (Indian Rupees Nineteen Crore Three Lakhs and Fifty Thousand only) ("Series A Debentures") issued to Microvest Short Duration Fund, LP. On April 24, 2020.
- v. During the audit period the Company has made the redemption of 3,807 (Three Thousand Eight Hundred and Seven) rated, redeemable, transferable, secured non-convertible debentures of face value of ₹ 50,000/- (Indian Rupees Fifty Thousand only) each, aggregating to ₹ 19,03,50,000 (Indian Rupees Nineteen Crore Three Lakhs and Fifty Thousand only) ("Series B Debentures") issued to Microvest Short Duration Fund, LP. On July 08, 2020.
- vi. During the audit period the Company has made the redemption of 500 (Five Hundred) rated, listed, redeemable non-convertible debentures having face value of ₹ 5,00,000 (Indian Rupees Five Lakh only) each, aggregating up to ₹ 25,00,00,000/- (Indian Rupees Twenty Five Crore only) ("the Debentures") issued to Sundaram Short Term Credit Risk Fund (scheme managed by Sundaram Asset Management Company Limited) on July 21, 2020.
- vii. During the audit period the Company has obtained shareholder's approval of special business in the General Meeting held for the following items:
- To review and approve the remuneration of Mr. Radha Krishan Kogta (Chairman and Whole Time Director), Mr. Arun Kogta (Managing Director and Chief Executive Officer) and Mr. Varun Kogta (Whole Time Director and Chief Financial Officer) of the Company.
 - To review and approve the amendment in ESOP Scheme of the Company.
 - To review and approve the Compensation (profit related commission) payable to independent directors of the Company.
 - To review and approve the Incorporation of a Trust in the name and style of Kogta Foundation for the purpose of Corporate Social Responsibility.
- 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
FCS No. 5104
Cop No. 3641
- Place: Jaipur
Date: May 19, 2021

To,
The Members,
KOGTA FINANCIAL (INDIA) LTD
(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

Place: Jaipur
Date: May 19, 2021

Sd/-
Deepak Arora
Partner
FCS No. 5104
Cop No. 3641
UDIN: F005104C000352781

ANNEXURE - 6

Disclosures on Managerial Remuneration

Information as per Rule 5 (1) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (As Amended) is provided below:

- i). Ratio of the Remuneration of each director to the median employees' remuneration (times) for FY 2020-21:

Name	Designation	Remuneration of Directors' to median employees, remuneration (times)
Mr. Radha Krishan Kogta	Whole Time Director & Chairman	13x
Mr. Arun Kogta	Managing Director & CEO	19x
Mr. Varun Kogta	Whole Time Director & CFO	17x

- ii). Percentage increase in the remuneration of each director and key managerial personnel in FY 2020-21 is given below.

Name	Designation	Increase in Remuneration
Mr. Radha Krishan Kogta	Whole Time Director & Chairman	-
Mr. Arun Kogta	Managing Director & CEO	-
Mr. Varun Kogta	Whole Time Director & CFO	-
Mr. Rahul Agrawal	Company Secretary & Compliance Officer	25%

- iii). The percentage increase in the median remuneration of employees in FY 2020-21 stood at 5.25%.
- iv). No of permanent employees on the rolls of the Company: 1999
- v). Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in managerial remuneration.

The average increase in the remuneration of all employees other than key managerial personnel was 3.42% for the FY 2020-21. The average increase in remuneration of the Key managerial personnel was 2.36%.

The average increase in the remuneration of both, the managerial and non-managerial personnel was determined based on the overall performance of the Employee and the Company.

Further, the criteria for remuneration of non-managerial personnel was based on an internal evaluation of performance on key responsibility areas (KRAs), while the remuneration of the managerial personnel is based on the remuneration policy and as recommended by the Nomination & Remuneration Committee and approved by the board of directors.

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

- vi). Affirmation that the remuneration is as per the remuneration policy of the Company.
The Company affirms that the remuneration is as per the Human Resource policy of the Company.

ANNEXURE - 7

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:

- 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**
- 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**
- 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, Whole Time Director & Chairman 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	1-Apr-13	MBA – Finance	39	14	45,00,000	N/A
2	Varun Kogta	WTD & CFO	1-Apr-14	Chartered Accountant	36	12	40,00,000	ICICI Bank Ltd.
3	Nayan Kogta	Chief Operating Officer	1-Apr-13	Chartered Accountant and Company Secretary	30	8	35,00,000	N/A
4	Brijesh Shukla	National Credit Manager	1-Jan-20	PGDBM	47	26	31,32,375	Reliance Capital Ltd.
5	Radha Krishan Kogta	Chairman & WTD	1-Apr-13	B.Com	56	37	30,00,000	N/A
6	Rakshit Garg	National Collection Manager	27-Aug-18	MBA - Marketing & Finance	42	19	29,51,368	India Infoline Finance Limited
7	Vikram Goyal	National Credit Manager	11-Mar-19	Chartered Accountant	39	17	24,03,412	Ujjivan Small Finance Bank
8	Alok Tiwari	Zonal Manager	11-Jul-18	PGDBM – Marketing	46	21	23,68,268	DJT Financial Services Private Limited
9	Sanjay Salim Khan	National Sales Manager	3-Mar-18	MBA – Marketing	44	21	23,40,227	Ujjivan Small Finance Bank
10	Kirti Maheshwari	National Manager	4-Aug-20	PGDBM	48	22	23,35,887	Volkswagen Finance Pvt. Ltd.

- 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 hold 2% or more of the paid-up share capital of the Company as at March 31, 2021.

FINANCIAL STATEMENTS

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, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Loss, 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, 2021, its profit including other comprehensive loss 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 impacting the Company's operations and estimates related to 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, 2021. 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. Additional considerations on account of COVID-19 The spread of COVID-19 has severely impacted many economies around the globe. Businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown and economic uncertainties. Measures have also been taken by the Government and the Reserve Bank to ease the burden on businesses from hardship, pursuant to the Reserve Bank of India circular dated August 6, 2020 for "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" and "Resolution Framework for COVID-19-related Stress" ("RBI circulars") allowing lending institutions to implement a resolution plan in respect of its eligible exposures, subject to specified conditions. And pursuant to RBI circular dated March 27, 2020 and May 23, 2020 ("RBI Circulars") allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy as described in Note 38.1 (G).	- 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"). - Read and assessed the Company's policy with respect to one-time restructuring offered to customers pursuant to the "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" and "Resolution Framework for COVID-19-related Stress" issued by RBI on August 6, 2020 and tested the implementation of such policy on a sample basis. - 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.

Key audit matters

How our audit addressed the key audit matter

In management's view and considering the guidance provided by the Institute of Chartered Accountants of India ('ICAI'), providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, the macroeconomic overlay estimate is based on various highly uncertain and unobservable factors. In accordance with the guidance in Ind AS 109, the macroeconomic overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government.

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.

(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 the design and operating effectiveness of IT access controls over the information systems that are critical 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. We inspected requests of changes to systems for appropriate approval and authorization.
- 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.
- Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

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 loss, 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) (i) 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, 2021 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, 2016 ("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 Loss, 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per **Shrawan Jalan**
Partner

Mumbai
May 19, 2021

Membership Number: 102102
UDIN: 21102102AAAAJG5919

Annexure 1 referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date

Re: Kogta Financial (India) Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets were physically verified by the management in the previous 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 immovable properties included in property, plant and equipment/fixed assets are held in the name of the Company.
 - (ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3 (ii) of the Order are not applicable to the Company and hence not commented upon.
 - (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
 - (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the 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) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
 - (b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
 - (c) According to the information and explanations given to us, there are no dues of income tax, employee's state insurance, goods and service tax and cess which have not been deposited on account of any dispute. The provision relating to sales tax, service tax, custom duty, excise duty and value added tax are currently not applicable to the Company.
 - (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
 - (ix) According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money by way of initial public offer or further public offer.
- Further, monies raised by the Company by way of non-convertible debentures and term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

- (x) Based upon the audit procedures performed for the purpose of reporting on the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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) According to the information and explanations given by the management and audit procedures performed by us,

the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

- (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) According to the information and explanations given to us and audit procedures performed by us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per **Shrawan Jalan**

Partner

Membership Number: 102102

UDIN: 21102102AAAAJG5919

Mumbai

May 19, 2021

Annexure 2 referred to in paragraph 2 (f) under the heading “Report on other legal and regulatory requirements” of our report of even date

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, 2021 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 Companies Act, 2013, 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 With Reference to these Financial Statements

A company’s internal financial controls 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 With Reference to These Financial Statements

Because of the inherent limitations of internal financial controls 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 with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2021, 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 **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per **Shrawan Jalan**

Partner

Membership Number: 102102

UDIN: 21102102AAAAJG5919

Mumbai

May 19, 2021

Balance Sheet

as at March 31, 2021

(All amounts in lakh, except as stated otherwise)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial Assets			
Cash and cash equivalents	2	10,636.56	670.91
Bank Balances other than cash and cash equivalents	3	25,126.12	19,751.98
Loans	4	130,530.66	98,055.45
Investments	5	13,854.12	-
Other Financial Assets	6	1,932.59	2,659.24
Sub-total-Financial assets		182,080.05	121,137.58
Non-Financial Assets			
Deferred Tax Assets (net)		597.97	527.71
Property, plant and equipment	7	573.50	639.74
Right of Use Assets	8	844.11	875.12
Other Intangible Assets	9	74.81	79.70
Other non-financial assets	10	1,466.33	1,724.31
Sub-total-Non-financial assets		3,556.72	3,846.58
Total - Assets		185,636.77	124,984.16
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables	11	313.55	194.10
Debt securities	12	39,345.90	8,592.78
Borrowings (Other than debt securities)	13	83,299.90	59,463.96
Lease Liability	14	949.66	928.02
Other financial liabilities	15	1,224.34	612.07
Sub-total-Financial liabilities		125,133.35	69,790.93
Non-Financial liabilities			
Current tax liabilities (net)			
Provisions	16	713.75	205.00
Other non-financial liabilities	17	146.42	117.38
Sub-total-Non-financial liabilities		860.17	322.38
EQUITY			
Equity share capital	18	7,657.38	7,652.94
Other equity	19	51,985.87	47,217.91
Sub total - Equity		59,643.25	54,870.85
Total - Liabilities and Equity		185,636.77	124,984.16

