

25 YEARS OF POWERING MOBILITY, SHARING PROSPERITY



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KEY HIGHLIGHTS FY 2022-23

3,395.61 CR
AUM

1,134.78 CR
Net Worth

2,381.53 CR
Disbursements

34.09%
CRAR

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To view this report online,
please visit: www.kogta.in

POWERING MOBILITY, SHARING PROSPERITY

It's been 25 years since we set out on this long and fulfilling journey...

Armed with a vision to power mobility and spread prosperity, a team of dynamic entrepreneurs – Shri Banwari Lal Kogta, Shri Bal Mukund Kogta and Shri Radha Krishan Kogta – founded Kogta Financial. Over the years, the NBFC sector grew steadily; And the Company's growth more than matched it. The sector saw good times and faced crises; Through it all, Kogta Financial continued to expand in terms of clientele, geography and AUM.

Two and a half decades later, Kogta Financial has come a long way. Today, we have...

...powered the dreams of millions in rural and semi-urban towns.

...a significant presence across north, west and central India.

...adopted digital technology to drive greater efficiency in operations and customer convenience.

We are striding forward on the foundations of dedicated customer service, fair business practices and efficient, safe and trusted financial

policies. Our delighted customers have been coming back to us, time and again, for their lifecycle credit needs. While powering mobility with vehicle loans, we're proud to have played a role in powering their business and individual growth and upward mobility too. And as we've grown, we have been sharing prosperity with...

...our clients/borrowers, enabling them to improve their lifestyles.

...our employees, by ensuring career progression and professional growth, over the years.

...our shareholders, in the form of value creation.

In our clients'/stakeholders' prosperity, we see our success.

25 years later, we are steered by next-generation, meritocratic leaders and the future looks exciting. It is our dream to continue to serve the needs of our clients to expand our client base on the strength of our reputation, service, products and processes to grow into a leading player in the sector, driven by our strong management and the backing of investors.

We've enjoyed the 25-year dynamic and rewarding journey this far.

But we believe that the best is yet to come...



CELEBRATING 25 YEARS AND COUNTING



Kogta Financial (India) Limited is a Jaipur-based Non-Banking Financial Company (NBFC) in the 25th year of operations, with a strong presence in the asset finance business.

We aim to create a more financially inclusive ecosystem in India by catering to the credit needs of the large and underserved segments of individuals and MSMEs. Our clientele include farmers, first-time borrowers, small entrepreneurs, businesses, retail traders and other underserved categories who seek to tap into the formal financial sector.

Our diverse asset finance offerings include Cars, Commercial Vehicles, Tractors, Construction Equipment & Loan against Property/MSME Loans.

Our NBFC enterprise journey began in our home state – Rajasthan and over time, we have built up a network

of 200+ branches across Gujarat, Maharashtra, Delhi NCR, Madhya Pradesh, Uttar Pradesh, Punjab, Haryana, and Himachal Pradesh.

We have an integrated technology platform for loan origination and in-house portfolio management system uses real-time data to cover enterprise-wide functions for efficient customer servicing.

Supported by 4,000+ dedicated employees, fair and facilitating business practices, and structured and trustworthy financial policies, we serve 1,00,000+ customers with uncompromised customer service.

Our focus to strengthen the retail and SME/MSME segments is backed by a highly secured retail lending mechanism, our stronghold in rising markets, dynamic IT infrastructure, efficient collection processes and a strategic leadership team.

In our 25th year of operations, we remain committed to building a unique financial institution in livelihood and small entrepreneur financing for clients across India. We envisage playing a larger role in increasing the NBFC sector lending in India and contribute to the country's socio-economic growth in the coming years.



OUR VISION

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



OUR MISSION

To provide Financial Products to more and more customers in the “**Most Friendly, Professional Manner**” and to give growth to all our Stakeholders.



OUR VALUES



GREAT SERVICE

Best service for our customers



INTEGRITY

Keep commitments and be ethical



EXCELLENCE

Excellence in all we do



GROWTH

Growth for all stakeholders



INNOVATION

Seek, imagine, create



RESPECT

Respect for all



GREAT WORK CULTURE

We all need balance in life



TEAMWORK

Our success depends on working together

OUR KEY NUMBERS

A/ STABLE

ICRA & CARE Rating

1,04,676

Active Customers

202

Branches

8

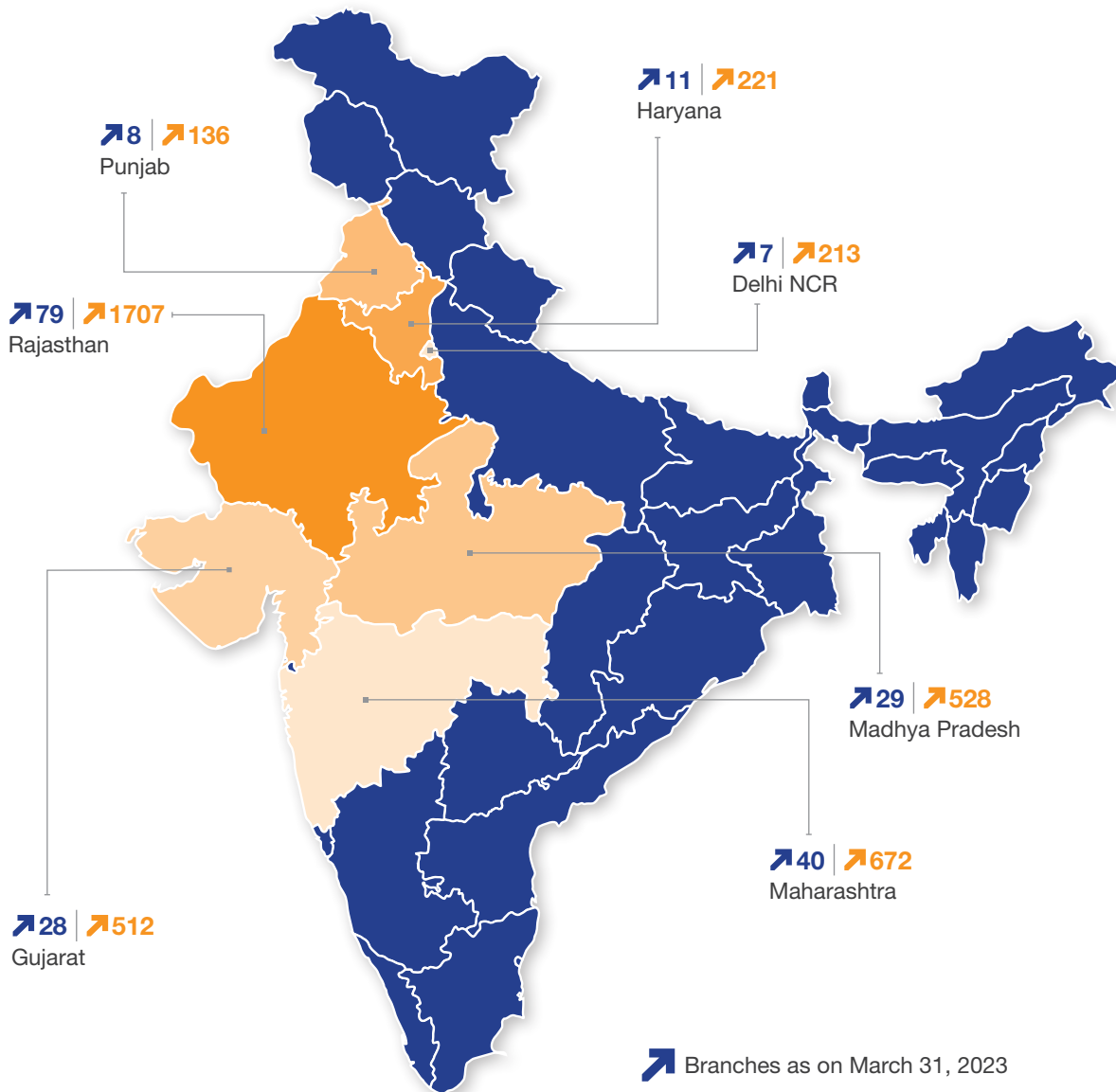
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UT

A QUARTER-CENTURY OF EXPANSION

Our growing geographical footprint



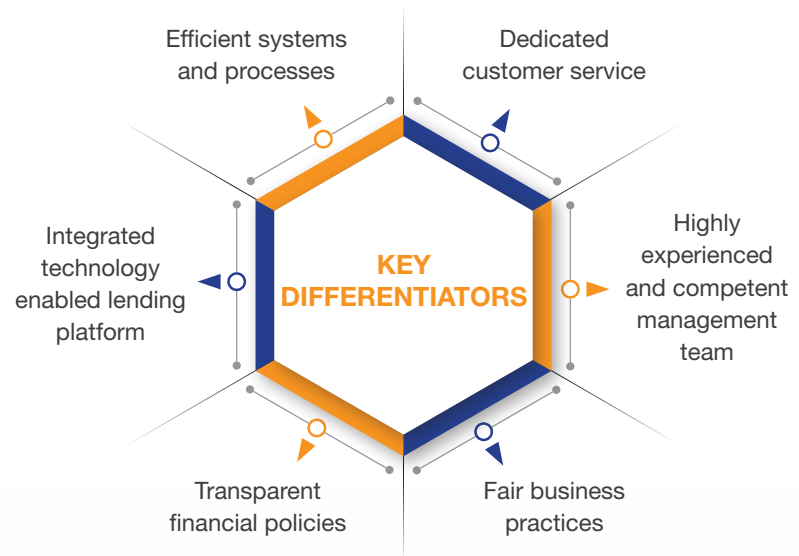
Map not to scale. For illustrative purposes only.

Branches as on March 31, 2023

Number of Employees

25 YEARS OF STRENGTHENING OUR STRATEGIC ADVANTAGES

Over the years, Kogta Financial has been fine-tuning its client interface, operations, products and processes to enhance its performance on various parameters and deliver benefits to all its stakeholders. Some of the key elements of our strategy, which have fortified our presence and position include:



UNIQUE LENDING MODEL

Digital lending system based on appropriate risk pricing to deliver superior turnover time, increased productivity and deeper customer insights

TECH-ENABLED

In-house integrated technology and portfolio management system for stringent internal controls, seamless product offerings and efficient customer service

DIVERSE PRODUCT PORTFOLIO

Catering to a large MSME and underserved customer segments with diverse credit needs for delivering high yield at low risk

ROBUST CREDIT AND RISK MANAGEMENT FRAMEWORK

To leverage our risk-based lending model to customise pricing the risk price based on borrower's profile and the product features

STRATEGIC LEADERSHIP TEAM

Experienced management and qualified leadership team to guide the company in fulfilling its mission, vision and broader objectives

HOLISTIC GROWTH

Strategic growth by penetrating new markets after a thorough evaluation of evolving local customer needs for credit

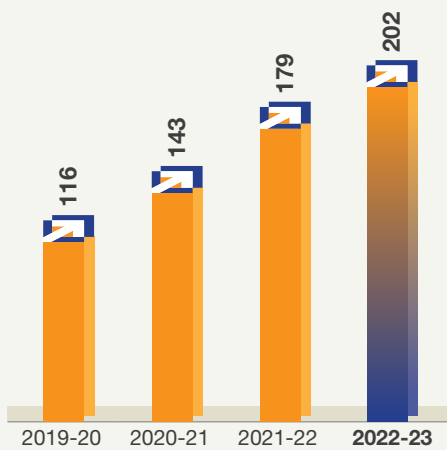
HEALTHY LIQUIDITY

Raising funds from reputed based private equity investors and a broad base mix of lenders helps maintain a strong liquidity profile

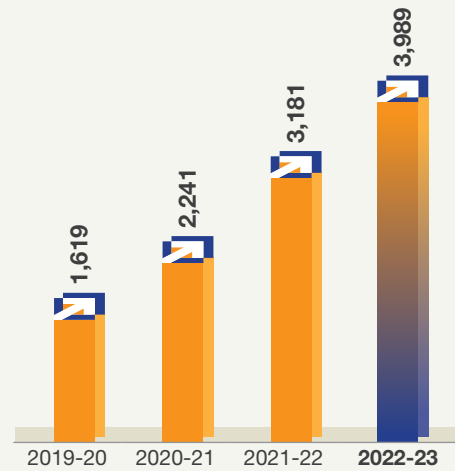


POWERING MOBILITY AND SHARING PROSPERITY THROUGH ROBUST PERFORMANCE

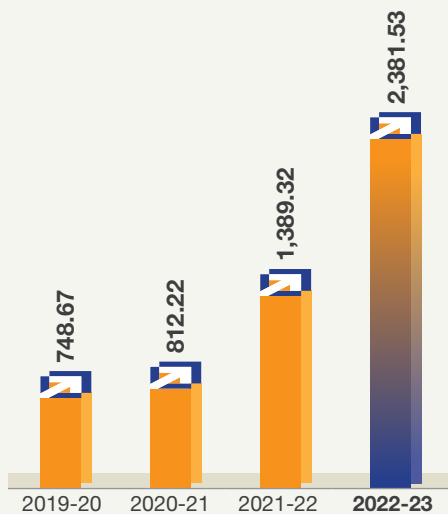
NETWORK EXPANSION (No. of Branches)



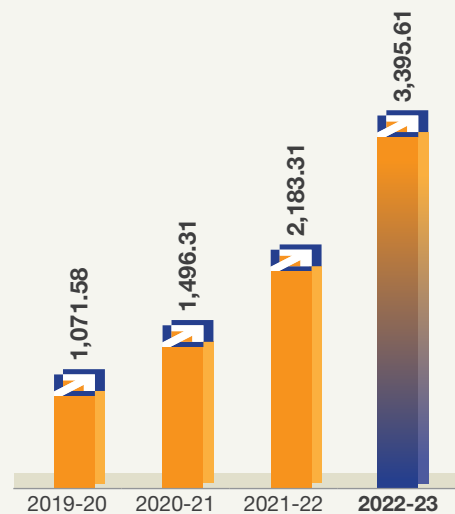
NUMBER OF EMPLOYEES

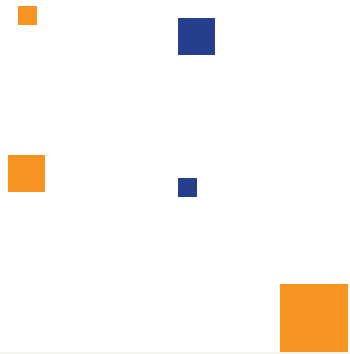


TOTAL DISBURSEMENTS (₹ in Crore)



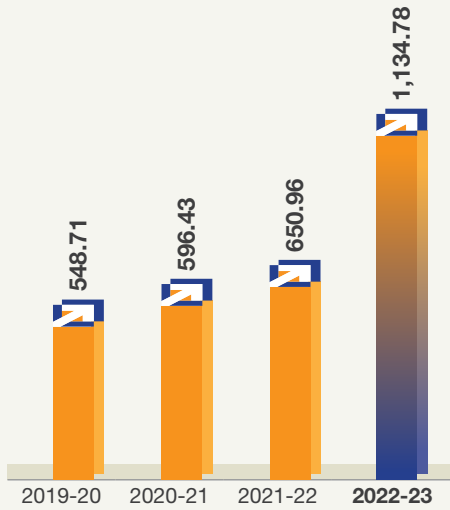
TOTAL AUM (₹ in Crore)





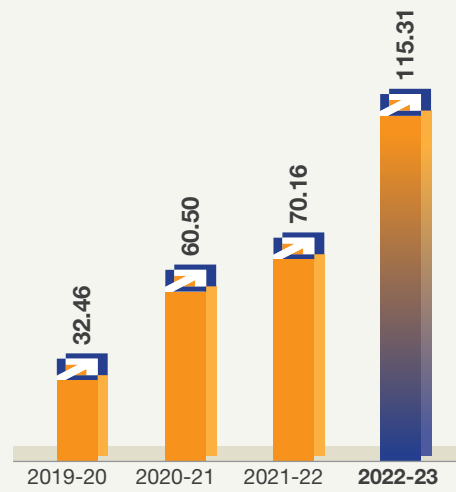
NET WORTH

(₹ in Crore)



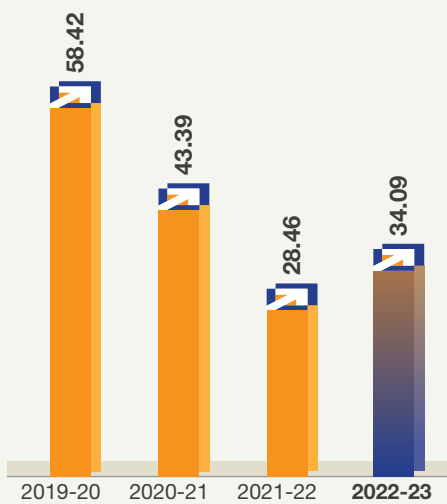
NET PROFIT BEFORE TAX

(₹ in Crore)



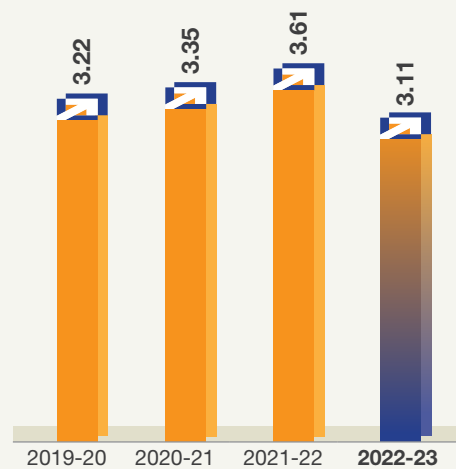
CAPITAL ADEQUACY RATIO

(in %)



GROSS STAGE III

(in %)



MD & CEO STATEMENT



“Despite the economic upheavals witnessed, we, at Kogta Financial, continued to cater to the credit needs of our diverse customer base that included first-time borrowers, small businesses and the MSME segment and played a pivotal role in powering their upward mobility.”

Dear Stakeholder,

It gives me great pleasure to address you on our momentous 25th anniversary year.

During the past 25 years, we have achieved robust growth and ensured that our stakeholders have grown with us too. We have been spreading prosperity while powering mobility.

Over the years, your Company has evolved from a small enterprise with an ambitious dream, to a fast growing company in India's financial sector, with a mighty vision for itself, its clients and all its stakeholders.

We have witnessed economic up-cycles and the worst of crises; and through it all, we have stayed strong, protecting our stakeholders and delivering on our promises.

At this significant juncture in our history as a company, we have so much to be grateful for – the hard work, dedication and commitment of our employees,

the support of our partners, the benevolent guidance of our directors and management, the loyalty of our clients and most of all, the trust that you all have bestowed on us.

We thank you, most sincerely as we could not have come this far without your patronage and we look forward to having you by our side as we foray into the future to achieve greater goals for us all.

Coming to the year under review, FY 2022-23, we saw the global economies slowly emerging from the shadow of the COVID-19 pandemic. Being a wait-and-watch year, we observed mixed outcomes for FY 2022-23. At the outset, economies worldwide witnessed a broad-based and steeper slowdown than we had anticipated, owing to several factors weighing heavily on the outlook. At the same time, the ongoing Russia-Ukraine crisis triggered one of the sharpest rises in inflation seen in several decades. The cost-of-living crisis that ensued cast

a shadow on global economic activity during the year.

Likewise, the tightening of monetary policies in most regions to manage inflation and rising interest rates were seen to impact the fund flows and we saw reduced investments across sectors, especially the liquidity flow to financial institutions. The resurgence of the COVID-19 pandemic in China during the year was another major factor that cast apprehensions over the global economy.

However, in the latter part of the year, we saw a rebound owing majorly to the peaking-out of inflation during October 2022 with IMF's forecast indicating a fall in the global inflation rate to 6.6% in 2023. Also, a stronger-than-anticipated recovery of China's economy paved the way for a signalled recovery path for the economies worldwide. Emerging economies like India and China showed better resilience while dealing with the global economic slowdown during the year compared to advanced economies.

Fortunately, India remained partially insulated from the global economic storm and continued to be the fastest global economy. Its performance was backed by a resurgence in domestic demand, relatively less exposure to international trade flows and supportive Government measures.

Despite the economic upheavals witnessed, we, at Kogta Financial, continued to cater to the credit needs of our diverse customer base that included first-time borrowers, small businesses and the MSME segment and played a pivotal role in powering their upward mobility. We have been able to leverage our growing network capabilities and our state-of-the-art secured retail lending model to our growing customer aspirations to deliver a sound performance in the year under review.

During FY 2022-23, we have disbursed ₹ 2,382 Crore compared to ₹ 1,389 Crore in FY 2021-22, an increase of 71.49%. We have grown our 2x over the last two years despite the pandemic situation. Our Total Assets under Management (AUM) for this fiscal stood at ₹ 3,395.61 Crore, having crossed the ₹ 2,000 Crore AUM benchmark for the first time within a span of 2 years of crossing the ₹ 1,000 Crore AUM benchmark during 2020.

