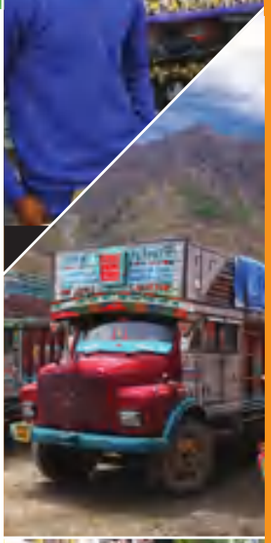
Kogta FINANCIAL
FREEDOM TO GROW

BUILT FOR GROWTH, NOW AND FOR YEARS TO COME



ANNUAL REPORT
2017-18

CONTENTS

CORPORATE OVERVIEW 01-15

Our New Identity 02
Corporate Snapshot 04
Our Key Lenders 06
Executive Message 08
Our BOD and Leadership Team 10
Corporate Social Responsibility Initiatives 12
Corporate Information 14

STATUTORY REPORTS 16-46

Management Discussion and Analysis 17
Board's Report 23

FINANCIAL STATEMENTS 47-84

Standalone Financial Statements 48

The online report is available on
www.kogta.in

The Indian economy has come a long way since the turn of the millennium. It has seen its GDP double from US$ 1 Trillion in 2007 to US$ 2 Trillion in 2015. And this figure is estimated to reach US$ 3 Trillion in 2019.

With growth on track, the focus has expanded to achieving better inclusiveness - both **physical and financial**.

In our own way, at Kogta Financial (India) Limited, we have been a micro-level contributor to this growth story with our own robust performance over the past two decades. We have grown our AUM from **₹ 53.9 Crores** in 2014 to **₹ 428.5 Crores** in 2018.

With our extensive geographic presence, expansion plans and robust capital base, we are poised to tap the colossal opportunity called '**inclusiveness**' and contribute to the country's further growth and development.

Kogta Financial (India) Limited is

Built for growth, now and for years to come

OUR NEW IDENTITY

We are a progressive fast growing company within the NBFC sector.

For over 20 years now, we have been steered by two generations of dynamic entrepreneurs, hailing from a small town near Ajmer.

Around the time of our genesis, we catered to the unique needs of familiar and localised clientele. But over the years, our vision grew and so did our presence. We evolved to meet the needs of a changing India. At the same time, we always retained the core values that made us a name that inspires trust.

Two decades down the road, we acknowledged the need to define our persona to the world we cater to and interact with. The newly defined persona, which is reflected in our logo, explains our values, vision, mission and strengths.

Trust, Growth and Innovation are the three key pillars of our business today. We aspire to grow with innovations in our product portfolio as well as our business strategies. This "will" to grow is depicted by the arrow in the logo. At the same time, we will always continue to provide financial products to more and more customers in the most friendly, trusted and professional manner. We make this unflinching commitment to service, trust and steady growth to all stakeholders.

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Corporate Overview 01-15
Statutory Reports 16-46
Financial Statements 47-84

Our choice of colours and typography were carefully considered to convey the essence of our new identity. The font conforms to a formal and serious tone, appropriate for a company in the financial services sector. At the same time, we have chosen appealing and vibrant colours. The royal blue represents reliability, stability and trustworthiness while the bright orange symbolises enthusiasm, energy and assurance.

Kogta FINANCIAL FREEDOM TO GROW

Our logo represents our futuristic vision for growth and expansion while retaining our core values that have brought us this far, this fast.

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CORPORATE SNAPSHOT

BRIEF PROFILE

We are a fast growing Non-Banking Finance Company with over 20 years of experience in the Asset Finance Business. Incorporated in 1996 and registered with the RBI as an NBFC in 1998, we have grown on the foundations of dedicated customer service, fair business practices, efficient, safe and trusted financial policies. Steered by a highly experienced and competent management team, we have serviced loans to over 50,000 customers. We have a network of 59 branches across the states of Rajasthan, Gujarat, Maharashtra, Madhya Pradesh and Delhi NCR.

Our prime focus is on financing the purchase of Commercial Vehicles. We also disburse LAP and Secured Business Loans to the SME/MSME segment. In a short span of time, we aim to grow into one of the leading players in the sector, driven by our strong management and the backing of PE investors. Our borrower profile comprises farmers, small road transporters, taxi operators, first time borrowers, small scale industry entrepreneurs, small mining operators, retail traders, small and medium fleet owners and self-employed.

- **1996** Incorporation of our Company
- **1998** Registered with RBI under the category NBFC - AFC
- **2008** Started expanding the business by starting operations in Jaipur along with development of our own ERP
- **2010** Purchased auto loans salvage portfolio from GMAC Financial Services India Ltd. across 14 states
- **2011** Started operations in Gujarat and upgraded to web version of ERP
- **2015** Achieved 'BBB(-)' stable investment rating; Crossed ₹ 100 Crores AUM; Started operations in Maharashtra
- **2016** Raised its first series A of ₹ 30 Crores from IIFL Seed Ventures Fund
- **2017** Started operations in Madhya Pradesh & Delhi NCR; Achieved external rating of 'BBB' stable

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MISSION

To provide Financial Products to more and more customers in a **"most friendly, professional manner"** and to give growth to all our Stakeholders.

VISION

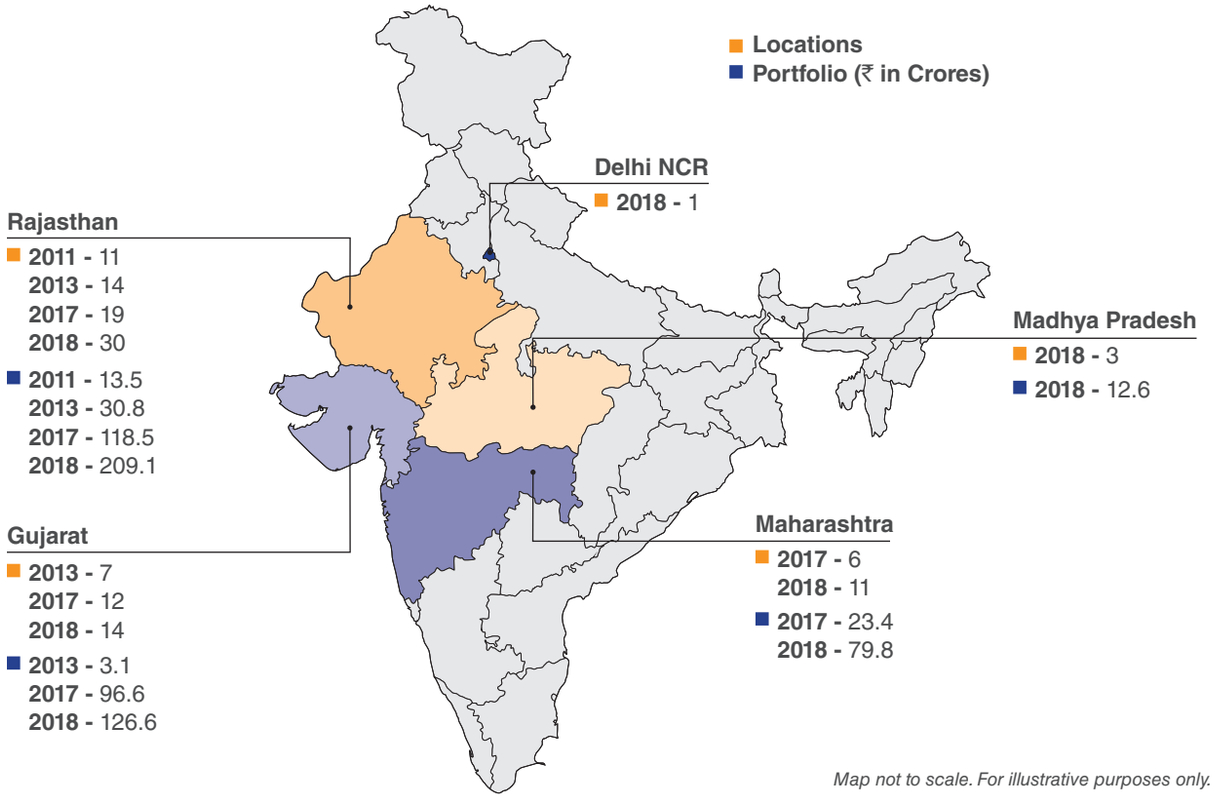
To become a **"Trusted and Innovative"** Financial Service Provider in India.

VALUES

GREAT SERVICES Best serve our customers.	**INTEGRITY** Keep commitments and be ethical.	**EXCELLENCE** In every work we do.	**GROWTH** Growth for all stakeholders.
INNOVATIONS Seek, imagine, create.	**RESPECT** Respect for all.	**GREAT WORK CULTURE** We all need balance in life.	**TEAMWORK** Our success depends on working together.

KEY EXPANSION AND DIVERSIFICATION OVER THE YEARS

Over the past five years, we have forged growth across locations and expanded our portfolio too. From just 11 locations in 2011, we have increased our presence to 59 locations across four states - Rajasthan, Gujarat, Maharashtra and Madhya Pradesh with a recently started branch in Delhi NCR. We have adopted the strategy of deep penetration of the existing regions, then mining through and adopting the local knowledge before finally expanding to other Tier II & Tier III regions.



Map not to scale. For illustrative purposes only.

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OUR KEY LENDERS

BANKS

- State Bank of India
- Bank of India
- DCB BANK
- South Indian Bank
- IndusInd Bank
- HDFC BANK

FINANCIAL INSTITUTIONS

- Northern ARC
- Hinduja Leyland Finance
- Northern ARC Investments
- a.k.
- MAGMA
- Sundaram Finance
- Mahindra Finance
- Capital First
- JM Financial
- Manappuram Finance Limited
- HeroFinCorp.
- Tata Capital
- Reliance Capital

SMALL FINANCE BANKS

- AU Small Finance Bank
- fincare Small Finance Bank

FOREIGN INSTITUTIONAL INVESTOR

- MICROVEST

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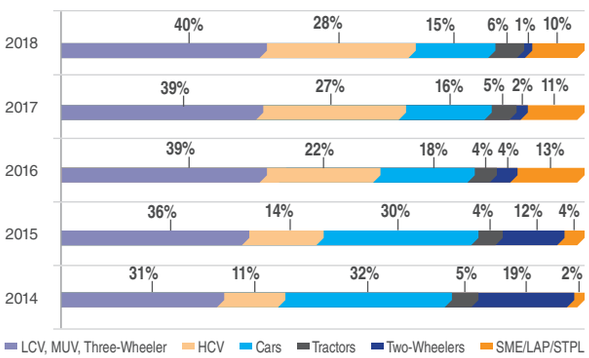
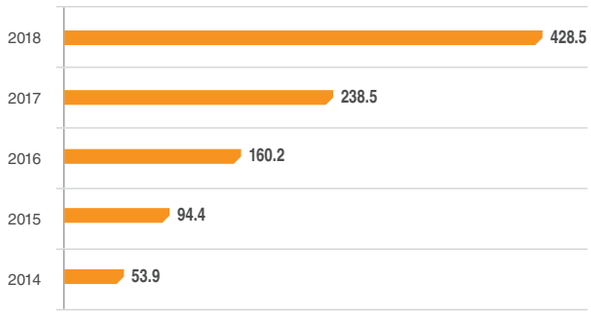
OUR PERFORMANCE INDICATORS

ACHIEVEMENTS IN NUMBERS

We have achieved a strong growth rate over the last few years, with a well-diversified AUM across products. Despite robust demand, we have grown significantly at a CAGR of 60% over the past five years.



AUM (₹ in Crores)



FY 2017-18 HIGHLIGHTS

Total Disbursements
₹ **400.42** Crores

Total AUM
₹ **428.51** Crores

Net Profit Before Tax
₹ **10.02** Crores

Gross NPA
3.10%

Net NPA
2.70%

Net Worth
₹ **68.18** Crores

Capital Adequacy Ratio (CRAR) **20.65%**

20+ Banks & Financial Institutions

Total Portfolio on Books
₹ **348.94** Crores

20+ New Branches

CARE Ratings **BBB**

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EXECUTIVE MESSAGE

"I am happy to share that our Company has put up a robust performance. We disbursed a total of ₹ 400.42 Crores, which was 84% more than our previous year's disbursals. Our total Assets under Management also increased 80% over the previous year and stood at ₹ 428.51 Crores at the end of this fiscal"

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Dear Stakeholders,

It gives me great pleasure to present to you our annual report for 2017-18.

We have come a long way since our enthusiastic beginnings two decades ago. As we began our operations of commercial vehicle finance in 1998, we have had the privilege of watching the liberalisation story in India unfold. In fact, we have been fortunate to be a part of it, as we have had the opportunity to offer our products to a cross-section of Indians from farmers, small road transporters and taxi operators to small scale industry entrepreneurs, small mining operators and retail traders. At that level, we believe we have become facilitators of their advancement.

A recent report by ICRA (June 2018), has outlined the future potential of our sector. It suggests that the growth of the retail loan book of the entire Non-Banking Financial Companies (NBFCs) sector is likely to grow between 19% and 21% during the current fiscal year, driven by the high demand for Commercial Vehicle (CV) loans. Being the key financiers for CVs, NBFCs would benefit from the expected new vehicle sales growth and demand for used vehicles in 2018-19.

Additionally, the same report outlines the opportunities for growth in the broad segment whose demands we meet. Driven by sizeable unmet demand, increased working capital requirement post GST implementation and limited credit availability from banks, it expects NBFC credit to SME to grow at 23-25% in 2018-19.

Within this favourable milieu, we are in a sweet spot. With our focus on financing commercial vehicles of various types, disbursing LAPs and secured business loans to the SME/ MSME segment, we are at the core of the India growth story. More relevantly, we are immensely prepared to benefit from the opportunities that are before us with our considerable experience, strategic expansion and innovative products.

I am happy to share that our Company has put up a robust performance. We disbursed a total of ₹ 400.42 Crores, which was 84% more than our previous year's disbursals. Our total Assets under Management also increased 80% over the previous year and stood at ₹ 428.51 Crores at the end of this fiscal. Our financial performance was also noteworthy as we achieved a net profit before tax and exceptional items of ₹ 10.02 Crores from continuing operations, which marked a 96% growth over the corresponding figure of ₹ 5.12 Crores for the previous year.

Our Gross and Net NPAs as at March 31, 2018 stood at ₹ 10.78 Crores (3.09% of total loan receivables) and ₹ 9.41 Crores (2.70% of total loan receivables), respectively, increasing marginally over corresponding figures for the previous year, despite our cautious expansion in business. While growth will remain our focus, we are conscious that it should not come at the cost of financial safety. Nevertheless, Kogta Financial (India) Limited's Net Worth stood at ₹ 68.18 Crores as on March 31, 2018, while the Capital Adequacy (CRAR) is at 20.65%, which is comfortably higher than the statutory requirement of 15%.

From where we stand, we are faced with a vast ocean of opportunities. The scope for our business expansion is immense not just in the near term but in the foreseeable future too as a result of the demographic make-up of our country, plethora of unfulfilled aspirations and the current trend of growth in incomes. With our experience of two decades, the guidance and perspectives of our enterprising board and management and our vast and fast-growing presence, we are excellently positioned to tap these opportunities.

Before I conclude, I would like to take this opportunity to thank our financing partners and all our stakeholders, for their constant support and encouragement. With their continued well wishes and trust, we look forward to an exciting future in which we can repay their confidence in us with a sterling performance and all the benefits that go with it. Last but not the least, I would like to thank our Board, management and employees at every level, across states, without whose dedication and perseverance we could not have come this far. With their commitment, we look forward to fulfilling our vision to grow into a leading financier, with a pan-India presence which will contribute to the country's financial inclusion mission and India's overall progress.

Yours sincerely,

Arun Kogta
MD and CEO

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OUR BOARD OF DIRECTORS AND LEADERSHIP TEAM

Our Company has been founded by visionaries, who have intrinsically built its platform for the new generation that is committed to deliver high growth. Our Company is supported by a lean management team who function by well-defined roles. This enables a focussed approach with organisation-wide common goals...

Radha Krishan Kogta
Chairman (Executive)

Promoter and driving force behind the success of Kogta, Mr. Radha Krishan Kogta is a Commerce graduate with over 16 years of experience in the finance industry. With expertise in credit and risk analysis, his efforts are focussed on strategising finance, corporate planning and risk management. Under his guidance and leadership, our Company has made significant progress in disbursements, profitability and performance.

Arun Kogta
(MD & CEO)

An MBA in Finance from Cardiff University, U.K., Mr. Arun Kogta also holds a Bachelor's Degree in Civil Engineering from Pune University. Having joined our Company in 2004, with his insights on finance and business, he has been the catalyst behind our Company's meteoric rise to the present levels. With expertise in marketing, credit, risk analysis and collection, his core area of functional expertise includes formulating business development strategies, setting up of new points of disbursements, risk analysis of areas of operations etc. Demonstrating professional zeal and operations management skills, he has been crucial in expanding our Company's presence across the state of Gujarat.

Varun Kogta
Whole Time Director & CFO

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

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Nayan Kogta
Whole Time Director

In addition to the dynamic combination of being a qualified Chartered Accountant (CA) and Company Secretary (CS), Mr. Nayan Kogta has over 2 years of professional experience in finance and accounting functions. His expertise in the fields of audit, accounts and statutory compliances have led him to chair the audit committee of our Company, which charters the review and monitoring of operations, code of conduct, internal control systems, financial performances, compliance with various laws in force, etc. With his efforts, our Company is aligning and strengthening its internal control procedures and statutory compliances.