Summary of significant accounting policies

1

The accompanying notes are forming part of financial statements

As per our attached report of even date

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Reg. No. : 301003E/E300005

Sd/-

per **Shrawan Jalan**

Partner

Membership No.: 102102

Place: Mumbai

Date: May 19, 2021

For and on behalf of the Board of Directors

of **Kogta Financial (India) Limited**

Sd/-

R. K. Kogta

(Chairman)

DIN 00197552

Sd/-

Varun Kogta

(Executive Director & CFO)

DIN 06844307

Place: Jaipur

Date: May 19, 2021

Sd/-

Arun Kogta

(Managing Director & CEO)

DIN 05109722

Sd/-

Rahul Agrawal

(Company Secretary)

Membership No. F10834

Statement of Profit and Loss

for the year ended on March 31, 2021

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

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
Interest Income	20	23,345.50	16,290.33
Fee and Commission Income	21	946.68	575.49
Net gain on fair value changes	22	245.42	65.18
Total Revenue from operations		24,537.60	16,931.00
Other Income	23	6.61	6.95
Total income		24,544.21	16,937.95
Expenses			
Finance Costs	24	7,997.10	6,926.93
Impairment on financial instruments	25	2,928.17	814.87
Employee Benefits Expenses	26	5,894.69	4,347.21
Depreciation, amortization and impairment	27	488.81	420.73
Others expenses	28	1,185.49	1,182.57
Total expenses		18,494.26	13,692.31
Profit before taxes		6,049.95	3,245.64
Tax expenses			
- Current Taxes		1,606.17	940.06
- Deferred Taxes		(70.27)	(188.42)
Profit for the year		4,514.05	2,494.00
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(a) Re-measurements of net defined benefit plans		(16.38)	(15.63)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(4.12)	(3.93)
Sub-total (A)		(12.26)	(11.70)
B (i) Items that will be reclassified to profit or loss		-	-
Sub-total (B)		-	-
Other Comprehensive Income (A+B)		(12.26)	(11.70)
Total Comprehensive Income for the year		4,501.79	2,482.30
Earning per equity share	29		
Basic		46.69	25.83
Diluted		16.64	10.44
Nominal value per share		10/-	10/-

The accompanying notes are forming part of financial statements
As per our attached report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Reg. No. : 301003E/E300005

Sd/-
per **Shrawan Jalan**
Partner
Membership No.: 102102

Place: Mumbai
Date: May 19, 2021

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

Sd/-
R. K. Kogta
(Chairman)
DIN 00197552

Sd/-
Varun Kogta
(Executive Director & CFO)
DIN 06844307

Place: Jaipur
Date: May 19, 2021

Sd/-
Arun Kogta
(Managing Director & CEO)
DIN 05109722

Sd/-
Rahul Agrawal
(Company Secretary)
Membership No. F10834

Cash Flow Statement

for the year ended on March 31, 2021

(All amounts in lakh, except as stated otherwise)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A Cash flow from operating activities:		
Net profit before tax as per statement of profit and loss	6,049.95	3,245.64
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation of PPE, ROU and other intangible assets	491.18	420.73
Loans & advances written off	797.72	514.03
Amortization of ancillary cost	(171.86)	124.05
Provision for expected credit loss (ECL)	1,795.88	(15.27)
EIS receivable on assignment transactions	(1,003.26)	24.44
Provision for employee benefits	33.60	16.70
Loss/(Profit) on sale of property, plant and equipment	2.70	(0.20)
Net (gain)/ loss on sale of current investments	17.82	(65.18)
ESOP Expenses	212.46	125.90
Interest expenses on vehicle loans	12.01	13.27
Rental income	(4.45)	(4.52)
Operating profit before working capital changes	8,233.74	4,399.60
Changes in working capital		
(Increase)/decrease in Loans	(35,181.39)	(32,911.98)
(Increase)/decrease in bank deposits	(3,309.43)	(15,204.37)
Increase in financial and other assets	(319.75)	(1,886.65)
Increase/(decrease) in financial and other liabilities	760.77	790.45
Total of changes in working capital	(38,049.80)	(49,212.55)
Direct taxes paid	1,143.13	904.01
Net cash flow used in operating activities (A)	(30,959.18)	(45,716.96)
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(209.12)	(497.15)
Sale of Property, plant and equipment (including capital work-in- progress)	2.62	25.30
Purchase of current investments	(16,389.75)	(3,500.00)
Proceeds from sale/maturity of current investments	2,517.82	3,565.18
Rental income	4.45	4.52
Net cash flow used in investing activities (B)	(14,073.98)	(402.15)

Cash Flow Statement (contd.)

for the year ended on March 31, 2021

(All amounts in lakh, except as stated otherwise)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C Cash flow from financing activities:		
Issue of equity shares (including share premium)	58.16	30,100.00
Share / debenture issue expenses	-	(66.44)
Dividend paid on preference shares	(0.03)	(0.03)
Tax on preference dividend paid	-	(0.01)
Interest paid on vehicle loan	(12.01)	(13.27)
Proceeds from borrowings	83,409.93	38,495.30
Repayments of borrowings	(28,457.23)	(22,875.31)
Net Cash flow from financing activities (C)	54,998.82	45,640.24
Net increase/(decrease) in cash and cash equivalents (A+B+C)	9,965.65	(478.88)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash and cash equivalents as at the beginning of the year	670.91	1,149.78
Cash and cash equivalents at the end of the year	10,636.56	670.91
Components of cash and cash equivalents		
Cash on hand	372.99	89.66
Balance in franking machine*	-	-
Balance with banks		
In current accounts	1,332.52	72.36
In cash credit	5,430.45	8.82
In deposit account	3,500.60	500.07
Total cash and cash equivalents	10,636.56	670.91
Operational Cash Flow from Interest		
Interest Received	21,302.95	14,828.06
Interest Paid	7,274.75	6,728.19

The accompanying notes are forming part of financial statements
As per our attached report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Reg. No. : 301003E/E300005

Sd/-
per **Shrawan Jalan**
Partner
Membership No.: 102102

Place: Mumbai
Date: May 19, 2021

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

Sd/-
R. K. Kogta
(Chairman)
DIN 00197552

Sd/-
Varun Kogta
(Executive Director & CFO)
DIN 06844307

Place: Jaipur
Date: May 19, 2021

Sd/-
Arun Kogta
(Managing Director & CEO)
DIN 05109722

Sd/-
Rahul Agrawal
(Company Secretary)
Membership No. F10834

Significant Accounting Policies

for the year ended on March 31, 2021

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 on March 31, 2021

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 a 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.

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.

Significant Accounting Policies

for the year ended on March 31, 2021

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.

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.

Significant Accounting Policies

for the year ended on March 31, 2021

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.

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

Significant Accounting Policies

for the year ended on March 31, 2021

All fixed assets individually costing ₹ 5,000/- or less are fully depreciated in the year of installation/purchase.

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 factor. 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 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

Significant Accounting Policies

for the year ended on March 31, 2021

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 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.

Significant Accounting Policies

for the year ended on March 31, 2021

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 four 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:

- 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.

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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 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,

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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 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.

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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.

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

Significant Accounting Policies

for the year ended on March 31, 2021

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:

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 change in equity

for the year ended on March 31, 2021

A. EQUITY SHARE CAPITAL

Particulars	(Amount in lakh)
Balance as at April 01, 2019	6,357.74
Shares issued during the year ended March 31, 2020	1,295.20
Balance as at March 31, 2020	7,652.94
Shares issued during the year ended March 31, 2021	4.43
Balance as at March 31, 2021	7,657.38

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, 2019	789.81	40.00	13,095.57	900.00	14.52	1,031.50	15,871.40
Profit for the year (A)	-	-	-	-	-	2,494.00	2,494.00
Other comprehensive loss for the year (B)	-	-	-	-	-	(11.70)	(11.70)
Total comprehensive income for the year (A+B)	-	-	-	-	-	2,482.30	2,482.30
Additions during the year	496.46	-	-	100.00	125.90	-	722.36
Transfer to reserve from retained earnings during the period	-	-	-	-	-	(596.47)	(596.47)
Issue of share capital	-	-	28,804.79	-	-	-	28,804.79
Share options exercised during the year	-	-	-	-	-	-	-
Transaction cost	-	-	(66.44)	-	-	-	(66.44)
Dividend paid (including DDT)	-	-	-	-	-	(0.03)	(0.03)
Balance as at March 31, 2020	1,286.27	40.00	41,833.92	1,000.00	140.42	2,917.30	47,217.91
Profit for the year (C)	-	-	-	-	-	4,514.05	4,514.05
Other comprehensive loss for the year (D)	-	-	-	-	-	(12.26)	(12.26)
Total comprehensive income for the year (C+D)	-	-	-	-	-	4,501.79	4,501.79
Additions during the year	900.36	-	-	100.84	230.72	-	1,231.92
Transfer to reserve from retained earnings during the period	-	-	-	-	(0.84)	(1,000.34)	(1,001.17)
Issue of share capital	-	-	52.88	-	-	-	52.88
Share options exercised during the year	-	-	-	-	(17.42)	-	(17.42)
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	6,418.72	51,985.87

The accompanying notes are forming part of financial statements
As per our attached report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Reg. No. : 301003E/E300005

Sd/-
per **Shrawan Jalan**
Partner
Membership No.: 102102

Place: Mumbai
Date: May 19, 2021

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

Sd/-
R. K. Kogta
(Chairman)
DIN 00197552

Sd/-
Varun Kogta
(Executive Director & CFO)
DIN 06844307

Place: Jaipur
Date: May 19, 2021

Sd/-
Arun Kogta
(Managing Director & CEO)
DIN 05109722

Sd/-
Rahul Agrawal
(Company Secretary)
Membership No. F10834

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on Financial Statements for the year ended March 31, 2021

2. CASH AND CASH EQUIVALENTS

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Cash on hand	372.99	89.66
Balances with banks		
(a) In current accounts	1,332.52	72.36
(b) In cash credit or overdraft accounts	5,430.45	8.82
(c) In deposits where original maturity is less than three months	3,500.60	500.07
Total	10,636.56	670.91

3. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
In deposits where original maturity is more than three months but less than twelve months	9,331.70	17,881.70
In deposits where original maturity is more than twelve months	15,794.42	1,870.28
Total	25,126.12	19,751.98

Other bank balance in deposit accounts include deposits under lien aggregating to ₹ 2,627.30 lakhs (P.Y. ₹ 1,733.93 lakhs) towards the credit enhancement provided by the Company under the securitization agreements.