Our financial performance was on track this year, in line with our deep-rooted commitment to our key stakeholders. Our revenue from operations indicated a growth of 43.56% at ₹ 480.01 Crore in FY 2022-23 over ₹ 334.37 Crore reported in FY 2021-22. During FY 2022-23, our robust risk management and asset quality measures have helped maintain Stage III (Gross) and Stage III (Net) Assets (NPA) at 3.11% and 1.88% respectively over 3.61% and 2.52% achieved during FY 2021-22, respectively.

Our robust performance was further augmented by our external credit rating upgrade by ICRA & CARE from A- to A,

“ Our robust performance was further augmented by our external credit rating upgrade by ICRA & CARE from A- to A, helping us secure funds at competitive rates and continue supporting our customers’ evolving credit needs.”

helping us secure funds at competitive rates and continue supporting our customers’ evolving credit needs. We continue to maintain a strong Capital Adequacy Ratio at 34.09%, well above 15% statutory requirement.

Backed by a highly integrated loan origination technology platform, in-built portfolio management system, robust processes, diverse resources and sound capitalisation measures, we continue to deliver efficient and customised customer offerings.

Our business practices on our funding side have helped strengthen our asset quality and resource divergence, aiding our growth journey. Led by our experienced founders having strong on-ground operating experience and deep market knowledge and backed by our culture of “freedom to grow” and supported by seasoned professionals and systems, Kogta Financial has scaled rapidly at 50%+ CAGR over the last few years since its first institutional investment in October 2016.

As the next significant milestone for the Company, we have completed Series D round of equity of ₹ 846 Crore led by Multiples Private Equity. Canada Pension Plan Investment Board and existing investors, Morgan Stanley Private Equity Asia and Creador IV LP also participated in this round. The funds will be used as

primary capital to help Kogta Financial navigate the next phase of its growth traction. It has also offered a full exit to IIFL Seed Venture Fund – Kogta Financial’s first Series A investor.

Before I sign-off, I would once again like to thank our financial partners for their unwavering support, our employees for their pivotal role in helping us reach our annual targets and our customers and our stakeholders who have stood by us and continue to bestow faith in our vision and capabilities.

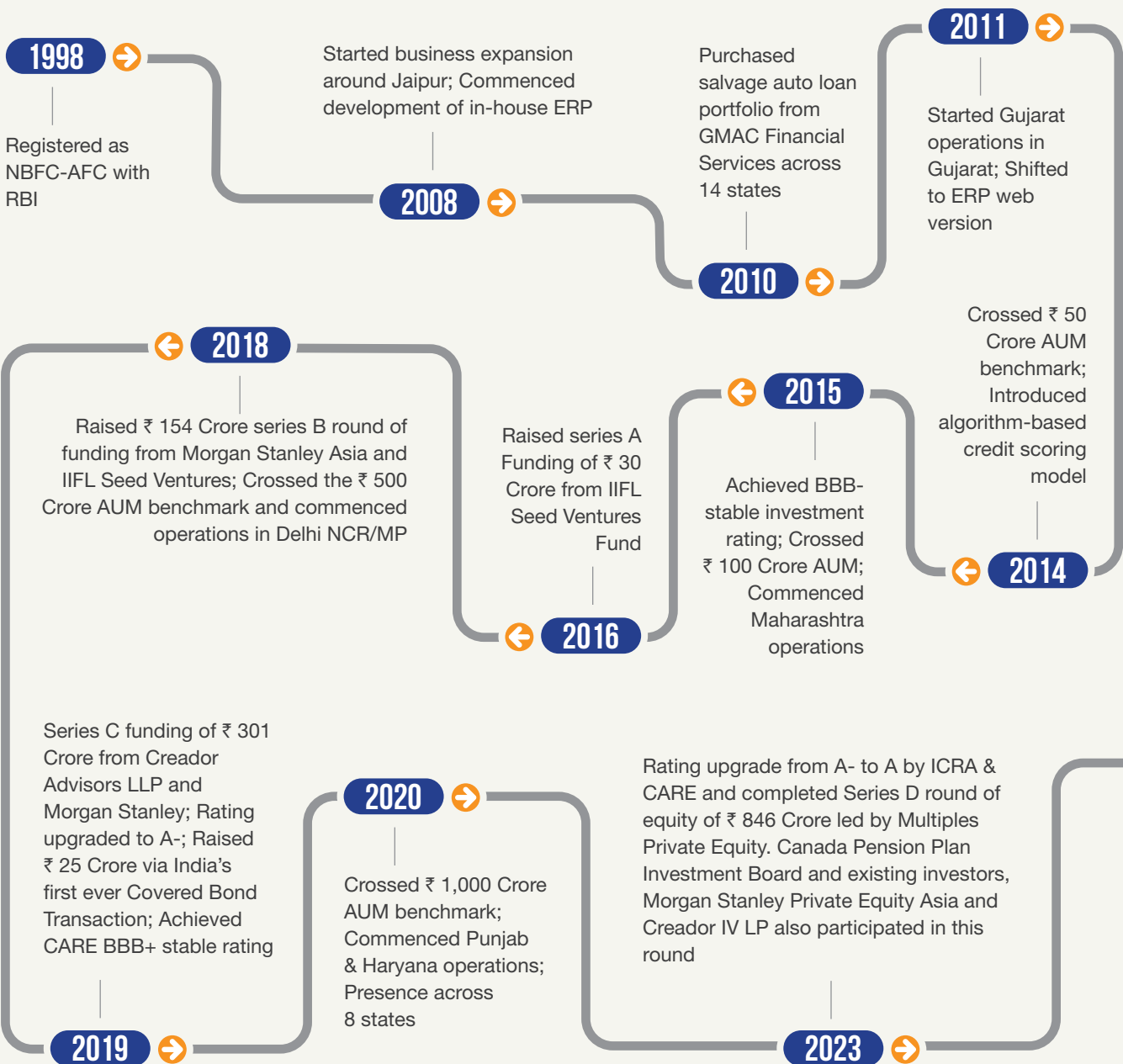
With 25 years of operations under our belt, we remain committed to serving the growing financial needs of our diverse customer base. As we look to the future, we envision powering mobility and sharing prosperity by building an innovative financial institution that will play a pivotal role in helping our customers in their growth journey.

Thank you,

ARUN KOGTA
MD and CEO

MARKING MILESTONES ON OUR 25TH ANNIVERSARY

As we foray into the 25th year of operations, we feel a sense of satisfaction as we look back at our journey, calibrated with significant milestones.



OUR VERSATILE LENDER BASE

BANKS



SMALL FINANCE BANKS



FINANCIAL INSTITUTIONS



OTHERS



OUR PRODUCT AND SERVICES



CAR LOAN & MULTI UTILITY VEHICLE LOAN

We provide loan products for Pre-Owned/Used/New Cars across all vehicle categories, manufacturers and brands at attractive interest rates along with a seamless and hassle-free loan application process.



LIGHT COMMERCIAL VEHICLE

Our suitably structured Light Commercial Vehicle (LCV) loan products help us to support the compact commercial vehicle funding needs for transportation purpose of our diverse small business and agricultural customers.



HEAVY COMMERCIAL VEHICLE LOAN & CONSTRUCTION EQUIPMENT LOAN

We offer customised loan schemes for purchases of new and used heavy commercial vehicles & construction equipments to suit the individual business needs of our diverse client base.



TRACTOR LOAN

Our deep penetration market strategy within the regions where we hold a stronghold, helps us offer our customers across the towns, rural areas and Tier II & Tier III regions easy access to tractor loans.



MSME LOAN

For meeting the finance needs of Micro, Small and Medium Enterprises (MSME), we offer various financial products based on their diverse business needs through doorstep service, transparent & easy processing, faster turnaround time and covering all industries and occupations across urban/rural segments via our vast branch networks.



LOAN AGAINST PROPERTY

We offer our loan against property (LAP) product to both self-employed and salaried borrowers for meeting their diverse personal/business funding needs like business expansion/renovation, marriage, higher education, medical treatment, property purchase, repaying old loans and the like.

APPROACH TO SUSTAINABILITY

BRIEF OUTLINE ABOUT THE REPORT

Kogta Financial (India) Limited (KFL) believes that environmentally and socially responsible businesses are the foundation of a sustainable and inclusive society. This is the first communication of the organisation to our stakeholders with a clear perspective on our ESG philosophy, approach, and commitments. Through this report, we aim to share our commitment and performance related to ESG strategies and being transparent with various stakeholders, including employees, investors, customers, business partners, suppliers, community, and government.

Feedback

KFL values the feedback of the stakeholders and effectively uses the same to improve policies, processes, performance, and disclosures. For questions regarding the report or its contents contact Email: esg@kogta.in

ESG Vision

To ensure our services and operations are sustainable from environmental, social and financial perspective.

ESG Approach

At KFL, we always consider ESG at the forefront and hence we constantly benchmark our environmental, social, and governance practices against global standards and make substantial efforts to create more value for our stakeholders.

Our ESG strategy is based on a strong commitment to benefit society, our customers, employees, shareholders, communities, and all other stakeholders in responsible and sustainable manner. We are evaluating every aspect of our organisation to put procedures, tools, and resources in place to monitor, manage, and improve all material ESG parameters. This will aid in developing resilience and long-term value throughout our activities, from more efficient operations to unlocking growth potential in the developing market situation. To reinforce our ESG commitment, we formally devised a dedicated ESG Policy in the year 2020, which is driven by our vision to become a “Trusted and Innovative” Financial Service Provider in India.

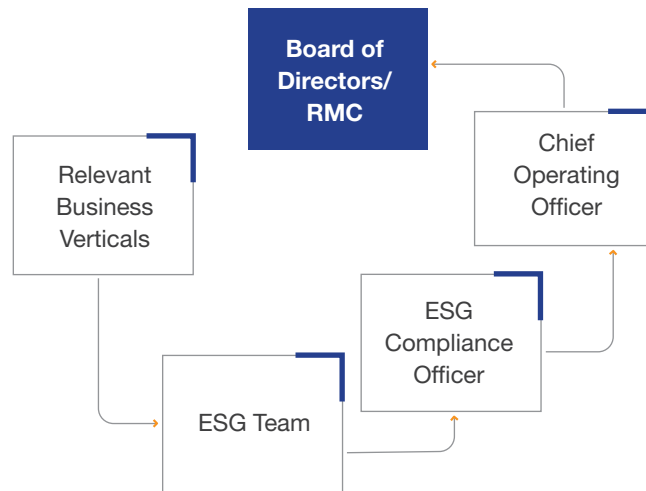




ESG GOVERNANCE AND MANAGEMENT

Our dedication to sustainability demands that we continue to have dynamic, committed, and visionary leadership. Our effective, sustainable governance system controls goal-setting and reporting processes, encourages relationships with internal and external stakeholders, and maintains overall accountability to help us implement our vision across our operations.

For efficient management and execution of the sustainability initiatives, we have established a governance structure as given below:



The COO oversees and gives final approval to all ESG-related matters and is responsible for implementation. He also reports to the Board and is responsible for managing ESG issues. The COO receives reports from the ESG compliance officer on all matters





pertaining to ESG performance and updates. To manage and carry out ESG plans and strategies, the ESG compliance officer works closely with key business divisions.




The Company also has a dedicated ESG team, with cross-functional members, which serves as an enabler for our continuous commitment to the environmental, social, and governance parameters, including the underlying topics such as corporate governance, stakeholder engagement, responsible lending, health and safety, diversity and inclusion, corporate social responsibility, human capital development, and other material aspects. The team monitors comprehensive data on Company's operations and meets periodically to track progress and launch new ESG initiatives as a responsible business and a corporate citizen.



STAKEHOLDER ENGAGEMENT PLAN

The Company is committed to engaging with all its stakeholders to understand their perspectives and concerns to craft strategies and policies to deliver long-term value. Constructive communication with internal and external stakeholders is an important exercise that helps us with valuable insights to shape our priorities and strategy concerning our ESG commitment and growth plans. This engagement plan defines the process to identify our stakeholders and their expectations and shall be continually updated to meet the same.

Stakeholder types	Stakeholder expectation	Communication channels
 Investors/ Shareholders (Financial capital providers for the business operation)	<ul style="list-style-type: none"> ■ Effective governance framework with enhanced disclosures and transparency ■ Short-term gain and long-term business value ■ Protection of minority shareholders' rights ■ Enhance shareholder sustainable returns 	<ul style="list-style-type: none"> ■ Emails ■ Telephones ■ Conference meetings
 Customers (Key drivers influencing the business operations and end user of the product and services)	<ul style="list-style-type: none"> ■ Innovative products ■ Excellent customer service experience ■ Timely response on queries and end-to-end solutions ■ Adequacy of risk coverage & efficient claims settlement ■ Competitive pricing ■ Website performance ■ Data privacy 	<ul style="list-style-type: none"> ■ Email ■ Telephonic communication ■ One-to-one meetings ■ Grievance redressal mechanism
 Employees (Pillars of the company for achieving its strategic vision, mission, goals and enhance the service excellence)	<ul style="list-style-type: none"> ■ Proper training, learning and development ■ Job security ■ Fair and timely payment of salaries ■ Employee benefits ■ Feedback and recognition from higher authorities ■ Career development ■ Safe and diverse work culture ■ Work-life balance ■ Employee well-being 	<ul style="list-style-type: none"> ■ Email ■ Direct interaction with HR ■ Display of notices and policies ■ Training and programmes
 Communities (Drive force for the CSR engagements and enriching lives with mutual beneficial relationship)	<ul style="list-style-type: none"> ■ Responsible engagement process to mitigate social and environmental related issues ■ Contribution to CSR initiatives and community welfare ■ Promote education 	<ul style="list-style-type: none"> ■ Various awareness programs ■ Community projects

Stakeholder types	Stakeholder expectation	Communication channels
 <p>Suppliers/Vendor (Resource providers for the business activities)</p>	<ul style="list-style-type: none"> On-time settlements of invoices Fair Service-Level Agreements (SLAs) and procurement policy framework Information-Sharing on priorities and requirements Sustained business opportunities 	<ul style="list-style-type: none"> Emails Telephonic communications Perform due diligence while engaging with them
 <p>Media (Important communication platform to identify common interests, express and share opinions and demands, organise, and coordinate interventions)</p>	<ul style="list-style-type: none"> Enhanced disclosure and transparency Publicly available statements regarding leadership approach towards the underlying ESG themes Approachability for comments and verification 	<ul style="list-style-type: none"> Emails Telephonic communication Display on websites Social media channels
 <p>Government and Regulators (Enforce laws that have an impact on our operations and long-term business goals)</p>	<ul style="list-style-type: none"> Internal controls and accountability Data integrity and transparency in disclosures Statutory and legal compliance Timely tax payment Supporting regulation guidelines, policies and responsible finance 	<ul style="list-style-type: none"> Emails Directives and circulars Policy advocacy Meetings / discussions

In the current scenario, we understand that an effective engagement with all the stakeholders is very important and communication is the only key to achieve it, therefore to address the growing expectations and grievances of the stakeholders we have established an internal Stakeholder Relationship Committee that provides effective oversight in matters related to stakeholder engagement.

The details of Stakeholder Relationship Committee and various Committees is described in the Corporate Governance Section forming part as Annexure-4 of this Board's Report.



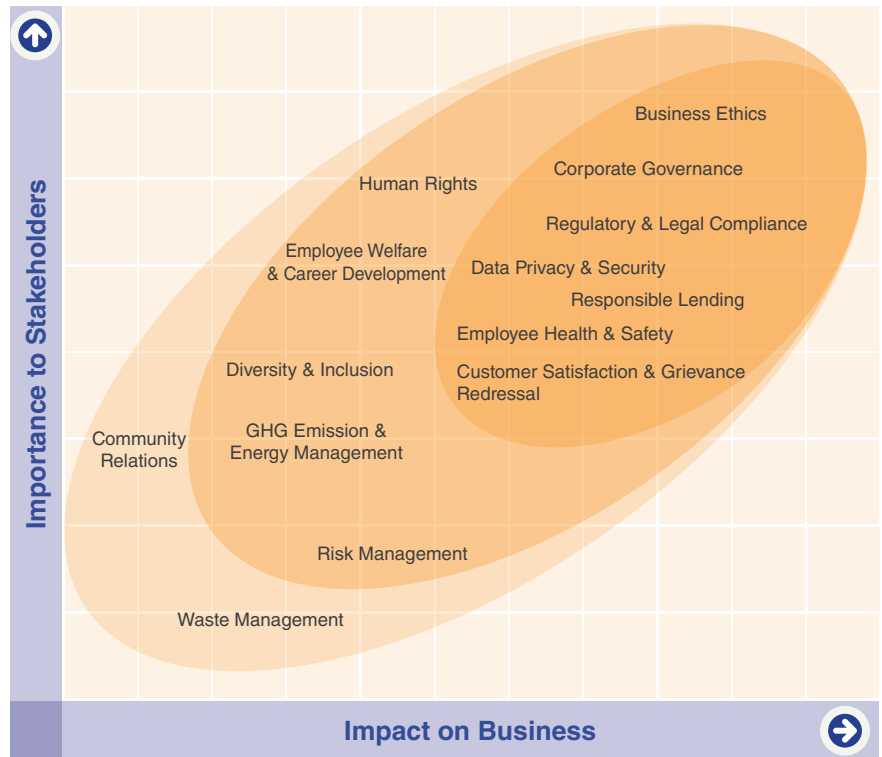
ESG MATERIALITY ASSESSMENT

Materiality in ESG is a standardised approach to identify and prioritise the material ESG issues resulting from organisation’s significant impact on the economy, environment, and society.

The methodology adopted by the organisation for the identification of the material topics includes peer and sectoral analysis and internal stakeholder discussions. Based on above exercise, we have identified relevant ESG factors which are material to our stakeholders and business operations.

As an outcome of this exercise, the topics are then further consulted along with executive members to finalise and prioritise material risk and opportunities arising from the business strategy. Finally, a materiality matrix is plotted to represent the identified material factors which are bucketed as low, medium, and high priority. Some of the identified material topics that have potential impacts on business performance have been discussed in this report.

Material Topics



■ Low ■ Medium ■ High

The above given materiality matrix is not to be scaled; this is a general representation of the three categories.

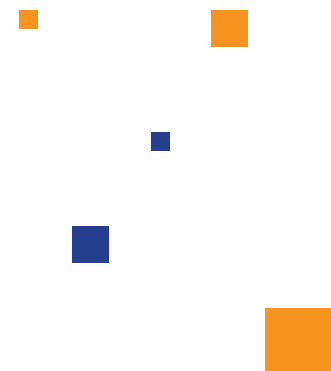
CORPORATE GOVERNANCE

The Board of Directors are the highest governing body engaged throughout the year to deliver governance practices of the highest standards and review the policies and frameworks for the organisation to maintain a robust structure. The Board is focussed on the long-term vision and corporate policy decisions through relevant information provided by the Management and plays a critical role in steering the Company’s strategy.

Our Policies

At KFL, we have designed various policies to promote transparency with a strong focus on disclosures and ethical practices across our various departments. These policies have been implemented to ensure that our stakeholders have access to accurate and reliable information about our operations and decision-making processes. We believe that transparency is key to building trust and maintaining strong relationships with our customers, employees, shareholders, and the wider community.

The infographics below represent policies/mechanisms that are aligned with the Company’s Environment, Social and Governance pillars. Our policies can be viewed at <https://www.kogta.in/investor/policy/>



The details on Corporate Governance is described in the Corporate Governance Section forming part as Annexure-4 of this Board’s Report.