Ram Dayal Modi
Independent Director

Academically astute, Mr. Ram Dayal Modi has completed his Masters in Political Science and is a Gold Medallist from the University of Udaipur, Rajasthan. He is also certified by the Certified Associate of Indian Institute of Bankers and has been part of the Central Management Committee as General Manager (Planning and Development) at the State Bank of Patiala for almost 2 years. He also brings with him deep insights in the areas of credit, forex, project appraisals and funding, business planning, branch expansion, training system, operations and branch banking, technical and management consultancy. With 38 years of experience in operations as well as in training systems in banks, he is presently on the Board of a few listed and unlisted companies as an Independent Director.

P. R. Kalyanaraman
Independent Director

A commercial banker with an eclectic and impeccable career, with a track record of 38 years, Mr. P. R. Kalyanaraman is presently Designated as Director – South in Centrum Capital Limited. He has also been appointed as an Executive Director at the Federal Bank, where he guided the Bank in all functional areas and provided his inspirational leadership to a large workforce, especially during critical transition periods in the organisation. He has held 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 resource mobilisation, management of non-performing assets. He has had substantial exposure to both Large Industrial Credit and Foreign Exchange operations.

Amit Mehta
Investor Director

An MBA from IIM Ahmedabad, Mr. Amit Mehta is currently a Senior Vice President at IIFL Seed Venture and is responsible for growth stage investments of the fund. He has a deep understanding of the Private Equity landscape in India and more than a decade of experience in the sector. Before joining IIFL, Amit had worked with Motilal Oswal Private Equity, where he gained experience across investment, monitoring and exits. He has also worked in the India office of Silicon Valley-based Mayfield Fund. Amit has made successful investments across Pharma, Industrials and Financials sectors.

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CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

GAU SEVA - (CARING FOR COWS)

As supporters of the welfare of cows and their protection from being sent to slaughter houses, we contributed to their upkeep at a shelter which provides them with food and cares for them. The dual benefit of this activity is that it also provided livelihoods to people undertaking these activities.

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CRICKET FOR THE UNDERPRIVILEGED

We believe that playing sports builds character and enhances self-confidence. We focus on promoting cricket, a sport that is loved by the entire nation, by actively participating in training youth from underprivileged communities.

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CORPORATE INFORMATION

Board of Directors	
Shri Radha Krishan Kogta	Chairman
Shri Arun Kogta	Managing Director & CEO
Shri Varun Kogta	Executive Director & CFO
Shri Nayan Kogta	Executive Director
Shri Ram Dayal Modi	Independent Director
Shri P R Kalyanaraman	Independent Director
Shri Amit Mehta	Nominee Director
Statutory Auditor	M/s. S.R. BATLIBOI & CO. LLP
	Chartered Accountants
	14th Floor, The Ruby, 29, Senapati Bapat Marg,
	Dadar (West), Mumbai - 400 028
	(Maharashtra)
Internal Auditor	M/s. LODHA & Company
	Chartered Accountants
	Karim Chambers, 40, Ambalal Doshi Marg
	Hamam Street, Fort, Mumbai,
	Maharashtra - 400 023
Bankers & Financiers	State Bank of India Limited
	DCB Bank Limited
	Bank of India Limited
	HDFC Bank Limited
	ICICI Bank Limited
	AU Small Finance Bank Limited
	Laxmi Vilas Bank Limited
	IndusInd Bank Limited
	Fincare Small Finance Bank Limited
	The South Indian Bank Limited
	MUDRA Bank
	Northern ARC Capital Limited
	Hinduja Leyland Finance Limited
	Reliance Capital Limited
	Sundaram Finance Limited
	MAS Financial Services Limited
	Capital First Limited
	Hero Fincorp Limited
	JM Financial Products Limited
	Manappuram Finance Limited
	A. K. Capital Finance Pvt. Limited
	Tata Capital Financial Services Limited
	Magma Fincorp Limited
	Mahindra & Mahindra Financial Services Limited
	Microvest Short Duration Fund, LP

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Trustee	**Catalyst Trusteeship Limited**
	(Erstwhile GDA Trusteeship Limited)
	Office No. 83 - 87, 8th Floor, 'Mittal Tower',
	'B' Wing, Nariman Point, Mumbai - 400 021
	IDBI Trusteeship Service Limited
	Asian Building, 17, R Kamani Road,
	Ballard Estate, Fort, Mumbai - 400 001
Share Registrar & Transfer Agent	Karvy Computershare Pvt. Ltd.
	7th Floor, 701, Hallmark Business Plaza
	Sant Dnyaneshwar Marg, Bandra East,
	Mumbai - 400 051 (Maharashtra)
Registered Office	"Kogta House", Azad Mohalla
	Near Railway Station,
	Bijainagar, Ajmer - 305 624
	Rajasthan
Corporate Office	206, Ganpati Plaza,
	M. I. Road, Jaipur - 302 001
	Rajasthan

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MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

1. ECONOMIC OVERVIEW

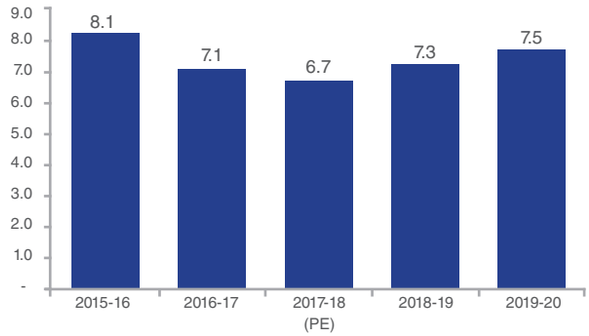
1.1 Economic Overview

The overall world output in 2017 witnessed its fastest growth since 2011, clocking a growth of 3.7% mainly driven by investment recovery in advanced economies, continued strong growth in emerging Asia and emerging Europe, and signs of recovery in several commodity exporters. The Advanced Economies (AE) grew at 2.4% in 2017 versus 1.7% in 2016, due to a strong uptick in investment spending, whilst the Emerging Market and Developing Economies (EMDE) grew at 4.7% in 2017 as against 4.4% in 2016, led by the growth of net exports in China and a strong private consumption recovery in India. With financial conditions still supportive, global growth is expected to be broad-based at 3.9% in both, 2018 and 2019. This growth in AE is expected to be led by a sizeable fiscal expansion in the United States and its spill over effects. India and China are the only two major economies that are projected to surpass the world growth rate at 7.3% and 6.6% in 2018, respectively. *(Source: IMF, World Economic Outlook, July 2018)*

1.2 Indian Economy

Acceleration in the manufacturing sector, impetus on infrastructure development, strong pick-up in activity in the services sector, low inflationary pressures and normal monsoon, along with a slew of Government initiatives have positioned India on a strong footing on the global map. India became the world's sixth-biggest economy, with US$ 2.6 Trillion GDP at the end of CY 2017. In the World Bank's Ease of Doing Business index, India's global ranking reached the 100th rank among 190 countries in 2018 as compared to 130th rank in the previous year. As per the provisional estimates issued by the Central Statistics Organisation (CSO), Indian GDP grew by 6.7% at constant prices in 2018 as compared to 7.1% in 2017. Housing for All; Make in India; Digital India; Skill India; rural electrification drive; Smart Cities Mission; focus on development of roads, highways, railways, airports & ports; implementation of the Seventh Pay Commission; recovery in exports and private sector investments, have all helped achieve a strong growth in FY 2017-18. *(Source: CSO)*

India's GDP growth



2. AUTOMOTIVE INDUSTRY

The Indian automotive industry, comprising passenger cars, two-wheelers, three-wheelers and commercial vehicles (CVs), is the fourth largest in the world and accounts for 50% of the India's manufacturing GDP. Aided by an improvement in the rural economy and to an extent, the demonetisation-influenced low base, the Indian auto manufacturers produced a record 2,90,14,565 vehicles in FY 2017-18 as compared to 2,53,44,006 in FY 2016-17, up 14.5%. The industry is well-positioned for growth aided by favourable demographic profile with increasing working-age population. Rising prosperity, easier access to finance and increasing affordability bodes well for four-wheelers. Two-wheelers continue to remain the preferred choice by youth, females and rural market due to low cost and ease of riding. *(Source: SIAM)*

The Government continued its initiatives for the domestic automobile industry like **Automotive Mission Plan (AMP) 2006 - 2016**, which aims to create sales of US$ 300 Billion by 2026 at 15% CAGR. Contribution of auto industry to the country's GDP, which is close to 7% currently, is expected to rise to 13% with creation of more than 100 Million jobs. Companies are expected to invest around US$ 80 Billion as a part of their capital expenditure.

During FY 2017-18, a total of 8,56,453 CVs were sold in the domestic market, 19% higher than the previous year. Within this segment, Light Commercial Vehicles (LCVs) grew by 25%, while the Medium & Heavy Commercial Vehicles (MUV & HCVs) grew by 12%. During FY 2017-18, a total of 6,35,698 Three-wheelers were sold in the domestic market, 24% higher than the previous year. *(Source: SIAM)*

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Outlook

The Indian automotive industry is well on track to clock a robust growth in coming years, across majority of segments with some moderation in CV growth. Upcoming elections, large investments in R&D and product development towards implementation of upcoming regulatory changes, push towards electric vehicles, and absence of major change in prices post GST implementation and improvement in safety standards will contribute meaningfully to growth. Robust rural growth expectations supported by normal monsoon forecast, announcement of higher crop prices, government spending on infrastructure, and election-related spending by political parties will contribute towards higher automobile sales especially the Two-wheelers and Light Commercial Vehicles. The recently approved biggest highway construction projects in India - Bharatmala project, worth ₹ 7 Lakh Crores to build 83,000 kms of road by 2022 along with improvement in construction and mining activities and higher demand from e-commerce and FMCG industries is also expected to boost CV sales.

3. MSME SECTOR

The Micro, Small and Medium Enterprise (MSME) sector employs over 111 Million people and contributes to 31% of India's GDP with ₹ 6.33 Crores registered MSMEs in the country. Led by the 'Make in India' programme, India is well placed to become a manufacturing hub and is expected to become the fifth largest manufacturing country in the world by 2020. This initiative has given a major boost to MSME sector characterised by low capital requirement and high employment generation capability. Adept with the combination of expertise, raw material, technical know-how and skill, the Indian MSME sector is well poised for humungous growth in the near future. In the Union Budget 2018, the Government increased allocation for MSME sector and also reduced corporate tax rate for MSMEs.

As on March 2017, credit to MSMEs stood at ₹ 16 Trillion with a large unmet credit demand estimated at ₹ 25 Trillion. Banking NPAs in the MSMEs segment stood high at 8.4% in March 2017, while that of non-banks stood at 3%.

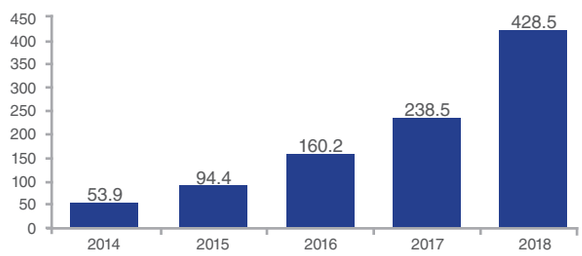
4. NBFC SECTOR

NBFCs which finance more than 80% of equipment leasing and hire purchase activities in India are growing rapidly, from US$ 29.37 Crores in FY 2008-09 to US$ 608.95 Crores in FY 2016-17, registering 46% CAGR. NBFCs are rapidly gaining prominence as intermediaries in the retail finance space by lending services to MSMEs and the unbanked population in rural/semi-urban and urban areas. The credit growth is expected to grow at 12-14% over the next five years. As per ICRA, NBFCs and Housing Finance Companies (HFCs) are expected to expand at about 20-21% CAGR over the next five years. Bank credit to this segment, which accounted for 84% of total MSME credit, is estimated to grow at a lower CAGR in the range of 9 - 11%. Non-banking share in the MSME credit pie is thus expected to expand to 22 - 23% by March 2022, compared to 16% in March 2017, led by their niche positioning, differentiated product offering, good market knowledge and large unmet demand. Non-banks have a more flexible and customised credit assessment for this segment and have steadily been moving to lower ticket loans, in view of the asset quality pressure in the large ticket loans and better yields in the smaller ticket loan categories. *(Source: IBEF)*

5. COMPANY OVERVIEW

We are an NBFC registered with RBI since 1998. With over two decades of rich experience in asset finance business, we cater to Commercial Vehicles (HCV, LCV, MUV, Three-wheelers), Cars, Two-wheelers, Loan Against Property (LAP) and Secured Business Loan (SME/MSME) segments. Our Company primarily operates in Western India covering states such as Rajasthan, Gujarat, Maharashtra as well has a presence in Madhya Pradesh and Delhi NCR. At Kogta Financial (India) Limited, we employ more than 500 employees servicing a client base of more than 50,000 customers with our wide network of about 60 branches. Our expansion strategy is focussed on deep penetration in the existing regions, mining through the locally available knowledge and further expanding to other Tier II & III regions. We have strong tie-ups with many lenders including banks (including small finance banks), NBFCs and foreign investors like SBI, AU Small Finance Bank, DCB Bank, Hinduja Leyland, IMFR Fimpact, AK Capital and IMFR Capital among others. Our aim is to increase the concentration of banks in our lenders mix which offer low cost of capital, high stickiness and required support at critical instances. Our strong business ethics has enabled us to maintain a healthy asset quality with NPA levels below 3% over the last five years, despite a stupendous growth of 60% CAGR in AUM.

Assets under Management (₹ in Crores)



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Credit Ratings

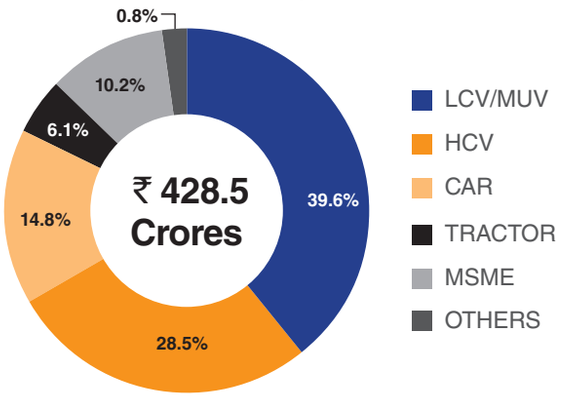
CARE revised the rating for long-term bank facility of ₹ 110 Crores from Care BBB-; positive to Care BBB; stable. Similarly, the rating for NCD issue of ₹ 40 Crores was revised upwards from Care BBB-; positive to Care BBB; stable.

SWOT Analysis

Operational Review

Our Company has a well-diversified exposure to various segments in the auto finance segment. Assets under Management (AUM) in FY 2017-18 stood at ₹ 428.5 Crores as compared to ₹ 238.5 Crores in FY 2016-17, an increase of 80%. We also entered the states of Madhya Pradesh and Delhi NCR which increased our total locational presence from 37 in FY 2016-17 to 59 in FY 2017-18.

During FY 2017-18, our portfolio mix continued to be dominated by the LCV/MUV segments at 39.6%, closely followed by HCV at 28.5%, Cars at 14.8% and Tractors at 6.1%. MSME segment contributed 10.2% and others contribute 0.8% to the total revenue.



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Financial Review

During FY 2017-18, we continued our healthy financial growth trajectory with 59% upswing in revenues and robust PAT margin at 13%.

Financial Overview (₹ in Crores)

	FY 2016	FY 2017	FY 2018
AUM	160.2	238.5	428.5
Revenues	26	40.1	64.19
Revenue growth (%)	58%	54%	59%
PBT	4.8	7.2	11.7
PBT margin (%)	19%	18%	18%
PAT	3.1	5	8.3
PAT margin (%)	12%	13%	13%
Net Worth	28.5	57	68.2
CRAR	29%	31%	21%

Risk Management

Risk Factors	Mitigation Measures
Liquidity Risk Being in the lending business, our Company faces the risk of liquidity crunch in case lenders tighten lending policy and/or increase cost of capital.	We have a diversified mix of lenders with long-lasting relationships and a good track record. This ensures easy availability of adequate finance at competitive cost of capital.
Interest Rate Risk Our Company is exposed to fluctuations in interest rates and faces risk of drastic movement in rates.	Interest rate fluctuations are closely monitored and appropriate timely measures are undertaken to shield the business from undue fluctuations.
Operational Risk Expansion of business into newer geographies poses operational and control difficulties as business complexity increases.	Our Company has in place an in-house ERP-based customised proprietary risk management and reporting software for achieving greater operational efficiency.
Credit Risk At Kogta Financial (India) Limited, we face the risk of default of the customer on their obligations due to bankruptcy, lack of liquidity, economic downturns, operational failure, fraud or other reasons.	We follow a robust framework and closely evaluate the borrowers profile with thorough study of credit history. The sustained low NPA levels reflect the robust nature of our lending policies.
Competition Risk Our Company faces significant competition, led by low entry barriers and a number of small players in the market which pose consolidation risk in addition to increased international competition given the attractive growth prospects.	We have a strong presence in the Western region of India with a wide variety of product portfolio and continuous commitment to improve relationships with all stakeholders. Our Company is well poised to counter any competition led by strong commitment to serve the customers in the most friendly and professional manner.
Regulatory Risk Being a part of the financial sector, we are exposed to risks arising from changes in the regulatory framework or non-compliance.	Our Company's robust internal control framework ensures strict compliance and adherence to all rules and regulations that govern our business. We are prompt in affecting any changes issued by the regulator.
Human Resource Risk Human capital is at the helm of operations as borrower profile needs to be properly assessed led by experience and available data.	Our Company's robust HR policies ensure apt HR selection, high retention level and unflagging motivation. We provide regular skill development and training and maintain a friendly, but professional work environment.