4. LOANS (AT AMORTISED COST)

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Term loans	133,957.38	99,742.90
Total Gross	133,957.38	99,742.90
Less: Impairment loss allowances	3,426.72	1,687.45
Total Net	130,530.66	98,055.45
Secured by tangible assets (Vehicles, PPE including land & building)	133,719.64	99,419.00
Unsecured	237.74	323.90
Total Gross	133,957.38	99,742.90
Less: Impairment loss allowances	3,426.72	1,687.45
Total Net	130,530.66	98,055.45
Loans in India		
Public sector	-	-
Others	133,957.38	99,742.90
Total Gross	133,957.38	99,742.90
Less: Impairment loss allowances	3,426.72	1,687.45
Total Net	130,530.66	98,055.45

- 4.1** Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and hypothecation of vehicles.
- 4.2** Loans includes unsecured loans to employees and related parties aggregating to ₹ 37.71 lakhs (P.Y. 35.51 lakhs) and ₹ 24.88 lakhs (P.Y. 65.06 lakhs) respectively.
- 4.3** Impairment loss allowance includes ₹ 733.16 lakhs (P.Y. 160.74 lakhs) on account of COVID-19 and restructuring collective provision overlay.

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on Financial Statements for the year ended March 31, 2021

4.4 The Company has assigned a pool of certain loans amounting to ₹ 15,159.67 lakhs (P.Y. ₹ 7,079.97 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 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:

4.7.1 VEHICLE

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

Particulars	(Amount in lakh)			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01 April 2019	50,750.26	7,228.11	1,826.91	59,805.28
New assets originated	48,907.79	-	-	48,907.79
Increase in existing assets	(952.34)	-	-	(952.34)
Assets derecognised or repaid	(22,882.33)	(3,112.87)	(495.12)	(26,490.33)
Transfers from Stage 1	(6,374.42)	4,996.95	1,377.47	-
Transfers from Stage 2	682.41	(1,751.58)	1,069.17	-
Transfers from Stage 3	15.06	23.39	(38.45)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	(11.49)	(2.97)	(991.07)	(1,005.52)
As at March 31, 2020	70,134.94	7,381.03	2,748.91	80,264.88

Particulars	(Amount in lakh)			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01 April 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

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Particulars	(Amount in lakh)			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 01 April 2019	931.38	214.68	362.99	1,509.06
New assets originated	400.19	-	-	400.19
increase in existing assets	(0.52)	-	-	(0.52)
Assets derecognised or repaid	(571.40)	(104.60)	(101.14)	(777.14)
Transfers from Stage 1	(137.00)	109.95	27.05	-
Transfers from Stage 2	43.40	(85.76)	42.36	-
Transfers from Stage 3	12.54	9.33	(21.86)	-
Net remeasurement of ECL arising from transfer of stage	(41.89)	80.71	439.02	477.85
Write offs	(0.21)	(0.05)	(191.83)	(192.09)
As at March 31, 2020	636.50	224.25	556.60	1,417.35

Particulars	(Amount in lakh)			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 01 April 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	0.00
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

4.7.2 MSME

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

Particulars	(Amount in lakh)			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01 April 2019	6,886.15	716.77	171.94	7,774.86
New assets originated	13,690.93	-	-	13,690.93
increase in existing assets	285.45	-	-	285.45
Assets derecognised or repaid	(2,081.72)	(75.14)	(10.25)	(2,167.11)
Transfers from Stage 1	(626.10)	430.02	196.08	-
Transfers from Stage 2	138.34	(356.85)	218.50	-
Transfers from Stage 3	5.12	16.00	(21.12)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	(15.92)	-	(90.19)	(106.11)
As at March 31, 2020	18,282.24	730.81	464.97	19,478.02

Particulars	(Amount in lakh)			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01 April 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)	2,769.61	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	3,112.71	870.08	29,899.70

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Particulars	(Amount in lakh)			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 01 April 2019	153.36	30.15	35.98	219.49
New assets originated	89.78	-	-	89.78
Increase in existing assets	(5.38)	-	-	(5.38)
Assets derecognised or repaid	(100.64)	2.84	(2.27)	(100.07)
Transfers from Stage 1	(15.03)	10.79	4.24	-
Transfers from Stage 2	10.04	(19.72)	9.68	-
Transfers from Stage 3	0.98	4.01	(4.98)	-
Net remeasurement of ECL arising from transfer of stage	(8.45)	25.20	68.60	85.35
Write offs	(0.37)	-	(18.71)	(19.08)
As at March 31, 2020	124.29	53.27	92.54	270.09

Particulars	(Amount in lakh)			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 01 April 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	434.83
Write offs	-	-	(48.83)	(48.83)
As at March 31, 2021	237.72	282.63	255.56	775.91

5. INVESTMENTS

As at March 31, 2021

Particulars	(Amount in lakh)		
	Amortised Cost	Through profit and loss account	Total
	1	2	(3=1+2)
Mutual fund	-	6,232.82	6,232.82
Debt instruments	-	7,621.30	7,621.30
Unquoted			
Investment for securitization transaction	-	-	-
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

As at March 31, 2020

Particulars	(Amount in lakh)		
	Amortised Cost	Through profit and loss account	Total
	1	2	(3=1+2)
Mutual fund	-	-	-
Debt instruments	-	-	-
Unquoted			
Investment for securitization transaction	-	-	-
Total – Gross (A)	-	-	-
Less: Allowance for impairment loss (B)	-	-	-
Total – Net (A-B)	-	-	-

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5.1 All Investments represented above are made in India.

6. OTHER FINANCIAL ASSETS

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Security Deposit	112.55	93.40
Advance Recoverable in cash or value to be received	143.52	84.24
EIS Receivable	1,308.89	306.70
Fixed deposit with financial institution	-	2,064.71
Grant of Ex gratia payment by Central Government	367.63	-
Other receivables	-	110.20
Total	1,932.59	2,659.25

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.

7. PROPERTY, PLANT AND EQUIPMENT

Particulars	(Amount in lakh)						Total
	Computers	Air conditioner & DG set	Office equipment	Furniture & fixtures	Vehicles	Land and Building	
Cost:							
As at 1 April 2019	88.69	8.32	20.77	101.27	243.91	32.50	495.46
Additions	92.37	47.02	66.68	225.96	88.79	-	520.82
Disposals	-	0.83	0.52	4.77	13.35	-	19.47
As at 31 March 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 31 March 2021	264.03	54.92	116.84	355.65	324.34	32.50	1,148.28
Depreciation and impairment:							
As at 1 April 2019	32.62	1.28	8.54	19.37	63.57	1.38	126.76
Disposals	-	-	-	-	-	-	-
Charge for the year	55.01	7.12	23.35	57.81	85.71	1.31	230.31
As at 31 March 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 31 March 2021	152.79	17.03	60.37	143.26	197.42	3.91	574.78
Capital working progress:							
At 1st April, 2019							62.35
As at 31 March 2020							-
As at 31 March 2021							-
Net book value:							
At 1st April, 2019	56.07	7.04	12.23	81.90	180.34	31.12	431.05
As at 31 March 2020	93.43	46.11	55.04	245.28	170.07	29.81	639.74
As at 31 March 2021	111.24	37.89	56.47	212.39	126.92	28.59	573.50

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8. RIGHT OF USE ASSETS

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Right of Use Assets	844.11	875.12
Total	844.11	875.12

9. OTHER INTANGIBLE ASSETS

Particulars	(Amount in lakh)		
	Trademark	Software	Total
Cost:			
As at 1 April 2019	3.39	54.73	58.12
Additions	-	58.74	58.74
Disposals	-	-	-
As at 31 March 2020	3.39	113.47	116.86
Additions	-	23.10	23.10
Disposals	-	-	-
As at 31 March 2021	3.39	136.57	139.96
Accumulative amortisation and impairment:			
As at 1 April 2019	0.25	12.99	13.24
Disposals	-	-	-
Amortisation charge for the year	0.68	23.25	23.93
As at 31 March 2020	0.93	36.24	37.17
Disposals	-	-	-
Amortisation charge for the year	0.68	27.30	27.98
As at 31 March 2021	1.61	63.54	65.15
Net book value other intangible assets:			
As at 1 April 2019	3.14	41.74	44.88
As at 31 March 2020	2.46	77.23	79.69
As at 31 March 2021	1.78	73.03	74.81
Other intangible assets under development			
As at 1 April 2019	-	25.69	25.69
As at 31 March 2020	-	-	-
As at 31 March 2021	-	-	-
Total other intangible assets			
As at 1 April 2019	3.14	67.43	70.57
As at 31 March 2020	2.46	77.23	79.70
As at 31 March 2021	1.78	73.03	74.81

10. OTHER NON-FINANCIAL ASSETS

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Reposessed Assets (net of impairment allowance)	1,395.98	1,571.71
Prepaid expenses	46.93	126.13
Deferred lease expense	23.42	26.47
Total	1,466.33	1,724.31