ENVIRONMENT

- ESG Policy
- Environment Policy*
- Waste Management Policy*

SOCIAL

- Information Technology Policy
- Privacy Policy for website use (Part of IT Policy)
- Loan and Credit Policy
- Fair Practices Code
- Human Resource Policy
- Corporate Social Responsibility (CSR) Policy
- Procurement Policy*
- Employee Health & Safety Policy*
- Prevention of Sexual Harassment at Workplace Policy
- On-Site Emergency Policy*

GOVERNANCE

- Code of Conduct and Ethics
- Code of Responsible Investing*
- Risk Management Policy
- Business Continuity Policy (Disaster Recovery Policy is part of Business Continuity Policy)
- Policy document on Know Your Customer norms and Anti Money Laundering (AML) measures
- Anti Bribery and Anti Corruption Policy
- Whistle Blower and Vigil Mechanism Policy
- Related Party Transactions Policy
- Code of Practices and Procedures for Fair Disclosure of UPSI
- Internal Guidelines on Corporate Governance
- Stakeholder Engagement Plan*



Environment



Social



Governance



*Part of ESG Policy

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS):

The organisation has established an Environmental and Social Management System (ESMS) to integrate sustainable development into its core business strategies. KFL recognises the importance of sustainable finance

to achieve triple-bottom-line outcomes in the long term, focussing on the Economic, Social, and Environmental impacts. KFL's core business practices are aligned with the United Nations' Sustainable Development Goals (UN

SDGs), an international benchmark for promoting a sustainable future. KFL's services directly contribute to several SDGs, including:

Mapping SDGs with our business activities:



Goal 1: No Poverty

Our Activities

- Financial inclusions
- Insurance coverage



Goal 3: Good Health & Well-being

Our Activities

- Awareness campaigns on safe driving practices (Be a Good Samaritan Awareness Campaign); helmet distribution
- Health Check-up camps
- Blood donation camps
- Health Insurance & Accident Cover Insurance
- First-aid training
- Fire safety training & Mock drills



Goal 4: Quality Education

Our Activities

- Kids Educational Welfare (Donation of fees to children from underprivileged homes)
- Employee learning and development programmes
- Financial Literacy



Goal 5: Gender Equality

Our Activities

- Women as co-borrowers
- Diversity and inclusion in the workplace
- Favourable policies for women



Goal 6: Clean Water and Sanitation

Our Activities

- Establishment of safe & clean drinking water plant
- Safe & hygienic sanitary conditions



Goal 8: Decent Work and Economic Growth

Our Activities

- Sustainable underwriting, ESG due diligence and responsible financing practices
- Promoting inclusive employment allowing persons with disabilities to fully access the job market



Goal 9: Industry, Innovation and Infrastructure

Our Activities

- Assisting MSMEs in process & technology upgradation; product enhancement
- Assisting vehicle owners to increase the fleet size; upgrade to eco-friendly options



Goal 10: Reduced Inequality

Our Activities

- Fostering equal opportunity for all employees
- Ensuring safe and healthy workplace for employees
- Health, wellness and welfare initiatives



Goal 12: Responsible Consumption and Production

Our Activities

- Scientific disposal of e-waste through authorised recyclers
- Phasing out of plastic bottles
- Use of sustainable materials – glass bottles
- Energy conservation/efficiency
- Reduction in plastic usage



Goal 13: Climate Action

Our Activities

- An overarching policy on environment management
- Digitalisation to reduce paper consumption, travel, and carbon footprint
- Use of energy-efficient LEDs and workstations
- Encouraging employees to be ESG torchbearers
- Focussed efforts towards reduction in GHG emission



Goal 16: Peace, Justice and Strong Institutions

Our Activities

- Accountability and transparency towards stakeholders
- Zero corruption and bribery
- Zero incidents of child labour and forced labour
- Robust governance, fraud prevention and cyber security practices



Goal 17: Partnerships for the Goals

Our Activities

Promoting financial inclusion policies for under-privileged sections

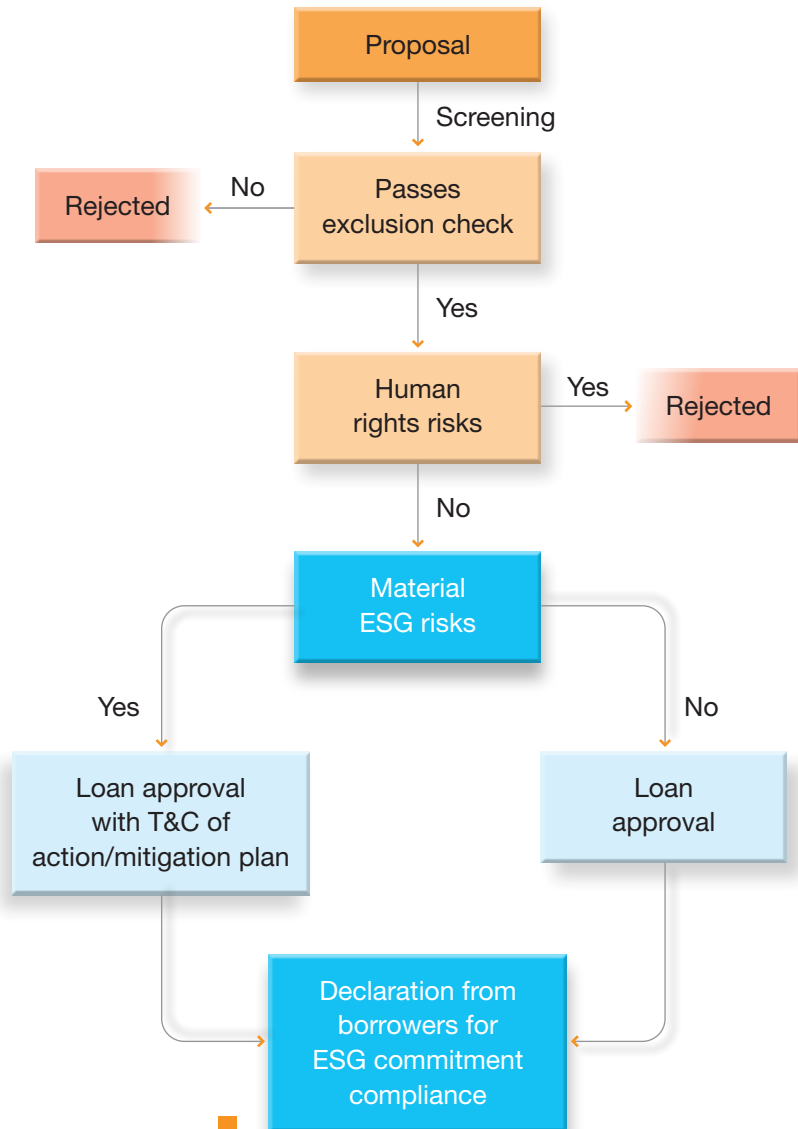


RESPONSIBLE BUSINESS

RESPONSIBLE LENDING

KFL integrates ESG criteria into its operations and financing decisions for screening the material ESG risks and opportunities of every product offered. This ensures that our services and operations are sustainable from an environmental, social, and financial perspective. The integration of ESG into our financing decisions starts from due diligence through the credit phase.

Our products are subject to ESG due diligence, which involves screening for potential ESG risks and ensuring ESG compliance. Each proposal undergoes a quantitative assessment through an ESG checklist and has to achieve a minimum ESG risk score to proceed further. Proposals not meeting the minimum required ESG risk score go through another high-level screening by senior management. KFL adheres to the ADB: Asian Development Bank prohibited investment activities list and the International Finance Corporation (IFC) Performance Standards on Social & Environmental Sustainability and strictly avoids doing business with any excluded entity. During the screening or diligence process, if material risks are identified, the borrower must develop an action plan to mitigate these risks or monitor ongoing progress on ESG aspects, as appropriate. We also obtain a declaration from our borrowers and vendors confirming compliance with our transparent and non-discriminatory ESG commitments outlined in our ESG policy.



Key ESG concerns that get checked during ESG due diligence are listed below:

ENVIRONMENT

- Activities causing Environmental pollution (Air Pollution, Water Pollution, Noise Pollution)
- Usage of high carbon intensive machinery/vehicles
- Activities in Ecological/Eco-sensitive zones
- Activities causing short-term and/or long-term ecological disturbances

SOCIAL

- Use of loan funds in illegal activities
- Opposition from any stakeholder being detrimental to the viability of the project
- Direct or indirect involuntary dislocation or displacement or resettlement of people
- Breach of fair employment and inclusion & diversity principles
- Non-payment of legal minimum wages
- Employment of child or forced labour
- Lack of safe and healthy working conditions for employees
- Any other specific occupational health & safety related risks and vulnerability

GOVERNANCE

- Absence of requisite approvals/licenses wherever needed
- Non-compliance to local authority norms/National or State laws and regulations
- Business owner or partner's involvement in criminal activities or any criminal convictions against them

PROVIDING OUR CUSTOMERS ACCESS TO FINANCE

KFL is committed to achieving financial inclusion by enhancing digital literacy and financial inclusion initiatives to support underprivileged communities. We aim to promote accessible and affordable products, essential tools for managing financial risks, and support financial literacy programmes and education initiatives to help people make informed financial decisions.

The Company has developed products and services to provide low-income, self-employed, and informally employed individuals with the financial support they need to achieve their goals. These products are customised to cater to customers' specific requirements based on their sector, development, and geographic location. We focus on vehicle and MSME lending to meet the demand for unaddressed debt and enable greater financial access for underserved communities.

The majority of our customers are individuals who are either low-income, self-employed, or informally employed. We rely on technical support and interpersonal interactions to provide our customers with faster and more efficient services while maintaining a personal touch. Our financial inclusion branch network comprises 200+ branches and currently serves customers across 8 states and 2 UT's as of March 31, 2023. We have a dedicated team that collects customer feedback and addresses grievances promptly and effectively. To facilitate this, we have established a structured grievance redressal framework supported by a review mechanism. Customers can use this framework if they have any queries or concerns or require clarification relating to our products. We continually update our products and business

operations by incorporating customer feedback and ensuring high product and service quality standards. By doing so, we aim to provide our customers a seamless experience and promote financial inclusion for underprivileged communities.

FINANCIAL LITERACY

We understand that financial literacy is crucial to an individual's long-term financial success, and the lack of it can be detrimental. Therefore, we strive to bridge this gap by leveraging our social media platforms to share infographics in vernacular language to present financial awareness information quickly and clearly.

Our social media posts focus on critical financial skills and concepts, aiming to make our society less vulnerable to financial fraud and encourage smarter financial decision-making. Additionally, our website has a dedicated page where we share blogs in simple language and easy-to-understand terminologies on various finance-related topics. These topics include personal finance, small business loans, loan schemes, CIBIL score, and sound financial habits to manage business growth better.

Educating our customers on financial literacy will empower them to make informed financial decisions and help them achieve their financial goals. Our goal is to provide our customers with the necessary tools and knowledge to improve their financial well-being and create a more financially inclusive society.

DATA PROTECTION AND CYBER SECURITY

Data protection and information security are critical aspects of protecting sensitive information in today's digital age. Data protection

is concerned with safeguarding the personally identifiable information (PII) of customers, such as financial information, property documents, KYC, and contact information. Data protection applies to all sensitive information that organisations handle, including that of customers, employees, and shareholders. By implementing data privacy measures, sensitive data is only accessible to authorised parties and prevents unauthorised access by malicious individuals.

We have implemented a well-defined governance structure to ensure the security of information and data protection. This includes establishing an Information Technology Strategy Committee, a Board-approved Information Technology Policy, and a Board-level Risk Management Committee. The Company also follows Cert-in & ReBIT advisories to protect against global cybersecurity threats. Cybersecurity has become a critical component for KFL as organisations are expected to safeguard sensitive data and protect against cyber threats. An effective cybersecurity policy involves conducting regular risk assessments, implementing strong access controls and authentication measures, and having a clear incident response plan. We have formed an internal team to monitor Cyber Risks, which continuously monitors network traffic and events to detect any suspicious activities and respond promptly to potential incidents. The Company also subscribes to various threat intelligence services that assist in identifying malicious indicators of compromise (IOCs) and blocking them proactively to prevent potential attacks.

In the reporting period, there were zero incidents of data breaches with the help of above initiatives.

EMPLOYEE ENGAGEMENT

KFL has always prioritised establishing a work culture that each employee is proud of. Our employees are the most important drivers of our business, and we prioritise creating a prejudice-free work environment that focusses on their overall professional development. We understand that employee engagement is a key driver to enhancing motivation, productivity, and overall employee satisfaction. We engage our employees in various events throughout the year. All employees are encouraged to participate in the weekly event “Shaandaar Shaniwaar” which includes games and entertaining events that allow employees to unwind and reveal their hidden skills. Cricket tournaments such as the “Kogta Box Cricket League” are also organised annually as a team-building activity to help people bond better and the teams are formed in a gender-neutral format to ensure equal participation.

Employees also have the opportunity to communicate with senior leadership during regular review meetings. All employees receive recognition for successfully fulfilling major organisational tenure milestones. We also plan to carry out an employee satisfaction survey in coming months for better understanding the requirements of our employees at the workplace.

LEARNING & DEVELOPMENT

Learning and Development (L&D) enhances an individual’s knowledge, skills, and capabilities through multiple training programmes. It is a strategic approach to improve employee performance, increasing productivity, and achieving business objectives. At KFL, employee professional growth and development is one of our core priorities. We facilitate rapid advancement for our workforce by encouraging them



to take managerial positions. We aim to create pathways for our high-performing employees with behavioural competencies and potential for leadership roles. As a result, we build a pool of future-ready leaders and minimise the turnaround time and investment required for training new hires in the same role.

TRAINING DETAILS BY EMPLOYEE CATEGORY:

Total no. of Employees trained

2,925

Male

107

Female

1,591

Age 18-30

1,438

Age 31-50

3

Age >50

TOTAL HOURS OF TRAINING BY CATEGORY:

No. of training hours

9,096

Induction

5,739

Refresher

Average hours of training per year per employee: 5 hours (approx).

In the reporting period, we offered both online and in-person training sessions, with a total of 3,032 employees participating, and a total of 14,835 training man hours. Apart from this, 1,165 employees receive refresher training on ESG awareness.

EMPLOYEE RETENTION PROGRAMS

We understand the importance of our employees and value their association with us. In such dynamic scenarios, employees do come across situations where they feel stressed and unmotivated leading to employee attrition. To cater the needs of such employees, we have special programs:

1. Re-energise Program: A special training program for existing employees with low performance, in an effort to boost productivity, enthusiasm and recognise rising performers.

2. Revive - Second Innings: A specialised training programme that supports and guides underperformers to assist them in growing and retain them in the system. This is a special motivational session held for underachievers to improve their performance and assist emerging from the underachievers pool.

FAIR PERFORMANCE MANAGEMENT, RECOGNITION AND REWARDS

We have designed our HR policies to recognise individual performance and reward employees' efforts. Throughout the reporting period, employees get a regular performance & career development review as well as a performance assessment. Employees are motivated and shown that their efforts are valued through incentive and recognition programmes.

NUMBER OF EMPLOYEES AWARDED DURING ANNUAL R&R 2023

379	27
Male	Female

DIVERSITY & INCLUSION

We strongly emphasise diversity and inclusion at workplace. One of our primary hiring policies is to ensure that we hire local talent in all of our branches and that there is no discretion or bias based on any social factors such as gender, age, caste, religion, region, or nationality. We have also been able to significantly raise the proportion of female employees in our organisation over the years and will continue to do so in the near future. We strive tirelessly to help women in our workplace and offer them a flexible environment to maintain their work-life balance. We are an equal opportunity company with a diverse employees representing a wide range of backgrounds and life experiences.

WORKFORCE DIVERSITY BY GENDER & AGE

Workforce gender diversity

Male	Female
3,817	176
employees	employees

Workforce age diversity

Age 18-30	Age 31-50	Age >50
1,744	2,219	30
employees	employees	employees

BOARD DIVERSITY

No. of Directors on Board

7
Male Directors + 2
Female Directors = 9
Directors

Age >50

4
Directors

Age 31-50

5
Directors

Workforce Diversity by Management Level

Types	Male	Female
Senior Management	23	0
Middle Management	298	12
Executives	3,491	169

Workforce Diversity - Region-Wise

Region	Male	Female
Rajasthan	1,587	107
Maharashtra	645	27
Gujarat	497	15
Delhi-NCR	47	0
Madhya Pradesh	517	11
Punjab	130	1
Himachal Pradesh	4	1
Haryana	285	10
Uttar Pradesh	105	4

As of March 31, 2023, we have a total workforce of 3,993 individuals including 05 specially abled permanent employees and 176 permanent female employees. We have 2 women Directors on our Board.

EMPLOYEE WELL-BEING:

At KFL, all the employees are covered under health and accidental insurance and are benefited through parental leave which includes Maternity & Paternity Leave benefits. We provide 26 weeks of maternity leave, 5 days of paternity leave, and 12 weeks of adoption leave, as well as flexible working hours to employees returning from parental leave.

We provide flexible working options to our employee under following situations:

1. As a part of Operational & Business Continuity in any Disaster management;
2. Parenting responsibilities;
3. Unsafe weather conditions;
4. Medical reasons;
5. Other reasons discussed and approved by the Human Resource (HR) Department as well as Line Manager(s).

Our primary obligation to our employees is to provide them with safe and healthy working conditions. Our emphasis remains on preventive measures, and we invest in safety training for work-related risks. Our employees are trained with fire safety and emergency evacuation drills. All employees receive basic first-aid training to ensure they can do the appropriate activities during the golden hours of an emergency. Our emphasis on road safety continues, and we believe that we can make a significant influence in preventing road incidents, if our employees are properly trained on safe driving techniques and all applicable rules and regulations. Our road safety awareness initiatives use posters and leaflets to educate people about the regulations. With the help of above initiatives, there were zero fatalities across business operations during the reporting period.

- Total number of employees who took parental leave: 07 Male & 3 Female
- Total number of employees that returned to work in the reporting period after parental leave ended: 07 Male & 3 Female
- Return to work rate: Male (100%) & Female (100%)



Safety-related incidents

Safety Incident/Number	Category	FY 2022-23 (Current Financial Year)
No. of Injuries	Male	13
	Female	0
	Total	13
No. of Fatalities		0
No. of workdays lost due to accidents = 133 days		

Measures for the well-being of employees

Employee Benefits	Category
Health Care	Yes
Disability and Invalidity Coverage	Yes
Stock Ownership provided	Yes
Other Employee benefits, if any	PF, ESIC, Gratuity, Employee Loan

HUMAN RIGHTS

As part of our HR policy, we assess all business activities and offices for any potential adverse societal consequences, including those related to land acquisition, resettlement, and rehabilitation, the loss of livelihoods and compensation for the same, as well as any practices that might result in exploitative labour or child labour. We strongly prohibit any sort of child labor, forced labour, or other types of mandatory labour in our activities. Moreover, we strive to guarantee that our vendors and suppliers uphold human rights and labour laws, including the prohibition of child/forced labour, through a duly signed ESG declaration from them.

We received zero complaints about human rights violations, discrimination,

child labour or forced labour in FY 2023. Under the rules of the PSARA Act, 2005, security agencies provided training to facility attendants stationed at our locations to provide security on many elements of security, safety, etiquette, and personal conduct/behaviour.

CUSTOMER CENTRICITY

At KFL, we recognise that customers are one of the key stakeholders of our business. Our success depends on our ability to understand and meet their needs effectively. That's why we place great emphasis on customer centricity, which we view as a core value that underpins everything we do. We endeavour to integrate customer-centricity into our business model by understanding their needs and preferences and providing the products as per their requirements.

For better client service, we have a dedicated team that monitors customer feedback and complaints. This team is responsible for ensuring that all customer issues are resolved in a timely and satisfactory manner. Such a proactive approach helps us build stronger relationships and enhanced reputation.

We recognise that our employees play a crucial role in delivering a customer-centric experience. That is why we invest in training programmes that equip them with the skills and knowledge they need to provide exceptional service. Our training programmes cover a wide range of topics, including communication skills, problem-solving, and customer service.

We also have a customer service team that is available around the clock to assist customers with any questions or issues they may have. Our team is trained to handle a wide range of enquiries, and they are committed to providing friendly and professional service to all customers.



ENVIRONMENTAL RESPONSIBILITY

As a responsible organisation, we understand the importance of the effect of our business activities on the environment we operate in. Considering environment challenges including climate change, our ongoing efforts in energy management, waste management, and water management have been to reduce our ecological footprint, thereby protecting the environment and its inhabitants.

We, at KFL, are firmly committed to reducing our environmental impact and endeavour to be a socially responsible organisation by adhering to the principles of ESG. To ensure that our financed vehicles and MSME activities are eco-friendly, we have formulated a set of eligibility criteria. All vehicles must have a valid Pollution Under Control (PUC) certificate. In cases where business activities lead to environmental pollution, we take an action plan for mitigation from the borrowers and encourage them to adopt less carbon-intensive and more environmentally friendly techniques. We have taken several measures to reduce paper usage by digitally conducting most of the loan process cycle in a paperless format. We have started phasing out disposable plastic water bottles and replacing them with glass bottles in our meeting and boardrooms to reduce plastic pollution. We also encourage our employees to bring their reusable water bottles and minimise plastic usage in all possible ways.

ENERGY MANAGEMENT

The environment and energy use are closely linked, as initiatives to increase energy efficiency can directly reduce greenhouse gas emissions. We have taken steps to monitor our energy usage and identify opportunities for implementing energy-saving measures throughout our organisation.

This includes using LED lights and electronic equipment that meet energy star rating standards, resulting in significant electricity savings. Additionally, our employees are educated on responsible equipment usage and encouraged to turn off devices when not in use.