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Human Resources

Skilled human capital is our greatest strength. Nurturing people is a key organisational goal and leadership mandate. Employee satisfaction is a top priority with training and employee motivation being an integral part of the DNA of our Company. We have embarked on several human resource initiatives to enhance the productivity of the organisation and each individual. Our Company continually strives to attract, retain, and develop the best talent required for the business to grow. We ensure a safe, conducive and productive work environment. HR policies nurture a work culture that leads to employee satisfaction, unflagging motivation, and high retention. Our Company boasts of well-defined HR policies which take care of both personal and professional growth of our employees. We have reached a number of 545 employees in FY 2017-18 from 149 in FY 2015-16. Employees have a sense of belongingness and feel empowered in driving business profitability.

Information Technology

As our Company operates in the financial sector, Information technology is at the centre stage. We have deployed the best systems across our branches to ensure the ease of operations and adequate security of data. The IT infrastructure supports high levels of service driven by a combination of in-house data centre and cloud deployments. Supported by firewalls, end-user device protection, and application assessments, the IT systems ensure high level of data security. Our in-house software "Accurate" forms the backbone of our organisation.

Internal Control

In view of the size and nature of the business, we have formulated well-defined and structured internal control systems. Stringent procedures ensure high accuracy in recording and providing reliable financial and operational information, meeting statutory compliances and safeguarding assets from unauthorised use. Our internal team keeps a close watch on business operations and immediately highlights any deviations to the Management and Audit Committee for timely correction. We have devised a host of strategies as a follow-up measure to safeguard us from uncertain events.

Cautionary Statements

Certain statements in the Management Discussion and Analysis describing our objectives, predictions 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 risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact our Company's business as well as the ability to implement the strategy.

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BOARD'S REPORT

BOARD'S REPORT

To
The Members
Kogta Financial (India) Limited

The Board of Directors of your Company has the pleasure of presenting the Twenty-second Annual Report of Kogta Financial (India) Limited ("the Company" or "KFL") together with the Audited Financial Statements and the Auditor's Report of your company for the financial year ended March 31, 2018.

1. FINANCIAL HIGHLIGHTS

The financial performance for FY 2017-18 is summarised in the following table:

(Amount in ₹)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Total Income		64,19,66,128		40,12,57,902
Total Expenditure		25,12,49,153		14,31,84,844
Profit Before Interest & Depreciation		**39,07,16,975**		**25,80,73,058**
Less: Interest and Finance charges	28,30,67,869		20,19,52,848	
Less: Depreciation	74,45,339	**29,05,13,208**	49,06,544	**20,68,59,392**
Profit Before Exceptional Items and Tax		**10,02,03,767**		**5,12,13,666**
Add: Exceptional Items		1,69,24,506		2,07,75,717
Profit Before Tax		**11,71,28,273**		**7,19,89,383**
Total Tax Expenses		3,38,59,783		2,22,61,777
Profit After Taxation		**8,32,68,490**		**4,97,27,606**
Appropriation :-				
Dividend on Equity Shares		96,00,100		96,00,100
Dividend on Preference Shares		0		1,477
Tax on Dividend		19,54,388		19,54,689
Transfer to General Reserve		1,00,00,000		1,00,00,000
Transfer to Statutory Reserve Fund		1,66,53,698		99,45,521
EPS				
Basic		**8.41**		**5.18**
Diluted		**6.15**		**4.53**

2. FINANCIAL PERFORMANCE

For the year under review:

- Gross income rose to ₹ 6,419.66 Lakhs as compared to ₹ 4,012.58 Lakhs in the previous year showing the growth of 60%.
- The Profit before Exceptional Items and Tax for the year is ₹ 1,002.04 Lakhs as compared to ₹ 512.14 Lakhs in the previous year showing the growth of 95.66%.
- The total Assets Under Management for the year is ₹ 42,851.70 Lakhs as compared to ₹ 238,50.54 Lakhs in the previous year with an increase of 79.67%.

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3. DIVIDEND

At the meeting of the Board of Directors held on November 10, 2017, the Directors approved the payment of Interim Dividend of ₹ 1.00 per equity share on Pari - Passu basis i.e. @ 10% of the paid up capital, amounting to ₹ 96,00,100/- for FY 2017-18. The tax on distributed profits paid on the dividend was ₹ 19,54,388/- (previous year ₹ 19,54,388/-) making the aggregate distribution to ₹ 1,15,54,488/. In order to conserve the resources of the Company, the Directors do not recommend payment of any final dividend on the Equity Shares for FY 2017-18.

Further the Board has recommended a final dividend of ₹ 3,527 (Rupees Three Thousand Five Hundred Twenty-Seven only) on Pari - Passu basis i.e. @ 0.01% to the preference shareholders of the Company, subject to approval of shareholders in the ensuing Annual General Meeting. The tax on distributed profits payable on this dividend is ₹ 718/-. The proposed dividend would be tax free in the hands of the shareholders.

4. AMOUNT TRANSFERRED TO RESERVES

The Board of the company has decided/proposed to transfer the following amounts to various reserves during the financial year ended March 31, 2018.

Amount transferred to	Amount (₹ in Lakhs)
General Reserves	100.00
Transfer to Statutory reserve fund (U/s 45IC of RBI Act)	166.54

5. SHARE CAPITAL

Authorised Share Capital	**₹ 15,00,00,000**
Equity	₹ 10,00,00,000 consisting of 1,00,00,000 equity shares of face value of ₹ 10/- each
Preference	₹ 5,00,00,000 consisting of 50,00,000 preference shares of face value of ₹ 10/- each
Issued, Subscribed and Paid-Up Share Capital	**₹ 13,44,01,000**
Equity	₹ 9,60,01,000 consisting of 96,00,100 equity shares of face value of ₹ 10/- each
Preference	₹ 3,84,00,000 consisting of 38,40,000, 0.01% Compulsorily Convertible Cumulative Preference shares of face value of ₹ 10/- each

6. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Your Company does not have any Subsidiary, Joint venture or Associate Company.

7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend Outstanding last year, therefore, the provisions of Section 125 of the Companies Act, 2013 does not apply.

8. MATERIAL CHANGES AND COMMITMENTS

During the FY 2017-18, the Company has issued 3807 (Three Thousand Eight Hundred and Seven) and 3807 (Three Thousand Eight Hundred and Seven) Non-Convertible Debentures of ₹ 50,000/- (Rupees Fifty Thousand only) each for a total value of ₹ 38,07,00,000/- (Rupees Thirty Eight Crore Seven Lakh Only) to Microvest Short Duration Fund, L.P. on 13th day of April, 2017 and 1st day of July, 2017 respectively.

During the FY 2017-18, the Company has also issued 5,12,000 Compulsorily Convertible Preference Shares (CCPS) on a face value of ₹ 10/- each to IIFL Ventures Fund I on dated November 09, 2017.

During the FY 2017-18, the Company has redeemed 150 (One Hundred Fifty) Non-Convertible Debentures of ₹ 15,00,00,000/- (Rupees Fifteen Crores only) each for a nominal value of ₹ 10,00,000/- (Rupees Ten Lakh only) issued to IFMR FImpact Long-Term Multi Asset Class Fund on 28th day of November, 2017.

Further no other material changes and commitments have made that affect the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

9. THE EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. (Annexure: 1)

10. DIRECTORS

The clause 68 of Part 'A' of Articles of Association of the Company and the provisions of section 152(6) of the Companies Act, 2013, provide that at least

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two-third of our Directors shall be subject to retirement by rotation. One-third of these retiring Directors must retire from office at each Annual General Meeting of the shareholders. A retiring Director is eligible for re-election.

Shri Varun Kogta will retire by rotation and being eligible, offer himself for reappointment. The details of his re-appointment are provided in the Notice of the ensuing Annual General Meeting.

During the current financial year, the following changes have occurred in the constitution of directors of the company:

a) Mr. Nayan Kogta, who is already Executive Director of the Company, has been re-appointed as an Executive Director of the Company on March 20, 2018 for a period of Five years from the date of appointment;

The Present Directors of the Company are as follows:

Sl. No.	Name of the Director	Designation
1.	Mr. Radha Krishan Kogta	Chairman
2.	Mr. Arun Kogta	Managing Director and CEO
3.	Mr. Varun Kogta	Executive Director and CFO
4.	Mr. Nayan Kogta	Executive Director
5.	Mr. Ram Dayal Modi	Independent Director
6.	Mr. P R Kalyanaraman	Independent Director
7.	Mr. Amit Mehta	Nominee Director

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

11. MEETINGS OF THE BOARD OF DIRECTORS

During FY 2017-18, the Company held Five (5) Board Meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarised below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	25/05/2017	7	7
2.	25/07/2017	7	4
3.	09/10/2017	7	5
4.	10/11/2017	7	6
5.	02/02/2018	7	7

12. NUMBER OF MEETING ATTENDANT BY EACH DIRECTOR

Sr. No.	Name of Director	Meeting of Board			Meeting of Committees of the Board		
		Number of meeting Held	Number of Meeting attendant	%	Number of meeting Held	Number of Meeting attendant	%
1.	Mr. Radha Krishan Kogta	5	4	80	1	1	100
2.	Mr. Arun Kogta	5	4	80	17	6	35.29
3.	Mr. Varun Kogta	5	5	100	27	27	100
4.	Mr. Nayan Kogta	5	4	80	17	16	94.12
5.	Mr. Ram Dayal Modi	5	4	80	6	4	66.67
6.	Mr. Amit Mehta	5	5	100	18	3	16.67
7.	Mr. P R Kalayanraman	5	3	60	5	4	80

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13. AUDIT COMMITTEE

According to Section 177 of the Companies Act, 2013 the Company's Audit Committee comprised of three directors. The board has considered the recommendations of the Audit Committee. Further, there was no change in the composition of the Audit Committee. The table sets out the composition of the Committee as follows:

Name of the Director	Position held in the Committee	Category of the Director
Mr. Varun Kogta	Chairman	Executive Director
Mr. Ram Dayal Modi	Member	Independent Director
Mr. P R Kalyanaraman	Member	Independent Director

The details of meetings of Audit Committee along with attendance of its members are as follows: -

Sl. No.	Date of Meeting	No. of Members entitled to attend the meeting	No. of Members attended the meeting	Percentage
1.	25/05/2017	3	3	100%
2.	25/07/2017	3	2	66.67%
3.	10/11/2017	3	2	66.67%
4.	02/02/2018	3	3	100%

Vigil Mechanism

As per Section 177(9) and 177(10) of the Companies Act, 2013, the Company has established Vigil Mechanism for directors and employees to report genuine concerns and made provisions for direct access to the chairperson of the Audit Committee. The Company has formulated the present policy for establishing the Vigil Mechanism/ Whistle Blower Policy to safeguard the interest of its stakeholders, Directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practice being carried out in the Company.

14. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government and financial services. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

According to Section 178 of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprised of three directors. The board has considered the recommendations of said Committee. Further, there was no change in the composition of the Nomination and Remuneration Committee. The table sets out the composition of the Committee as follows:

Name of the Director	Position held in the Committee	Category of the Director
Mr. Ram Dayal Modi	Chairman	Independent Director
Mr. P R Kalyanaraman	Member	Independent Director
Mr. Amit Mehta	Member	Nominee Director

The details of meetings of Nomination and Remuneration Committee along with attendance of its members are as follows:

Sl. No.	Date of Meeting	No. of Members entitled to attend the meeting	No. of Members attended the meeting	Percentage
1.	25/07/2017	3	2	66.67%

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15. REMUNERATION POLICY

Remuneration to Executive Directors

The remuneration paid to Executive Directors is recommended by the Nomination & Remuneration Committee and approved by Board of Directors in their Meeting, and approval of the shareholders, if necessary, at the General Meeting and such other authorities, as may be required. The remuneration has been decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees for attending a Meeting of the Board or Committee, thereof are decided by the Board of Directors from time to time within the limits prescribed by the Companies Act, 2013 and the rules thereunder.

Further the Nomination & Remuneration policy is enclosed herewith in Annexure 2.

16. LOAN AND INVESTMENT COMMITTEE

According to Section 179(3) of the Companies Act, 2013, the Board of Directors of the company at their meeting held on December 20, 2016 constitute Loan & Investment Committee to delegate its power to borrow money and to invest the funds of the Company to the Committee.

The Committee functions according to the role and the power of the committee, including borrowing limits depending on cost of funds and quantum of liabilities raised by the Company and investment in mutual funds, FD, etc. The table sets out the composition of the Committee as follows:

Name of the Director	Position held in the Committee	Category of the Director
Mr. Varun Kogta	Chairman	Executive Director & CFO
Mr. Arun Kogta	Member	Managing Director & CEO
Mr. Nayan Kogta	Member	Executive Director
Mr. Amit Mehta	Member	Nominee Director

The details of meetings of Loan & Investment Committee along with attendance of its members are as follows:

Sl. No.	Date of Meeting	No. of Members entitled to attend the meeting	No. of Members attended the meeting	Percentage
1.	27/05/2017	4	3	75%
2.	29/06/2017	4	4	100%
3.	25/07/2017	4	3	75%
4.	05/08/2017	4	2	50%
5.	22/08/2017	4	2	50%
6.	11/09/2017	4	2	50%
7.	26/09/2017	4	2	50%
8.	24/10/2017	4	3	75%
9.	09/11/2017	4	3	75%
10.	29/11/2017	4	2	50%
11.	02/01/2018	4	3	75%
12.	07/02/2018	4	2	50%
13.	24/02/2018	4	2	50%
14.	16/03/2018	4	2	50%
15.	21/03/2018	4	2	50%
16.	24/03/2018	4	2	50%
17.	31/03/2018	4	2	50%

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17. MANAGEMENT COMMITTEE

The Committee functions according to the role and the power of the committee, including to get registration(s) of the Branch offices of the Company under the Shop and Establishment Act, 1958 etc. Further, during this year the composition of the committee has been changed by appointing Mr. Vijendra Singh in place of Mrs. Priyanka Arora, member of the management committee. The table sets out the new composition of the Committee as follows:

The table sets out the composition of the Committee as follows:

Name of the Director	Position held in the Committee	Designations of the Members
Mr. Varun Kogta	Chairman	Executive Director & CFO
Mr. Rahul Agrawal	Member	Company Secretary
Mr. Manoj Sharda	Member	Operation Head
Mr. Vijendra Singh	Member	Operation Manager

The details of meetings of Management Committee along with attendance of its members are as follows:

Sl. No.	Date of Meeting	No. of Members entitled to attend the meeting	No. of Members attended the meeting	Percentage
1.	30/06/2017	4	4	100%
2.	29/08/2017	4	4	100%
3.	09/01/2018	4	4	100%
4.	16/02/2018	4	4	100%
5.	27/03/2018	4	4	100%

18. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Company has constituted CSR Committee. The terms of reference of the Committee are as follows:

i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.

ii) Recommend the amount of expenditure to be incurred on CSR activities.

iii) Monitor the CSR activities of the Company from time to time.

iv) Such other activities as may be determined by the Board of Directors from time to time.

The table sets out the composition of the Committee as follows:

Name of the Director	Position held in the Committee	Category of the Director
Mr. Radha Krishan Kogta	Chairman	Chairman
Mr. Varun Kogta	Member	Executive Director & CFO
Mr. R D Modi	Member	Independent Director

The details of meetings of Corporate Social Responsibility ("CSR") Committee along with attendance of its members are as follows:

Sl. No.	Date of Meeting	No. of Members entitled to attend the meeting	No. of Members attended the meeting	Percentage
1.	10/01/2018	3	3	100%

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19. CORPORATE SOCIAL RESPONSIBILITY

The Company has CSR Policy in place and the same can be accessed at https://kogta.in/Docs/CorporateSocialResponsibility(CSR)Policy.pdf.

The Annual Report on CSR activities is annexed herewith as Annexure 3 to this report. The Company has contributed a sum of ₹ 8,50,540 towards CSR activities during the FY 2017-18. The justification for the shortfall amount spent on CSR activities has been provided under.

Board's Explanation for Shortfall Amount Spent on CSR Activities

The Company is very particular in spending CSR expenditure in line with the CSR Policy of the Company. The Company has been very selective in identifying appropriate projects/areas for spending the required CSR amount and ensures that the projects funded were well within the prescribed CSR activities of the Company. The Company also ensures that the amount spent on account of CSR activities would benefit the society and real beneficiaries. During the FY 2017-18, the Company could not spend the required amount on CSR activities. We will continue to spend on CSR activities as per CSR Policy of the Company.

20. STATUTORY AUDITORS AND THEIR REPORTS

M/s S. R. BATLIBOI & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 301003E/E300005) were appointed as Statutory Auditor of the Company at the 21st Annual General Meeting of the company held on August 25, 2017 in terms of Section 139 of the Companies Act, 2013 for the term of five consecutive years.