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11. TRADE PAYABLES

(Amount in lakh)

Particulars	March 31, 2021	March 31, 2020
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	303.90	194.10
Total outstanding dues of Micro enterprises and Small enterprises	9.65	-
Total	313.55	194.10

12. DEBT SECURITIES (AT AMORTISED COST)

(Amount in lakh)

Particulars	March 31, 2021	March 31, 2020
Secured		
Non Convertible Debentures	37,846.11	7,093.18
Unsecured		
Non Convertible Debentures*	1,499.79	1,499.60
Total	39,345.90	8,592.78
Debt securities in India	39,345.90	8,592.78
Debt securities in outside India	-	-
Total	39,345.90	8,592.78

*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

(Amount in lakh)

Sr. No	ISIN No.	Date of allotment	Date of redemption	Total number of debentures	Rate of Interest p.a.	Face value	March 31, 2021	March 31, 2020	Secured/ Unsecured
1	INE192U07012	13-04-2017	13-04-2020	3,807	12.23%	50,000	-	1,951.97	Secured
2	INE192U07020	30-06-2017	30-06-2020	3,807	12.23%	50,000	-	1,910.81	Secured
3	INE192U08044	22-08-2019	15-04-2022	150	15.90%	1,000,000	1,499.79	1,499.60	Unsecured
4	INE192U08036	11-01-2019	17-05-2022	500	11.75%	141,663	-	704.78	Secured
5	INE192U07038	28-01-2020	27-01-2023	2,700	12.36%	61,111	1,636.89	2,525.61	Secured
6	INE192U07095	30-09-2020	30-09-2022	2,500	10.95%	74,998	1,863.08	-	Secured
7	INE192U07186	10-03-2021	10-09-2023	3,500	11.00%	100,000	3,503.26	-	Secured
8	INE192U07152	18-02-2021	18-08-2023	300	11.07%	966,667	2,912.31	-	Secured
9	INE192U07145	29-12-2020	29-06-2022	250	9.46%	1,000,000	2,483.89	-	Secured
10	INE192U07087	03-09-2020	03-03-2022	300	9.50%	1,000,000	3,146.09	-	Secured
11	INE192U07079	18-08-2020	18-02-2022	250	9.50%	1,000,000	2,620.71	-	Secured
12	INE192U07046	01-06-2020	01-06-2023	1,000	10.75%	100,000	994.78	-	Secured
13	INE192U07178	03-03-2021	03-03-2023	200,000	10.80%	1,000	1,993.73	-	Secured
14	INE192U07103	17-11-2020	16-05-2022	250	9.50%	1,000,000	2,569.74	-	Secured
15	INE192U07053	16-07-2020	16-01-2022	150	9.85%	1,000,000	1,595.17	-	Secured
16	INE192U07061	21-07-2020	21-04-2023	50	10.50%	10,000,000	5,075.09	-	Secured
17	INE192U07111	24-12-2020	24-01-2022	800	12.10%	100,000	818.51	-	Secured
18	INE192U07129	24-12-2020	24-10-2022	800	12.40%	100,000	819.15	-	Secured
19	INE192U07137	24-12-2020	24-06-2023	800	12.60%	100,000	819.58	-	Secured
20	INE192U07194	17-03-2021	31-12-2024	250	11.40%	1,000,000	2,480.32	-	Secured
21	INE192U07160	25-02-2021	25-02-2025	250	11.45%	1,000,000	2,513.82	-	Secured
Total							39,345.90	8,592.78	

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12.2 Non convertible debentures are redeemable at par.

13. BORROWINGS OTHER THAN DEBT SECURITIES (AT AMORTISED COST)

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Secured		
Term loans		
From Banks	35,444.83	17,861.65
From Others	22,702.31	14,302.96
Others		
Cash Credit from Banks	6,818.99	4,067.26
Overdraft Credit from Banks	3,317.28	8,242.25
Working capital demand loan facility	-	504.40
Securitization	13,365.74	11,481.88
Unsecured		
Term loans		
From Others	1,588.93	2,983.83
Inter Corporate Deposits	61.82	19.73
Total	83,299.90	59,463.96
Borrowings in India	83,299.90	59,463.96
Total	83,299.90	59,463.96

13.1 Secured term loans from banks amounting to ₹ 35,444.83 lakhs carry rate of interest in the range of 6.32% 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 ₹ 22,702.31 lakhs carry rate of interest in the range of 10.30% to 13.70% 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 ₹ 402.49 lakhs (P.Y. ₹ 1,422.44 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 8.15% to 12.00%.

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 5.90% to 7.65%.

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 ₹ 1,588.93 lakhs carry rate of interest in the range of 12.00% to 13.80% 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

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13.9 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Amount in lakh)

Particulars	March 31, 2020	Cash flows	Other*	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	-	-	-	-
Total	68,056.74	54,225.42	363.64	122,645.80

(Amount in lakh)

Particulars	March 31, 2019	Cash flows	Other*	March 31, 2020
Debt securities	6,101.36	2,501.19	(9.77)	8,592.78
Borrowings	44,881.30	14,618.80	(36.14)	59,463.96
Subordinate liabilities	1,498.16	(1,500.00)	1.84	0.00
Total	52,480.82	15,619.99	(44.07)	68,056.74

*Other column includes amortisation of transaction cost.

13.10 TERMS OF REPAYMENT OF LONG TERM BORROWINGS OUTSTANDING AS AT MARCH 31, 2021

(Amount in lakh)

Particulars	Interest rate range	No. of installments	March 31, 2021	March 31, 2020
Monthly repayment				
Less than 1 Year	Less than 10%	307	8,616.40	592.36
	10% - 12%	601	19,441.31	16,194.65
	12% - 14%	135	3,860.56	4,645.87
	Above 14%	1	44.77	1,541.23
1 - 3 Year	Less than 10%	340	7,260.71	1,319.53
	10% - 12%	844	22,805.78	11,815.53
	12% - 14%	40	2,268.38	4,740.51
	Above 14%	0	-	1,079.28
3 - 5 Year	Less than 10%	47	462.99	736.05
	10% - 12%	78	3,631.43	523.77
	12% - 14%	0	-	-
	Above 14%	0	-	-
Over 5 Years	Less than 10%	0	-	-
	10% - 12%	0	-	-
	12% - 14%	0	-	-
	Above 14%	0	-	-
Quarterly repayment				
Less than 1 Year	Less than 10%	0	-	-
	10% - 12%	6	532.53	1,034.65
	12% - 14%	8	834.56	832.72
	Above 14%	0	-	-
1 - 3 Year	Less than 10%	0	-	-
	10% - 12%	9	1,226.14	207.85
	12% - 14%	6	623.40	1,366.32
	Above 14%	0	-	-
3 - 5 Year	Less than 10%	0	-	-
	10% - 12%	8	1,193.27	-
	12% - 14%	0	-	-
	Above 14%	0	-	-
Over 5 Years	Less than 10%	0	-	-
	10% - 12%	2	299.59	-
	12% - 14%	0	-	-
	Above 14%	0	-	-
Total		2,432.00	73,101.81	46,630.33

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14. LEASE LIABILITY

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Lease Liability	949.66	928.02
Total	949.66	928.02

15. OTHER FINANCIAL LIABILITIES

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Commission Payable	219.59	185.55
Employee Incentive Payable	46.67	25.14
Due to assignee towards collections in derecognised assets	946.30	392.89
Security deposits	11.78	8.48
Total	1,224.34	612.06

16. PROVISIONS

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Provision for employee benefits		
Provision for gratuity	111.38	61.40
Other provisions		
Provision for Income tax	602.37	143.60
Total	713.75	205.00

17. OTHER NON-FINANCIAL LIABILITIES

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Statutory dues	146.42	117.38
Total	146.42	117.38

18. EQUITY SHARE CAPITAL

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Authorised Capital		
1,05,00,000 (31 March 2020: 1,05,00,000) equity shares of ₹ 10/- each	1,050.00	1,050.00
2,80,67,764 (31 March 2020: 2,80,67,764) preference shares of ₹ 10/- each	2,806.78	2,806.78
17,74,600 (31 March 2020: 17,74,600) Preference shares of ₹ 225.41/- each	4,000.13	4,000.13
	7,856.91	7,856.91
Issued, subscribed and fully paid-up:		
96,66,006 (31 March 2020: 96,21,671) equity shares of ₹ 10/- each	966.61	962.17
2,69,07,764 (31 March 2020: 2,69,07,764) Preference shares of ₹ 10/- each	2,690.78	2,690.78
17,74,544 (31 March 2020: 17,74,544) Preference shares of ₹ 225.41/- each	3,999.99	3,999.99
	7,657.38	7,652.94

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(₹ in lakh, except as stated otherwise)

18.1 RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF YEAR

Equity shares

Particulars	March 31, 2021		March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Equity Share at the beginning of the year	9,621,671	962.17	9,600,110	960.01
Add:				
Equity Share Allotted during the year				
Shares issued during the year of ₹ 10/- each	-	-	21,561	2.16
Shares issued under ESOP	44,335	4.43	-	-
	9,666,006	966.60	9,621,671	962.17

Preference share

Particulars	March 31, 2021		March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Preference Share at the beginning of the year	28,682,308	6,690.78	15,751,852	5,397.73
Preference Share Allotted during the year				
Shares issued during the year of ₹ 10/- each	-	-	12,930,456	1,293.05
	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.

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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.

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	March 31, 2021		March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares				
Bal Mukund Kogta	1,322,000	13.68%	1,322,000	13.74%
Arun Kogta, Director	791,000	8.18%	791,000	8.22%
Radha Krishan Kogta, Director	729,500	7.55%	729,500	7.58%
Varun Kogta, Director	627,000	6.49%	627,000	6.52%
Nidhi Kogta	580,000	6.00%	580,000	6.03%
Banwari Lal Kogta HUF	574,500	5.94%	574,500	5.97%
Nayan Kogta	567,000	5.87%	567,000	5.89%
Banwari Lal Kogta	549,000	5.68%	549,000	5.71%
Arun Kogta HUF	521,500	5.40%	521,500	5.42%
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.