In the reporting period, total electricity consumption of our Company was 1,086,833 kWh and Scope 2 emission (due to purchased electricity) was 880 Tonnes of CO₂.

WASTE MANAGEMENT

The organisation has taken steps to identify and efficiently manage waste. Considering the nature of our operations, dry waste (paper) and e-waste are significant hence their minimisation and management are our top priorities. The strategy is to reduce the amount of waste generated and make sure that it is recycled or reused.

KFL continues to find ways to reduce and eliminate paper use wherever possible. We extend our efforts to reduce paper waste to our customers by providing options for digital payment.

As part of the employee onboarding, the HR department has taken steps to ensure this process is paperless and seamless by opting for a digital route. Such initiatives help us reduce paper usage as compared to conventional processes.

Our e-waste generally comprises outdated IT assets, and in accordance with government regulations, we dispose of it through authorised vendors who comply with the government's prescribed disposal process. In the reporting year, we disposed of 0.51 tonnes of e-waste through authorised recyclers.

WATER MANAGEMENT

Water is a critical natural resource and its conservation is important for us. However, our business and its operations are not water intensive. Considering our business and locations it operates in, there are no negative impacts related to water on communities around its areas of operations. The primary consumption of water is only for domestic purposes within the organisation.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Environment protection and community care have been a way of life at Kogta Financial and through our annual CSR activities, we have endeavoured to contribute to these causes. During FY 2022-23, we supported various not-for-profit organisations that undertake activities to enhance lives and ensure sustainability. Listed below are some of the initiatives undertaken by Kogta Financial during the year.



INTERNATIONAL YOGA DAY

On international yoga day, Kogta Foundation pledged to make yoga an integral part of one's life leading to better overall health. Through this initiative, we raised awareness about the many benefits of practising Yoga for people in Jaipur, Rajasthan.

TREE PLANTATION

We consider the act of planting a tree as a powerful symbol of life. Kogta Foundation undertook to protect and nourish the city's environment. We planted around 200 plants at Jaipur and Bijainagar, Rajasthan in our pursuit towards a sustainable ecosystem.



ANIMAL WELFARE

– Contribution towards welfare of animals at Krishna Gopal Gaushala and Pinjara Pole Gaushala

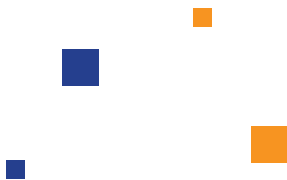
We have contributed to the gaushala for the upkeep of cows with proper food and care in their shelter. Kogta Financial undertook the initiative for aiding animal welfare and providing a means of livelihood for the people who undertake these initiatives.



FOOD DONATION

- Feeding homeless people in Jaipur, Rajasthan

Kogta Foundation undertook the initiative of feeding homeless people in Jaipur, Rajasthan to provide hope and happiness while spreading the act of kindness to one and all.



MAINTENANCE OF SAFE & CLEAN DRINKING WATER PLANT

Kogta Foundation has erected safe and clean drinking water plant/hut at Bijainagar and Jaipur, Rajasthan to provide clean drinking water to the public. We ensure that the water huts are maintained in a timely manner. We have erected water coolers at multiple locations including Shani Mandir, Moksha Dham (Bijainagar) and 200 ft. Bypass Jaipur.



KIDS EDUCATIONAL WELFARE

(Donation for school infrastructure development for children from underprivileged homes)

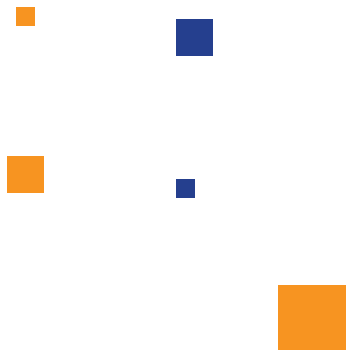
We believe that every child has the right to quality, value-based and holistic education. With a vision to empower every child with the right to education, Kogta Foundation contributed towards the construction of classrooms in a school in Jaipur, Rajasthan for children coming from underprivileged homes. This small gesture would help them continue their education and dream of brighter futures.



RAHAT-AE-SARD

(Blanket Donation to the needy)

Kogta Financial undertook a pan-India woollen blanket donation 'Rahat-ae-Sard' drive to help the underprivileged section sustain themselves during the harsh winters.



LIFE AT KOGTA

Our employees are our backbone and we strive to build long-lasting relationships with them. Kogta Financial undertook various employee engagement initiatives including Shaandaar Shaniwaar – a fun series engagement initiative pan India to keep our employee motivation high and have a refreshed and energised workforce.

KEY EMPLOYEE INITIATIVES

1. KOGTA BOX CRICKET LEAGUE

Hosted a cricket tournament across multiple employee teams to foster sportsmanship and entertainment.



2. SHAANDAAR SHANIWAAR FUN SERIES

Tambola

An indoor game played with great enthusiasm.



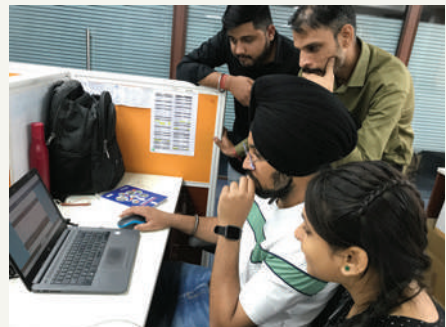
Hopscotch

An outdoor game where our team hopped from their workstations to play a challenging and fun-filled activity



Trivia Quiz

Exclusive Quiz activity for employees to test their knowledge about the company.



3. CELEBRATION OF INDIAN FESTIVALS ACROSS CULTURES, LOCATIONS

Karwa Chauth



Gudi Padwa



Christmas



New Learning & Developing Techniques

Developed fun and motivational learning & training sessions to optimise employee performance.

Lohri



Diwali



Women's Day Celebration

Celebrated Women's Day with our Female employees by conducting a workshop on hygiene & safety and provided them kits apart from gifting cute goodies.



Holi



Men's Day Celebration

Celebrated the Men's Day with our members through a surprise game-filled event.



OUR LEADERSHIP TEAM



MR. RADHA KRISHAN KOGTA

Chairman & Whole Time Director

Mr. R. K. Kogta, one of our founding members, is a first generation entrepreneur with 35+ years of experience in finance, construction and other SME businesses. Mr. Kogta holds a Bachelor of Commerce degree from the University of Rajasthan. His strong leadership skills and expertise in credit and risk analysis are the major driving force behind the success and growth of Kogta Financial. His roles in the Company encompass strategising finance, corporate planning and risk management. His able leadership and guidance have largely helped the Company in augmenting its disbursements, profitability and performance over the years.

Financial in 2004. His finance and business insights apart from his professional zeal have helped the Company channelise its meteoric rise to the current level. His expertise lies in the area of marketing, credit, risk analysis and collection. His core work functionalities include devising business development strategies, establishing new disbursement touch points, risk analysis of operational areas, identification of new product segments, and the like. His operational management skills have been instrumental in the smooth running of the Company and expanding its footprint across new geographies.

strong interpersonal skills apart from advanced analytical, problem solving and organisational capabilities. His strategic relationship-building focus has helped in building long-term relationships with banks and people based on trust, integrity and conviction.



MR. P R KALYANARAMAN

Independent Director

Mr. P R Kalyanaraman has 38+ years of experience in commercial banking to his credit. He has been associated with Kogta Financial as an Independent Director since 2017. He has previously served as the Managing Director of Centrum Capital (and later as Director). He was the Executive Director of Federal Bank during which period, he was also associated as a Board member of FedBank Financial Services Limited. Prior to this assignment, he served as the General Manager of Bank of India. As a commercial banker, he has had successful assignments in public and private sector banks across India in 8 linguistic states. His performance largely relates to administrative and operational functions, including resource mobilisation and management of non-performing assets. His area of expertise also covers large industrial credit and foreign exchange operations besides management of stressed assets.



MR. VARUN KOGTA

Whole Time Director & Chief Financial Officer

Mr. Varun Kogta, a qualified Chartered Accountant is very familiar with the business, processes and operations of the banking industry, having been previously associated with ICICI Bank, Axis Bank and Ernst & Young as part of their statutory audit teams. His strong managerial skills, vast banking sector experience and infectious energy have helped in his efficient handling of the Company's financial, operational, legal and administrative activities apart from monitoring financial budgeting & management reporting systems. He is a good communicator, having



MR. ARUN KOGTA

Managing Director & Chief Executive Officer

Mr. Arun Kogta is an MBA in Finance from Cardiff University, U.K. and holds a Civil Engineering degree from Pune University. He joined Kogta



MR. KUMAR SHARADINDU

Independent Director

Mr. Kumar Sharadindu has a master's degree in physics from Delhi University. With 30+ years of banking experience, he has undertaken various branch operations apart from heading treasury operations, investments and risk management. He has been the Chief General Manager of the State Bank of India. His last stint as MD & CEO of SBI Pension Funds (P) Ltd saw SBI Pension Funds doubling its AUM within a span of two years. Since 2019, he has been on the Board of Kogta Financial as an Independent Director.



MRS. SHASHIKALA RAMACHANDRA

Independent Director

Mrs. Shashikala Ramachandra has nearly four decades of experience in the banking sector. She has held various crucial posts in Canara Bank as Divisional Manager, Assistant General Manager, Deputy General Manager handling Corporate Credit and Risk Management functions. Retired as General Manager and Group Chief Risk Officer from Canara Bank, she played a major role in implementing enterprise risk management solutions of SAS modules, model development and model validation, credit risk standardised and advanced approaches, group risk, etc. She has been an Independent Director at Kogta Financial since 2019.



MR. ARJUN SAIGAL

Investor Nominee Director

Mr. Arjun Saigal is a Managing Director of Morgan Stanley and has 19 years of industry experience. Arjun joined Morgan Stanley in 2012 and is Co-Head of Morgan Stanley's Private Equity business in India. Arjun also serves on Morgan Stanley's India Executive Committee, comprising of senior business leaders.

Prior to Morgan Stanley, Arjun worked at Baring Private Equity Partners India, where he focussed on growth transactions across multiple sectors in India. Arjun has served as a Director on the Board of several companies including Five Star Business Finance, Kogta Financial, Centrum Housing Finance, Southern Health Foods, Sterling Accuris and Sahajanand Medical Technologies.

Arjun is a graduate of the London School of Economics & Political Science and holds an MBA from Columbia Business School.



MR. ROBIN AGARWAL

Investor Nominee Director

Mr. Robin Agarwal is an alumnus of the Indian School of Business, Hyderabad and Indian Institute of Technology, Mumbai. He is an Investor Director at Kogta Financial since 2019. He has over 12 years of experience across Private

Equity and Consulting. He is currently a Director at CR Advisors LLP (Creador India), focussing on growth investment in India & South East Asia regions.



MS. NITHYA EASWARAN

Investor Nominee Director

Nithya has over 25 years of rich experience in financial services. She is Managing Director of Multiples Alternate Asset Management (Multiples), a private equity platform with AUM of over US\$ 2.5 billion.

Nithya joined Multiples in 2010 and leads the financial services and fintech investing practice. She is a Director on the Board of Multiples and a part of the Investment Committee.

Nithya is also a Director on the Board of Arvind Fashions, APAC Financial Services, APAC Housing Finance, Acko Technology & Services, Niyo Solutions Inc., DAM Capital Advisors, TI Clean Mobility and independent director on the Board of Zerodha Asset Management Company. She is a founding member of the India Chapter of Bloomberg Women's Buyside Network and works closely with WIN PE in coaching young women professionals in investing. The Association of International Wealth Management of India featured her amongst India's Top 100 Women in Finance 2020. Prior to joining Multiples, Nithya had a 14-year banking career across Citibank and ICICI focussed on structured finance. In her banking stint, she has pioneered several unique securitisations, mezzanine debt and leveraged finance transactions. She holds an engineering degree from VJTI, Mumbai and an MBA from IIM, Lucknow.

CORPORATE INFORMATION

REGISTERED OFFICE

“KOGTA HOUSE”, Azad Mohalla,
Near Railway Station, Bijainagar,
Ajmer - 305624, Rajasthan

CORPORATE OFFICE

S-1, Gopal Bari, Near Ajmer Pulia,
Opp. Metro Pillar No. 143,
Jaipur - 302001, Rajasthan

CORPORATE IDENTITY NUMBER

U67120RJ1996PLC011406

AUDITORS

Statutory Auditor

M/s J C BHALLA & CO.

Chartered Accountants
B-17, Maharani Bagh,
New Delhi - 110 065

Secretarial Auditor

M/s DEEPAK ARORA & ASSOCIATES

Company Secretaries
23 KA-4, Jyoti Nagar, Near Vidhan Sabha,
Jaipur - 302 005, Rajasthan
FRN: P2001RJ080000

Internal Auditor

M/s LODHA & COMPANY

Chartered Accountants
6, Karim Chambers, 40 Ambalal Doshi Marg
Hamam Street, Mumbai - 400 001,
Maharashtra

TRUSTEE AND REGISTRAR & SECURITIES TRANSFER AGENT

Trustee

CATALYST TRUSTEESHIP LIMITED

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

IDBI TRUSTEESHIP SERVICES LIMITED

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

VARDHMAN TRUSTEESHIP PRIVATE LIMITED

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

Registrar & Securities Transfer Agent

KFIN TECHNOLOGIES LIMITED

(Formerly Known as Kfin Technologies Private Limited)

“Selenium, Tower-B”, Plot No. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032, Telangana



Management Discussion and Analysis

ECONOMIC OVERVIEW

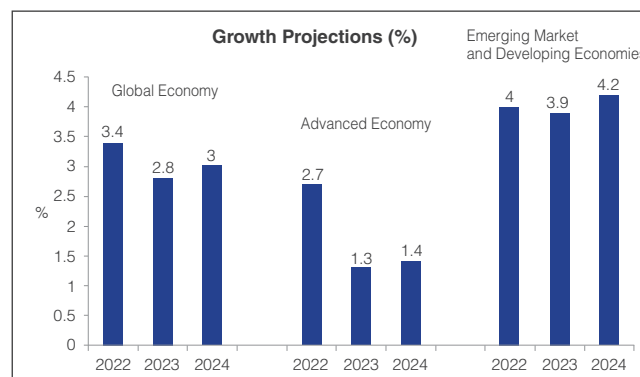
Global Economy

According to the World Bank's Global Economic Prospects report - April 2023, the global economy appears poised for a gradual recovery from the powerful blows of the pandemic and of Russia's unprovoked war on Ukraine. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to bear fruit, with inflation moving back toward its targets.

During 2022, after years of easy money policies, central banks across the world hiked interest rates, amid the highly uncertain global environment. Inflation reached record levels in some developed countries and the monetary tightening that followed resulted in risks to financial stability. As the year drew to a close, global inflation showed signs of decreasing, although more slowly than initially anticipated. The World Bank report expects inflation to decline from 8.7% in 2022 to 7.0% this year and 4.9% in 2024. It projects that the global growth will bottom out at 2.8% this year before rising modestly to 3.0% in 2024.

The World Bank cautions that with the fragile economic conditions, any new adverse development – such as higher-than-expected inflation, abrupt rises in interest rates to contain it, a resurgence of the COVID-19 pandemic, or escalating geopolitical tensions – could push the global economy into recession. However, countries and their policy makers seem committed to avoid a recession.

The International Monetary Fund's projections, laid out in the World Economic Outlook (WEO) Update – January 2023 are more optimistic. It projects that global growth will fall to 2.9% in 2023 but rise to 3.1% in 2024. In fact, the 2023 forecast is marginally higher than predicted in the October 2022 World Economic Outlook.



Source: IMF

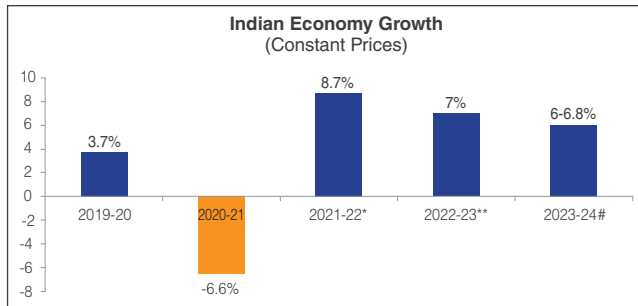
The IMF attributes the drag on global economic activity to rising interest rates and the war in Ukraine.

The IMF suggests, in its WEO – April 2023, that policymakers have a narrow path to walk to improve prospects and minimise risks. Central banks need to remain steady with their tighter anti-inflation stance, but also be ready to adjust and use their full set of policy instruments – including to address financial stability concerns – as developments demand. Fiscal policymakers should buttress monetary and financial policymakers' actions in getting inflation back to target while maintaining financial stability.

Indian Economy

After posting a growth of 8.7% in FY 2021-22, which was largely a function of the base effect, the economy is expected to grow at a robust 7% (in real terms) for the year ending March 2023, according to the Economic Survey – 2023.

According to policymakers, the Indian economy recovered well from COVID-19 using financially sustainable measures and a lot of reforms were carried out under the pandemic stress. The hiatus triggered by the pandemic also gave India the opportunity to explore decoupling, to an extent, from the global economy; this was another factor that contributed to pre-empting a contagion-led recession. Another significant factor was that India has a vast number of small enterprises and self-employed professionals. These entities contributed to intermediary demand as well as a sustainable recovery, making India more resilient to the international slowdown.



*Provisional Estimates; ** 1st Advance Estimates; #Projected

Source: Economic Survey Summary – 31st Jan 2023

According to the Economic Survey, India's economic growth in FY 2022-23 has been principally led by private consumption and capital formation and they have helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund. Moreover, World's second-largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption.

According to the IMF, India has overtaken the UK to become the world's fifth-largest economy with a GDP of US\$ 3.53 trillion in CY2022 and is now behind only the US, China, Japan and Germany. The Economic Survey highlighted the emergence of positive trends, like the rebound of private consumption, which in turn will boost production activity and drive higher Capital Expenditure (Capex). The robust recovery in the service industry is also visible in people spending on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, as well as the return of migrant workers to cities to work in construction sites.

All this has led to a considerable decline in housing market inventory and stronger corporate balance sheets. Better capitalisation of public sector banks has resulted in an increase in the credit supply and better credit flows to MSMEs.

The Economic Survey summarised the upside to India's growth outlook as arising from (i) limited health and economic fallouts for the rest of the world from the latest surge in COVID-19 infections in China, and therefore, continued normalisation of supply chains; (ii) inflationary impulses from the reopening of China's economy turning out to be neither significant nor persistent; (iii) recessionary tendencies in major Advanced Economies (AEs) triggering a cessation of monetary tightening and a return of capital flows to India amidst a stable domestic inflation rate below 6%; and lastly (iv) an improvement in sentiment which provides further impetus to private sector investment.

Outlook

The Survey notes with optimism that the Indian economy appears to have moved on after its encounter with the pandemic, staging a full recovery in FY 2021-22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY 2022-23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target in November 2022.

The economy has also benefited from the timely and proactive intervention of the RBI, which has been undertaking a cautious approach in its MPC actions. In its April 2023 MPC meet, the committee projected faster growth and softer inflation this year.

While the RBI kept the policy repo rate unchanged at 6.50% and other policy rates were also kept unchanged in its April 2023 MPC, however, it declared a readiness to act if the situation so warrants. It projected that India's real GDP growth for 2022-23 is estimated at 7.0%. Private consumption and public investment were the primary drivers of growth. Economic activity remained robust in Q4, with a 6.2% expected increase in rabi foodgrains production for 2022-23. Industrial production and services sector indicators also showed healthy growth.

Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1894932>

INDUSTRY OVERVIEW

NBFC sector in India

With the overall rebound in the economy, the non-banking financial companies (NBFCs) sector is expected to register good growth in FY 2023 and FY 2024 too. According to ICRA Ratings, NBFCs are likely to clock a loan growth of 10-12% during both these fiscal years and see an improvement in profitability of about 50 basis points.

With the RBI's prompt corrective action (PCA) framework for NBFCs, they now enjoy further parity in terms of the regulations between banks and non-banks. Further, the Income Recognition, Asset Classification (IRAC) norms and their recent revision further create a level playing field for NBFCs with banks. All these policy reforms will enhance corporate governance which will lead to sustainable growth of the sector.

While retail-focussed NBFCs are expected to grow 12-14%, housing finance companies may grow at 10-12%. These growth rate forecast are based on an improvement in asset quality and a pick-up in overall credit demand.

The report pointed out that NBFC asset quality has been improving steadily since December 2021 as borrowers gradually recovered from the pandemic-induced stress. They have witnessed higher collections and a lower-than-anticipated share of restructured portfolio, estimated at 2% of total assets under management, as of September 2022.