As per section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

In accordance with the Companies Amendment Act, 2017, enforced on May 7, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The statutory auditors of the Company have submitted Auditors' Report on the financial statements of the Company for the financial year ended, March 31, 2018, which is presented in a separate section forming part of this Annual Report. The reports do not contain any reservation, qualification or adverse remark. Information referred in the Auditors' Report are self-explanatory and do not call for any further comments.

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 REPORT

The Secretarial Audit is not applicable on the company as it is not covered under the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

23. REPORTING OF FRAUDS BY AUDITORS

For the FY 2017-18, the Statutory Auditor has not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee of the Company.

24. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your directors, based on the representations received from the operating management and after due enquiry, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) they 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) they 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) they had prepared the annual accounts on a going concern basis.

e) Though the Company is an unlisted Company, it had laid down adequate internal financial control and were operating effectively.

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.

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25. LOANS, GUARANTEES AND INVESTMENTS

Pursuant to the clarification dated February 13, 2015 issued by Ministry of Corporate Affairs and Section 186(11) of the Companies Act, 2013, the provisions of Section 186(4) 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 to a company engaged in the business of asset financing activities.

26. RELATED PARTY TRANSACTIONS

The Company, being a Non-Banking Financial Company, undertakes various transactions with related parties in the ordinary course of business and at Arms' Length Price. Your Company has entered into various Related Parties Transactions as defined under Section 188 of the Companies Act, 2013 with related parties as defined under Section 2 (76) of the said Act. The details of material related party transactions at an aggregate level for year ended March 31, 2018 are attached herewith in Form No. AOC-2 for your kind perusal and information (Annexure 4) 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. STATUTORY DISCLOSURES

Energy Conservation, Technology Absorption & Foreign Exchange Earnings and Outgo

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

Particulars	Remarks
A) Conservation of Energy:	
• the steps taken or impact on conservation of energy;	The Company is taking due care for using electricity in the office and its branches. The Company usually takes care for optimum utilisation of energy. No capital investment on energy conservation equipment made during the financial year.
• the steps taken by the company for utilising alternate sources of energy;	NIL
• the capital investment on energy conservation equipments;	NIL
B) Technology Absorption:	
• the efforts made towards technology absorption;	NIL
• the benefits derived like product improvement, cost reduction, product development or import substitution;	NIL
• in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	NIL
(a) the details of technology imported;	NIL
(b) the year of import;	NIL
(c) whether the technology been fully absorbed;	NIL
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable since 5 years period is over	NIL
• the expenditure incurred on Research and Development	NIL
C) Foreign Exchange Earnings and Outgo:	
• the Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	NIL

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28. PARTICULARS OF DEPOSITS

The Company was registered as Non Deposit taking Non-Banking Financial Company under Reserve Bank of India. Therefore, the company did not hold any public deposit at beginning of the year nor has accepted any deposits from public during the financial year.

29. INDEPENDENT DIRECTORS AND DECLARATION

Mr. Ram Dayal Modi and Mr. P R Kalyanaraman has been appointed as the independent director of the company as per provisions of the Companies Act, 2013.

Further the Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

Further as per provisions of the Companies Act, 2013 the Independent directors of the company should require to meet separately once in a calender year to review the performance of other executive and non-executive directors of the Company without the presence of executive director, non-executive director, non-independent director and other management personnel.

The details of meetings of Independent Director Meeting along with attendance of its members are as follows:

Sl. No.	Date of Meeting	No. of Members entitled to attend the meeting	No. of Members attended the meeting	Percentage
1.	25/05/2017	2	2	100%

30. MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis Report for the financial year under review is presented in a separate section forming part of this Annual Report.

31. ANNUAL EVALUATION

The provision of section 134(3)(p) relating to board evaluation is not applicable on the Company.

32. RISK MANAGEMENT

Financial intermediaries' including KFL are prone to losses associated with change in credit quality of borrowers and counterparties and are confronted with credit risks in its lending processes. This makes management, control and mitigation of these risks imperative for ensuring the successful functioning of such institutions. Realising the dual importance of business and revenue growth while minimising credit risks, your Company has incorporated a moderate credit risk management practices in its business model, which encompasses identification, assessment, measurement, monitoring and mitigation of credit risks in line with best practices prevailing in the industry.

In pursuance of RBI guidelines, necessary role centers have been created in the organisational structure to facilitate discharge of risk management functions, which include the Board of Directors and the Risk & Compliance Department.

The credit policy of your Company is reviewed periodically keeping in view the changing economic and business environment.

For the purpose of ensuring proper credit evaluation and monitoring standards, credit audit is carried out at regular intervals. The main objectives of the audit exercise include adherence to various policies of the Company viz. credit policy and KYC & AML policy and compliance with the internal sanctions made by credit head.

Going forward, the risk management function at KFL is expected to assume a more critical role, with emphasis on protection of asset quality in a challenging and dynamic credit environment. Your Company would continue to work on various initiatives aimed at strengthening credit risk standards and post sanction monitoring of the necessary

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documentation. Your Company would also strive to develop a strong culture for risk management and awareness within the organisation.

33. LIST OF TOP TEN EMPLOYEES OF THE COMPANY

The list of top ten employees of the Company is as follows:

Amount (₹)

Sr. No.	Name	Designation	Salary Per Annum
1.	Arun Kogta	Executive Director & CEO	25,00,000
2.	Varun Kogta	Executive Director & CFO	25,00,000
3.	Radha Krishan Kogta	Executive Director	18,00,000
4.	Shobhit Nawal	Manager-Accounts & Finance	13,80,000
5.	Nayan Kogta	Executive Director	12,00,000
6.	Girish Bhagwandas Patel	Regional Manager	12,00,000
7.	Ramteras Prajapati	Zonal Manager	9,60,000
8.	Samir Singh	Regional Manager	9,00,000
9.	Haresh Jivanbhai Unagar	Regional Manager	9,00,000
10.	Sant Kumar Jha	Regional Manager	8,16,000

34. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the Financial Year ended March 31, 2018, the Company has not received any complaint regarding the sexual harassment.

35. 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 instituted Stock Option Schemes is to attract and retain the personnel for positions of substantial responsibility and to provide additional incentive to employees. The ESOP Plan is implemented to enable the employees to share the wealth that they help to create for the company over a certain period of time.

Board of Directors at its meeting dated February 2, 2018 passed a resolution to approve ESOP Scheme called as “Employee Stock Option Scheme” which was approved by shareholders at Extra – Ordinary General Meeting dated February 28, 2018.

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

36. 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.

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37. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has put in place an adequate system of internal controls commensurate with the size and nature of operations to ensure that the transactions are properly recorded, authorised and the assets are continuously monitored and safeguarded. The internal control system is backed up by well documented policies, guidelines and procedures and the Company's internal audit process is designed inter alia, to cover all significant areas of the Company's operations such as accounting, finance, inventory, insurance, treasury etc.

38. PARTICULARS OF RBI COMPLIANCES

Your company has operated in regulatory framework of Reserve Bank of India as prescribed in Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time.

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

39. SECRETARIAL STANDARDS

The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board and General Meetings.

40. ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Financial Institutions, Government Authorities, Customers and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

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

RADHA KRISHAN KOGTA
Chairman
DIN: 00197552

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ANNEXURE - 1

Form No. MGT-9

Extract of Annual Return

As on the Financial Year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	U67120RJ1996PLC011406
Registration Date	:	15th January, 1996
Name of the Company	:	KOGTA FINANCIAL (INDIA) LIMITED
Category	:	Company Limited by Shares
Sub-Category of the Company	:	Indian Non-Government Company
Address of the Registered office	:	"Kogta House", Azad Mohalla, Near Railway Station,
		Bijainagar, Ajmer - 305624, Rajasthan
Contact details	:	0141- 2389025/26
Email ID	:	info@kogta.in
Whether listed company	:	No
Name, Address and Contact details of	:	Karvy Computershare Private Limited
Registrar and Transfer Agent		701, 7th Floor, Hallmark Business Plaza,
		Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital,
		Off Bandra Kurla Complex, Bandra East, Mumbai.
		Ph. No.: 022-61491635

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Financial Services	6492	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1	NA	NA	NA	NA	NA

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

i. Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change During
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	96,00,000	96,00,000	99.999%	-	96,00,000	96,00,000	99.999%	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-

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Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change During
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	**-**	**96,00,000**	**96,00,000**	**99.999%**	**-**	**96,00,000**	**96,00,000**	**99.999%**	**-**
(2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total A.(A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**-**	**96,00,000**	**96,00,000**	**99.999%**	**-**	**96,00,000**	**96,00,000**	**99.999%**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	100	-	100	0.001%	100	-	100	0.001%	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Trust	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	**100**	**-**	**100**	**0.001%**	**100**	**-**	**100**	**0.001%**	**-**
2. Non Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
c) Other (specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B)= (B)(1)+ (B)(2)	**100**	**-**	**100**	**0.001%**	**100**	**-**	**100**	**0.001%**	**-**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**100**	**96,00,000**	**96,00,100**	**100%**	**100**	**96,00,000**	**96,00,100**	**100%**	**-**

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ii. Shareholding of Promoters (Equity Share Capital)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Radha Krishan Kogta	7,29,500	7.599%	-	7,29,500	7.599%	-	0.000%
2	Banwari Lal Kogta	5,49,000	5.719%	-	5,49,000	5.719%	-	0.000%
3	Bal Mukund Kogta	13,22,000	13.771%	-	13,22,000	13.771%	-	0.000%
4	Durga Devi Kogta	3,49,500	3.641%	-	3,49,500	3.641%	-	0.000%
5	Madhu Kogta	3,91,000	4.073%	-	3,91,000	4.073%	-	0.000%
6	Manju Kogta	1,99,000	2.073%	-	1,99,000	2.073%	-	0.000%
7	Arun Kogta	7,91,000	8.239%	-	7,91,000	8.239%	-	0.000%
8	Varun Kogta	6,27,000	6.531%	-	6,27,000	6.531%	-	0.000%
9	Ayush Kogta	2,39,000	2.490%	-	2,39,000	2.490%	-	0.000%
10	Nayan Kogta	5,67,000	5.906%	-	5,67,000	5.906%	-	0.000%
11	Neha Kogta	1,72,000	1.792%	-	1,72,000	1.792%	-	0.000%
12	Banwari Lal Kogta HUF	5,74,500	5.984%	-	5,74,500	5.984%	-	0.000%
13	Varun Kogta HUF	3,04,500	3.172%	-	3,04,500	3.172%	-	0.000%
14	Arun Kogta HUF	5,21,500	5.432%	-	5,21,500	5.432%	-	0.000%
15	Prem Lal Kogta HUF	4,26,000	4.437%	-	4,26,000	4.437%	-	0.000%
16	Bal Mukund Kogta HUF	4,00,000	4.167%	-	4,00,000	4.167%	-	0.000%
17	Radha Krishan Kogta HUF	4,54,500	4.734%	-	4,54,500	4.734%	-	0.000%
18	Nidhi Kogta	5,80,000	6.042%	-	5,80,000	6.042%	-	0.000%
19	Ritu Kogta	4,03,000	4.198%	-	4,03,000	4.198%	-	0.000%
	Total	**96,00,000**	**99.999%**	**-**	**96,00,000**	**99.999%**	**-**	**0.000%**

iii. Change in Promoters' Shareholding (Equity Share Capital) (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	96,00,000	99.999%	96,00,000	99.999%
2.	Increase/ Decrease during the year	NIL	NIL	NIL	NIL
3.	At the End of the year	96,00,000	99.999%	96,00,000	99.999%

iv. Shareholding Pattern (Equity Share Capital) of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	List of Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	IIFL Seed Ventures Fund I	100	0.001%	100	0.001%

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v. Shareholding (Equity Share Capital) of Directors and Key Managerial Personnel

Below is the List of Director and Key Managerial Personnel as on March 31, 2018

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Radha Krishan Kogta (Chairman)	7,29,500	7.599%	7,29,500	7.599%
	Increase/ Decrease during the year	0	0	0	0
	At the end of the year	7,29,500	7.599%	7,29,500	7.599%
2.	Arun Kogta (Managing Director & CEO)	7,91,000	8.239%	7,91,000	8.239%
	Increase/ Decrease during the year	0	0	0	0
	At the end of the year	7,91,000	8.239%	7,91,000	8.239%
3.	Varun Kogta (Whole-Time Director & CFO)	6,27,000	6.531%	6,27,000	6.531%
	Increase/ Decrease during the year	0	0	0	0
	At the end of the year	6,27,000	6.531%	6,27,000	6.531%
4.	Nayan Kogta (Whole-Time Director)	5,67,000	5.906%	5,67,000	5.906%
	Increase/ Decrease during the year	0	0	0	0
	At the end of the year	5,67,000	5.906%	5,67,000	5.906%
5.	Ram Dayal Modi (Independent Director)	-	-	-	-
	Increase/ Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
6.	P R Kalyanaraman (Independent Director)	-	-	-	-
	Increase/ Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
7.	Amit Mehta (Nominee Director)	-	-	-	-
	Increase/ Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
8.	Rahul Agrawal (Company Secretary)	-	-	-	-
	Increase/ Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-

B. SHARE HOLDING PATTERN (Preference Share Capital Breakup as percentage of Total Preference Capital)

i. Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change During
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change During
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total A.(A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	33,28,000	-	33,28,000	100.00%	38,40,000	-	38,40,000	100.00%	+15.38%
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Trust	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	**33,28,000**	**-**	**33,28,000**	**100.00%**	**38,40,000**	**-**	**38,40,000**	**100.00%**	**+15.38%**
2. Non Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas									
b) Individual	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
c) Other (specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B)= (B)(1)+ (B)(2)	**33,28,000**	**-**	**33,28,000**	**100.00%**	**38,40,000**	**-**	**38,40,000**	**100.00%**	**+15.38%**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**33,28,000**	**-**	**33,28,000**	**100.00%**	**38,40,000**	**-**	**38,40,000**	**100.00%**	**+15.38%**

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ii. Shareholding of Promoters (Preference Share Capital)

NIL

iii. Change in Promoters' Shareholding (Preference Share Capital) (please specify, if there is no change)

NIL

iv. Shareholding Pattern (Preference Share Capital) of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	List of Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	IIFL Seed Ventures Fund I	33,28,000	100.00%	38,40,000	100.00%

v. Shareholding (Preference Share Capital) of Directors and Key Managerial Personnel

NIL

V. INDEBTEDNESS

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

Amount (₹)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year					
i)	Principal Amount	1,49,04,51,237	30,00,00,000	-	1,79,04,51,237
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	65,90,879	-	-	65,90,879
Total (i+ii+iii)		**1,49,70,42,116**	**30,00,00,000**	**-**	**1,79,70,42,116**
Change in Indebtedness during the Financial Year					
•	Addition	2,24,07,00,000	1,69,79,473	-	2,25,76,79,473
•	Reduction	78,12,65,573	16,11,59,322	-	94,24,24,895
Net Change		1,45,94,34,427	(14,41,79,849)	-	1,31,52,54,578
Indebtedness at the end of the Financial Year					
i)	Principal Amount	2,94,14,46,933	15,58,20,151	-	3,09,72,67,084
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	1,50,29,610	-	-	1,50,29,610
Total (i+ii+iii)		**2,95,64,76,543**	**15,58,20,151**	**-**	**3,11,22,96,694**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (₹)
		Radha Krishan Kogta (Chairman)	Varun Kogta (WTD & CFO)	Arun Kogta (MD & CFO)	Nayan Kogta (WTD)	
1	**Gross salary**					
	(a) Salary as per provisions contained in section17(1) oftheIncome-tax Act,1961					
	(b) Value of perquisites u/s 17 (2) Income-Tax Act, 1961.	18,00,000	25,00,000	25,00,000	12,00,000	80,00,000

Kogta.indb 39 10/31/2018 11:34:04 AM

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (₹)
		Radha Krishan Kogta (Chairman)	Varun Kogta (WTD & CFO)	Arun Kogta (MD & CFO)	Nayan Kogta (WTD)	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act,1961					
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	- Others, specify…					
5	Others, please specify	-	-	-		-
	Total (A)	**18,00,000**	**25,00,000**	**25,00,000**	**12,00,000**	**80,00,000**
Ceiling as per the Act within the limit of 10% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013						

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		Amit Mehta (Nominee Director)	Ram Dayal Modi (Independent Director)	P R Kalyanaraman (Independent Director)	
	Independent Directors				
	• Fee for attending board committee meeting	-	75,000	50,000	1,25,000
	• Commission	-	-	-	-
	• Others, please specify (Travel Expenses)	-	9,765	8,917	18,682
	Total (1)	**-**	**84,765**	**58,917**	**1,43,682**
	Other Non-Executive Directors				
	• Fee for attending board committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**
	Total(B)=(1+2)	**-**	**84,765**	**58,917**	**1,43,682**
	Total Managerial Remuneration				
Ceiling as per the Act within the limit of 1% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013					

C. Remuneration to key managerial personnel other than MD/ Manager/ WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹)
		Arun Kogta (CEO)	Rahul Agrawal (CS)	Varun Kogta (CFO)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	As described Point No. A of VI	7,20,000	As described Point No. A of VI	7,20,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				

Kogta.indb 40 10/31/2018 11:34:04 AM

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Arun Kogta (CEO)	Rahul Agrawal (CS)	Varun Kogta (CFO)	Total Amount (₹)
	(c) Profits in lieu of salary under section 17 (3)Income-tax Act,1961.				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	• as% of profit	-	-	-	-
	• Others, specify				
5	Others, please specify	-	-	-	-
	Total	**-**	**7,20,000**	**-**	**7,20,000**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

Mr. RADHA KRISHAN KOGTA
Chairman
DIN: 00197552

Kogta.indb 41 10/31/2018 11:34:04 AM

ANNEXURE - 2

Nomination and Remuneration Policy

INTRODUCTION

The Nomination and Remuneration Policy is being formulated in compliance with Section 178 of Companies Acts 2013 read along with the applicable rules thereto, as amended from time to time. This policy on nomination and remuneration of Director, Key Managerial Personnel (KMP) and Senior Management of Kogta Financial (India) Limited and has been approved by the Board of Directors.