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19. OTHER EQUITY

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
General Reserve		
Balance at the beginning of the year	1,000.00	900.00
Add:- Addition during the year	100.84	100.00
Balance at the end of the year	1,100.84	1,000.00
Securities Premium		
Balance at the beginning of the year	41,833.92	13,095.57
Add:- Addition during the year	52.88	28,804.79
Less:- Utilization during the year against share issue expense	-	(66.44)
Balance at the end of the year	41,886.80	41,833.92
Statutory reserve u/s 45-IC of RBI Act		
Balance at the beginning of the year	1,286.27	789.81
Add:- Addition during the year	900.36	496.46
Balance at the end of the year	2,186.63	1,286.27
Capital reserve	40.00	40.00
	40.00	40.00
Share based payment reserve		
Balance at the beginning of the year	140.42	14.52
Add:- Addition during the year	230.72	125.90
Less:- Transfer to share capital on account of options exercised during the year	(17.42)	-
Less:- Transfer to reserve	(0.84)	-
Balance at the end of the year	352.88	140.42
Retained Earnings		
Balance at the beginning of the year	2,917.32	1,031.50
Profit for the year	4,501.79	2,482.31
Less:- Preference share Dividend	(0.03)	(0.03)
Less:-Dividend distribution tax on preference share dividend	-	(0.01)
Less:-Transfer to statutory reserve	(900.36)	(496.46)
Less:-Transfer to general reserve	(100.00)	(100.00)
Balance at the end of the year	6,418.72	2,917.32
Total	51,985.87	47,217.91

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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	(Amount in lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
	On Financial Assets measured at Amortised Cost	
Interest on Loans	21,091.83	14,928.55
Net gain on derecognition of financial instruments under amortised cost category	1,324.54	392.97
Interest income from fixed deposits	929.13	968.81
Total	23,345.50	16,290.33

Loan origination income included in Interest income on Loan is disclosed net of the direct incremental costs of ₹ 359.33 lakhs for year ended March 31, 2021 (P.Y. ₹ 427.96 lakhs) associated with the origination of the underlying loans.

21. FEE AND COMMISSION INCOME

Particulars	(Amount in lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Fee income	870.42	506.92
Commission income	76.26	68.57
Total	946.68	575.49

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22. NET GAIN ON FAIR VALUE CHANGES

(Amount in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On Trading Portfolio		
Net gain on financial instruments at fair value through profit and loss - Realised		
Income from sale of Mutual funds	17.82	65.18
Net gain on financial instruments at fair value through profit and loss - Unrealised		
Income from Mutual funds	225.05	-
Income from Debentures	2.55	-
On Other Portfolio		
Total	245.42	65.18

23. OTHER INCOME

(Amount in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net gain on derecognition of Property, plant and equipment	(2.70)	0.20
Rental Income	9.31	6.75
Total	6.61	6.95

24. FINANCE COSTS

(Amount in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On Financial liabilities measured at Amortised Cost		
Interest on financial liabilities		
Borrowings other than debt securities	5,621.97	5,525.81
Debt securities	1,933.40	863.22
Subordinated liabilities	-	95.37
Lease liability	96.64	87.63
Others		
Bank charges	52.93	33.77
Other finance cost	292.16	321.13
Total	7,997.10	6,926.93

25. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(Amount in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On Financial instruments measured at Amortised Cost		
Loan assets	1,760.88	(15.27)
Loan assets written off (net of recoveries)	797.72	514.03
Loss on disposal of repossessed assets	369.57	316.11
Total	2,928.17	814.87

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26. EMPLOYEE BENEFITS

Particulars	(Amount in lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	5,284.72	3,958.93
Share based payments to employees	230.72	125.90
Contribution to provident and other funds	330.24	228.73
Gratuity expense	33.60	17.79
Staff welfare expenses	15.41	15.86
Total	5,894.69	4,347.21

26.1 GRAUITY 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.

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Details of Actuarial Valuation:		
Present value of the obligation at the beginning of the year	61.40	29.08
Current service cost	29.43	15.81
Interest cost on benefit obligation	4.17	1.98
Benefits paid (if any)	-	(1.09)
Net actuarial (gain)/loss recognized in the year	16.38	15.63
Present value of the obligation at the end of the year	111.38	61.40
Balance sheet		
Present value of defined benefit obligation	111.38	61.40
Fair value of plan assets	-	-
Plan assets/(liabilities)	111.38	61.40
Amount recognized in the statement of P&L		
Interest cost	4.17	1.98
Current service cost	29.43	15.81
Expenses to be recognized in P&L	33.60	17.79
Remeasurement (gains)/loss recognized in other comprehensive income		
Remeasurement (gains)/loss on obligations arising from changes in experience adjustments	17.83	15.63
Remeasurement (gains)/loss on obligations arising from changes in financial assumptions	(1.45)	-
Total	16.38	15.63
Principal assumptions used in determining gratuity obligations		
Discount rate	4.35% p.a	6.80% p.a
Salary Growth Rate	7.00% p.a	10.00% p.a
Mortality	IALM 2012-14	IALM 2012-14
Expected rate of return	-	-
Withdrawal rate	45.00% p.a.	45.00% p.a.

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Sensitivity Analysis

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 1%)	108.34	114.57	60.12	62.73
Salary Growth rate (+/- 1%)	114.46	108.39	62.68	60.14
Withdrawal Rate (+/- 50%)	87.02	157.92	60.46	62.37

27. DEPRECIATION AND AMORTISATION EXPENSES

(Amount in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Property, plant and equipment	244.57	230.32
Other Intangible Assets	27.98	23.93
Right of Use Assets	216.26	166.48
Total	488.81	420.73

28. OTHER EXPENSES

(Amount in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent	147.71	153.34
Electricity expenses	66.05	59.72
Repairs and maintenance	22.91	18.20
Printing and stationery	81.13	95.48
Travelling and conveyance	31.83	68.59
Professional fees	145.76	114.61
CSR expenditure	58.19	11.47
Director sitting fees	9.80	3.88
Auditor Remuneration	27.60	24.00
Telephone and internet expenses	61.85	45.87
Business promotion	7.12	2.63
Rates & taxes	141.38	126.72
Office expenses	139.43	154.12
Share issue expenses	-	12.66
Donation	2.42	1.69
Collection & recovery expenses	100.24	142.14
Insurance expenses	20.89	15.25
Legal expenses	121.18	132.20
Total	1,185.49	1,182.57

28.1 AUDITOR REMUNERATION

(Amount in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Statutory audit fees	18.40	13.00
Limited review	5.75	8.00
Other services (Certification fee)	3.45	3.00
Total	27.60	24.00

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28.2 AMOUNT SPENT TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR)

(Amount in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Amount unspent for the last year	18.98	9.48
b) Gross amount required to be spent by the Company during the year	39.21	20.97
c) Amount spent during the year ending on March 31:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	58.19	11.47

29. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

(Amount in lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Continuing operations for the year		
Profit/(loss) after tax	4,501.79	2,482.30
Less: dividends on convertible preference shares & tax thereon	0.01	0.01
Net profit/ (loss) for calculation of basic EPS	4,501.78	2,482.29
Net profit as above	4,501.78	2,482.29
Add: dividends on convertible preference shares & tax thereon	0.01	0.01
Net profit/ (loss) for calculation of diluted EPS	4,501.79	2,482.30
Weighted average number of equity shares in calculating basic EPS		
Effect of dilution:		
Equity shares (in lakh)	96.42	96.11
Weighted average no. of equity shares for Diluted EPS (in lakh)	270.52	237.71
Earning per equity share		
Basic	46.69	25.83
Diluted	16.64	10.44

30. INCOME TAX

The major components of income tax expense for the year ended March 31, 2021 are:

(Amount in lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current income tax:		
Current income tax charge	1,606.17	940.06
Deferred tax:		
Relating to origination and reversal of temporary differences	(70.27)	(188.42)
Income tax expense reported in the statement of profit or loss	1,535.90	751.64
Deferred tax relating to OCI		
Net loss/(gain) on re-measurements of defined benefit plans	(4.12)	(3.93)

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Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021:

Particulars	(Amount in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax from continuing operations	6,049.95	3,245.64
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	6,049.95	3,245.64
Tax at statutory Income Tax rate of 25.17%	1,522.65	816.86
Expenses Disallowed in Income tax Act	43.00	69.60
Deduction allowed u/s 80JJAA of the Income tax act	-	(40.94)
Expenses Disallowed u/s 43B of the Income tax Act	66.00	35.89
Incremental deferred tax liabilities /(assets)	(95.75)	(143.19)
Decrease in deferred tax liabilities /(assets) on account of change in tax rate	-	13.41
Tax on Long term capital gain @23.30%	-	-
Other adjustments	-	-
Tax at effective Income Tax rate of 25.38% (P.Y. 23.18%) (a)	1,535.90	751.64
Tax on Other comprehensive income (b)	(4.12)	(3.93)
Total Tax expenses at effective tax rate of 25.31% (P.Y. 23.06%) (a+b)	1,531.78	747.71

31. DEFERRED TAX ASSET

Deferred tax liabilities/(assets)	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Deferred tax asset		
Impact of EIR adjustments on financial assets	221.52	179.20
Impairment on Loans	879.75	440.88
Provision for gratuity and Leave availment	23.91	15.45
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	56.11	31.98
Employee stock options outstanding	89.22	25.81
Other adjustments	27.11	13.61
Gross deferred tax asset	1,297.62	706.93
Deferred tax liability		
Impact of EIR adjustments on financial liabilities	2.97	21.02
Gain on De-recognition of Loans	(360.50)	(110.27)
Upfront interest income on assignment transaction	(342.12)	(89.97)
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	-
Gross deferred tax liability	(699.65)	(179.22)
Net Deferred Tax Liability	597.97	527.71