As a result of all this, ICRA envisages that the majority stress from the restructured book is likely to be absorbed in FY 2022-23 and slippages are expected to remain range-bound. It expects the NBFC sector to report some moderation in reported asset quality indicators and credit costs by March 2023.

Where profitability is concerned, rising interest rates are expected to put some pressure on net interest margins. However, as the yield curve is flat, interest rates are expected to remain high for the next 9 to 12 months and not over the longer term.

With stable margins and moderation in credit cost, NBFCs seem to be headed for an improvement in profitability indicators. ICRA expects them to report a return of 2.6-2.9% on managed assets in FY 2023.

Overview of industry segments

Automobile industry

India's automobile market is the largest in the world in terms of unit production for Two-wheelers, Three-wheelers and tractors. While two-wheelers and passenger vehicles dominate the domestic auto market, the passenger car segment is driven by sales of small and mid-sized cars.

Automobile Domestic Sales Trends

	(In numbers)					
Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Passenger Vehicles	30,047,582	3,288,581	3,377,389	2,773,519	2,771,457	3,069,499
Commercial Vehicles	714,082	856,916	1,007,311	717,593	568,559	716,566
Three-Wheelers	511,879	635,698	701,005	637,065	219,446	260,995
Grand Total	21,863,281	24,981,312	26,266,179	21,545,551	18,620,233	17,513,596

An increase in consumer spending, acceptance of higher ground clearance and introduction of sub-4m SUVs, resulted in SUVs (>46 per cent of total PV sales) gaining popularity in the market. Congruently, many major OEMs have been offering multiple products in this segment.

The Indian used car market has been witnessing a steady rise in sales in recent times, driven by individuals in urban areas and metropolitan cities preferring to own multiple vehicles to enhance mobility and convenience. During FY 2022, 4.4 million units were sold in the Indian used-car market and

Despite a slump in the auto industry, which began prior to the outbreak of COVID-19 and was aggravated by the pandemic-led restrictions, it marked a strong revival in FY 2022-23, with the demand for alternate mobility and ownership as well as the emergence of new technologies and innovation in the sector. To sustain the growth momentum, the industry has been adopting many new trends such as digital sales, expanding the used-car market to increasing safety-related measures, etc.

The revival has also been driven by government support for the industry, in terms of multiple schemes rolled out in the recent past, including Auto PLI, Battery ACC and Fame II. The Scrappage Policy, which aims to phase out vehicles older than 15 years in a bid to boost clean-energy vehicles, will also give a boost to the auto industry as it will boost demand for new cars. Towards this end, the government announced a plan to scrap 9 Lakh vehicles owned by the Central and State governments and PSUs from April 1, 2023.

In FY 2022, Two-wheelers and passenger cars accounted for 77% and 18%, respectively, of the automobile market, which has developed on the back of advancements in infrastructure, the young demographic with rising incomes and access to finance for the purchase of automobiles.

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

during FY 2023, this figure is expected to climb to 4.6 million units according to IndianBlueBook.

As per a report by Grand View Research, the automotive industry in India is set to expand at a compound annual growth rate (CAGR) of 11.3% till 2027. Amidst the global energy crisis and continued supply-chain disruptions, the automotive industry players are exploring options to reintroduce the sector. By implementing cloud computing and electric vehicles technology, the industry is entering fast into a revolutionised age with the primary aim of offering the consumer a value-added experience.

Further, the boost to infrastructure in the Budget 2023 will provide a boost to the automobile sector as it will result in creation of good roads, amongst other infrastructure.

A relatively new and fast growing segment in the automobile industry is the Electric Vehicle (EV) segment. A jointly prepared report by KPMG and CII pointed out that the shift to EVs is no longer an uncertainty but only a question of when. Over the last couple of years, the Indian government has drafted policies and plans like the FAME, towards achieving a 30% EV sales penetration for cars, 70% for commercial vehicles and 40% for buses as well as 80% for two- and three-wheelers by 2030. The report projected that the growth in electric vehicle sales in India is likely to continue for the

rest of the decade, with two and three-wheelers expected to dominate EV sales in the near future.

Automobile Exports Trends

India's strong engineering talent base and low-cost manufacturing expertise has made the country an attractive global manufacturing and export hub. According to IBEF, India is a major exporter of automobiles worldwide, exporting 24% of total vehicles produced as of FY 2022. Indian automobile exports comprise two-wheelers, three-wheelers, commercial vehicles and passenger cars. Various initiatives from the government for instance, Make in India, strong connectivity, availability of infrastructure and relations with key trade partners have contributed to an increase in exports over the years.

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

While domestic sales declined by close to 6% between FY 2020-21 and FY 2021-22.

IBEF reports that for April-July FY 2023, the total automobile exports stood at US\$ 8.9 billion, up 25% YoY compared with US\$ 7.2 billion as of April-July FY 2022. Strong demand for vehicles owing to the recovery of the economy and alleviation of supply chain-related issues helped increase exports.

The Micro, Small and Medium Enterprises (MSMEs) Sector

MSMEs play a crucial role in the Indian economy. They account for around 30% of the country's GDP, 48% of its exports, 95% of the country's industrial units, and 40% employment of India's workforce. There are around 633.9 Lakh MSME units in the country.

2023 is expected to be a pivotal year for the Indian MSME sector. Despite facing unprecedented challenges for the two years that were ravaged by the pandemic, the MSMEs found opportunities and ways to evolve, grow and emerge stronger.

Breaking out of the traditional ways of doing business, forward-looking enterprises in the segment have embraced new trends, and adopted new technologies, digitisation and branding via online channels. A survey by PayPal titled 'MSME Digital Readiness Survey 2022' stated that 52% of small businesses saw a favourable influence of digitalisation on their business once economies reopened after two years of the pandemic. All this has opened up new avenues for them.

To enable smaller/younger companies to raise money from the public through the capital markets, SEBI has allowed both the BSE and the NSE have separate trading platforms within the main stock exchanges, where shares of SMEs are traded. These are called SME exchanges. The founder of MSMEx – a micro advisory platform providing business advisory and consulting services – expects over 10,000 companies to list on the SME Exchange in the next five to ten years.

The Union Budget 2023 has also announced a number of proposals to promote more inclusive development and enable faster growth in the entrepreneurship ecosystem of the nation. Key proposals for the MSME sector were:

- A budget allocation of around ₹ 22,140 Crore for the MSME sector. This is a 42% increase from previous years. This allocation will go towards implementing various schemes to provide easy and affordable access to credit, technology upgrades and infrastructure development.
- Several tax incentives and subsidies to help MSMEs.
- An ₹ 10,000 Crore fund for the development of technology and infrastructure in the MSME sector. This fund will provide financial support to MSMEs to adopt new technologies, enhance their production processes and modernise their operations.

- A national-level mentorship programme to provide guidance to MSMEs.
- A series of reforms announced to make access to credit easier for MSMEs and a fund was set up to provide credit guarantees to them.
- A new credit-linked capital subsidy scheme to purchase new machinery and equipment.
- As of April 1, 2023, the Finance Ministry plans to infuse ₹ 9,000 Crore into the Credit Guarantee Fund Trust for Micro and Small Enterprises Credit Guarantee Scheme.
- Provide additional collateral-free credit of ₹ 2 Lakh Crore to MSMEs while reducing the credit cost by one per cent.
- This Budget has also given the means for MSMEs and small businesses to move towards non-cash transactions and ease compliance, with the presumptive taxation schemes.
- The establishment of funds for promoting entrepreneurship and enterprise development in traditional sectors like agriculture and handicrafts along with skill building is also a key component in the budget.
- Startups, which are changing their shareholding, are provided with the benefit of carrying forward their losses associated with the change in stake in this Budget.

Going forward, these measures will create a more enabling environment for MSMEs.

Loan against Property

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

NBFC Industry Outlook

Although NBFCs faced a rough patch over the two years that were adversely impacted by the pandemic, a Report by CRISIL foresees that as India now faces macroeconomic tailwinds, NBFCs are expected to see their AUM grow 11-12% – a four-year high – to ₹ 13 Lakh Crore by the end of FY 2023.

The RBI and policymakers have also been doing their bit to facilitate NBFCs, having recognised the contribution of NBFCs in supporting real economic activity and meeting the credit demand, especially reaching the unbanked. The recent RBI Scale based norms is another welcome step for the industry that will elevate the status of NBFCs in line with several other public sector NBFCs. Under these revised norms, NBFCs can be expected to attain more operational flexibility to meet the increasing credit demand and aid India's economic growth.

According to an ICRA report, in 2023 non-bank lenders will focus on reviving growth by improving asset quality supported by increasing retail demand and liquidity. As part of the same, MSME sector and other developing sectors will witness increased participation from NBFCs. Also, with the introduction of 5G services in the country, more NBFCs will tap into exploring Artificial Intelligence and Machine Learning for offering services or full-fledged applications.

COMPANY OVERVIEW

Kogta Financial (India) Limited is a retail focussed NBFC, registered with RBI. We have over two and a half decades of asset financing experience during which time we have built up a diversified product portfolio. We offer loans for Commercial Vehicles, Cars and Tractors as well as credit to MSMEs for various business needs, alongside LAP funding.

As on March 31, 2023, we have a customer base of 104,676 active customers in urban, semi-urban and rural markets, whom we service through 202 branches in 8 states including Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Punjab, Haryana, Uttar Pradesh, Himachal Pradesh & 2 Union Territories Delhi and Chandigarh. We are rapidly expanding our footprint across western and central India.

During the year, Kogta Financial has completed Series D round of equity of ₹ 846 Crore led by Multiples Private Equity, Canada Pension Plan Investment Board and existing investors, Morgan Stanley Private Equity Asia and Creador IV LP also participated in this round. The funds will be used as primary capital to help Kogta Financial navigate the next phase of its growth traction. It has also offered a full exit to IIFL Seed Venture Fund – Kogta Financial's first Series A investor.

To facilitate our operations, we have developed an integrated technology platform for loan origination and portfolio management, with the ability to access real-time data covering enterprise-wide functions.

During the financial year, CARE Ratings and ICRA have upgraded our ratings from A-I Stable to AI Stable. The rating revision factors in company's successful completion of Series

D round of institutional equity infusion of ₹ 400 Crore that has bolstered its capital base as well as demonstrated ability to scale up the business, notwithstanding disruptions from the pandemic while managing asset quality metrics. The rating of Kogta Financial (India) Limited (KFL) also derives strength from its long-established track record in financing industry, experienced promoters, diversified resource base, majorly secured nature of the portfolio and well managed systems and processes.

Performance of key product offerings

The two key sectors that we cater to are Vehicle purchase and MSME loans. With respect to Vehicle finance, which comprises around 79.38% of our overall loan book, we offer loans for Commercial Vehicles, such as SCV, LCV, MUV, ICV and HCV. We also offer loans for Consumer Vehicles (cars) and Agri Vehicles (tractors) under our Vehicle finance banner. Around 20.62% of our AUM is directed towards MSMEs, in the form of LAP and secured business loans.

Our lending framework is designed to reflect our customers' profile and the products for which we offer credit. Our focus is always on financing products with high yield and low risk.

Business Performance

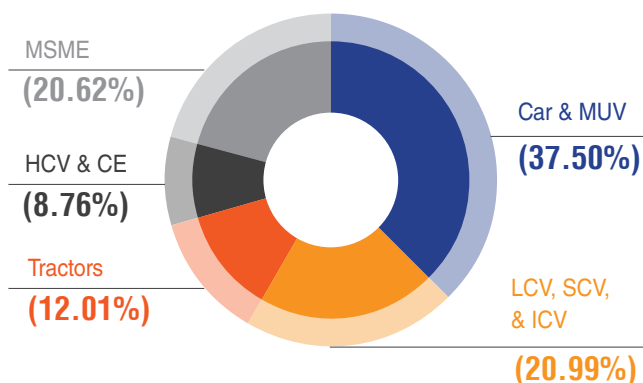
Operational Review

The Company's AUM in FY 2022-23 stood at ₹ 3,395.61 Crore as compared to ₹ 2,183.31 Crore in FY 2021-22, marking an increase of 55.53%.

Contribution to Overall Portfolio

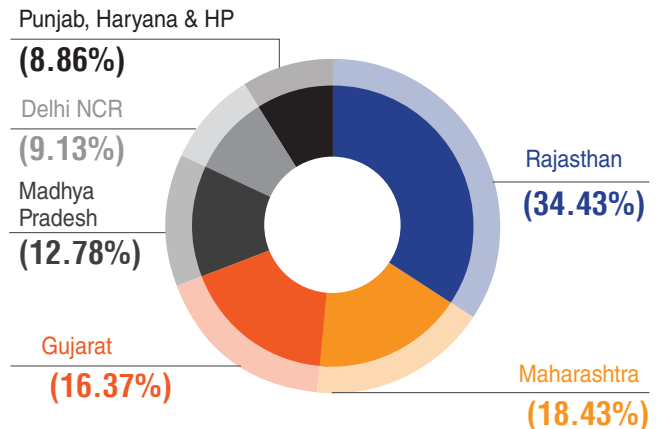
As on March 2023, our loan portfolio was at ₹ 3,395.61 Crore. Of this, LCV, SCV & ICV comprised 20.99%, Cars & MUV at 37.50%, Tractors 12.01%, heavy commercial vehicles accounted for 8.76%, while MSME comprised 20.62%, respectively.

Segmentwise break-up of Portfolio



Rajasthan accounted for 34.43% of the loan portfolio, followed by Maharashtra at 18.43%, Gujarat at 16.37%, Madhya Pradesh at 12.78%, Delhi NCR at 9.13%, Punjab & Haryana at 8.86%.

Regionwise break-up of Portfolio



Management Outlook

Financial Overview

During FY 2022-23, our revenues, PAT and PAT margin remained robust. Our net worth stood at ₹ 1,134.78 Crore as on March 31, 2023 as compared to ₹ 650.96 Crore as on March 31, 2022.

Risk Management

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

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

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

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

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

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

Credit risk – Our Company's clients could default on their loans due to a number of factors, including severe liquidity crunch, bankruptcy, economic downturns, operational failure, fraud or for various other reasons.

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

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

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

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

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

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

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

Human Resources

We believe that our greatest assets are our people and training is an investment in long-term people development, for organisational excellence. Your Company has always been a strong merit-based organisation that has recruited, developed, assessed, rewarded and promoted individuals based on their professional and leadership abilities. We believe in creating business leaders by employing the best talent in the industry.

Through continuous efforts towards recruiting the right talent and ensuring that we engage and retain them, the total staff strength stood at 3,989 employees as on March 31, 2023 as compared to ~3,200 employees as on March 31, 2022.

Internal Controls & Systems

Your Company has established adequate internal controls to monitor every financial transaction on both sides of balance sheet. A team of internal auditors from a reputed firm are dedicatedly engaged to check for the same along with an inhouse audit team who scrupulously monitor all transactions on regular basis.

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

The Board of Directors has been entrusted with the responsibility of reviewing the findings and to investigate and take necessary actions wherever required.

Cautionary Statement

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

Board's Report

To,
 The Members,
KOGTA FINANCIAL (INDIA) LIMITED

Your Board of Directors (“**Board**”) are pleased to present the 27th (twenty seventh) report of the business and operations of Kogta Financial (India) Limited (“the **Company**” or “**KOGTA FINANCIAL**” or “**KFL**”) covering the business and key operational highlights of your Company along with the Audited Financial Statements and Independent Auditor’s Report for the financial year ended on March 31, 2023.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

The financial performance for FY 2022-23 and correspondingly figures of FY 2021-22 are summarized in the following table:

(Amount in lakh except per share data (₹))

Particulars	Year ended March 31, 2023		Year ended March 31, 2022
Total Income		52,187.95	36,029.96
Total Expenditure		20,759.47	13,803.69
Profit Before Interest & Depreciation		31,428.5	22,226.27
Less: Interest and Finance charges	19,018.47		14,614.12
Less: Depreciation	879.11	19,897.58	596.62
Profit Before Tax		11,530.90	7,015.53
Total Tax Expenses		2983.28	1,802.54
Profit After Taxation		8,547.62	5,212.99
Other Comprehensive Income (Net of Tax)		-35.02	-27.17
Total Comprehensive Income for the period		8,512.60	5,185.82
APPROPRIATION:-			
Dividend on Equity Shares		0	0
Dividend on Preference Shares		0.01	0.01
Tax on Dividend		0	0
Transfer to General Reserve		100.00	100.00
Transfer to Statutory Reserve Fund		1,702.52	1,037.16
EPS: -			
Basic		81.46	53.57
Diluted		27.23	19.06

2. FINANCIAL PERFORMANCE

For the year under review: -

- Gross income crossed to ₹ 52,187.95 Lakhs as compared to ₹ 36,029.96 Lakhs in the previous year showing the growth of 44.84%.
- The Profit Before Tax for the year is ₹ 11,530.90 Lakhs as compared to ₹ 7,015.53 Lakhs in the previous year showing the growth of 64.36%.
- Net Profit grew by ₹ 3,326.78 Lakhs to ₹ 8,512.60 Lakhs for FY 2022-23 vis-à-vis ₹ 5,185.82 Lakhs for FY 2021-22.
- Net Interest Income grew by ₹ 10,160.34 Lakhs to ₹ 28,982.75 Lakhs during FY 2022-23 from ₹ 18,822.41 Lakhs during FY 2021-22 with y-o-y growth of 53.98%.
- Balance sheet size grew to ₹ 3,85,435.68 Lakhs as on March 31, 2023 vis-à-vis ₹ 2,57,729.45 Lakhs as on March 31, 2022 with y-o-y growth of 49.55%.
- Capital Adequacy Ratio is 34.1% as on March 31, 2023 vis-à-vis 28.46% as on March 31, 2022 which is well above the stipulated requirement of 15% by RBI.
- Your Company offers, different types of loans i.e. Auto Loans (New & Used Car Loans, Tractor Loans, Commercial Vehicles Loans), Construction Equipment, Two Wheeler and Business Loans i.e. Micro, Small & Medium Enterprises (MSME) and Loan Against Property.
- During the year under review, your Company has disbursed loans for ~₹ 2,381.53 Crore as compared to ~₹ 1,389.32 Crore in the previous year and clocked a growth of 71.42%.
- During the year 2022-23, the total Assets Under Management increased to ~₹ 3,395.61 Crore from ~₹ 2,183.31 Crore with growth rate of 55.53%.
- For further expansion, the Company increased its footprint by opening some new branches and now your Company has strengthened its presence across 8 states and 2 union territories with a network of 202 offices.

3. ACCOUNTING METHODOLOGY

The financial statements of the Company for FY 2022-23 have been prepared in compliance with the Companies Act, 2013 (the 'Act'), applicable Accounting Standards and amendments thereto and are disclosed in accordance with Schedule III of the Act. The financial

statements are presented in Indian Rupees (₹) and all values are rounded to the Lakh, except wherever otherwise indicated.

Further, in pursuance to the notification issued by Ministry of Corporate Affairs ("MCA") dated March 24, 2021 under (Companies (Accounts) Amendment Rules, 2021), the Company is required to update the accounting software in order to have audit trail of each and every transaction(s), which cannot be disabled, along with creating an edit log of each change made in books of accounts w.e.f. FY beginning on or after April 1, 2023. Your Company has established the accounting systems in such a way to maintain audit trail of each and every transaction in order to prevent fraud and to manage the risk effectively and efficiently viz; malware and cyber security risk in line with compliance of above notification issued by MCA in this regard.

4. BUSINESS OVERVIEW

Your Company is a progressive fast-growing retail-focused, Non-Banking Finance Company (NBFC) garnered deep experience in the asset finance business for over 25 years and have foundations of dedicated customer service, fair business practices, efficient, safe and trusted financial policies and has active borrowers over 1,00,000. Your Company has a network of 200+ branches across the states of Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Uttar Pradesh, Haryana, Punjab and Himachal Pradesh and union territories of Delhi and Chandigarh.

Your Company has diversified borrower profiles including but not limited to the farmers, small road transporters, taxi operators, first time borrowers, people from weaker sections of society, small scale industry entrepreneurs and retail traders, among others.

The key business developments and segment wise position of business and its operations are covered in detail under the Management Discussion & Analysis section of the Annual Report.

5. DIVIDEND

Your Directors do not recommend any dividend on equity shares for the financial year 2022-23.

Further, at the Board meeting held on May 05, 2022, the Directors has recommended a final dividend of ₹ 669.08/- (Indian Rupees Six Hundred Sixty Nine and Zero Eight Paise only) on Pari - Passu & Pro-rata basis, at the rate of 0.0001% of face value of preference

shares, to the preference shareholders of the Company for the financial year 2021-22 which was approved by shareholders of the Company in the Annual General Meeting held on June 27, 2022.