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.

OBJECTIVE

This objective of the policy is 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 between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

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 policies and applicable statutory requirements. As per Companies Act, 2013 Nomination and Remuneration 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.

ROLE OF THE COMMITTEE

The Nomination and Remuneration Committee shall: -

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- Recommend to the Board about their appointment and removal;
- To carry out evaluation of every director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- 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.

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 authorised 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.

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 Nomination and Remuneration 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

- **Sitting Fees**

  The Non-Executive Directors and Independent Directors of the Company are entitled to sitting

Kogta.indb 42 10/31/2018 11:34:04 AM

fees as determined by Board from time to time for attending Board / Committee meetings thereof in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

- **Commission**

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

- 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

- 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, if the following conditions are 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 to time.

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.

TERMS AND TENURE

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

The Company shall appoint or re-appoint any personas 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 Direct or shall 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.

EVALUATION

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval.

REMOVAL

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.

AMENDMENTS TO THE NOMINATION AND REMUNERATION POLICY

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit from time to time.

Kogta.indb 43 10/31/2018 11:34:04 AM

ANNEXURE - 3

Annual Report on Corporate Social Responsibility

[Pursuant to Section 134(3)(o) of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. CORPORATE SOCIAL RESPONSIBILITY

Your Company has constituted a Corporate Social Responsibility committee in accordance with the requirements of the Section 135 of the Companies Act, 2013. Details of CSR committee are detailed as under. Further CSR committee has formulated and recommended a CSR policy, which has been approved by the Board and periodically reviewed by the same. Your Company's CSR policy is committed towards CSR activities as envisaged in 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://kogta.in/Docs/CorporateSocialResponsibility(CSR) Policy.pdf.

2. THE COMPOSITION OF THE CSR COMMITTEE

Name of the Director	Position held in the Committee	Category of the Director
Mr. Radha Krishan Kogta	Chairman	Chairman
Mr. Varun Kogta	Member	Executive Director & CFO
Mr. Ram Dayal Modi	Member	Independent Director

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS

₹ 4,81,03,165

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

₹ 9,62,063

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

(a) Total amount to be spent for the Financial Year: ₹ 9,62,063

(b) Amount unspent: ₹ 1,11,523

(c) Manner in which the amount spent during the Financial Year is detailed below:

Sr. No.	Schedule-VII (Clause No)	Schedule Description	Name of the Activity	Location	Amount Spent (₹)
1.	VII (iv)	Ensuring Animal Welfare	Providing food and shelter for the Cows	Tonk Road, Jaipur	6,70,000
2.	VII (vii)	Training to promote nationally recognised sport	Cricket	Sirsi Road, Jaipur	1,80,540
			Total		**8,50,540**

6. JUSTIFICATION FOR SHORTFALL

The Company is very particular in spending CSR expenditure in line with the CSR Policy of the Company. The Company has been very selective in identifying appropriate projects/areas for spending the required CSR amount and ensures that the projects funded were well within the prescribed CSR activities of the Company. The Company also ensures that the amount spent on account of CSR activities would benefit the society and real beneficiaries.

Therefore, during the FY 2017-18, the Company had not spent the required amount on CSR activities. We will continue to spend on CSR Activities as per CSR Policy of the Company.

7. It is hereby confirmed that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and policy of the Company.

Kogta.indb 44 10/31/2018 11:34:05 AM

ANNEXURE - 4

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 the KFL with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

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/ 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 (₹)
1.	Leasing of property/Renting of property by KFL.	Mrs. Manju Kogta	Relative of Director 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	3,97,500
		Mr. Varun Kogta	Whole Time Director & CFO of KFL	5 Years	Rent at market rate	2,40,000
		Mr. Arun Kogta	Managing Director & CEO of KFL	5 Years	Rent at market rate	1,50,000
		Kogta Housing Development Pvt. Ltd.	Director of KFL is also Director in the said Company.	5 Years	Rent at market rate	6,15,000
2.	Loan and advances given by KFL.	M/s Giriraj Automobiles	Partner of firm is a relative of Director of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	48,38,667
		Mrs. Manju Kogta	Relative of Director of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	3,59,123
		Mr. Varun Kogta	Whole Time Director & CFO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	10,81,185
		Kogta Housing Development Pvt. Ltd.	Director of KFL is also Director in the said Company	Various Maturities	Advances / Loan facility at contractual interest rate	1,76,016
		Jaipur Promotors Pvt. Ltd.	Director of KFL is also Director in the said Company	Various Maturities	Advances / Loan facility at contractual interest rate	1,13,723
		Mrs. Ritu Kogta	Relative of Director of KFL.	Various Maturities	Advances / Loan facility at contractual interest rate	4,97,005
		M/s Shri Nath Marble Mines	Partner of firm is a relative of Director of KFL.	Various Maturities	Advances / Loan facility at contractual interest rate	41,70,000
3.	Loan and advances recovered by KFL.	M/s Nidhi Freight Carrier	Proprietor of firm is a relative of Director of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	6,60,000
		M/s Giriraj Construction	Proprietor of firm is a relative of Director of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	22,19,400
		M/s Giriraj Automobiles	Partner of firm is a relative of Director of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	1,41,80,294
		Jaipur Promotors Pvt. Ltd.	Director of KFL is also Director in the said Company	Various maturities	Advances / Loan facility at contractual interest rate	17,63,723
		M/s Giriraj Industries	Proprietor of firm is a relative of Director of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	2,41,500
		Mr. Varun Kogta	Whole Time Director & CFO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	36,54,543
		Mrs. Ritu Kogta	Relative of Director of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	29,70,722
		Kogta Housing Development Pvt. Ltd.	Director of KFL is also Director in the said Company	Various maturities	Advances / Loan facility at contractual interest rate	1,76,016
		Mrs. Manju Kogta	Relative of Director of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	29,72,166
		M/s Shri Nath Marble Mines	Partner of firm is a relative of Director of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	36,31,653

Kogta.indb 45 10/31/2018 11:34:05 AM

Sr. No.	Nature of Contracts/ transaction	Name of the related party	Nature of relationship	Duration of contracts	Salient terms of contracts / transactions	Amount in (₹)
4.	Interest Income received by KFL.	M/s Giriraj Automobiles	Partner of firm is a relative of Director of KFL.		Interest on loans and advances at applicable rates.	14,60,948
		Mrs. Manju Kogta	Relative of Director of KFL.		Interest on loans and advances at applicable rates.	1,88,390
		Mr. Varun Kogta	Whole Time Director & CFO of KFL		Interest on loans and advances at applicable rates.	2,06,276
		Mrs. Ritu Kogta	Relative of Director of KFL.		Interest on loans and advances at applicable rates.	1,98,289
		Jaipur Promoters Private Limited	Company in which Director is a Director		Interest on loans and advances at applicable rates.	55,404
		M/s Shri Nath Marble Mines	Partner of firm is a relative of Director of KFL.		Interest on loans and advances at applicable rates.	1,84,347
5.	Loan and advances received by KFL.	Mr. Ayush Kogta	Relative of Director of KFL.	Various maturities	Interest at market rate.	17,00,000
		Kogta Housing Development Pvt. Ltd.	Director of KFL is also Director in the said Company	Various maturities	Interest at market rate.	1,66,00,000
		Mr. Radha Krishan Kogta	Chairman of KFL.	Various maturities	Interest at market rate.	38,00,000
6.	Loan and advances repaid by KFL.	Mr. Radha Krishan Kogta	Chairman of KFL.	Various maturities	Interest at market rate.	38,00,000
		Mr. Ayush Kogta	Relative of Director of KFL.	Various maturities	Interest at market rate.	17,00,000
		Kogta Housing Development Pvt. Ltd.	Director of KFL is also Director in the said Company	Various maturities	Interest at market rate.	1,07,79,849
7.	Interest Expenses paid by KFL.	Kogta Housing Development Pvt. Ltd.	Director of KFL is also Director in the said Company		Interest on borrowing / loan at applicable rates.	2,03,457
		Mr. Ayush Kogta	Relative of Director of KFL.		Interest on borrowing / loan at applicable rates.	15,493
		Mr. Radha Krishan Kogta	Chairman of KFL.		Interest on borrowing / loan at applicable rates.	32,923
8.	Commission paid by KFL.	M/s Easy Recovery Solutions	Proprietor of Firm is a relative of Director of KFL	5 Years	Commission on Recovery services providing by him.	9,15,275

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

Mr. RADHA KRISHAN KOGTA
Chairman
DIN: 00197552

Kogta.indb 46 10/31/2018 11:34:05 AM

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Kogta Financial (India) Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Kogta Financial (India) Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

1. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

OPINION

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") 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 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 purpose of our audit;

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

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

Kogta.indb 48 10/31/2018 11:34:05 AM

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

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 to the financial statements;

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3. The financial statements for the year ended March 31, 2017 were audited by another auditor who expressed an unmodified opinion on these financial statements on May 25, 2017.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Jitendra H. Ranawat
Partner
Membership Number: 103380

Place of Signature: Mumbai
Date: May 14, 2018

Kogta.indb 49 10/31/2018 11:34:05 AM

Annexure 1: Referred to 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 on the basis of available information.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified 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 are held in the name of the Company.

(ii) The Company is a service provider and primarily rendering asset financing services and does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans to other parties covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:

a) In our opinion, the rate of interest and other terms and conditions of the grant of such loans are, *prima facie* not prejudicial to the Company's interest.

b) The repayments of receipts of loans so granted are regular and as per stipulated.

c) There is no overdue amount in payment of principal and interest in respect of such loans

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, employee's state insurance, goods and service tax, service tax, cess and other statutory dues applicable to it. The provision relating to sales tax, custom duty, excise duty and value added tax are currently not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, employee's state insurance, goods and service tax, service tax, and other statutory dues applicable to it were outstanding, at the year end, for a period of more than six months from the date they became payable. The provision relating to sales tax, custom duty, excise duty and value added tax are currently not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of goods and service tax, service tax, value added tax and cess which have not been deposited on account of dispute. According to the records of the Company, the following dues outstanding of income-tax have not been deposited on account of disputes:

Name of Statue	Nature of Dues	Amount in ₹	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	27,494*	AY 2006-07	Assessing Officer
Income Tax Act, 1961	Income Tax	8,461*	AY 2006-07	Assessing Officer
Income Tax Act, 1961	Income Tax	1,74,723*	AY 2006-07	Assessing Officer
Income Tax Act, 1961	Income Tax	7,200*	AY 2006-07	Assessing Officer

*Application for rectification of demand is filed and pending with Assessing Officer.

As informed, the provision relating to sales tax, custom duty, excise duty and value added tax are currently not applicable to the Company.

Kogta.indb 50 10/31/2018 11:34:05 AM

(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) In our opinion and according to the information and explanations given by the management, the Company has utilised the monies raised by way of debt instruments in the nature of non-convertible debentures and term loans for the purposes for which they were raised.

(x) Based upon the audit procedures performed for the purposes of reporting 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 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, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 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 to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or fully or partly convertible debentures during the year under review. However, the Company has made private placement of 0.01% Compulsory Convertible Preference Shares. The requirements of Section 42 of the Companies Act, 2013 have been complied with and the amount raised has been used for the purpose for which the fund was raised.

(xv) According to the information and explanations given by the management, 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, we report that the Company has been registered as required, under the provisions of 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

per Jitendra H. Ranawat
Partner
Membership Number: 103380

Place of Signature: Mumbai
Date: May 14, 2018

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Annexure 2: To the Independent Auditor's Report of even date on the standalone financial statements of Kogta Financial (India) Limited

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

To the Members of Kogta Financial (India) Limited

We have audited the internal financial controls over financial reporting of Kogta Financial (India) Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

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Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

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

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Jitendra H. Ranawat
Partner
Membership Number: 103380

Place of Signature: Mumbai
Date: May 14, 2018

Kogta.indb 53 10/31/2018 11:34:05 AM

BALANCE SHEET

as at March 31, 2018

(Amount in ₹)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	13,44,01,000	12,92,81,000
Reserves and surplus	2	54,74,18,824	44,08,72,822
		68,18,19,824	**57,01,53,822**
Non-current liabilities			
Long-term borrowings	3	1,56,79,32,256	79,05,99,106
Long-term provisions	4	2,29,86,695	89,64,717
		1,59,09,18,951	**79,95,63,823**
Current liabilities			
Short-term borrowings	5	47,13,90,571	47,18,30,916
Trade payables	6	86,04,039	13,89,037
Other current liabilities	6	1,16,81,77,691	57,25,62,070
Short-term provisions	4	1,43,21,169	59,45,262
		1,66,24,93,470	**1,05,17,27,285**
Total		**3,93,52,32,245**	**2,42,14,44,930**
ASSETS			
Non-current assets			
Property, plant and equipment	7	2,36,22,449	2,01,59,482
Intangible assets	7	49,28,373	36,71,993
Non-current investments	8	3,81,33,361	-
Deferred tax assets (net)	9	35,32,710	8,37,841
Loans and advances	10	2,04,96,60,940	1,01,22,51,646
Other non-current assets	11	6,36,36,788	4,13,38,326
		2,18,35,14,621	**1,07,82,59,288**
Current assets			
Current investments	12	-	10,00,00,000
Cash and bank balances	13	16,03,44,931	10,99,51,577
Loans and advances	10	1,48,56,65,543	1,04,87,12,269
Other current assets	11	10,57,07,150	8,45,21,796
		1,75,17,17,624	**1,34,31,85,642**
Total		**3,93,52,32,245**	**2,42,14,44,930**
Summary of significant accounting policies	I		
The accompanying notes are an integral part of the financial statements.	II		

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

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

Jitendra H. Ranawat
Partner
Membership No. 103380

Place: Jaipur
Date: May 14, 2018

R. K. KOGTA
(Chairman)
DIN 00197552

ARUN KOGTA
(Managing Director & CEO)
DIN 05109722

RAHUL AGRAWAL
(Company Secretary)
Membership No. A34034

VARUN KOGTA
(Executive Director & CFO)
DIN 06844307

Place: Jaipur
Date: May 14, 2018

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STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

(Amount in ₹)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
INCOME			
Revenue from operations	14	63,61,39,636	39,60,72,859
Other Income	15	58,26,492	51,85,043
Total revenue (I)		**64,19,66,128**	**40,12,57,902**
EXPENSES			
Employee benefits expense	16	11,92,28,349	5,70,39,372
Depreciation and amortisation expense	17	74,45,339	49,06,544
Finance costs	18	28,30,67,869	20,19,52,848
Other expenses	19	10,05,87,602	7,45,42,176
Provisions & write offs	20	3,14,33,202	1,16,03,295
Total expenses (II)		**54,17,62,361**	**35,00,44,235**
III. Profit before exceptional items and tax (I-II)		**10,02,03,767**	**5,12,13,666**
IV. Exceptional items : Profit on sale of land & building (refer note no. 8.1)		1,69,24,506	2,07,75,717
V. Profit before tax (III-IV)		**11,71,28,273**	**7,19,89,383**
VI. Tax expense:			
Current tax			
Pertaining to profit/(loss) for the current period		3,65,50,000	2,25,00,000
Adjustment of tax relating to earlier periods		4,652	95,965
Deferred tax		(26,94,869)	(3,34,188)
Total Tax expense		**3,38,59,783**	**2,22,61,777**
VII. Profit/(loss) for the year from continuing operations (V-VI)		**8,32,68,490**	**4,97,27,606**
Earning per equity share [Nominal value of shares ₹ 10/- (March 31, 2017: ₹ 10/-)]			
Basic			
Computed on the basis of total profit for the year		8.41	5.18
Diluted			
Computed on the basis of total profit for the year		6.15	4.53
Summary of significant accounting policies	I		
The accompanying notes are an integral part of the financial statements.	II		

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

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

Jitendra H. Ranawat
Partner
Membership No. 103380

Place: Jaipur
Date: May 14, 2018

R. K. KOGTA
(Chairman)
DIN 00197552

ARUN KOGTA
(Managing Director & CEO)
DIN 05109722

RAHUL AGRAWAL
(Company Secretary)
Membership No. A34034

VARUN KOGTA
(Executive Director & CFO)
DIN 06844307

Place: Jaipur
Date: May 14, 2018

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Kogta FINANCIAL FREEDOM TO GROW