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(Amount in lakh)

Deferred Tax charged to statement of profit and loss account	Year ended March 31, 2021		Year ended March 31, 2020	
	Income statement	OCI	Income statement	OCI
Impact of EIR adjustments on financial assets	(42.32)	-	(58.18)	-
Impairment on Loans	(438.88)	-	(79.85)	-
Provision for gratuity and Leave availment	(8.46)	-	(6.99)	-
Employee stock options outstanding	(63.41)	-	(22.76)	-
Impact of EIR adjustments on financial liabilities	18.05	-	0.89	-
Gain on De-recognition of Loans	250.23	-	34.98	-
Upfront interest income on assignment transaction	252.15	-	(6.15)	-
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(24.13)	-	(36.87)	-
Other adjustments	(13.50)	-	(13.51)	-
Deferred Tax charged to statement of profit and loss account	(70.27)	-	(188.42)	-

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, 2021 are as given below:

Particulars	ESOP 2020 (Series 2)	ESOP 2020 (Series 1)	ESOP 2019	ESOP 2018
Date of Grant for employee stock options outstanding	30-03-21	13-11-20	16-05-19	12-05-18
Vesting Period:				
2 years from the date of grant	NA	NA	NA	40%
Expiry of 1 year from 1st vesting	NA	NA	NA	30%
Expiry of 2 year from 1st vesting	NA	NA	NA	30%
3 years from the date of grant	NA	NA	50%	NA
Expiry of 2 year from 1st vesting	NA	NA	50%	NA
1 years from the date of grant	40%	40%	NA	NA
Expiry of 1 year from 1st vesting	30%	30%	NA	NA
Expiry of 2 year from 1st vesting	30%	30%	NA	NA
Exercise period	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
Vesting condition	Continuous service	Continuous service	Continuous service	Continuous service
Maximum term of Options	6 Years 1 Month	6 Years 2 Month	7 Years 1 Month	4 Years 4 Months
Weighted average remaining contractual life (years)	4.98 Years	4.66 Years	4.25 Years	0.60 Years
Weighted average exercise price per option	₹ 450.00	₹ 450.00	₹ 170.00	₹ 90.00

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Particulars	ESOP 2020 (Series 2)	ESOP 2020 (Series 1)	ESOP 2019	ESOP 2018
Year ended March 31, 2021				
Number of options outstanding at the beginning of the year	-	-	255,800	117,200
Number of options granted during the year	24,000	214,500	-	-
Number of options forfeited during the year	-	2,000	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	212,500	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
Year ended March 31, 2020				
Number of options outstanding at the beginning of the year	-	-	-	120,000
Number of options granted during the year	-	-	284,800	-
Number of options forfeited during the year	-	-	29,000	2,800
Number of options exercised during the year	-	-	-	-
Number of options expired during the year	-	-	-	-
Number of options outstanding at the end of the year	-	-	255,800	117,200
Number of options exercisable at the end of the year	-	-	-	-
Weighted average fair values of the outstanding options	-	-	₹ 189.94	₹ 39.27

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 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%

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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%

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Expense charged for the year	230.72	125.90
Employee stock options outstanding balance	352.88	140.42

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure volatility is used in the Black Scholes option- pricing model is the annualized standard deviation of the continuously compounded rate of the return of the stock over a period of time.

The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements and the movement due to abnormal events if any gets evened out. There is no research that demonstrates conclusively how long the historical period used to estimate expected long-term future volatility should be. However, informal tests and preliminary research tends to confirm that estimates of expected future long term volatility should be based on historical volatility for a period that approximates the expected life of the options being valued. In the present case, since equity shares are not listed hence for the purpose of calculating volatility, we have considered the volatility of listed peer companies based on the expected life.

Particulars	Standard Deviation			Volatility	
	November 17, 2020	May 16, 2019	May 12, 2018	March 31, 2021	March 31, 2020
Reliance Capital	0.000	0.039	0.028	0.00	0.63
Muthoot Finance	0.000	0.024	0.022	0.00	0.37
Mahindra & Mahindra Financial Services	0.000	0.025	0.021	0.00	0.40
VLS Finance Ltd	0.000	0.029	0.033	0.00	0.46
AKASHDEEP.BO	0.026	0.026	0.000	41.10%	0.00
Average				41.10%	46.38%

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	(Amount in lakh)			
	March 31, 2021		March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Loans (Fixed rate)	130,530.66	130,447.64	98,055.45	97,849.95

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.

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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, 2021

(Amount in lakh)				
Particulars	Fair value			
	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans (Fixed rate)	-	-	130,447.64	130,447.64

Quantitative disclosure fair value measurement hierarchy of assets & liabilities as at March 31, 2020

Particulars	Fair value			
	March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans (Fixed rate)	-	-	97,849.95	97,849.95

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2021, March 31, 2020.

34. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES WHICH ARE RECOGNISED AT AMORTISED COST

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Financial Assets		
Cash & Cash Equivalents	10,636.56	670.91
Bank Balances Other than Cash & Cash Equivalents	25,126.12	19,751.98
Loans (Fixed rate)	130,530.66	98,055.45
Investments	13,854.12	-
Other Financial Assets	1,932.59	2,659.24
Total Financial Assets	182,080.05	121,137.58
Financial liabilities		
Trade Payables	313.55	194.10
Debt Securities	39,345.90	8,592.78
Borrowings (Other than debt securities)	83,299.90	59,463.96
Lease Liability	949.66	928.02
Other financial liabilities	1,224.34	612.07
Total Financial liabilities	125,133.35	69,790.93

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35. IND AS 116 ON LEASE

The changes in the carrying value of ROU assets for the year ended March 31, 2021 are as follows:

Particulars	(Amount in lakh)
	Amount
Gross carrying value	
Balance as at April 1, 2020	1,041.61
Addition	178.74
Translation adjustments	-
Balance as at March 31, 2021	1,220.35
Accumulative amortisation	
Balance as at April 1, 2020	166.48
Depreciation	209.76
Translation adjustments	-
Balance as at March 31, 2021	376.24
Net carrying value as at March 31, 2021	844.11

The following is the movement in lease liabilities during the year ended March 31, 2021.

Particulars	(Amount in lakh)
	Amount
Lease liabilities	
Balance as at April 1, 2020	928.02
Additions	177.30
Translation adjustments	-
Finance expense	102.69
Payment of lease liabilities	(258.35)
Balance as at March 31, 2021	949.66

Amounts recognised in profit & loss during the year ended March 31, 2021

Particulars	(Amount in lakh)
	March 31, 2021
Depreciation expense of right-of-use assets	209.76
Interest expense on lease liabilities	102.69
Total	312.44

Total cash outflow for leases:

Particulars	(Amount in lakh)
	March 31, 2021
Total cash outflow for leases	258.35
Total	258.35

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The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021, on an undiscounted basis

Particulars	(Amount in lakh)
	Amount
Tenure	
Less than 1 year	192.13
1-3 years	337.41
3-5 years	195.23
More than 5 years	224.88
Balance as at March 31, 2021	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:

Particulars	(Amount in lakh)
	Amount
Short Term Lease	24.81
Low value Lease	106.04
Total	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.

Loans and advances measured at amortised cost	(Amount in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Carrying amount of transferred assets measured at amortised cost	17,224.73	14,318.50
Carrying amount of associated liabilities	13,365.74	11,481.88

Assignment Deal:

During the year ended March 31, 2021, 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.

Loans and advances measured at amortised cost	(Amount in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Carrying amount of derecognised financial assets	15,159.67	7,079.97
Gain from derecognition	1,318.02	383.33

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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 of above 30% in imminent year against the stipulated requirement of 15% by RBI. The Company has complied with the capital requirements prescribed by RBI over the reported period.

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Debts	122,645.80	68,056.74
Net worth	59,020.08	54,315.74
Debt to Net worth (in times)	2.08	1.25

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.

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.

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The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities.

(Amount in lakh)

Particulars	Maturity profile of Financial liabilities as on March 31, 2021		
	Borrowings	Payables	Other Financial liabilities
1 Day to 31 Days / One month	4,912.04	18.14	946.30
Over 1 month to 2 month	3,509.27	15.99	46.67
Over 2 month to 3 month	3,159.49	16.51	-
Over 3 month to 6 month	10,640.46	361.30	219.59
Over 6 month to 1 year	36,854.84	93.75	11.78
Over 1 year to 3 years	56,526.97	337.41	-
Over 3 year to 5 years	6,743.15	195.23	-
Over 5 years	299.59	224.88	-
Total	122,645.80	1,263.21	1,224.34

(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.

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 78% of the loan book of the Company as of March 31, 2021 (81% as of March 31, 2020). 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 0.20% to 40% leading to well diversified product mix.

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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 22% of the lending book of the Company as of March 31, 2021 (20% as of March 31, 2020). Portfolio is diversified and distributed between 1.25% to 36% across 8 states i.e. Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Delhi, Uttar 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, 2021.

(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.

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	(Amount in lakh)			
	Year ended March 31, 2021		Year ended March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Borrowings (Floating)				
Increase in basis points (+/- 1%)	(275.84)	(275.84)	(512.48)	(512.48)
Decrease in basis points (+/- 1%)	275.84	275.84	46.30	46.30

(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.

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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

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 for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations, and collection efficiency.

The extent to which the COVID-19 pandemic, including the current “second wave” that has significantly increased the number of cases in India, will continue to impact the Company’s operations and estimates related to Impairment of assets including loans to customers, will depend on future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

In accordance with Reserve Bank of India guidelines relating to COVID-19 Regulatory package dated March 27, 2020 April 17, 2020 and May 23, 2020, the Company had offered moratorium on the payment of all instalments and/or interest, as applicable, falling due between March 1, 2020 to August 31, 2020 to all eligible borrowers. Further, the Company offered resolution plan to its customers pursuant to RBI’s guideline ‘Resolution framework for COVID-19 related stress’ and ‘Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances’ dated 6 August 2020.