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

Further, the Board recommended the dividend on preference shares, on Pari - Passu & Pro-rata basis, for the financial year 2022-23 at the rate 0.0001% of face value of preference shares amounting to ₹ 741.63/- (Indian Rupees Seven Hundred Forty One and Six Three Paise only) at its meeting held on May 12, 2023, which is subject to approval of the shareholders at the ensuing Annual General Meeting.

6. CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business of the Company during FY 2022-23. Further information on the business overview and outlook and state of the affairs of the Company is covered under the Management Discussion & Analysis section of the Annual Report.

9. CREDIT RATING

Below table depicts the credit ratings of the Company as on March 31, 2023. During the period under review, the Company reported the following changes in the credit ratings:

Sr. No.	Facilities / Instruments	Rating agency	Rating assigned	
			2022-23	2021-22
1	Long Term Bank Facilities	CARE Ratings Ltd.	CARE A; Stable	CARE A-; Stable
2	Non-Convertible Debentures	CARE Ratings Ltd.	CARE A; Stable	CARE A-; Stable
		ICRA Ltd.	ICRA A; Stable	ICRA A-; Stable
3	Non-Convertible Debentures - Market Linked (Secured and Listed)	CARE Ratings Ltd.	CARE PP MLD A; Stable	CARE PP MLD A-; Stable
4	Non-Convertible Debentures - Market Linked (Unsecured and Listed)	ICRA Ltd.	PP-MLD [ICRA] A (Stable)	PP-MLD [ICRA] A- (Stable)
5	Non-Convertible Debentures - Covered Bond	CARE Ratings Ltd.	-	CARE AA (CE); Stable

Note:

- ✓ ICRA Ltd. has upgraded its rating outlook to ICRA A; Stable from ICRA A-; Stable as stated above on June 09, 2022.
- ✓ CARE Ratings Ltd. has upgraded its rating outlook to CARE A; Stable from CARE A-; Stable as stated above on June 21, 2022.

7. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

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

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

8. TRANSFER TO RESERVES

The Company has transferred the following amounts to various reserves during the financial year ended on March 31, 2023.

Amount transferred to	Amount (₹ in Lakh)
General Reserves	100.00
Transfer to statutory reserve fund (u/s 45IC of RBI Act)	1,702.52

10. TECHNOLOGY INITIATIVES

Lending business landscape has undergone a radical transformation in recent years through digitization and emergence of Fintech companies. With focus on leveraging these trends and delivering seamless borrowing experience to our customers, KFL has strategically developed and integrated sophisticated digital lending tools and technology applications. These applications enable KFL to expand its customer base and achieve economies of scale through easy to use and customized workflow.

KFL technology stack includes indigenously developed web-based ERP (Accurate & CRM) and android mobile applications (KFIN & Motor Gaadee).

Accurate

The ERP solution is a comprehensive system designed to manage Loan Origination System (LOS), Loan Management System (LMS), Accounting System and HRMS. The application is built on the MVC architecture, which provides a modular and scalable approach to application development.

LOS facilitates loan origination process including - KYC verification, credit bureau score, risk assessment, credit underwriting driven by product specific credit policy, documents verification and digital disbursement of loans.

LMS manages the entire lifecycle of a loan from disbursal to closure. It facilitates digital EMI collection, legal suite and accounting.

CRM manages customer and channel partner relationships by addressing their queries, complaints and grievances. It also enables lead management, sales tracking and customer retention.

HRMS assists in employee management, payroll processing and performance evaluation.

KFIN

KFIN, an android based mobile application is an in-house solution that expands customer reach and allows business to operate on the move. It supports lead generation, loan origination, customer verification, EMI collection and HR processes.

Motor Gaadee

Motor Gaadee, an android based mobile application facilitates sales of pre-owned vehicles. Authorized users, customers, associates and brokers can access details of vehicles available for sale, submit real-time online

bids, track competitive bids and complete purchase of vehicles. The platform is secure, with advanced security measures in place to protect user data and prevent unauthorised access.

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

We are delighted to inform you that your Company has allotted Series E Compulsorily Convertible Preference Shares ("Series E CCPS") and approved the Restated Articles of Association of the Company amended in pursuance to the provisions of Share Subscription Agreement (SSA) and Amended and Restated Shareholders' Agreement (Restated SHA) dated March 31, 2022, by Board of Directors at their meeting held on May 05, 2022 and by shareholders at the 01st (First) Extra-Ordinary General meeting held on May 08, 2022, respectively.

Further, apart from above no material changes and commitments affecting the financial position of the Company, which had occurred between the start of the Financial Year of the Company to which the financial statements relate and the date of this Annual Report.

12. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Your Company did not have any Subsidiary/Material Subsidiary/Joint Venture/Associate during the year under review. Hence the details of this clause are not applicable to the Company.

13. THE ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act, read with applicable Rules of the Companies (Management and Administration) Rules, 2014, the Annual Return for the financial year ended on March 31, 2023 in prescribed form MGT-7 is available on the website of the Company at www.kogta.in/investor-information/financial-performance/

14. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL(S)

a) BOARD OF DIRECTORS (BOARD)

During the year under review, following changes took place in composition of the Board of the Company: -

- Mr. Amit Mehta (DIN:07089427) tendered his resignation from the post of Nominee Director of the Company, effective from May 05, 2022 due to exit of IIFL Seed Ventures Fund I ("IIFL") by sale of its entire shareholding to other Investors. Your Board places on record its sincere appreciation for the contribution

made by him during his tenure with the Company and wished him well for future endeavours.

- Pursuant to the recommendation of Nomination & Remuneration Committee (NRC), the Board in its meeting held on May 05, 2022 has approved the appointment of Ms. Nithya Easwaran (DIN: 03605392) as an Additional Director on behalf of Multiples Private Equity Fund III (“Multiples”), which is subsequently approved and regularized as a Nominee Director by shareholders of the Company at their 01st Extra Ordinary General Meeting for the FY 2022-23 held on May 08, 2022.
- During the current financial year, on recommendation of the NRC the Board in its meeting held on May 12, 2023 took approval for continuation of Mr. P R Kalyanaraman as an Independent Director of the Company who attained the age of 75 years as on March 30, 2023, for his remaining tenure in the Company i.e. till March 07, 2025, subject to the

approval of shareholders of the Company at the ensuing Annual General Meeting (AGM). The notice of the AGM discloses the justification for continuation of his tenure.

b) DIRECTOR LIABLE TO RETIRE BY ROTATION

Section 152 of the Act mandates that at least two-third of the total number of directors (excluding independent directors) shall be liable to retire by rotation and one-third of such directors shall retire from office at every Annual General Meeting (AGM). In this regard, Mr. Arun Kogta (DIN: 05109722) and Mr. Robin Bhanwarlal Agarwal (DIN: 08572806), directors, being longest in the office among the six (6) directors, liable to retire by rotation, shall retire and, being eligible, be recommended for re-appointment at the 27th AGM.

The notice convening the AGM includes the proposal for re-appointment of aforesaid Directors.

The existing Directors of the Company are as follows:

Sr. No.	Name of the Director	DIN	Designation
1.	Mr. Radha Krishan Kogta	00197552	Chairman & Whole-Time Director
2.	Mr. Arun Kogta	05109722	Managing Director & Chief Executive Officer
3.	Mr. Varun Kogta	06844307	Whole-Time Director & Chief Financial Officer
4.	Mr. Pandithacholanaloor Ramaswamy Kalyanaraman	01993027	Non-Executive -Independent Director
5.	Mr. Kumar Sharadindu	07341455	Non-Executive -Independent Director
6.	Mrs. Shashikala Ramachandra	08087460	Non-Executive- Independent Director
7.	Mr. Arjun Saigal	07556188	Non-Executive Director
8.	Mr. Robin Bhanwarlal Agarwal	08572806	Non-Executive Director
9.	Ms. Nithya Easwaran	03605392	Non-Executive -Nominee Director

Board Composition of the Company is also available on the Company's website and can be accessed at www.kogta.in/about/our-team/

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

c) KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act read with the rules made there under, the following are the Key Managerial Personnel of the Company as on March 31, 2023:

Sr. No.	Name of the Director/KMP	DIN/PAN	Designation
1	Mr. Radha Krishan Kogta	00197552	Chairman & Whole-Time Director
2	Mr. Arun Kogta	05109722	Managing Director & Chief Executive Officer
3	Mr. Varun Kogta	06844307	Whole-Time Director & Chief Financial Officer
4	Mr. Rahul Agrawal	ALIPA4848H	Company Secretary & Compliance Officer

There was no change in the Key Managerial Personnel of the Company during the financial year 2022-23.

d) DECLARATION BY AN INDEPENDENT DIRECTOR(S)

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

Further, there has been no change in the circumstances affecting their status as Independent Directors of the Company. In the opinion of the Board all the Independent Directors are persons of integrity and has relevant experience and expertise for being an Independent Directors of the Company.

e) EVALUATION OF THE DIRECTORS, CHAIRPERSON, BOARD AND COMMITTEES

Pursuant to the provisions of Section 149(8) read with Schedule IV, Section 178(2), Section 134(3)(p) of the Companies Act, 2013, the performance of Board, Committees, Chairperson and individual Directors was evaluated on the basis of the criteria specified by the Nomination and Remuneration Committee, with an aim to improve the effectiveness and efficiency of the Board and Committees. The detailed manner in which the evaluation has been carried out has been explained in policy on evaluation of performance of directors and the Board which is part of Nomination & Remuneration Policy and same is also available on the Company's website at www.kogta.in/investor/policy/

During the year under review, the Board conducted the performance evaluation and based on the performance evaluation criteria, the performances were found satisfactorily and all Directors rated between Good and Excellent to the performance of each Director (except himself/herself), Board Committees, Chairperson and Board as whole.

f) SELECTION PROCESS

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

The selection and appointment of Directors of the Company is done in accordance with the relevant provisions of the Companies Act, 2013, the relevant rules made thereunder, and the master directions/guidelines issued by the RBI.

g) CODE OF CONDUCT AND ETHICS

The Company has adopted the Code of Conduct and Ethics which is applicable to all employees, officers, Directors and third party service providers of the Company ("**Representatives**") along with Code of Conduct for Independent Directors (**Code**). The Code sets forth the guiding principles for orderly & fair conduct by all Representatives. All Board members and managerial personnels have affirmed the compliance of the code. The Code is disclosed on the website of the Company at www.kogta.in/investor/policy/

15. MEETINGS OF THE BOARD AND ITS COMMITTEES

- The Board of Directors met 4 (four) times during the year and the maximum gap between any two meetings did not exceed the limit of 120 days as prescribed under the provisions of the Act and Rules made thereunder, Secretarial Standard-I issued by the Institute of Company Secretaries of India.
- The Independent Directors conducted their separate meeting on February 02, 2023 without attendance of non-independent Directors and members of management, inter alia, to review the matters statutorily prescribed under the Act.
- Further, the Company has constituted various Board Committees as required under various Acts/Regulations/Guidelines applicable on the Company to improve the Board efficiency, to support in decision making and to promote best Corporate Governance practices within the Company. The Committees meetings were held as and when required for fulfillment of its roles during the year.

The details of these Board and various Committee meetings along with details of attendance of each director/member is described in the Corporate Governance Section forming part as **Annexure - IV** of this Board's Report.

16. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of section 178(3) of the Companies Act, 2013 read with rules made thereunder and RBI guidelines, the Board on recommendation of the Nomination and Remuneration Committee, has adopted the Nomination & Remuneration Policy ("**NR Policy**"),

which inter alia, includes the criteria for appointment and remuneration of Directors, Key Managerial personnel (KMPs) and Senior Management of the Company.

Further, to strengthen the Corporate Governance of the Company, the Fit & Proper Policy, Policy on evaluation of performance of Directors & Board, etc. forms an integral part of the NR Policy as annexures. The Company has also adopted the NR Policy on terms & conditions for appointment of Independent Directors to formulate the criteria for determining qualifications, positive attributes and independence of a director and determining whether to extend or continue the terms of appointment of independent director on the basis of the report of performance evaluation.

The Policy is enclosed herewith in **Annexure - I** and same is also available on the Company's website at www.kogta.in/investor/policy/

17. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports and also monitors the implemented suggestions.

For the year under review, the Board is of the opinion that the Company has sound Internal Financial Control commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. Further, the statutory auditors have, in compliance with the requirements of the Companies Act, 2013, issued an opinion with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, details of which may be referred to from the Auditor's Report attached to the audited financial statements of FY 2022-23.

18. EMPLOYEE REMUNERATION

Being an unlisted Company in purview of the Companies Act, 2013 and rules made thereunder, this disclosure requirement is not applicable to the Company.

19. STATUTORY AUDITORS AND THEIR REPORT

In accordance with the 'Guidelines on appointment of statutory auditor(s) by Non-Banking Financial Company (NBFC)' vide Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ('Circular'/Guidelines) issued by RBI, the Company had appointed M/s JC Bhalla and Company, Chartered Accountants, (ICAI Firm Registration No. 001111N) as Statutory Auditors for the period of three (3) years i.e. from the FY 2021-22 till FY 2023-2024 at the 01st Extra Ordinary General Meeting of FY 2021-22 held on September 15, 2021 and further at 26th (Twenty Sixth) Annual General Meeting held on June 27, 2022. The Company obtains the declaration of fulfillment of eligibility criteria in accordance to the provisions of Section 141 of the Companies Act, 2013 and guidelines issued by RBI from the Statutory Auditors on annual basis.

There are no qualifications, reservations or adverse remarks made by M/s JC Bhalla and Company, Chartered Accountants, in their report on the financial statements for the FY 2022-23. There were some delays in the deposition of statutory dues due to operational and technical constraints.

20. INTERNAL AUDITORS AND THEIR REPORT

Pursuant to the provisions of section 138 of the Companies Act, 2013, M/s Lodha & Company, Chartered Accountants, (FRN: 301051E), on recommendation of the Audit Committee was re-appointed by the Board as an Internal Auditor of the Company to conduct Internal Audit for the FY 2022-23 considering the satisfactory performance of the auditors in past years.

The internal audit team is managed by highly qualified and experienced personnel and reports directly to the Audit Committee of the Board. The Audit Committee quarterly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures, risk management, governance systems and processes.

21. COST AUDITORS AND THEIR REPORT

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

22. SECRETARIAL AUDITORS AND THEIR REPORT

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014, the Board on recommendation of the Audit Committee has re-appointed M/s Deepak Arora & Associates, Practicing Company Secretaries, to undertake the secretarial audit of the Company for the financial year 2022-23, considering the satisfactorily performance of the Secretarial Auditor in past years.

The secretarial audit report for the FY 2022-23 as issued by Secretarial Auditor in the prescribed form MR-3 is annexed herewith, which forms part of this Board's report and marked as **Annexure - V**. There is no qualification, reservation or adverse remark or disclaimer made by Secretarial Auditors in their report.

23. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditor nor the Secretarial Auditor of the Company has reported to the Audit Committee or Board, under Section 143 (12) of the Act, any instances of material frauds committed against the Company by its officers or employees.

24. RISK MANAGEMENT

Your Company has a well-defined risk management framework in place and a robust organizational structure for managing and reporting on risks and risk Management is an integral part of the Company's business strategy with focus on building risk management culture across the organization. The Board is responsible for setting the tone at the top and establishing oversight responsibilities for the Risk Management Framework in the Company. The Risk management framework of the Company seeks to ensure a consistent, efficient and effective assessment and management of risks towards development of a sustainable business and creation of values for shareholders. It also minimizes adverse impact of risks on our key business objectives and enables the Company to leverage market opportunities effectively.

The terms of reference of the Risk Management Committee include a periodical review of the risk management policy and mitigation of the key risks including but not limited to credit risk, liquidity risk, concentration risk, capital risk, funding risk, interest rate risk and portfolio risk, etc. Your Company has also taken Directors and Officers (D&O) insurance policy to mitigate legal risks on directors and senior management. In the overarching risk management framework, the relevant risks and mitigates have been covered under the Management Discussion & Analysis section of the Annual Report.

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

25. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

26. LOANS, GUARANTEES AND INVESTMENTS

The loan made, guarantee given, or security provided in the ordinary course of business by a NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014. Thus, the particulars of loans and guarantees have not been disclosed in this Board's Report.

27. RELATED PARTY TRANSACTIONS

All the related party transactions were placed before the Audit Committee for its approval and the Company undertakes certain transactions with related parties which were in the ordinary course of business and at Arms' Length Basis. Your Company has entered into certain Transactions as defined under Section 188 of the Companies Act, 2013 ("Act") with its related parties as defined under Section 2 (76) of the Act. The details of related party transactions at an aggregate level for year ended on March 31, 2023 are attached herewith in Form No. AOC-2 (**Annexure - III**) for your kind perusal and information 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 transaction with Related Parties which is 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.

Further, pursuant to RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking

Company (Reserve Bank) Directions, 2016, the Board has on the recommendation of the Audit Committee, adopted a policy on related party transactions and the said policy is attached in **Annexure - VI** as part of this Board's Report and also available on the website of the Company at www.kogta.in/investor/policy/

28. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In compliance of the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has duly constituted a Corporate Social Responsibility (CSR) Committee which defines the scope of the CSR Projects for the Company and its implementation as per Board approved CSR policy. The terms of reference of CSR Committee have been disclosed in the Corporate Governance section of Board's Report and 'Annual Report on CSR activities' in the format prescribed in the said Rules is annexed as **Annexure - II** of Board's Report. The policy has also been hosted on the website of the Company at www.kogta.in/investor/policy/

Further, in accordance with the rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY 2022-23.

29. SHARE CAPITAL

I. During the financial year 2022-23, your Company has increased its Share Capital in following manner:

	As on April 01, 2022	Addition	As on March 31, 2023
Authorized Share Capital	₹ 89,17,90,226/-	NIL	₹ 89,17,90,226/-
Equity	₹ 13,10,00,000/- consisting of 1,31,00,000 equity shares of face value of ₹ 10/- each	NIL	₹ 13,10,00,000/- consisting of 1,31,00,000 equity shares of face value of ₹ 10/- each
Preference	₹ 76,07,90,226/- consisting of 50,00,000 Series A Preference Shares of face value of ₹ 10/- each, 1,01,37,308 Series B Preference Shares of face value of ₹ 10/- each, 17,74,600 Series C Preference Shares of face value of ₹ 225.41/- each, 96,99,216 Series D1 Preference Shares of face value of ₹ 10/- each, 32,31,240 Series D2 Preference Shares of face value of ₹ 10/- each and 80,10,000 Series E Preference Shares of face value of ₹ 10/- each.	NIL	₹ 76,07,90,226/- consisting of 50,00,000 Series A Preference Shares of face value of ₹ 10/- each, 1,01,37,308 Series B Preference Shares of face value of ₹ 10/- each, 17,74,600 Series C Preference Shares of face value of ₹ 225.41/- each, 96,99,216 Series D1 Preference Shares of face value of ₹ 10/- each, 32,31,240 Series D2 Preference Shares of face value of ₹ 10/- each and 80,10,000 Series E Preference Shares of face value of ₹ 10/- each.
Issued, Subscribed and Paid-Up Share Capital	₹ 76,62,56,213.04/-	Increase	₹ 85,52,41,793.04/-

	As on April 01, 2022	Addition	As on March 31, 2023
Equity	₹ 9,71,78,610/- consisting of 97,17,861 equity shares of face value of ₹ 10/- each	₹ 89,81,160/- consisting of 8,98,116 equity shares of face value of ₹ 10/- each.	₹ 10,61,59,770/- consisting of 1,06,15,977 equity shares of face value of ₹ 10/- each.
Preference	₹ 66,90,77,603.04/- consisting of 38,40,000 Series A Preference Shares of face value of ₹ 10/- each, 1,01,37,308 Series B Preference Shares of face value of ₹ 10/- each, 17,74,544 Series C Preference Shares of face value of ₹ 225.41/- each, 96,99,216 Series D1 Preference Shares of face value of ₹ 10/- each, 32,31,240 Series D2 Preference Shares of face value of ₹ 10/- each.	₹ 8,00,04,420/- consisting of 80,00,442 Series E Preference Shares of face value of ₹ 10/- each.	₹ 74,90,82,023.04/- consisting of 38,40,000 Series A Preference Shares of face value of ₹ 10/- each, 1,01,37,308 Series B Preference Shares of face value of ₹ 10/- each, 17,74,544 Series C Preference Shares of face value of ₹ 225.41/- each, 96,99,216 Series D1 Preference Shares of face value of ₹ 10/- each, 32,31,240 Series D2 Preference Shares of face value of ₹ 10/- each and 80,00,442 Series E Preference Shares of face value of ₹ 10/- each.

As on March 31, 2023, all issued Equity shares and Compulsorily Convertible Preference shares were held in dematerialized mode. Neither of the shares of the Company are in physical mode.