CASH FLOW STATEMENT

for the year ended March 31, 2018

(Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	**11,71,28,273**	**7,19,89,384**
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation	74,45,339	49,06,544
Impairment/ other write off on tangible/ intangible assets	1,78,08,568	72,01,910
Provision for standard and non-performing assets	1,36,24,634	44,01,385
Provision for Gratuity	16,63,006	4,53,500
Loss/(Profit) on sale of property, plant and equipment	(1,70,29,206)	(2,09,53,158)
Net (gain)/ loss on sale of current investments	(14,00,235)	(6,40,124)
Interest expenses on vehicle loans	3,76,972	4,98,572
Rental Income	(4,08,454)	(3,92,988)
Amortisation of ancillary cost	1,66,72,127	1,13,18,391
Operating profit before working capital changes	**15,58,81,024**	**7,87,83,417**
Movements in working capital:		
(Increase)/decrease in loans and advances	(1,50,88,43,261)	(61,40,39,084)
(Increase)/decrease in other current assets	(2,54,27,984)	(5,33,10,792)
(Increase)/decrease in other non-current assets	(9,12,868)	(11,24,898)
(Increase)/decrease in bank deposits	(3,63,88,261)	(4,21,31,745)
(Increase)/decrease in investments	(3,81,33,361)	36,15,479
Increase/(decrease) in long-term borrowings	77,49,07,877	22,04,98,002
Increase/(decrease) in short-term borrowings	(4,40,345)	20,43,82,993
Increase/(decrease) in other current liabilities	59,56,15,621	16,69,95,072
Increase/(decrease) in trade payables	72,15,002	(7,64,112)
Cash generated from/(used in) operations	**(7,65,26,556)**	**(3,70,95,669)**
Direct taxes paid(net of refunds)	(2,52,00,000)	(1,67,13,150)
Net Cash Flow from/(used in) Operating Activities (A)	**(10,17,26,556)**	**(5,38,08,819)**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets, including CWIP and capital advances	(1,46,30,180)	(1,18,58,575)
Proceeds from sale of fixed assets	1,94,94,700	2,14,40,780
Purchase of current investments	(52,00,00,000)	(55,00,00,000)
Proceeds from sale/maturity of current investments	62,14,00,235	45,06,40,124
Rental income	4,08,454	3,92,988
Net Cash Flow from/(used in) Investing Activities (B)	**10,66,73,209**	**(8,93,84,683)**

Kogta.indb 56 10/31/2018 11:34:06 AM

CASH FLOW STATEMENT

for the year ended March 31, 2018

(Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of preference share capital	51,20,000	3,32,81,000
Securities Premium received on issue of Share Capital	3,48,32,000	21,35,84,647
Interest paid on vehicle loan	(3,76,972)	(4,98,572)
Proceeds from vehicle loans	51,67,500	-
Repayment of vehicle loans	(27,42,227)	(27,81,670)
Dividend paid on equity shares	(96,00,100)	(1,44,00,100)
Dividend paid on preference shares	(1,477)	-
Tax on equity dividend paid	(19,54,388)	(29,31,572)
Tax on preference dividend paid	(301)	-
Net Cash Flow from/(used in) Financing Activities (C)	**3,04,44,035**	**22,62,53,733**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**3,53,90,687**	**8,30,60,231**
Cash and cash equivalents at the beginning of the year	10,77,29,577	2,46,69,346
Cash and Cash Equivalents at the End of the Year	**14,31,20,264**	**10,77,29,577**
Components of cash and cash equivalents		
Cash on hand	2,33,56,038	1,24,20,710
Cheques / drafts on hand		
With banks - on current account	8,75,42,226	9,53,08,867
- on deposit account	3,22,22,000	-
Total Cash and Cash Equivalents	**14,31,20,264**	**10,77,29,577**
Summary of significant accounting policies I		
The accompanying note form an integral part of the financial statements II		

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

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

Jitendra H. Ranawat
Partner
Membership No. 103380

Place: Jaipur
Date: May 14, 2018

R. K. KOGTA
(Chairman)
DIN 00197552

ARUN KOGTA
(Managing Director & CEO)
DIN 05109722

RAHUL AGRAWAL
(Company Secretary)
Membership No. A34034

VARUN KOGTA
(Executive Director & CFO)
DIN 06844307

Place: Jaipur
Date: May 14, 2018

Kogta.indb 57 10/31/2018 11:34:06 AM

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2018

1. 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.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the 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 Non-Banking Financial Company-Non Systematically Important Non Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time. The financial statements have been prepared on an accrual basis and under the historical cost convention, except income from Non-performing assets which is recognised on receipt basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of product and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except Cheque bounce charges or instrument dishonor charges pertaining to performing loans are recognised on accrual basis i.e. as & when the cheque/instrument is dishonored or bounced. Had the Company continued to use the earlier basis of accounting for cheque bounce charges i.e. on receipt basis, its net profit would have been lower by ₹ 1,12,92,938.

In case of any contradiction in applicable provisions of Reserve Bank of India, schedule III and accounting standards issued by ICAI, the Company has adopted the provisions of master directions of RBI.

2.1 Summary of Significant Accounting Policies

(a) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Interest income from financing activities is recognised on accrual basis by applying internal rate of return implicit in each loan agreement except in the case of non-performing assets, where it is recognised on the actual realisation as per the Non-Banking Financial Company-Non Systematically Important Non Deposit taking Company (Reserve Bank) Directions, 2016 and to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliability measured.

Processing fees, late payment Interest and all other financial charges except cheque bounce charges or instrument dishonor charges pertaining to loan agreement are be recognised only on receipt basis.

Cheque bounce charges or instrument dishonor charges pertaining to performing loans are recognised on accrual basis i.e. as & when the cheque/instrument is dishonored or bounced.

Income from securitisation

Income arising on direct assignment transactions is recognised over the tenure of agreement on accrual basis.

Income from excess interest spread under PTC transactions is accounted for on accrual basis.

Income from servicing of assigned receivables is recognised when the services are rendered and right to receive payment is established.

Kogta.indb 58 10/31/2018 11:34:06 AM

Other income

Other income is recognised on accrual basis of accounting.

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

(b) Provisioning Norms for Standard & Sub Standard Assets

Non-performing assets are recognised and provided for, as per management estimates, subject to the minimum provision required as per Non- Banking Financial Company Systematically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (ND-SI Directions) issued vide master direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended from time to time and in accordance with circular DBR.No.BP.BC.37/21.04.048/2016-17 dated November 21, 2016 and DBR.No.BP. BC.49/21.04.048/2016-17 dated December 28, 2016 issued by RBI. Similarly, provision on standard assets is also made as per the ND-SI Directions to cover inherent uncertainties in respect to Company's financing activities.

(c) Bad Debts

As per management estimates, the loan accounts which are considered as irrecoverable on account of collection is written off in the year of determination of irrecoverability. Interest income not realised on such loans is reversed and the principal outstanding as reduced by the total receipts is written off as Bad Debts.

(d) Repossession of Assets

The accounts, where underlying asset is repossessed and sold, are written off to the extent of difference between principal outstanding in the books and the full & final amount recovered from sale of repossessed assets under the accounting head "principal loss on repossession".

Further, interest income recognised on such loans is also reversed to the extent not actually realised by debiting to account head "interest loss on repossession".

The accounts, where underlying security is repossessed and where management estimates irrecoverability of portion of loans, are written off to the extent of difference between amount outstanding in the books and value of underlying security as determined by the approved valuer.

(e) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(f) Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, nonrefundable taxes or levies, borrowing costs if capitalisation criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible assets are added to its book value only if they increase the future benefits

Kogta.indb 59 10/31/2018 11:34:06 AM

from the existing asset beyond its previously assessed standard of performance. All other repair and maintenance costs are recognised in profit or loss as incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(g) Depreciation on Property, Plant and Equipment

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 recognised 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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each FY end and adjusted prospectively, if appropriate.

(h) Intangible Assets

Intangible Assets are recognised 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 amortisation and accumulated impairment losses, if any.

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

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

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

(i) Lease

Where the Company is lessee

All the leasing arrangements of the Company are operating lease in respect of its office premises where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset. Such operating lease rental payments are recognised as an expense on accrual basis in the Statement of Profit and Loss.

Where the Company is the lessor

Assets subject to operating lease are included in the fixed assets. Lease income on operating lease is recognised in the Statement of Profit and Loss. Costs, including depreciation, are recognised as expenses in the Statement of Profit and Loss.

(j) Borrowing Cost

Borrowing cost accrued or paid for working capital facility is deferred immediately and charged to the statement of profit and loss on the basis of principal amount matured during the particular FY.

(k) Impairment of Assets

The carrying amount of substantial assets is reviewed at each Balance Sheet date to identify if there is any indication of impairment based on internal/external factors. For any impairment, the recoverable amount of these assets is determined. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any is charged to the Profit & Loss accounting the year in which an asset is identified.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. The reversal of impairment is recognised in Statement of Profit and Loss, unless the same is carried at revalued amount and treated as revaluation reserve.

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

Kogta.indb 60 10/31/2018 11:34:06 AM

(l) 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 expenditure, 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 recognised 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 recognised as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Employee State Insurance is a defined contribution scheme and the contributions as required by the statute are charged to the Statement of Profit and Loss as and when incurred.

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. 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.

Actuarial gains and losses are recognised in the Statement of Profit and Loss as and when incurred.

(m) Income 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 recognised directly in equity is recognised 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 recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised 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 realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets 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 realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognizes unrecognised 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 realised.

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 or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually 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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(n) Earnings 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

(o) Provisions

A provision is recognised when the Company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(p) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statement since this result in the recognition of the income that may never realize.

(q) Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Kogta.indb 62 10/31/2018 11:34:06 AM

NOTES

to financial statements for the year ended March 31, 2018

1. SHARE CAPITAL

(Amount in ₹)

	March 31, 2018	March 31, 2017
Authorised Shares		
1,00,00,000 (March 31, 2017: 1,00,00,000) equity shares of ₹ 10/- each	10,00,00,000	10,00,00,000
50,00,000 (March 31, 2017: 50,00,000) 0.01% compulsory convertible preference shares of ₹ 10/- each	5,00,00,000	5,00,00,000
	15,00,00,000	**10,00,00,000**
Issued, Subscribed & Fully Paid-up Shares		
96,00,100 (March 31, 2017: 96,00,100) equity shares of ₹ 10/- each	9,60,01,000	9,60,01,000
38,40,000 (March 31, 2017: 33,28,000) 0.01% compulsory convertible preference shares of ₹ 10/- each	3,84,00,000	3,32,80,000
Total Issued, Subscribed & Fully Paid-up Share Capital	**13,44,01,000**	**12,92,81,000**

a. Reconciliation of the Shares Outstanding at the Beginning and at the End of Reporting Period

	March 31, 2018		March 31, 2017	
	No.	Amount	No.	Amount
Equity Shares				
Equity shares of ₹ 10/- each fully paid up				
At the beginning of the period	96,00,100	9,60,01,000	96,00,000	9,60,00,000
Issued during the period	-	-	100	1,000
Outstanding at the end of the period	**96,00,100**	**9,60,01,000**	**96,00,100**	**9,60,01,000**
Preference Shares				
Preference shares of ₹ 10/- each fully paid up				
At the beginning of the period	33,28,000	3,32,80,000	-	-
Issued during the period	5,12,000	51,20,000	33,28,000	3,32,80,000
Outstanding at the end of the period	**38,40,000**	**3,84,00,000**	**33,28,000**	**3,32,80,000**

b. Terms/rights 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. 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.

During the year ended March 31, 2018, the amount of per share interim dividend recognised as distributions to equity shareholders was ₹ 1/- (March 31, 2017: ₹ 1/-).

Preference Shares

The Company has only one class of compulsory convertible preference shares (CCPS) having par value of ₹ 10/- per share. The preference shareholders are entitled to receive preference dividend of 0.01%, in priority to equity shareholders of the Company, in each FY. The Company declares and pays dividends in Indian rupees. Each shareholder is eligible for vote in proportion to his share of paid up capital of the Company. The preference shares are eligible for conversion into equivalent number of equity shares within twenty years at the option of the investor.

Kogta.indb 63 10/31/2018 11:34:06 AM

NOTES

to financial statements for the year ended March 31, 2018

c. Details of Shareholders Holding more than 5% Shares in the Company

	March 31, 2018		March 31, 2017	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity Shares of ₹ 10 each fully paid-up				
Bal Mukund Kogta	13,22,000	13.77%	13,22,000	13.77%
Arun Kogta, Director	7,91,000	8.24%	7,91,000	8.24%
Radha Krishan Kogta, Director	7,29,500	7.60%	7,29,500	7.60%
Varun Kogta, Director	6,27,000	6.53%	6,27,000	6.53%
Nidhi Kogta	5,80,000	6.04%	5,80,000	6.04%
Banwari Lal Kogta HUF	5,74,500	5.98%	5,74,500	5.98%
Nayan Kogta, Director	5,67,000	5.91%	5,67,000	5.91%
Banwari Lal Kogta	5,49,000	5.72%	5,49,000	5.72%
Arun Kogta HUF	5,21,500	5.43%	5,21,500	5.43%
Preference Shares				
IIFL Seed Ventures Fund I	38,40,000	100.00%	33,28,000	100.00%

As per records of the Company, including its register of shareholders and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal & beneficial ownership of shares.

2. RESERVE & SURPLUS

(Amount in ₹)

	March 31, 2018		March 31, 2017	
	No.	Amount	No.	Amount
General Reserve				
Balance as per the last financial statements	7,00,00,000		6,00,00,000	
Add : amount transferred from surplus balance in the statement of profit and loss	1,00,00,000	**8,00,00,000**	1,00,00,000	**7,00,00,000**
Securities Premium Account				
Balance as per the last financial statements	27,55,84,647		6,20,00,000	
Add : premium on issue of compulsory convertible preference shares	3,48,80,000		22,67,26,813	
Less : share issue expenses	48,000	**31,04,16,647**	1,31,42,166	**27,55,84,647**
Statutory Reserve Fund (U/s 45IC of RBI Act)				
Balance as per the last financial statements	3,98,17,666		2,98,72,145	
Add : amount transferred from the surplus in the statement of profit & loss	1,66,53,698	**5,64,71,364**	99,45,521	**3,98,17,666**
Capital Reserve		**40,00,000**		**40,00,000**
Surplus in the Statement of Profit & Loss				
Balance as per the last financial statements	5,14,70,509		3,32,44,689	
Profit for the year	8,32,68,490		4,97,27,607	
Less : Appropriations				
Transfer to statutory reserve fund	1,66,53,698		99,45,521	
Transfer to general reserve	1,00,00,000		1,00,00,000	
Dividend on preference shares	-		1,477	
Tax on preference dividend	-		301	
Interim dividend on equity shares	96,00,100		96,00,100	
Tax on interim dividend on equity shares	19,54,388	**9,65,30,813**	19,54,388	**5,14,70,509**
Total Reserves & Surplus		**54,74,18,824**		**44,08,72,822**

Kogta.indb 64 10/31/2018 11:34:06 AM

NOTES

to financial statements for the year ended March 31, 2018

3. LONG-TERM BORROWINGS

(Amount in ₹)

		March 31, 2018	March 31, 2017
A.	**Secured**		
	Term loan		
	Term loan from banks	26,59,22,006	13,11,31,431
	Term loan from financial institutions	77,13,10,250	35,94,67,675
	Bonds/debentures		
	Redeemable non-convertible debentures (senior)	38,07,00,000	-
	Total (A)	**141,79,32,256**	**49,05,99,106**
B.	**Unsecured**		
	Bonds/debentures		
	Redeemable non-convertible debentures (subordinated)	15,00,00,000	15,00,00,000
	Redeemable non-convertible debentures (senior)	-	15,00,00,000
	Total (B)	**15,00,00,000**	**30,00,00,000**
	Total (A+B)	**156,79,32,256**	**79,05,99,106**

a. Nature of security and terms of repayment for term loans

	Term loan from banks		Term loan from financial institutions	
Repayment	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
< 1 year	32,13,05,872	15,45,77,193	73,66,38,385	37,43,75,447
1 - 3 years	26,59,22,006	13,11,31,431	77,13,10,250	35,74,94,606
3 - 5 years	-	-	-	19,73,069

The working capital term loan from banks & financial institutions are secured by hypothecation of specific assets covered by charge on hypothecation of loan receivables with security cover ranging from 100% to 133% and personal guarantee of promoters of the Company, as per the terms of agreement. The term loan carries interest rate ranging from 10.55% p.a. to 15% p.a. Further, the loan is repayable as per the terms specified in the agreement.

The vehicle loan from banks are secured by hypothecation of underlying vehicle owned by the Company and carries interest rate ranging from 8.51% p.a. to 10.82% p.a.

b. Terms of repayment for Bonds/Debentures

	No of debentures	Rate of interest	Date of redemption	Total amount
Secured Debentures - senior (secured by hypothecation of receivables)				
Non-convertible debentures of ₹ 50,000 each (March 31, 2017: Nil)	3807.0	12.23%	April 13, 2020	19,03,50,000
Non-convertible debentures of ₹ 50,000 each (March 31, 2017: Nil)	3807.0	12.23%	June 30, 2020	19,03,50,000
Unsecured Debenture - subordinated				
Non-convertible debentures of ₹ 10,00,000 each (March 31, 2017: 150)	150.0	15.90%	April 15, 2022	15,00,00,000

The non-convertible debentures (senior) of ₹ 15 Crores which were redeemable at par on June 15, 2022, has been prepaid during the year ended March 31, 2018.

Kogta.indb 65 10/31/2018 11:34:07 AM

NOTES

to financial statements for the year ended March 31, 2018

4. PROVISIONS

(Amount in ₹)

	Long-term		Short-term	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for Employee Benefits				
Provision for gratuity (refer note 22)	21,16,506	4,53,500	-	-
	21,16,506	**4,53,500**	**-**	**-**
Other Provisions				
Provision for standard assets	71,64,608	35,51,270	48,35,392	35,69,730
Provision for non-performing assets	1,37,05,581	49,59,947		
Provision for income tax (net of advance tax and TDS)	-	-	94,85,777	23,73,754
Proposed preference dividend	-	-	-	1,477
Dividend distribution tax on proposed preference dividend	-	-	-	301
	2,08,70,189	**85,11,217**	**1,43,21,169**	**59,45,262**
Total	**2,29,86,695**	**89,64,717**	**1,43,21,169**	**59,45,262**

Provision for income tax has been made after considering the advance tax paid of ₹ 2,25,00,000 (March 31, 2017: ₹ 1,60,00,000) and TDS receivable of ₹ 42,42,630 (March 31, 2017: ₹ 34,44,652).