The Hon’ble Supreme Court, in a public interest litigation, vide an interim order dated September 3, 2020 (‘interim order’) had directed that accounts classified which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon’ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors and other connected matters.

Estimates and associated assumptions applied in preparing these financial results, especially for determining the impairment allowance for the Company’s financial assets (Loans), are based on historical experience and other emerging/forward looking factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used estimation of potential stress on probability of default and exposure at default due to COVID-19 situation along with the second wave of COVID-19 in developing the estimates and assumptions to assess the impairment loss allowance on Loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and maybe affected by severity and duration of the pandemic. In the event the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Company.

The Company holds adequate impairment allowances as at March 31, 2021 including the potential impact of COVID-19 based on the information available at this point in time.

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.

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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.

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, 2021 AND MARCH 31, 2020

(Amount in lakh)

Particulars	March 31, 2021			March 31, 2020		
	Amount	Within 12 Months	After 12 Months	Amount	Within 12 Months	After 12 Months
ASSETS						
Financial assets						
Cash and cash equivalents	10,636.56	10,636.56	-	670.92	670.92	-
Bank balance other than cash and cash equivalents	25,126.12	18,303.60	6,822.52	19,751.98	18,568.81	1,183.17
Loans	130,530.66	39,746.92	90,783.74	98,055.45	31,292.50	66,762.95
Investments	13,854.12	13,854.12	-	-	-	-
Other financial assets	1,932.59	1,264.89	667.70	2,659.24	2,507.82	151.42
Non-financial assets						
Deferred tax assets (Net)	597.97	-	597.97	527.71	-	527.71
Property, plant and equipment	573.50	-	573.50	639.74	-	639.74
Right of use assets	844.11	225.88	618.23	875.12	0.88	874.24
Other intangible assets	74.81	-	74.81	79.70	-	79.70
Other non-financial assets	1,466.33	1,443.38	22.94	1,724.31	1,697.87	26.44
Total - Assets	185,636.77	85,475.35	100,161.42	124,984.16	54,738.80	70,245.36
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Trade Payables	313.55	313.55	-	194.11	194.11	-
Debt securities	39,345.90	15,547.87	23,798.02	8,592.78	5,459.45	3,133.33
Borrowings (other than debt securities)	83,299.90	43,528.22	39,771.68	59,463.96	37,675.12	21,788.84
Lease Liability	949.66	192.14	757.52	928.02	0.95	927.07
Other financial liabilities	1,224.34	1,224.34	-	612.07	612.07	-
Non-financial liabilities						
Provisions	713.75	602.37	111.38	205.00	143.60	61.40
Other non-financial liabilities	146.42	146.42	-	117.38	117.38	-
Equity						
Equity share capital	7,657.38	-	7,657.38	7,652.94	-	7,652.94
Other equity	51,985.87	-	51,985.87	47,217.91	-	47,217.91
Total - Liabilities and Equity	185,636.77	61,554.91	124,081.86	124,984.16	44,202.68	80,781.48

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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 Promoters Private Limited

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B. Details of Transactions during the year with Related Parties

(Amount in lakh)

Nature of Transactions	Key Managerial Personnel		Relatives of Key Managerial Personnel	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Remuneration	127.72	126.32	35.00	35.00
Rent	2.40	2.40	23.68	20.64
Loans Accepted	13.60	1.34	667.31	210.57
Repayment made	13.60	1.34	552.31	218.80
Loans/ Advances Given	6.62	20.84	73.97	470.45
Repayment received	25.62	1.84	117.26	435.80
Commission	-	-	20.33	21.06
Servicing Income	-	-	53.73	74.89
Interest Paid	0.40	-	15.23	6.80
Interest Received	2.29	-	6.58	9.03
Processing Fees	-	-	-	0.33
Donation Paid	-	-	1.00	-
Property Sold	-	-	-	-
Number of Share warrents issued	-	535,402	-	267,701
Share based payments				
Number of Stock options granted under ESOP 2018	1,800	3,000	-	-
Number of Stock options granted under ESOP 2019	7,000	7,000	-	-
Number of Stock options granted under ESOP 2020	4,000	-	-	-
Issuance of Equity Shares of the Company				
Number of shares issued under ESOP 2018	1,200	-	-	-
BALANCE OUTSTANDING:				
Loans/ Advances Given	-	19.00	83.39	126.68
Loans Accepted	-	-	134.72	19.73

41. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(Amount in lakh)

Particulars	March 31, 2021	March 31, 2020
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	-	-

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42. CAPITAL

		(Amount in lakh)	
S. No.	Particulars	March 31, 2021	March 31, 2020
i)	CRAR (%)	43.39	58.42
ii)	CRAR-Tier I Capital (%)	43.39	58.42
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, 2021 (P.Y. March 31, 2020) 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

		(Amount in lakh)	
	Particulars	March 31, 2021	March 31, 2020
1	Value of Investments		
(i)	Gross Value of Investments		
(a)	In India	13,854.12	-
(b)	Outside India	-	-
(ii)	Provisions for Depreciation		
(a)	In India	-	-
(b)	Outside India	-	-
(iii)	Net Value of Investments		
(a)	In India	13,854.12	-
(b)	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 2020-21 and 2019-20.

b. Exchange Traded Interest Rate (IR) Derivatives

The Company has no transactions/exposure in exchange traded interest rate (IR) derivatives during 2020-21 and 2019-20.

c. Currency derivatives and interest rate derivatives

The Company has no transactions/exposure in currency or interest rate derivatives during 2020-21 and 2019-20.

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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 2020-21 and 2019-20.

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, 2020 – Nil).

47. EXPENDITURE IN FOREIGN CURRENCY

The Company does not have any expenditure in Foreign Currency (As on March 31, 2020 – Nil).

48. EARNING IN FOREIGN CURRENCY

The Company does not have any earnings in Foreign Currency (As on March 31, 2020 – Nil).

49. DISCLOSURES RELATING TO SECURITIZATION

The Company has securitized its portfolio through SPV route. The MRR and other exposure details are given herein below:

S. No.	Particulars	(Amount in lakh)	
		No. / Amount	
		March 31, 2021	March 31, 2020
1	No of SPVs sponsored by the NBFC for securitization transactions	10	10
2	Total amount of securitized assets as per books of the SPVs sponsored	17,864.20	13,761.00
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	388.43
	Others	-	-
	b) On-balance sheet exposures		
	First loss (in the form of fixed deposit)	2,255.48	1,623.07
	Others	-	-
4	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	(i) Exposure to own Securitization		
	First loss	-	-
	Others*	-	131.46
	(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	-	-

*Others include second loss credit enhancement.

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50. DISCLOSURE OF ASSIGNMENT TRANSACTIONS UNDERTAKEN

The Company has undertaken 7 assignment transactions during the year ended March 31, 2021 (P.Y. 2 transactions). Details are given below:

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
(i) No. of accounts	4894	3202
(ii) Aggregate value (net of provisions) of accounts sold (₹)	13462.22	6272.34
(iii) Aggregate consideration (₹)	13462.22	6272.34
(iv) Additional consideration realized in respect of accounts transferred in earlier years (₹)	-	-
(v) Aggregate gain/(loss) over net book value (₹)	-	-

51. DETAILS OF NON-PERFORMING FINANCIAL ASSETS PURCHASED/SOLD

The Company has neither purchased nor sold any non performing financial asset during 2020-21 and 2019-20.

52. ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

For the year 2020-21	(Amount in lakh)					
	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	-	-

For the year 2019-20	(Amount in lakh)					
	Deposits	Advances*	Investments	Borrowings	Foreign Currency assets	Foreign Currency liabilities
1 to 7 days	-	1,737.47	-	592.38	-	-
8 to 14 days	-	3.16	-	15.37	-	-
15 to 30/31 days	-	920.41	-	3,832.78	-	-
Over 1 month up to 2 month	-	2,339.88	-	2,219.88	-	-
Over 2 months up to 3 months	-	2,894.48	-	4,256.09	-	-
Over 3 month & up to 6 month	-	7,257.15	-	7,419.08	-	-
Over 6 month & up to 1 year	-	16,139.95	-	24,799.00	-	-
Over 1 year & up to 3 years	-	44,267.31	-	23,662.35	-	-
Over 3 years & up to 5 years	-	13,061.02	-	1,259.82	-	-
Over 5 years	-	9,434.61	-	-	-	-
Total	-	98,055.45	-	68,056.74	-	-

*Advances are net of ECL provision.

Notes

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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.

52.2 The maturity pattern of advances for FY 2019-20 has been presented considering the effect of revised contractual dues of loans pursuant to moratorium granted to its borrowers upto May 31, 2020, as described in Note No 52.

52.3 The maturity pattern of borrowings for FY 2019-20 has been presented considering the effect of moratorium on contractual repayments upto May 31, 2020.

53. EXPOSURE TO REAL ESTATE SECTOR

The Company has exposure to real estate sector as on March 31, 2021 and March 31, 2020 which is given herein below:

		(Amount in lakh)	
Category		March 31, 2021	March 31, 2020
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.).	359.33	259.27
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures-		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	359.33	259.27
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, 2021 and March 31, 2020

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 2020-21 and 2019-20.

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 2020-21 and 2019-20.

57. PROVISIONS AND CONTINGENCIES

		(Amount in lakh)	
Particulars		March 31, 2021	March 31, 2020
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)		684.80	276.00
Provision made towards Income tax (Net of Deferred Tax)		1,531.78	747.70
Other Provision and Contingencies		49.98	32.33
Provision for standard Assets (Expected credit loss on Stage 1 & 2 assets)		1,076.08	(291.27)

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58. DRAW DOWN FROM RESERVES

No reserves have been draw down during the financial year 2020-21 and 2019-20 except as disclosed in the part (b) of statement of changes in equity.