II. During the financial year 2022-23, the Company has issued following Non-Convertible Debentures on Private Placement Basis, as follows

- (i) 300 (Three Hundred) Rated, Listed, Senior, Secured, Transferable, Redeemable Non-Convertible Debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakh) each, aggregating to ₹ 30,00,00,000/- (Indian Rupees Thirty Crore) issued to Axis Mutual Fund on May 09, 2022;
- (ii) 350 (Three Hundred and Fifty) Rated, Listed, Senior, Secured, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakh) each, aggregating to ₹ 35,00,00,000/- (Indian Rupees Thirty-Five Crore) issued to Northern Arc Income Builder Series B and Northern Arc Money Market Alpha Trust with Northern Arc Money Market Alpha Fund as its Scheme on September 29, 2022;
- (iii) 350 (Three Hundred and Fifty) Rated, Listed, Senior, Secured, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakh) each, aggregating to ₹ 35,00,00,000/- (Indian Rupees Thirty-Five Crore) issued to Northern Arc Capital Limited on October 21, 2022; and
- (iv) 12,500 (Twelve Thousand Five Hundred) Rated, Listed, Senior, Secured, Redeemable, Taxable Non-Convertible Debentures, bearing a face value of ₹ 1,00,000/- (Indian Rupees One Lakh) each, aggregating to

₹ 1,25,00,00,000/- (Indian Rupees One Hundred and Twenty-Five Crore) to HDFC Hybrid Debt Fund through HDFC Credit Risk Debt Fund on March 24, 2023.

III. During the financial year 2022-23, the Company has redeemed following Non-Convertible Debentures

- (i) 150 (One Hundred and Fifty) Rated, Unsubordinated, Unsecured, Transferable, Redeemable, Non-Convertible Debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakh) each, aggregating to ₹ 15,00,00,000/- (Indian Rupees Fifteen Crore) issued to IFMR FImpact Long Term Multi Asset Class Fund was redeemed on April 15, 2022;
- (ii) 250 (Two Hundred and Fifty) Rated, Senior, Secured, Transferable, Listed, Redeemable Non-Convertible Debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakh) each, aggregating to ₹ 25,00,00,000/- (Indian Rupees Twenty-Five Crore) issued to Indian Overseas Bank was redeemed on May 11, 2022;
- (iii) 250 (Two Hundred and Fifty) Rated, Senior, Secured, Transferable, Listed, Redeemable Non-Convertible Debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakh) each, aggregating to ₹ 25,00,00,000/- (Indian Rupees Twenty-Five Crore) issued to Bank of Baroda was redeemed on June 29, 2022;
- (iv) 2500 (Two Thousand Five Hundred) Secured, Senior, Rated, Listed, Redeemable, Taxable, Transferable Non-Convertible Debentures, bearing a face value of ₹ 1,00,000/- (Indian Rupees One Lakh) each,

aggregating to ₹ 25,00,00,000/- (Indian Rupees Twenty-Five Crore) issued to A K Capital Finance Limited was redeemed on September 30, 2022;

(v) 800 (Eight Hundred) Rated, Listed, Taxable, Secured, Senior, Redeemable, Principal Protected Market Linked Non-Convertible Debentures (Series B Debentures), bearing a face value of ₹ 1,00,000/- (Indian Rupees One Lakh) each, aggregating to ₹ 8,00,00,000/- (Indian Rupees Eight Crore) issued to Unifi AIF was redeemed on October 21, 2022;

(vi) 2700 (Two Thousand Seven Hundred) Rated, Listed, Taxable, Secured, Senior, Redeemable Non-Convertible

Debentures, bearing a face value of ₹ 1,00,000/- (Indian Rupees One Lakh) each, aggregating to ₹ 27,00,00,000/- (Indian Rupees Twenty-Seven Crore) issued to Unifi AIF was redeemed on January 27, 2023; and

(vii) 200000 (Two Lakh) Rated, Secured, Unsubordinated, Transferable, Listed, Redeemable Non-Convertible Debentures, bearing a face value of ₹ 1,000/- (Indian Rupees One Thousand) each, aggregating up to ₹ 20,00,00,000/- (Indian Rupees Twenty Crore) to Fourdegreewater Private Limited was redeemed on March 03, 2023 due to exercise of Call Option.

30. 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 the Companies (Accounts) Rules, 2014 are provided hereunder:

PARTICULARS	REMARKS
A) CONSERVATION OF ENERGY:	
<ul style="list-style-type: none"> the steps taken or impact on conservation of energy; 	<p>We have taken steps to monitor our energy usage and identify opportunities for implementing energy-saving measures throughout our organization. This includes using LED lights and electronic equipment that meet energy star rating standards, resulting in significant electricity savings. Additionally, our employees are educated on responsible equipment usage and encouraged to turn off devices when not in use.</p>
<ul style="list-style-type: none"> the steps taken by the Company for utilizing alternate sources of energy; 	NIL
<ul style="list-style-type: none"> the capital investment on energy conservation equipments; 	NIL
B) TECHNOLOGY ABSORPTION:	
<ul style="list-style-type: none"> the efforts made towards technology absorption; 	<p>Technology is being used as a business enabler at your Company and the Company has implemented best of the class applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security.</p>
<ul style="list-style-type: none"> the benefits derived like product improvement, cost reduction, product development or import substitution; 	NIL
<ul style="list-style-type: none"> in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) 	NIL
<ul style="list-style-type: none"> (a) the details of technology imported; 	NIL
<ul style="list-style-type: none"> (b) the year of import; 	NIL
<ul style="list-style-type: none"> (c) whether the technology been fully absorbed; 	NIL
<ul style="list-style-type: none"> (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; 	NIL
<ul style="list-style-type: none"> the expenditure incurred on Research and Development 	NIL
C) FOREIGN EXCHANGE EARNINGS AND OUTGO:	
<ul style="list-style-type: none"> 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

31. PARTICULARS OF DEPOSITS

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

32. CORPORATE GOVERNANCE

The Company has been practicing the principle of good Corporate Governance over the years. Corporate Governance is about commitment to values, ethical business conduct and considering all stakeholder's interest in the conduct of its business. Corporate Governance reflects core values around the principles and ideals based on independence, transparency, accountability, responsibility, compliance, ethics and trust. The report on corporate governance forms an integral part of this Board's report as **Annexure - IV**.

33. MANAGEMENT DISCUSSION & ANALYSIS REPORT

In pursuance to the provisions of RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Management Discussion and Analysis Report is attached and forms an integral part of the Annual Report. The report discusses in detail the overall industry situation, economic developments, sectorwise performance, outlook, risks & concerns, material developments and state of Company's affairs.

34. SHARES

a. BUY BACK OF SECURITIES

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

b. SWEAT EQUITY

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

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. SHARE WARRANTS

During the year under review, the Board has issued & allotted equity shares (pursuant to the exercise of right

attached to warrants by the respective warrants holders mentioned in Articles of Association of the Company) in its meeting held on May 05, 2022 in the following manner:

Sr. No.	Names of the Promoter Management/ Allottees	No. of Equity Shares
1.	Mr. Arun Kogta	2,67,701
2.	Mr. Varun Kogta	2,67,701
3.	Mr. Nayan Kogta	2,67,701
Total		8,03,103

Further, the Company has issued and allotted 10,25,806 (Ten Lakh Twenty-Five Thousand Eight Hundred and Six) share warrants on a private placement basis to Promoter Management through Board resolution passed in the meeting of Board of Directors held on May 11, 2022 after taking approval of shareholders at the 01st Extra-Ordinary General meeting held on May 08, 2022, (on terms as mentioned in Articles of Association of the Company) in the following manner :-

Sr. No.	Names of the Promoter Management/ Proposed Allottees	No. of Warrants
1.	Mr. Arun Kogta	341,936
2.	Mr. Varun Kogta	341,935
3.	Mr. Nayan Kogta	341,935
Total		10,25,806

e. EMPLOYEES STOCK OPTION PLAN

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

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

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

Below are the ESOP plans under scheme of the Company:

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

Further the details regarding the ESOPs as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 [till March 31, 2023]

Sr. No.	Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP PLAN 2020 - SERIES 2	ESOP PLAN 2020 - SERIES 3	Total
1	No. of options granted	1,27,000	2,84,800	2,14,500	24,000	10,000	6,60,300
2	No. of options vested	1,12,075	1,08,150	1,31,150	9,600	4,000	3,64,975
3	No. of options exercised	1,08,430	49,850	31,590	0	1,333	1,91,203
4	Total number of shares arising as a result of exercise of option	1,08,430	49,850	31,590	0	1,333	1,91,203
5	No. of options lapsed	18,570	82,000	39,600	0	0	1,40,170
6	Exercise price per option (in ₹)	90	170	450	450	450	-
7	Variation of terms of options	As per ESOP Plan 2018	As per ESOP Plan 2019	As per ESOP Plan 2020	As per ESOP Plan 2020 - Series 2	As per ESOP Plan 2020 - Series 3	-
8	Money realized by exercise of options	97,58,700	84,74,500	1,42,15,500	0	5,99,850	3,30,48,550
9	Total number of options in force	0	1,52,950	1,43,310	24,000	8,667	3,28,927
10	Employee wise details of options granted to KMP: (Mr. Rahul Agrawal, Company Secretary & Compliance Officer)	3,000	7,000	4,000	0	0	14,000

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

35. 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 and Company's operations in future. Therefore, the provisions relating to disclosure of details of material orders are not applicable to the Company.

36. PARTICULARS OF RBI COMPLIANCES

Your Company has complied with all the rules and procedures as prescribed in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ("Master Directions") and any other applicable circulars & notifications, as issued/amended from time to time by Reserve Bank of India.

Further, during the year under review, framework for Scale Based Regulation for Non-Banking Financial Companies ("**SBR Framework**") became effective from October 01, 2022. As per the SBR Framework, the Company was classified under Middle Layer category. The Company ensures to comply with all the regulatory guidelines of SBR framework at present or in future.

37. LISTING OF SECURITIES

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

38. VIGIL MECHANISM

The Company's Vigil Mechanism/Whistle Blower Policy ("**Whistle Blower Policy**") provides a mechanism under which an employee/director of the Company may

report unethical behaviour, suspected or actual fraud, violation of code of conduct and personnel policies of the Company. The Vigil Mechanism ensures standards of professionalism, honesty, integrity, ethical behavior and also provides adequate safeguards against the victimization of employees who avail the mechanism. It allows them to share their input or raise their concerns through the process mentioned in the policy.

This Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. In accordance with the provisions of Section 177(9) of the Companies Act, 2013, the Policy as approved by Board is hosted on the website of the Company at www.kogta.in/investor/policy/

During the year, neither any whistle blower event was reported, nor any personnel has been denied access to the Audit Committee. Your Company also ensures that the vigil mechanism established in the Company is functioning very well.

39. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Company has a Board approved Anti-Bribery and Anti-Corruption Policy (“**Policy**”) which serves as a guide for all employees, directors and associated persons for ensuring compliance with applicable anti-bribery and anti-corruption laws, rules and regulations. The Company also conducts training for employees to make them aware of the corrupt practices, trade based money laundering events, KYC & AML norms as prescribed by RBI and mandatorily compliance of Code of Conduct of the Company. The said policy is disclosed on the website of the Company at www.kogta.in/investor/policy/

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

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

41. DETAILS OF NON-COMPLIANCE WITH REQUIREMENTS OF COMPANIES ACT, 2013

The Company has established proper control systems to ensure compliance with the provisions of all the applicable provisions of Companies Act, 2013 (“**Act**”) along with applicable Accounting standards issued by the Institute of Chartered Accountant of India (ICAI) and Secretarial Standards issued by the Institute of

Company Secretaries of India (ICSI) as notified/amended from time to time in respect of meetings of the board of directors, committees and general meetings held during the year. The Company was totally in compliance with the applicable standards and other requirements of the Act.

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

Your Company has always believed in providing safe and harassment free workplace for every individual working in its premises through various interventions and practices. The Company ensures that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

With the objective of providing a safe environment to its employees, the Company has adopted a policy for prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (**POSH Act**) and also constituted the Internal Complaints Committee (**ICC**) under the POSH Act to redress complaints received regarding sexual harassment. The policy is flashed on website of the Company at www.kogta.in/investor/policy/

The following is a summary of sexual harassment complaints received and disposed off during the year 2022-23:

Sr. No.	PARTICULARS	NUMBER
1	No. of Complaints pending at the beginning of the year	0
2	No. of Complaints received during the year	0
3	No. of Complaints resolved during the year	0
4	No. of Complaints pending at the end of the year	0

43. GRIEVANCE REDRESSAL MECHANISM FOR STAKEHOLDERS

The Company has constituted a Stakeholders Relationship Committee to consider and resolve the grievances of stakeholders of the Company headed by an Independent Director and two (2) executive directors as members of the Committee. It has a well-

developed grievance mechanism maintained for various stakeholders such as customers, employees, investors, communities, etc. as defined in the Grievance Redressal Policy (“Policy”).

Further, in case of any concern or complaint of the stakeholders, they can reach out to Grievance Redressal Officer of the Company in accordance with the Policy or can submit their query on the website of the Company at www.kogta.in/pages/contact-us/ which are expeditiously redressed.

Further, the summary of complaints received from investors and customers directly and through RBI Ombudsman during the financial year are disclosed in the Corporate Governance section of the Board Report and in the notes to accounts of financial statements, respectively.

44. ESG COMMITMENTS AND REPORTING

Your Company has embedded the sustainability approach in all our business operations. Our actions are aligned in a manner that addresses the specific needs and requirements of our stakeholders through the lens of ESG, which is a cornerstone of our business.

Further, the summarized report on the ESG initiatives taken by the Company is enclosed in report on ESG commitments forming part of Annual Report.

45. OTHER DISCLOSURES

- (i) No application was made under the Insolvency and Bankruptcy Code, 2016 during the year, therefore there is no requirement to disclose the details of application made or any proceeding pending under the Insolvency

and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

- (ii) The requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable during the year.

46. ACKNOWLEDGEMENT

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

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

Sd/-
RADHA KRISHAN KOGTA

Date: May 12, 2023
Place: Jaipur

Chairman
DIN: 00197552

CIN: U67120RJ1996PLC011406

Registered Office: ‘Kogta House’, Azad Mohalla, Near Railway Station, Bijainagar – Ajmer – 305624, Rajasthan

ANNEXURE - I

Nomination and Remuneration Policy

1. INTRODUCTION

Kogta Financial (India) Limited (“Company” or “KFL”) is a Non-Banking Financial Company (“NBFC”) having valid Certificate of Registration with Reserve Bank of India (“RBI”) vide registration no. B.10.00086 dated May 27, 2016 under current RBI classification as NBFC - Investment and Credit Company (“NBFC-ICC”) – Non Deposit taking Systemically Important (“ICC-ND-SI”) with more than 25 years of experience in asset finance business.

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

2. REGULATORY REQUIREMENT

In accordance with the provisions of the Companies Act, 2013 (“Act”) read with the Rules framed there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI LODR”) and master directions/guidelines/circulars/ notifications issued by Reserve Bank of India, as amended from time to time (“RBI Guidelines”) (hereinafter referred to as “Applicable Law”), wherever applicable, it is mandatory to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel (KMP) and senior management/officer personnel (SMP).

3. ABOUT THE POLICY

The Nomination and Remuneration Policy (“Policy”) of the Company is formulated in compliance with Applicable Law. This Policy is intended to set out criteria to pay equitable remuneration to the Directors, KMPs, SMPs and to harmonise the aspirations of human resources with the goals of the Company. This policy shall act as guidelines on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management/officer.

4. OBJECTIVE

This objective of the Policy is to ensure: -

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, KMPs and SMPs;

- ii. that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- iii. that the remuneration to directors, KMPs and SMPs 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;
- iv. evaluation of performance of the Directors, KMPs and SMPs; and
- v. evaluation fit and proper criteria at the time of appointment/re-appointment of Directors.

5. DEFINITIONS

- a. ‘**Board**’ means Board of Directors of the Company.
- b. ‘**Directors**’ means directors of the Company.
- c. ‘**Committee**’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the provisions of Applicable Law.
- d. ‘**Independent Director**’ means a Director referred to in Section 149(6) of Act and rules made there under and applicable regulations/provisions of SEBI LODR and RBI guidelines.
- e. ‘**Key Managerial Personnel (KMP)**’ shall mean the officers of the Company as defined in Section 2(51) of the Act: -
 - a) the Chief Executive Officer (CEO) or the managing director or the manager;
 - b) the Company Secretary;
 - c) the Whole-Time Director;
 - d) the Chief Financial Officer (CFO); and
 - e) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;
- f. ‘**Senior Management/Officer personnel or SMP**’ means personnel of the Company who are members of its core management team including functional heads, who are directly reporting to the KMPs (excluding Company Secretary) of the Company.

- g. **Share-linked instruments** means Employee Stock Option;

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

6. 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 Applicable Law. Further details of the members of the Committee shall be disclosed in the Board's Report.

7. ROLE OF THE COMMITTEE

The role of the Nomination and Remuneration Committee shall be as follows: -

- i. Identify persons who are qualified to become directors and key managerial person in accordance with the criteria laid down by the Board;
- ii. recommend to the Board their appointment and removal;
- iii. evaluate the balance of skills, knowledge and experience on the Board for every appointment of an independent directors and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
- iv. shall specify the manner/criteria for effective evaluation of performance of Board, its committees, individual directors and KMPs to be carried out either by the Board, by the Nomination and Remuneration Committee;
- v. whether to extend or continue the term of appointment of the independent director, on the

basis of the report of performance evaluation of independent directors;

- vi. frame, review and recommend to the Board a compensation policy relating to the remuneration of the directors, KMPs and SMPs;
- vii. Coordinate with Risk Management Committee for effective alignment between compensation and risks;
- viii. The Compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP);
- ix. devising a policy on diversity of board of directors;
- x. ensure that there is no conflict of interest in appointment of directors on Board of the Company and KMPs.
- xi. 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.

8. MEETING 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/her absence any other member of the Committee authorized by him/her on his/her 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.

9. APPOINTMENT

- a. The Board shall comprise of optimum number of Directors as is necessary to effectively manage the affairs of the Company. Subject to a minimum of 3 and maximum of 15, the Board shall have an appropriate combination of Executive, Non-Executive, Independent and Woman Director.
- b. The Committee shall identify the person for appointment as Director (both executive &

non-executive director), KMP and recommend to the Board his / her appointment. While identification/evaluating a person for appointment / re-appointment, the Committee shall consider various factors including individual's integrity, expertise, experience, competency, skills, abilities (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field.

- c. The Committee shall ascertain the Fit and Proper criteria of Directors at the time of their appointment and on continuing basis in the manner prescribed in **Annexure 1** hereto.
- d. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- e. The appointment of SMPs shall be decided by the relevant KMP, who is direct reporting authority of such Senior Management/Officer personnel.

10. REMUNERATION TO EXECUTIVE DIRECTORS/ KMPs/SMPS

- a) The remuneration / compensation / commission (if any) etc. to Executive Directors and KMPs will be determined by the Nomination & Remuneration Committee and recommended to the Board and/ or Shareholders for their approval, subject to and within the maximum limits as prescribed in the Applicable law and in accordance with the compensation policy, which may also include balance of fixed and variable pay components as prescribed in the Compensation Policy.
- b) Further, the remuneration / compensation / commission (if any) etc. for SMPs, at the time of their appointment, shall be decided by the relevant KMP who is direct reporting authority of such SMPs, in accordance with the compensation policy, which may also include balance of fixed and variable pay components as prescribed in the Compensation Policy.

Further, the Compensation Committee shall do the performance evaluation and revision in remuneration of SMPs on annual basis or at the time of salary appraisal, if any, considering the provisions of the Compensation Policy of the Company.

- c) Furthermore, where any insurance is taken by the Company on behalf of its Managing Director, Whole-Time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company, The premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

11. REMUNERATION TO NON-EXECUTIVE & INDEPENDENT DIRECTORS

- a) The Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee / general meetings thereof in accordance with the provisions of the Applicable Law, as may be amended from the time being in force.
- b) The expenses for attending the Board / Committee / general meetings including travelling, boarding, and lodging expenses, shall be reimbursed by the Company.
- c) The Committee may recommend the payment of remuneration/profit related commission or such other variable pay based on their level of responsibility and performance and in accordance with the statutory provisions of the Applicable Law, as may be amended from the time being in force.
- d) Non-executive Directors (excluding Independent Directors) shall be eligible to get stock option of the Company and also shall be eligible to participate in any share based payment schemes of the Company.
- e) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration, and following conditions shall be satisfied:
 - i. The Services are rendered by such Director in his capacity as the professional; and
 - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

12. TERM / TENURE

The term / tenure of the Directors shall be governed as per provisions of the applicable laws, as amended from time to time and as follows: -

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

The Company shall appoint or re-appoint any person as its Managerial Person for a term up to five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director: -

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

No Independent Director shall hold office for more than two consecutive terms, however, 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.