5. SHORT TERM BORROWINGS

(Amount in ₹)

		March 31, 2018	March 31, 2017
A.	**Secured**		
	Working capital loan repayable on demand	15,00,00,000	20,00,00,000
	Cash credit from banks	31,55,38,904	27,16,44,525
	Overdraft from bank against deposits	31,516	1,86,390
	Total(A)	**46,55,70,420**	**47,18,30,916**
B.	**Unsecured**		
	Inter corporate deposits	58,20,151	-
	Loan and advances from directors and related parties	-	-
	Total(B)	**58,20,151**	**-**
	Total(A+B)	**47,13,90,571**	**47,18,30,916**

a. Working capital demand loan and cash credit limit from banks and financial institutions are primarily secured by hypothecation of specific present & future loan receivable of the Company ranging from 110% to 133% of the sanctioned limit along with the first & pari passu charge and equitable mortgage of various immovable properties owned by Company & promoters and further personally guaranteed by promoters of the Company. The limit is repayable on demand and carries interest rate ranging from 9.70% to 12.00%

b. Overdraft facility from bank is secured against the fixed deposit held in the name of the Company and is repayable on demand.

c. Inter corporate deposits from companies are unsecured and repayable within one year and carries interest rate ranging from 12.00% to 15.00%.

Kogta.indb 66 10/31/2018 11:34:07 AM

NOTES

to financial statements for the year ended March 31, 2018

6. OTHER CURRENT LIABILITIES

(Amount in ₹)

	March 31, 2018	March 31, 2017
Trade Payables		
• total outstanding dues of micro enterprises and small enterprises	-	-
• total outstanding dues of creditors other than micro enterprises and small enterprises (Note no. 54)	86,04,039	13,89,037
	86,04,039	**13,89,037**
Other Liabilities		
Current maturities of long-term borrowings from banks	32,13,05,872	15,45,77,193
Current maturities of long-term borrowings from financial institutions	73,66,38,385	37,43,75,447
Interest accrued but not due on borrowings	1,50,29,610	65,90,879
Interest accrued and due on borrowings	-	-
Amount due on assets securitised/assigned	6,27,23,725	3,34,18,966
Cash profit on loan transfer transactions pending recognition	2,18,55,335	-
Others		
TDS and withholding tax payable	49,23,185	2,91,436
Goods and service tax payable	14,36,103	61,728
PF & ESI payable	14,69,956	9,78,242
Professional tax payable	24,746	-
Bonus payable	13,03,800	-
Security Deposit	14,66,974	22,68,179
Total	**1,16,81,77,691**	**57,25,62,070**

Kogta.indb 67 10/31/2018 11:34:07 AM

7. FIXED ASSETS

Particulars	Gross Block				Depreciation/ amortisation				Net Block	
	As on April 1, 2017	Addition	Deduction	As on March 31, 2018	As on April 1, 2017	Charge for the year	Deduction	Upto March 31, 2018	As on March 31, 2018	As on March 31, 2017
A. Property, Plant and Equipment										
Land	13,68,583	12,54,731	1,01,189	25,22,125	-	-	-	-	25,22,125	13,68,583
Buildings	62,57,324	1,76,430	24,69,003	39,64,751	13,66,069	1,95,469	2,99,998.00	12,61,540	27,03,211	48,91,255
Furniture & fixtures	56,31,085	9,55,180	-	65,86,265	11,76,562	12,65,230	-	24,41,792	41,44,473	44,54,523
Computer & data processing units										
a. Server & networks	1,78,111	-	-	1,78,111	1,23,426	21,639	-	1,45,065	33,046	54,685
b. End-user device	43,19,986	25,60,940	-	68,80,926	30,15,426	16,30,549	-	46,45,975	22,34,951	13,04,560
Office equipment	29,12,463	7,46,845	-	36,59,308	19,01,232	6,49,078	-	25,50,310	11,08,998	10,11,231
Air conditioner & DG set	8,49,800	1,19,779	-	9,69,579	3,52,197	1,07,151	-	4,59,348	5,10,231	4,97,603
Vehicles										
a. Two-wheelers	4,61,216	-	-	4,61,216	3,48,689	28,599	-	3,77,288	83,928	1,12,527
b. Four-wheelers	1,18,64,903	67,53,105	11,46,500	1,74,71,508	54,00,388	27,40,834	9,51,200	71,90,022	1,02,81,486	64,64,515
(A)	**3,38,43,471**	**1,25,67,010**	**37,16,692**	**4,26,93,789**	**1,36,83,989**	**66,38,549**	**12,51,198**	**1,90,71,340**	**2,36,22,449**	**2,01,59,482**
B. Intangible Assets										
Computer software	37,41,682	20,63,170	-	58,04,852	69,689	8,06,790	-	8,76,479	49,28,373	36,71,993
(B)	**37,41,682**	**20,63,170**	**-**	**58,04,852**	**69,689**	**8,06,790**	**-**	**8,76,479**	**49,28,373**	**36,71,993**
C. Intangible Asset Under Development	-	15,61,456	15,61,456	-	-	-	-	-	-	-
(C)	**-**	**15,61,456**	**15,61,456**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B+C)	**3,75,85,153**	**1,61,91,636**	**52,78,148**	**4,84,98,641**	**1,37,53,678**	**74,45,339**	**12,51,198**	**1,99,47,819**	**2,85,50,822**	**2,38,31,475**

8.1 Exceptional Item includes profit on sale of part of the land and building included in Company's fixed asset located at E-3/8, Subash Nagar, Malan, Bhilwara for total consideration of ₹ 2,15,00,000 purchased in the year 2005-06.

Kogta.indb 68 10/31/2018 11:34:07 AM

NOTES

to financial statements for the year ended March 31, 2018

8. NON-CURRENT INVESTMENTS

(Amount in ₹)

	March 31, 2018	March 31, 2017
Investment in securities	-	-
Other Investment (unquoted)		
Investment for securitisation transaction	3,81,33,361	-
Total	**3,81,33,361**	**-**
Aggregate amount of unquoted investments	3,81,33,361	-
Aggregate provision for diminution in value of investments	-	-

9. DEFERRED TAX ASSETS (NET)

(Amount in ₹)

	March 31, 2018	March 31, 2017
Deferred Tax Asset		
Difference between book and tax depreciation	3,89,931	6,87,900
Disallowances under Section 43B of the Income Tax Act, 1961	6,12,376	1,49,941
Provision for non-performing assets	25,30,403	-
Gross Deferred Tax Asset	**35,32,710**	**8,37,841**
Deferred tax liability		
Difference between book and tax depreciation	-	-
Gross Deferred Tax Liability	**-**	**-**
Net Deferred Tax Asset	**35,32,710**	**8,37,841**

10. LOANS AND ADVANCES

(Amount in ₹)

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Loans & Advances under Finance Activity				
Secured				
Considered good	2,02,04,28,111	1,00,32,38,660	1,26,48,77,224	90,55,32,253
Considered non-performing assets	2,92,04,608	89,84,010	7,86,21,530	3,72,22,831
Unsecured				
Considered good	-	-	9,62,59,944	7,18,58,121
Considered non-performing assets	-	-	-	-
	2,04,96,32,719	**1,01,22,22,670**	**1,43,97,58,698**	**1,01,46,13,205**
Security deposits				
Unsecured, considered good	28,221	28,976	43,30,100	44,21,966
Loans & Advances to Related Parties				
Unsecured, considered good	-	-	64,586	76,73,793
Advance Recoverable in Cash or for Value to be Received				
Unsecured, considered good	-	-	69,03,821	24,21,498
Other Loan and Advances (unsecured, considered good)				
Prepaid Expenses	-	-	3,22,23,820	1,80,44,589
Loans to employees	-	-	23,84,518	13,68,702

Kogta.indb 69 10/31/2018 11:34:07 AM

NOTES

to financial statements for the year ended March 31, 2018

(Amount in ₹)

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Balances with statutory / government authorities	-	-	-	1,46,374
Others	-	-	-	22,142
	28,221	**28,976**	**4,59,06,845**	**3,40,99,064**
Total	**204,96,60,940**	**101,22,51,646**	**148,56,65,543**	**104,87,12,269**

Loans & Advances Due by Directors or Other Officers

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Loans & Advances to Related Parties Include				
Due from directors	-	-	-	25,73,358
Due from officers	-	-	-	-
Due from relative of directors	-	-	64,586	51,00,435
Total	**-**	**-**	**64,586**	**76,73,793**

11. OTHER ASSETS

(Amount in ₹)

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Unsecured, considered good unless stated otherwise				
Non-current bank balances (Note no. 13)	6,14,95,339	4,01,09,745	-	-
	6,14,95,339	**4,01,09,745**	**-**	**-**
Others				
Interest accrued on fixed deposits	21,41,449	12,28,581	29,49,655	9,340
Interest accrued on investments	-	-	-	-
Interest accrued on loans and advances	-	-	4,39,43,471	2,19,98,562
Income receivable on securitisation transactions	-	-	91,94,468	81,37,306
Re-possessed assets (At realisable value)	-	-	4,89,83,583	5,34,45,164
Other current assets	-	-	6,35,973	9,31,424
	21,41,449	**12,28,581**	**10,57,07,150**	**8,45,21,796**
Total	**6,36,36,788**	**4,13,38,326**	**10,57,07,150**	**8,45,21,796**

12. CURRENT INVESTMENTS

(Amount in ₹)

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Current Investments (valued at lower of cost and fair value, unless stated otherwise)				
unquoted mutual funds				
Nil (March 31, 2017: 27735.72 units) of ₹ 1802.73 each of Axis liquid fund			-	5,00,00,000
Nil (March 31, 2017: 27760. 86 units) of ₹ 1807.60 each of SBI treasury advantage fund			-	5,00,00,000
Total			**-**	**10,00,00,000**

Kogta.indb 70 10/31/2018 11:34:07 AM

NOTES

to financial statements for the year ended March 31, 2018

13. CASH & BANK BALANCES

(Amount in ₹)

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cash & Cash Equivalents				
Balance with banks				
- On current accounts	-	-	8,75,42,226	9,53,08,867
- Deposits with original maturity of less than three months	-	-	3,22,22,000	-
- on unpaid dividend account	-	-	-	-
Cash-in- hand	-	-	2,33,56,038	1,24,20,710
(A)	**-**	**-**	**14,31,20,264**	**10,77,29,577**
Other Bank Balances				
Deposit with remaining maturity of more than or equal to 12 months	6,12,95,339	3,99,09,745	-	-
Deposit with remaining maturity of less than 12 months	-	-	1,72,24,667	22,22,000
Margin money deposits	2,00,000	2,00,000	-	-
(B)	**6,14,95,339**	**4,01,09,745**	**1,72,24,667**	**22,22,000**
Less: Amount disclosed under other non current assets (C)	6,14,95,339	4,01,09,745	-	-
Total [(A + B) - C]	**-**	**-**	**16,03,44,931**	**10,99,51,577**

a. Deposits includes ₹ 4,87,04,006 (March 31, 2017: 2,21,32,745) as credit enhancement for securitisation transactions, ₹ 3,20,38,000 (March 31, 2017: 1,99,99,000) as cash collateral for working capital term loan facilities.

b. Margin money deposits represent the fixed deposits with bank pledged against overdraft limit.

14. REVENUE FROM OPERATION

(Amount in ₹)

	March 31, 2018	March 31, 2017
Income from finance activity	60,43,12,550	37,46,77,328
Income from securitisation transaction	2,64,43,090	1,95,18,563
Income from portfolio buyout	10,56,179	5,19,461
Interest Income on		
Bank deposits	43,27,817	12,68,320
GOI bonds	-	89,187
Total	**63,61,39,636**	**39,60,72,859**

15. OTHER INCOME

(Amount in ₹)

	March 31, 2018	March 31, 2017
Rental income	4,08,454	3,92,988
Commission income	39,13,103	39,45,219
Net gain on sale of current investments	14,00,235	6,69,395
Net gain on sale of fixed assets	1,04,700	1,77,441
Total	**58,26,492**	**51,85,043**

Kogta.indb 71 10/31/2018 11:34:07 AM

NOTES

to financial statements for the year ended March 31, 2018

16. EMPLOYEE BENEFIT EXPENSE

(Amount in ₹)

	March 31, 2018	March 31, 2017
Salaries & bonus	10,99,15,570	5,19,37,359
Contribution to provident and other funds	70,41,602	32,05,572
Staff welfare expenses	6,08,171	7,16,018
Gratuity expense (refer note 22)	16,63,006	11,80,423
Total	**11,92,28,349**	**5,70,39,372**

17. DEPRECIATION & AMORTISATION EXPENSES

(Amount in ₹)

	March 31, 2018	March 31, 2017
Depreciation on tangible assets	66,38,550	48,36,855
Amortisation of intangible assets	8,06,789	69,689
Total	**74,45,339**	**49,06,544**

18. FINANCE COST

(Amount in ₹)

	March 31, 2018	March 31, 2017
Interest Expenses		
Cash credit and other demand loan facilities	3,87,87,097	1,66,86,471
Term loan	15,54,56,093	13,57,20,418
Non-convertible debentures	8,15,29,944	4,19,80,041
Others	-	6,14,485
Other Borrowing Cost		
Processing charges	57,17,575	51,94,854
Bank charges	15,77,160	17,56,579
Total	**28,30,67,869**	**20,19,52,848**

19. OTHER EXPENSES

(Amount in ₹)

	March 31, 2018	March 31, 2017
Commission & brokerage	2,92,01,324	2,57,44,553
Loss on repossessed assets(refer note C below)	1,53,30,692	80,23,819
Rent	1,00,70,687	62,06,141
Finance business	55,88,098	69,40,169
Travelling & conveyance	58,45,062	56,09,544
Professional & filing fees	1,13,18,171	58,39,097
Rates and taxes	35,08,901	26,44,350
Income tax demand	-	94,630
Office & other misc.	62,99,499	36,01,175
Postage, printing & stationery	33,98,949	17,43,591
Tele-communication	32,10,882	18,79,647

NOTES

to financial statements for the year ended March 31, 2018

19. OTHER EXPENSES

(Amount in ₹)

	March 31, 2018	March 31, 2017
Legal	9,76,032	23,43,807
Electricity	20,09,490	11,76,073
Insurance	9,14,717	8,09,873
Advertisement and business promotion	2,13,388	5,43,013
Directors' sitting fees	1,25,000	2,40,000
Repair & maintenance	8,48,970	9,00,141
Charity & donation	77,200	1,07,555
CSR expenses (refer note A below)	8,50,540	-
Payment to auditors (refer note B below)	8,00,000	95,000
Total	**10,05,87,602**	**7,45,42,176**

A. Details of CSR Expenditure

(Amount in ₹)

			March 31, 2018	March 31, 2017
a.	Gross amount required to be spent by the Company during the year		9,62,063	-
	Amount spent during the year ending on March 31, 2018:	**Spent during the year**	**Yet to be spend**	**Total**
	- Construction/acquisition of any asset	-	-	-
	- On purposes other than (i) above	8,50,540	1,11,523	9,62,063

B. Payment to Auditor

(Amount in ₹)

	March 31, 2018	March 31, 2017
As auditor:		
Audit fee	8,00,000	95,000
	8,00,000	**95,000**

C. Loss on Re-possessed Assets

Loss on re-possessed assets includes amount written off to individual loan accounts, to the extent of difference between book value and valuation of underlying security determined by valuer, on management estimation of irrecoverability of amount, where underlying asset or security is re-possessed.

20. PROVISIONS & WRITE OFFS

(Amount in ₹)

	March 31, 2018	March 31, 2017
Provision for		
- Standard assets	48,79,000	20,79,000
- Non-performing assets	87,45,634	23,22,385
Bad debts written off (net of recoveries)	1,78,08,568	72,01,910
Total	**3,14,33,202**	**1,16,03,295**

Kogta.indb 73 10/31/2018 11:34:08 AM

NOTES

to financial statements for the year ended March 31, 2018

21. EARNINGS PER SHARE (EPS)

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

(Amount in ₹)

	March 31, 2018	March 31, 2017
Continuing Operations for the Year		
Profit/(loss) after tax	8,32,68,490	4,97,27,606
Less: dividends on convertible preference shares & tax thereon	4,245	1,778.00
Net profit/ (loss) for Calculation of Basic EPS	**8,32,64,245**	**4,97,25,828**
Net profit as above	8,32,64,245	4,97,25,828
Add: dividends on convertible preference shares & tax thereon	4,245	1,778
Net profit/(loss) for Calculation of Diluted EPS	**8,32,68,490**	**4,97,27,606**
Weighted average number of equity shares in calculating basic EPS	96,00,100	96,00,100
Effect of Dilution		
Convertible preference shares	35,25,786	13,86,608
Weighted Average no. of Equity Shares for Diluted EPS	**1,31,25,886**	**1,09,86,708**

22. POST RETIREMENT BENEFIT PLAN i.e. GRATUITY

The Company provides for the gratuity, a defined benefit retirement plan covering all employees.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

(Amount in ₹)

	March 31, 2018	March 31, 2017
Interest cost on benefit obligation	1,32,081	1,51,221
Current service cost	6,37,516	6,29,034
Past Service Cost	-	-
Expected return on plan asset	-	-
Net actuarial (gain)/loss recognised in the period	(5,39,965)	(3,26,755)
Net Benefit Expense	**2,29,632**	**4,53,500**
Balance sheet		
Present value of defined benefit obligation	21,16,506	18,86,874
Fair value of plan assets	-	-
Plan Assets/(Liabilities)	**21,16,506**	**18,86,874**
Opening defined benefit obligation	18,86,874	21,60,297
Interest cost	1,32,081	1,51,221
Current service cost	6,37,516	6,29,034
Past service cost	-	-
Benefits paid (if any)	-	(7,26,923)
Actuarial (gain)/losses on obligation	(5,39,965)	(3,26,755)
Closing Defined Benefit Obligation	**21,16,506**	**18,86,874**
Discount rate	7% p.a	7% p.a
Salary growth rate	10% p.a	7% p.a
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	-	-
Withdrawal rate	36.00% p.a.	21.00% p.a.