59. CONCENTRATION OF ADVANCES

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Total Advances to twenty largest borrowers	1,255.86	1,496.10
Percentage of Advances to twenty largest borrowers to total advances of the NBFC	0.94%	1.50%

60. CONCENTRATION OF EXPOSURES

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Total Exposure to twenty largest borrowers/customers	1,255.86	1,496.10
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	0.94%	1.50%

61. CONCENTRATION OF NPAs

Particulars	(Amount in lakh)	
	March 31, 2021	March 31, 2020
Total Exposure to top four NPA accounts	121.45	139.95

62. SECTOR-WISE NPAs

S. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		March 31, 2021	March 31, 2020
1	Agriculture & allied activities	0.00%	0.00%
2	MSME	2.92%	2.39%
3	Corporate borrowers	0.00%	0.00%
4	Services	0.00%	0.00%
5	Unsecured personal loans	0.00%	0.00%
6	Auto loans	3.48%	3.43%
7	Other personal loans	0.00%	0.00%

63. MOVEMENT OF NPAs

Particulars	₹ in lakh, except as stated otherwise	
	March 31, 2021	March 31, 2020
(i) Net NPAs to Net Advances (%)	2.39%	2.62%
(ii) Movement of NPAs(Gross)		
(a) Opening balance	3,213.88	1,998.85
(b) Additions during the year	3,869.41	2,929.82
(c) Reductions during the year	2,595.60	1,714.79
(d) Closing balance	4,487.69	3,213.88

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Particulars	(₹ in lakh, except as stated otherwise)	
	March 31, 2021	March 31, 2020
(iii) Movement of Net NPAs		
(a) Opening balance	2,564.74	1,599.88
(b) Additions during the year	2,695.96	2,338.86
(c) Reductions during the year	2,085.34	1,374.00
(d) Closing balance	3,175.36	2,564.74
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	649.14	398.97
(b) Provisions made during the year	1,173.45	590.95
(c) Write-off/write-back of excess provisions	510.26	340.79
(d) Closing balance	1,312.33	649.14

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, 2021	March 31, 2020
1	No. of complaints pending at the beginning of the year	-	-
2	No. of complaints received during the year	10	1
3	No. of complaints redressed during the year	9	1
4	No. of complaints pending at the end of the year	1	-

67. TRANSACTION WITH NON-EXECUTIVE DIRECTORS

S. No.	Name of Non-Executive Director	Transaction Type	(Amount in lakh)	
			March 31, 2021	March 31, 2020
1	Mr. P R Kalyanaraman	Payment of sitting fees	3.40	2.09
2	Mrs. Bhama Krishnamurthy	Payment of sitting fees	-	0.21
3	Mr. Kumar Sharadindu	Payment of sitting fees	3.10	1.32
4	Mrs. Shashikala Ramachandra	Payment of sitting fees	3.30	0.30

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, 2021 is ₹ 9.65 Lakh. (as on March 31, 2020 is Nil).

The Company has neither paid any interest nor such amount is payable to buyer covered under the MSMED Act, 2006.

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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, 2021

S. No.	Instrument	Rating agency	Date of rating assigned/ reviewed	Rating valid upto	Rating assigned	
					2020-21	2019-20
1	Bank Loan Rating	CARE	February 04, 2021	February 03, 2022	A-/Stable	A-/Stable
2	Non-Convertible Debentures	CARE	February 04, 2021	February 03, 2022	A-/Stable	A-/Stable
3	Non-Convertible Debentures (MLD)	CARE	February 04, 2021	February 03, 2022	PP MLD-/Stable	NA
4	Non-Convertible Debentures (Covered Bond)	CARE	March 09, 2021	March 08, 2022	AA (CE)/Stable	NA
5	Non-Convertible Debentures	ICRA	December 31, 2020	December 30, 2021	ICRA AA(CE)/Stable	ICRA AA(CE)/Stable
6	Term Loan rating	ICRA	December 31, 2020	December 30, 2021	ICRA A(CE)/Stable	ICRA A(CE)/Stable

72. DETAILS OF IMPAIRMENT LOSS ALLOWANCE RESERVE

(Amount in lakh)						
Asset Classification as per RBI Norms	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**
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	112,353.99	975.68	111,378.31	449.42	526.26
	Stage 2*	17,115.69	1,138.71	15,976.98	204.42	934.29
Subtotal		129,469.68	2,114.39	127,355.29	653.84	1,460.55
Non-Performing Assets (NPA)						
Substandard	Stage 3	4,426.57	1,295.09	3,131.48	442.66	852.43
Doubtful						
Up to 1 year	Stage 3	61.12	1724	43.88	12.22	5.02
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		61.12	1724	43.88	12.22	5.02
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		4,487.69	1,312.33	3,175.36	454.88	857.45
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	112,353.99	975.68	111,378.31	449.42	526.26
	Stage 2	17,115.69	1,138.71	15,976.98	204.42	934.29
	Stage 3	4,487.69	1,312.33	3,175.36	454.88	857.45
Grand Total		133,957.37	3,426.72	130,530.65	1,108.72	2,318.00

*Loss allowances (Provision) required as per IRACP norms on the assets classified as Stage 2 includes the provision amount as required to be created under the circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 and RBI/2020-21/17 DOR.No.BP.BC/3/21.04.048/2020-21 issued vide dated August 06, 2020.

**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.

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73. DETAILS IN RESPECT OF MORATORIUM BENEFIT EXTENDED TO THE CUSTOMERS

In accordance with Reserve Bank of India ("RBI") guidelines relating to 'COVID-19 – Regulatory Package' dated March 27, 2020 and subsequent guideline on EMI moratorium dated April 17, 2020 and May 23, 2020 ("RBI regulatory package"), the Company has offered moratorium on the payment of installments falling due between March 1, 2020 to August 31, 2020 ("moratorium period") to all eligible borrowers. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded from no. of days past dues for the purpose of asset classification. The Company holds provision as at March 31, 2021/March 31, 2020 against the potential impact of COVID-19 based on the information available up to a point in time.

Disclosures as required by RBI circular dated April 17, 2020 'COVID-19 Regulatory Package – Asset classification and provisioning are given below:

Particulars	March 31, 2021	March 31, 2020
Advance outstanding in SMA/Overdue categories where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as on February 29, 2020)*	12,948.63	15,924.69
Respective amounts where assets classification benefit was extended	2,940.54	5,276.05
Provision made in terms of paragraph 5 of the circular (As per paragraph 4 applicable to NBFC's covered under IND AS)	205.21	263.8
Provision adjusted against slippages in terms of paragraph 6 of the circular	105.13	-
Residual provision as of in terms of paragraph 6 of the circular	100.08	263.8

*Principal outstanding of accounts under SMA/Overdue category is as of March 31, 2021.

74. 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, 2021 is as follows:

A. Funding Concentration based on Significant Counterparty

Number of Significant Counterparties	Amount	% of Total Deposits	(Amount in lakh)
			% of Total Liabilities
34	116,384.36	-	92.37%

B. Top 20 Large Deposits (amount in ₹ lakh and % of Total Deposits) - Not Applicable

C. Top 10 Borrowings

Particulars	(Amount in lakh)
	Amount
Total Value of top 10 Borrowings	37,054.66
% of Total Borrowings	29.41%

D. Funding Concentration based on Significant Instrument/Product

Sr. No.	Name of the Instrument/Product	Amount	(Amount in lakh)
			% of Total Liabilities
1	Term Loans	73,028.91	57.96%
2	Working Capital / Line of Credit / Overdraft facilities	10,136.26	8.04%
3	Commercial Papers	-	0.00%
4	Non-Convertible Debentures	39,345.90	31.23%
	Total	122,511.07	97.23%

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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	8.37%
	b Other Short-Term Liabilities as a % of Total Liabilities	8.15%
	c Other Short-Term Liabilities as a % of Total Assets	5.53%

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.

75. DETAILS OF RESOLUTION PLAN IMPLEMENTED UNDER THE RESOLUTION FRAMEWORK FOR COVID-19 RELATED STRESS AS PER CIRCULAR DATED AUGUST 06, 2020

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan*	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan**
Personal Loans	93	472.81	-	-	124.73
Corporate persons	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	93	472.81	-	-	124.73

*Outstanding as on March 31, 2021

**Total ECL provision as on March 31, 2021

Notes

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76. MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) SECTOR - RESTRUCTURING OF ADVANCES

The Company has restructured the accounts as per RBI circular circulars DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018, DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018, circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, circular DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020

Particulars	March 31, 2021	March 31, 2020
No. of Accounts restructured	249	-
Amount (₹ in lakh)	1,673.31	-

77. DETAILS OF INTEREST ON INTEREST DURING THE MORATORIUM PERIOD

In accordance with the RBI notification dated April 7, 2021, the Company is required to refund/adjust 'interest on interest' to borrowers. As required by RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Banks' Association. The Company has recorded the liability towards estimated interest relief of ₹35 lakh and reduced the same from the interest income.

78. DETAILS OF THE CODE ON SOCIAL SECURITY, 2020 ('CODE') RELATING TO EMPLOYEE BENEFITS

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

79. MISCELLANEOUS

- 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.
- The Company has not obtained registration from other financial sector regulators except Reserve Bank of India.
- No penalties were imposed by the regulator during the year during the financial year ended March 31, 2021, (March 31, 2020: Nil)
- 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 **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Reg. No. : 301003E/E300005

Sd/-
per **Shrawan Jalan**
Partner
Membership No.: 102102

Place: Mumbai
Date: May 19, 2021

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

Sd/-
R. K. Kogta
(Chairman)
DIN 00197552

Sd/-
Varun Kogta
(Executive Director & CFO)
DIN 06844307

Place: Jaipur
Date: May 19, 2021

Sd/-
Arun Kogta
(Managing Director & CEO)
DIN 05109722

Sd/-
Rahul Agrawal
(Company Secretary)
Membership No. F10834

NOTES

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Kogta Financial (India) Limited

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