Kogta.indb 74 10/31/2018 11:34:08 AM

NOTES

to financial statements for the year ended March 31, 2018

23. RELATED PARTY DISCLOSURES (AS - 18)

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.	Nayan Kogta (Executive Director)
		5.	Rahul Agrawal (Company Secretary)
Relatives of Key Managerial Personnel	:	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.	Akansha Kogta
		9.	Neha Kogta
		10.	Aayush Kogta
		11.	Prem Lal Kogta HUF
		12.	Banwari Lal Kogta HUF
		13.	Bal Mukund Kogta HUF
		14.	Radha Krishan Kogta HUF
		15.	Arun Kogta HUF
		16.	Varun Kogta HUF
		17.	Nayan Kogta HUF
Associates	:	1.	Giriraj Allied Industries
		2.	Giriraj Construction
		3.	Giriraj Industries
		4.	Nidhi Freight Carrier
		5.	Giriraj Automobiles
		6.	Easy Recovery Solutions
		7.	Shri Nath Marble Mines
		8.	Kogta Housing Development Private Limited
		9.	Jaipur Promotors Private Limited

Kogta.indb 75 10/31/2018 11:34:08 AM

NOTES

to financial statements for the year ended March 31, 2018

B. Details of Transactions During the Year with Related Parties

(Amount in ₹)

Nature of Transactions	Associates		Key Managerial Personnel		Relatives of Key Managerial Personnel	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Remuneration	-	-	87,49,992	83,93,319	-	-
Rent	6,15,000	6,00,000	3,90,000	4,90,000	8,77,500	7,20,000
Loan accepted	1,66,00,000	-	38,00,000	44,14,544	17,00,000	14,20,239
Repayment made	1,07,79,849	-	38,00,000	49,53,405	17,00,000	33,09,274
Advance given	92,98,406	3,09,06,752	10,81,185	2,75,716	8,56,128	2,09,751
Repayment received	2,28,72,586	3,77,54,744	36,54,543	2,75,716	59,42,888	2,09,751

Nature of Transactions	Associates		Key Managerial Personnel		Relatives of Key Managerial Personnel	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Commission	9,15,275	3,01,547	-	-	-	11,00,000
Interest paid	2,03,457	2,33,137	32,923	1,04,696	15,493	1,24,207
Interest received	17,00,699	28,23,687	2,06,276	3,15,309	3,86,679	6,62,931
Balance outstanding:						
Loans given	49,37,943	1,32,35,558	-	25,73,358	-	50,86,760
Loans accepted	58,20,151	-	-	-	-	-

24. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(Amount in ₹)

		As at March 31, 2018	As at March 31, 2017
1.	**Contingent Liabilities**		
a.	Claim not acknowledge as debt by the Company	Nil	Nil
b.	Bill discounted & outstanding	Nil	Nil
c.	Guarantee and letter of credit issued by banker on behalf of the Company	Nil	Nil
2.	**Capital Commitments**		
a.	Estimated amount of the contract to be executed on capital account	Nil	Nil

25. CAPITAL

(Amount in ₹)

	Particulars	2017-18	2016-17
i)	CRAR (%)	20.65%	31.07%
ii)	CRAR-Tier I Capital (%)	17.73%	24.63%
iii)	CRAR-Tier II Capital (%)	2.92%	6.44%
iv)	Amount of subordinated debt raised as Tier II capital	15,00,00,000	15,00,00,000
v)	Amount raised by issue of perpetual debt instruments	-	-

Kogta.indb 76 10/31/2018 11:34:08 AM

NOTES

to financial statements for the year ended March 31, 2018

26. INVESTMENTS

(Amount in ₹)

	Particulars	March 31, 2018	March 31, 2017
1.	**Value of Investments**		
	i. **Gross value of investments**	Nil	Nil
	(a) In India	3,81,33,361	10,00,00,000
	(b) Outside India	-	-
	ii. **Provisions for depreciation**		
	(a) In India	-	-
	(b) Outside India	-	-
	iii. **Net value of investments**		
	(a) In India	3,81,33,361	10,00,00,000
	(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	-	-

27. DERIVATIVES

1. Forward Rate Agreement/Interest Rate Swap

(Amount in ₹)

	Particulars	2017-18	2016-17
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Nil	Nil
(v)	The fair value of the swap book	Nil	Nil

2. Exchange Traded Interest Rate (IR) Derivatives

(Amount in ₹)

	Particulars
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise) Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2018 (instrument-wise) Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise) Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"(instrument-wise) Nil

Kogta.indb 77 10/31/2018 11:34:08 AM

NOTES

to financial statements for the year ended March 31, 2018

3. Quantitative Disclosures

(Amount in ₹)

	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives(notional principal amount)	Nil	Nil
	For hedging		
(ii)	Marked to market positions[1]	Nil	Nil
	a) Asset(+)	Nil	Nil
	b) Liability(-)	Nil	Nil
(iii)	Credit exposure[2]	Nil	Nil
(iv)	Unhedged exposures	Nil	Nil

28. DISCLOSURES RELATING TO SECURITISATION

During the year 2017-18, the Company has securitised its portfolio through SPV route. The MRR and other exposure details are given herein below:

	Particulars	No./ Amount in ₹ Crores
1.	No of SPVs sponsored by the NBFC for securitisation transactions	4
2.	Total amount of securitised assets as per books of the SPVs sponsored	52.70
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	Nil
	First loss	1.72
	Others	
	b) On-balance sheet exposures	
	First loss (in the form of fixed deposit)	4.87
	Others	Nil
4.	Amount of exposures to securitisation transactions other than MRR	
	a) Off-balance sheet exposures	
	i) Exposure to own securitisations	
	First loss	Nil
	Loss	Nil
	ii) Exposure to third party securitisations	
	First loss	Nil
	Others	Nil
	b) On-balance sheet exposures	
	i) Exposure to own securitisations	
	First loss	Nil
	Others	Nil
	ii) Exposure to third party securitisations	
	First loss	Nil
	Others	Nil

Kogta.indb 78 10/31/2018 11:34:08 AM

NOTES

to financial statements for the year ended March 31, 2018

29. DETAILS OF FINANCIAL ASSETS SOLD TO SECURITISATION/RECONSTRUCTION COMPANY FOR ASSET RECONSTRUCTION

(Amount in ₹)

	Particulars	2017-18	2016-17
(i)	No. of accounts	Nil	Nil
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional consideration realised in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain/loss over net book value	Nil	Nil

30. 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, 2017 – Nil).

31. EXPENDITURE IN FOREIGN CURRENCY

The Company does not have any expenditure in Foreign Currency (As on March 31, 2017 – Nil).

32. EARNING IN FOREIGN CURRENCY

The Company does not have any earnings in Foreign Currency (As on March 31, 2017 – Nil).

33. DISCLOSURE OF ASSIGNMENT TRANSACTIONS UNDERTAKEN

(Amount in ₹)

	Particulars	2017-18	2016-17
(i)	No. of accounts	1	NIL
(ii)	Aggregate value (net of provisions) of accounts sold	34,74,00,000	NIL
(iii)	Aggregate consideration	34,74,00,000	NIL
(iv)	Additional consideration realised in respect of accounts transferred in earlier years	NIL	NIL
(v)	Aggregate gain/(loss) over net book value	NIL	NIL

34. ASSETS UNDER MANAGEMENT

The total Assets Under Management ("AUM") of the Company as on March 31, 2018 is ₹ 4,28,51,22,824/- (as on March 31, 2017: ₹ 2,38,50,54,436/-), including assigned/securitised assets of ₹ 79,57,31,407/- (as on March 31, 2017 ₹ 33,62,20,000/-).

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

A. Details of Non-performing Financial Assets Purchased

(Amount in ₹)

		Particulars	2017-18	2016-17
1.	(a)	No. of accounts purchased during the year	Nil	Nil
	(b)	Aggregate outstanding	Nil	Nil
2.	(a)	Of these, number of accounts restructured during the year	Nil	Nil
	(b)	Aggregate outstanding	Nil	Nil

Kogta.indb 79 10/31/2018 11:34:08 AM

NOTES

to financial statements for the year ended March 31, 2018

B. Details of Non-performing Financial Assets Sold

(Amount in ₹)

	Particulars	2017-18	2016-17
1.	No. of accounts sold	Nil	Nil
2.	Aggregate outstanding	Nil	Nil
3.	Aggregate consideration received	Nil	Nil

36. ASSETS LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS & LIABILITIES

(Amount in ₹)

For the year 2017-18	Up to 30/31 days	Over 1 month up to 2 month	Over 2 months up to 3 months	Over 3 month & up to 6 month	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances*	18,48,41,960	10,27,56,477	10,49,97,203	31,33,87,376	73,37,75,680	1,69,85,95,029	26,49,04,066	8,61,33,625	3,48,93,91,417
Investments	-	-	-	-	-	-	-	-	-
Borrowings	9,92,73,545	9,69,17,143	11,11,95,832	26,49,11,961	97,20,65,958	1,41,79,32,258	15,00,00,000	-	3,11,22,96,697
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

(Amount in ₹)

For the year 2016-17	Up to 30/31 days	Over 1 month up to 2 month	Over 2 months up to 3 months	Over 3 month & up to 6 month	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances*	8,85,33,332	6,86,80,681	6,93,57,268	20,23,12,260	58,85,92,828	95,90,59,777	7,22,32,107	66,185	2,04,88,34,437
Investments	10,00,00,000	-	-	-	-	-	-	-	10,00,00,000
Borrowings	4,73,28,593	5,00,15,530	4,37,20,179	13,18,08,921	73,35,70,028	48,86,25,866	19,73,000	30,00,00,000	1,79,70,42,117
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

*Provision for bad & doubtful debts is not considered while preparing the maturity pattern of advances.

37. EXPOSURE TO REAL ESTATE SECTOR

(Amount in ₹)

	Category	2017-18	2016-17
A.	**Direct Exposure (Fund and non-fund based)**	Nil	Nil
(i)	**Residential mortgages**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	Nil	Nil
(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.)	Nil	Nil

Kogta.indb 80 10/31/2018 11:34:08 AM

NOTES

to financial statements for the year ended March 31, 2018

(Amount in ₹)

	Category	2017-18	2016-17
	(iii) Investments in mortgage backed securities		
	(MBS) and other securitised exposures -		
	a. Residential	Nil	Nil
	b. Commercial real estate	Nil	Nil
	Total exposure to real estate sector	Nil	Nil
B.	**Indirect Exposure (fund and non-fund based)**	Nil	Nil

38. EXPOSURE TO CAPITAL MARKET

(Amount in ₹)

	Particulars	2017-18	2016-17
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	Nil	Nil
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares(including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	Nil	Nil
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
(vii)	Bridge loans to companies against expected equity flows/issues	Nil	Nil
(viii)	all exposures to Venture Capital Funds(both registered and un-registered)	Nil	Nil
	Total Exposure to Capital Market	**Nil**	**Nil**

39. DETAILS OF SINGLE BORROWER LIMIT (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 2017-18.

40. ADVANCES AGAINST INTANGIBLE SECURITY

No finance has been made against the collateral of intangible security such as rights, licenses, authorisations, etc. in respect of projects (including infrastructure projects) during the year 2017-18.

Kogta.indb 81 10/31/2018 11:34:08 AM

NOTES

to financial statements for the year ended March 31, 2018

41. PROVISIONS AND CONTINGENCIES

(Amount in ₹)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss	2017-18	2016-17
Provisions for depreciation on Investment	-	-
Provision towards NPA	87,45,634	23,22,385
Provision made towards Income tax (Net of Deferred Tax)	3,38,59,783	2,22,61,777
Other provision and contingencies	NIL	NIL
Provision for standard Assets	48,79,000	20,79,000

42. DRAW DOWN FROM RESERVES

No reserves have been draw down during the FY 2017-18.

43. CONCENTRATION OF ADVANCES

(Amount in ₹)

	2017-18	2016-17
Total Advances to twenty largest borrowers	16,38,91,032	14,69,52,228
Percentage of advances to twenty largest borrowers to total advances of the NBFC	4.70%	7.17%

44. CONCENTRATION OF EXPOSURES

(Amount in ₹)

	2017-18	2016-17
Total exposure to twenty largest borrowers/customers	16,38,91,032	14,69,52,228
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	4.70%	7.17%

45. CONCENTRATION OF NPAs

(Amount in ₹)

	2017-18	2016-17
Total Exposure to top four NPA accounts	1,19,93,073	90,64,565

46. SECTOR-WISE NPAs

(Amount in ₹)

		Percentage of NPAs to Total Advances in that sector	
	Sector	2017-18	2016-17
1.	Agriculture & allied activities	0.00	0.00
2.	MSME	3.50%	0.00
3.	Corporate borrowers	0.00	0.00
4.	Services	0.00	0.00
5.	Unsecured personal loans	0.00	0.00
6.	Auto loans	2.69%	2.02%
7.	Other personal loans	0.00	0.00

Kogta.indb 82 10/31/2018 11:34:09 AM

NOTES

to financial statements for the year ended March 31, 2018

47. MOVEMENT OF NPAs

(Amount in ₹)

	Particulars	2017-18	2016-17
(i)	Net NPAs to net advances (%)	2.71%	2.02%
(ii)	Movement of NPAs(Gross)		
	(a) Opening balance	4,62,06,841	2,63,75,617
	(b) Additions during the year	9,74,64,888	4,19,72,364
	(c) Reductions during the year	3,58,45,591	2,21,41,140
	(d) Closing balance	10,78,26,138	4,62,06,841
(iii)	Movement of net NPAs		
	(a) Opening balance	4,12,46,894	2,37,38,055
	(b) Additions during the year	8,48,01,548	3,74,72,557
	(c) Reductions during the year	3,19,27,885	1,99,63,718
	(d) Closing balance	9,41,20,557	4,12,46,894
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	49,59,947	26,37,562
	(b) Provisions made during the year	1,26,63,340	44,99,807
	(c) Write-off/write-back of excess provisions	39,17,706	21,77,422
	(d) Closing balance	1,37,05,581	49,59,947

48. OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

Name of the Joint Venture/Subsidiary	Other Partner in the JV	Country	Total Assets
----------Nil----------			

49. OFF-BALANCE SHEET SPVs SPONSORED

Name of the SPV sponsored	Nil
Domestic	Overseas
Nil	Nil

50. DISCLOSURE OF CUSTOMER COMPLAINTS

(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

51. TRANSACTION WITH NON-EXECUTIVE DIRECTORS

Name of Non-Executive Director	Transaction Type	Amount in ₹
There is no transaction entered into with Non-executive directors during the year 2017-18 except payment of sitting fees of ₹ 1,25,000/-		

Kogta.indb 83 10/31/2018 11:34:09 AM

NOTES

to financial statements for the year ended March 31, 2018

52. DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

There is no parent Company to finance any product.

53. POSTPONEMENT OF REVENUE RECOGNITION

There is no significant uncertainty which requires postponement of revenue recognition.

54. 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, 2018 is Nil. (as on March 31, 2017 is Nil).

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

55. MISCELLANEOUS

a. The Balances of receivables, payables and squared up accounts are subject to confirmation & verification from respective parties.

b. No Registration is obtained from any other financial sector regulators during the year.

c. No penalties have been levied or imposed by the regulators during the year.

d. All the working capital borrowings from banks are rated. The borrowings are rated as long term debt instruments as BBB with stable outlook from CARE (as on March 31, 2017 is BBB- with stable outlook from CARE and BBB- with positive outlook from SMERA).

e. Figures of current year and preceding year are rounded off to the nearest rupee.

f. Previous year figures have been regrouped/ rearranged to conform to current year classification.

As per Our Report of even date

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

Per **Jitendra H. Ranawat**
Partner
Membership No. 103380

Place: Jaipur
Date: May 14, 2018

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

R. K. KOGTA
(Chairman)
DIN 00197552

ARUN KOGTA
(Managing Director & CEO)
DIN 05109722

RAHUL AGRAWAL
(Company Secretary)
Membership No. A34034

VARUN KOGTA
(Executive Director & CFO)
DIN 06844307

Place: Jaipur
Date: May 14, 2018

Kogta.indb 84 10/31/2018 11:34:09 AM

Kogta FINANCIAL FREEDOM TO GROW

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