13. PERFORMANCE EVALUATION

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

The Board of Directors shall carry out the performance evaluation of every individual director except the director being evaluated, along with its various Board Committees and Board as whole. Further, performance evaluation shall be carried out at least once in a year accordance with the manner prescribed in **Annexure 2** hereto.

The performance evaluation of KMPs (excluding executive directors) shall be performed by Nomination & Remuneration Committee and of SMPs by the Compensation Committee of the Company, on annual basis or at the time of salary appraisals.

14. POLICY ON DIVERSITY OF THE BOARD

a. The Company acknowledges the importance of diversity at the Board. Diversity encompasses diversity of perspective, experience, education,

background, ethnicity and personal attributes. The Company recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that woman with skills and experience can play in contributing to diversity of perspective at the Board. Other relevant matters such as independence and the ability to fulfil required time commitments in the case of Independent and Non-Executive Directors will also be taken into account;

- b. The Committee shall review and evaluate Board composition to ensure that the Board have the appropriate mix of skills, experience, independence and knowledge to ensure their continued effectiveness. The Committee will ensure that no person is discriminated against on grounds of religion, race, gender, national origin or ancestry, marital status, age, or any other personal or physical attribute as a Board member; and
- c. To ensure Board diversity at broad level, the Company shall provide sufficient information to the shareholders about the qualifications, expertise and characteristics of each Board Member.

15. REMOVAL / RETIREMENT

Owing to reasons for any disqualification mentioned in the applicable law, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director and KMP subject to the provisions and compliance of the Applicable Law.

The Director and KMP shall retire as per the provisions of the applicable law and in accordance with the Human Resource policy of the Company. The Board will have the discretion to retain the Director and KMP in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to such approvals as may be required in this regard.

Further, the Removal/ Retirement/ Retrenchment of SMPs shall be decided by either of Managing Director or Executive Director or CEO / CFO / COO (whomsoever is the reporting authority) in accordance with the Human Resource Policy of the Company.

16. SUCCESSION PLANNING

"Succession Planning" means making the necessary arrangements to ensure that suitably qualified people are available to fill posts which will arise within any specific department over forthcoming years. The succession planning is implemented by the management, the Nomination & Remuneration Committee of the Company,

the Board of Directors (Board), the Human Resources Department, and the employees themselves.

17. VALIDITY

The Policy shall be valid till next review by Committee members and/or Board of Directors, as applicable.

18. REVIEW

The Company's CEO, CFO and COO have been entrusted with the responsibility of enforcement of this policy. They are hereby given absolute power to jointly or severally, make necessary changes, amendments or additions or removals for the operational aspects of the policy within the overall spirit and guidance

from time to time for reasons like technology or process upgradation, regulatory changes, maintaining competitive edge or responding to changes in market or risk environment, etc. This is required to ensure full operational freedom to the senior management and make the management team more adaptive to rapid changing external environment. All changes so made shall be noted to the policy approving authority during the next policy review.

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

Annexure 1 - Fit & Proper Policy

1. ABOUT THE POLICY

The Board of Directors (“Board”) of KFL, has adopted the Fit and Proper Policy (“Policy”) regarding ascertaining the Fit and Proper criteria of Directors at the time of their appointment and on continuing basis. This Policy is to ensure that the Directors of the Company who are responsible for steering the affairs of the Company are fit and proper, besides having the necessary qualifications.

2. GUIDELINES ON “FIT & PROPER”

The Nomination & Remuneration Committee (“Committee”) shall ensure that prior to considering any candidature for appointment, re-appointment as a Director on the Board of the Company, detailed due diligence is undertaken to consider suitability of the Candidate. Such due diligence shall be based on:

- i. Qualification of the candidate
- ii. Expertise and competence of the candidate
- iii. Track record of the candidate
- iv. Integrity of the candidate
- v. Reputation and character of the candidate
- vi. Any other parameters that the Committee may deem fit to analyze

Further statutory declarations as prescribed in the Master Directions shall be obtained from candidates being considered for appointment, re-appointment as Directors of the Company. The Committee shall scrutinize the declarations and the chairperson of the Committee may thereafter add remarks on the declaration.

3. EVALUATION OF “FIT & PROPER”

3.1 Before appointing any person as a director on the Board or continuing the appointment of any such director, the Committee shall undertake adequate due diligence in respect of such individuals to ascertain suitability on the basis of the qualification, expertise, track record, integrity of such individual and also such other factors in respect of which information is obtained by the Company in the Declaration and Undertaking.

3.2 The Company shall, prior to the appointment of any person as a director on the Board and/or from the existing directors, obtain necessary information and declarations in the format as given in the Master Directions or such other format (where applicable)

which may be prescribed for this purpose by the RBI, from time to time (“Declaration and Undertaking”). These Declaration and Undertaking shall be obtained from all the directors within the prescribed timelines.

3.3 The Committee shall scrutinize each Declarations and Undertakings and thereafter, considering the result of its due diligence and the information provided in the signed Declarations and Undertakings, decide and recommend the same to the Board the acceptance or otherwise about the potential new directors or existing directors, whose appointment is to be continued or renewed, as the case may be.

3.4 Without limiting the generality of the foregoing paragraphs:

- a) For appointment of directors’ qualification and age as prescribed in the applicable law shall be considered;
- b) No person will be considered for appointment as a director if such person is disqualified to act as director under applicable law.

3.5 In order to conclude that a person is ‘fit and proper’, who is to be appointed as a director on the Board or to continue in that capacity (as the case may be), the Board must be able to form a view that it would be prudent to conclude, on the basis of recommendations of the NRC, that:

- a) the person meets the fit and proper criteria expressly set out by the RBI in the RBI Circular/ Master Directions or such other or additional criteria (where applicable) which may prescribe for this purpose by the RBI, from time to time;
- b) the person possesses the qualifications, competence, technical expertise, track record, integrity and judgement to perform properly the duties of a director on the Board;
- c) the person possesses the educational or technical qualifications, knowledge and skills relevant to the duties and responsibilities as a director on the Board;
- d) the person either:
 - has no conflict of interest in performing such person’s duties as a director on the Board;
 or

- if the person has a conflict of interest, it would be prudent to conclude that the conflict will not create a material risk that the person will fail to perform such person's duties properly and adequate disclosures are made by the person in this regard.

3.6 The Company shall obtain from every director on the Board, at the end of every financial year a simple declaration (reflecting the position as on 31st March) which either confirms that the information is already provided to the Board in the Declaration and Undertaking has not undergone any change or where there is any change, specifies the requisite details of such change. Any declarations which indicate a change in the information provided in the original Declaration and Undertaking shall also be scrutinized by the Committee

and the Committee shall keep the Board apprised of any such changes.

3.7 The Board shall ensure that any person who is appointed as director on the Board shall, on or before the date on which such person's appointment becomes effective, execute a deed of covenant in the format given in the Master Directions or such other format (where applicable) which may prescribe for the purpose by the RBI from time to time.

4. RECORDING OF PROCEEDINGS

The Company Secretary of the Company shall be primarily responsible for recording the proceedings of the Committee and the Board in connection with Policy.

Annexure 2 - Policy on Evaluation of Performance of Directors and The Board

1. ABOUT THE POLICY

The Company believes in conducting its affairs in a fair and transparent manner by adopting professionalism, honesty, integrity and ethical behaviour, in consonance with the Code of Conduct of the Company.

The overall effectiveness of the Board of Directors (“**Board**”) shall be measured on the basis of the ratings obtained by each Director and accordingly the Board (hereinafter referred to as the ‘Board’ which term shall be deemed to include Committee i.e. Nomination & Remuneration Committee (“NRC”) shall decide the Appointments, Reappointments, and Removal of the non-performing Directors of the Company.

2. OBJECTIVE OF THE POLICY

- Adopt best practices to evaluate the performance of every individual Directors (including the Chairperson and Independent Directors of the Company), Board as whole and various committees of Board in ideal manner;
- Ensure compliance of the Applicable Law relating to the evaluation of performance of the Directors and the Board;
- Improve the directors’ and committees’ effectiveness, to maximize their strength and to tackle their shortcomings.
- Achieve good Corporate Governance as well as sustained long-term value creation for stakeholders;

3. CRITERIA OF PERFORMANCE EVALUATION

The Nomination and Remuneration Committee has laid down the criteria for evaluation of Performance of individual Directors (including the Chairperson and Independent Directors of the Company) the Board and various committees of Board as listed below: -

- i. Attendance and Participation at meetings of the Board and Committee thereof;
- ii. Expertise, skills, behavior, leadership qualities, sense of sobriety and understanding of business, strategies direction to align company’s value and standards;
- iii. Knowledge of finance, accounts, legal, investment, marketing, foreign exchange / hedging, internal controls, risk management, assessment and

mitigation, business operations, processes and Corporate Governance;

- iv. Ability to create a professional environment that drives value creation and a high quality of debate with robust and probing discussions;
- v. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency;
- vi. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity;
- vii. Recognize the role which he/she is expected to perform, internal communication amongst the Board to make decisions objectively and collectively in the best interest of the Company to achieve organizational success;
- viii. Rational, sound and broad thinking and a vision on corporate social responsibility, etc;
- ix. Decision making on sales and marketing, raising and evaluating best source of finance, assessment of working capital, geopolitics, human resources and understanding financial statements and assessing business performance, etc;
- x. Ability to monitor the performance of management and satisfy himself/herself with integrity of the financial controls and systems in place by ensuring appropriate contact with external stakeholders; and
- xi. His/ her contribution to enhance overall brand image of the Company.

4. EVALUATION PROCESS

In conformity with the requirement of Applicable Law, the performance evaluation of individual Directors (including the Chairperson and Independent Directors of the Company), Board and its committees to be carried out in following manner:

- (i) All Directors shall carry out the performance evaluation of every individual director (including the Chairperson and Independent Directors except the Director being evaluated.
- (ii) All Directors shall also undertake the performance evaluation of Board as whole and various committees of Board.

The evaluation of performance of Board, its committees and individual directors should be carried out at least once in a year accordance with the above manner and as per the format approved by Nomination & Remuneration Committee.

5. BOARD MEMBER FEEDBACK

The Company believes in value for its stakeholders through ethical processes and integrity. The Board of Directors plays a very important role in ensuring that the Company's performance is monitored, and timely inputs are given to enhance its performance and set the right direction for growth. Hence, it is important that every individual Board Member effectively contributes to the Board deliberations.

6. PROCEDURE TO RATE THE PERFORMANCE

Based on evaluation criteria, the Nomination & Remuneration Committee and the Board shall rate the performance of the individual Directors (including the Chairperson and Independent Directors of the Company) Board and its various Committees. The performance rating shall be made on the five rating criteria of Excellent, Good, Satisfactory, Below Satisfactory and Poor, where Excellent is the highest Standard and the Poor being the lowest standard to the rating. Based on the rating of performance, the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or removal/retirement of the member based on his / her performance rating as to create and maintain the most

effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the Stakeholders of the Company.

7. MEETING FOR EVALUATION OF PERFORMANCE OF BOARD MEMBERS

The Summary of performance evaluation of Individual Directors (including the Chairperson and Independent Directors), Board as whole and various committees of Board should be presented to Nomination & Remuneration Committee and Board on annual basis.

Further the Independent Directors shall also hold a meeting at least once in any given year, without the presence of the non-Independent Directors of the Company, to: -

- i. review the performance of non-independent directors, Board as a whole and various committee(s) of Board;
- ii. review the performance of the Chairperson of the Company, considering the views of whole-time directors and non-executive directors;
- iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors shall strive to attend such meeting.

Annual Report on Corporate Social Responsibility (CSR) Activities 2022-23

[PURSUANT TO CLAUSE (O) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT AND RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014]

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

The Corporate Social Responsibility (CSR) philosophy of the Company is to make meaningful contribution by empowering socially, economically and financially disadvantaged and challenged communities through CSR initiatives. The Company contributes to support the basic needs of communities and to ensure that the Company is focused in creating a long-term impact for the beneficiaries.

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

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

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

2. COMPOSITION OF CSR COMMITTEE

The Board have constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Act. The composition of the CSR Committee as on March 31, 2023, was as under: -

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Radha Krishan Kogta	Whole-Time Director & Chairman	5	5
2.	Mr. Varun Kogta	Whole-Time Director & Chief Financial Officer	5	5
3.	Mr. P R Kalyanaraman	Independent Director	5	5

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

Composition of CSR Committee	www.kogta.in/investor-information/composition-of-board-and-committees/
CSR Policy	www.kogta.in/investor/policy/
CSR projects/ initiatives taken by the Company	www.kogta.in/media-center/csr/

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE.

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

5. (a) Average net profit of the Company as per sub section (5) of section 135.

Average net profit: ₹ 54,37,04,323/- (Indian Rupees Fifty Four Crore Thirty Seven Lakh Four Thousand Three Hundred Twenty Three).

(b) Two percent of average net profit of the Company as per sub section (5) of section 135: ₹ 1,08,74,086/- (Indian Rupees One Crore Eight Lakh Seventy Four Thousand Eighty Six only)

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: ₹ 92,244/- (Indian Rupees Ninety Two Thousand Two Hundred Forty Four

Only) (The said amount is interest earned on Bank balance of Kogta Foundation during the Financial Year 2022-23.)

(d) Amount required to be set off for the financial year, if any: ₹ 10,664/- (Indian Rupees Ten Thousand Six Hundred Sixty-Four Only).

(e) Total CSR obligation for the financial year [(b)+(c)- (d)]: ₹ 1,09,55,666/- (Indian Rupees One Crore Nine Lakh Fifty Five Thousand Six Hundred Sixty Six only)

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 1,09,55,666/- (Indian Rupees One Crore Nine Lakh Fifty Five Thousand Six Hundred Sixty Six only)

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: NIL

(d) Total amount spent for the Financial Year [(a)+(b) +(c)]: ₹ 1,09,55,666/- (Indian Rupees One Crore Nine Lakh Fifty Five Thousand Six Hundred Sixty Six only).

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)					
	Total Amount transferred to Unspent CSR Account as per section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer	
1,09,55,666	NIL	NA	NIL	NIL	NA	

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
1	Two percent of average net profit of the company as per sub-section (5) of section 135	1,08,74,086
2	Total amount spent for the Financial Year	1,09,55,666
3	Excess amount spent for the Financial Year (ii)-(i)	81580
4	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	81580*
5	Amount available for set off in succeeding Financial Years (iii)-(iv)	0

*The said amount is adjusted after setting off the excess CSR amount spent in previous financial year.

7. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1.	2021-22	Nil	Nil	1,09,55,666	N/A	N/A	Nil	Nil
2.	2020-21	Nil	Nil	73,00,730	N/A	N/A	Nil	Nil
3.	2019-20	Nil	Nil	58,19,292	N/A	N/A	Nil	Nil
TOTAL				2,40,75,688				

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:
 Yes No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NA							

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUBSECTION (5) OF SECTION 135.: Not Applicable

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

 Sd/-
Mr. Arun Kogta
 Managing Director & CEO
 DIN: 05109722

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

 Date: May 12, 2023
 Place: Jaipur

 Date: May 12, 2023
 Place: Jaipur

CIN: U67120RJ1996PLC011406

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

ANNEXURE - III

Form No. AOC-2

[PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014]

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

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

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

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

Sr. No.	Nature of Contracts / transaction	Name of the related party	Nature of relationship	Duration of contracts	Salient terms of contracts / transactions	Amount in Rupees	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Leasing of property/ Renting of property by KFL.	Mrs. Manju Kogta	Relative of Chairman of KFL.	5 Years	Rent at market rate	4,80,000	5 th May 2022	NIL
		Mrs. Ritu Kogta	Relative of Director of KFL.	5 Years	Rent at market rate	12,73,747	5 th May 2022	NIL
		Mr. Varun Kogta	Whole-Time Director & CFO of KFL.	5 Years	Rent at market rate	2,40,000	5 th May 2022	NIL
		Mrs. Madhu Kogta	Relative of COO of KFL.	5 Years	Rent at market rate	4,74,677	5 th May 2022	NIL
		Mr. Radha Krishan Kogta	Chairman of KFL.	5 Years	Rent at market rate	8,18,800	5 th August 2022	NIL
		Kogta Housing Development Private Limited	Director of KFL is also Director in the said Company.	5 Years	Rent at market rate	16,23,756	5 th May 2022 & 5 th August 2022	NIL
2.	Loan and advances given by KFL.	M/s Matangi Stonex LLP	Partner of firm is a relative of Chairman of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	10,60,000	5 th May 2022	NIL
		Mr. Nayan Kogta	COO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	1,85,01,210	5 th May 2022	NIL
		Mr. Varun Kogta	Whole-Time Director & CFO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	3,00,34,197	5 th May 2022	NIL
		Mr. Arun Kogta	Managing Director & CEO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	2,28,00,000	5 th May 2022	NIL
		Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Advances / Loan facility at contractual interest rate	10,00,000	5 th May 2022	NIL
		Kogta Foundation	Chairman of KFL is Trustee in the said Trust.	Various maturities	Advances / Loan facility at contractual interest rate	34,094	5 th May 2022	NIL
3.	Loan and advances recovered by KFL.	M/s Matangi Stonex LLP	Partner of firm is a relative of Chairman of KFL.	Various maturities	Advances / Loan facility at contractual interest rate	35,54,670	5 th May 2022	NIL
		Mr. Nayan Kogta	COO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	1,85,01,210	5 th May 2022	NIL

Sr. No.	Nature of Contracts / transaction	Name of the related party	Nature of relationship	Duration of contracts	Salient terms of contracts / transactions	Amount in Rupees	Date(s) of approval by the Board, if any	Amount paid as advances, if any
		Mr. Varun Kogta	Whole-Time Director & CFO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	3,00,34,197	5 th May 2022	NIL
		Mr. Arun Kogta	Managing Director & CEO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	2,28,00,000	5 th May 2022	NIL
		Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company	Various maturities	Advances / Loan facility at contractual interest rate	14,95,352	5 th May 2022	NIL
		Kogta Foundation	Chairman of KFL is Trustee in the said Trust.	Various maturities	Advances / Loan facility at contractual interest rate	34,094	5 th May 2022	NIL
		Giriraj Automobiles	Partner of Firm is Relative of COO of KFL	Various maturities	Advances / Loan facility at contractual interest rate	14,75,400	5 th May 2022	NIL
4.	Interest Income received by KFL.	M/s Matangi Stonex LLP	Partner of firm is a relative of Chairman of KFL.	Various maturities	Interest on loans and advances at applicable rates.	86,833	5 th May 2022	NIL
5.	Loan and advances received by KFL.	Jaipur Promoters Private Limited	Chairman of KFL is a relative of Director in the said Company	Various maturities	Interest at market rate.	2,10,00,000	5 th May 2022	NIL
		Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company	Various maturities	Interest at market rate.	2,76,60,290	5 th May 2022	NIL
6.	Loan and advances repaid by KFL.	Jaipur Promoters Private Limited	Chairman of KFL is a relative of Director in the said Company	Various maturities	Interest at market rate.	1,12,41,392	5 th May 2022	NIL
		Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Interest at market rate.	2,36,21,027	5 th May 2022	NIL
7.	Interest Expenses paid by KFL.	Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company	Various maturities	Interest on borrowing/ loan at applicable rates.	4,48,200	5 th May 2022	NIL
		Jaipur Promoters Private Limited	Chairman of KFL is a relative of Director in the said Company	Various maturities	Interest on borrowing/ loan at applicable rates.	8,75,112	5 th May 2022	NIL
8.	Commission paid by KFL	M/s Easy Recovery Solutions	Proprietor of Firm is a relative of Chairman of KFL	5 Years	Commission for Recovery Agent services	32,85,499	5 th May 2022	NIL
9.	CSR Contribution	Kogta Foundation	Settlor is KFL	-	CSR Contribution	1,07,32,327	5 th May 2022	NIL

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

Sd/-
RADHA KRISHAN KOGTA
 Chairman
 DIN: 00197552

Date: May 12, 2023
 Place: Jaipur

CIN: U67120RJ1996PLC011406

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

Corporate Governance Report

1. CORPORATE GOVERNANCE IN NBFC

Corporate Governance creates and enhances long term sustainable value for the stakeholders through ethically driven business process. It promotes fairness, transparency, accountability, commitment to values, ethical business conduct and prioritizing all stakeholders' interest while conducting business. Since Corporate Governance also sets up a framework for attaining an organization's objectives, it covers practically every facet of management, from internal controls & action plans to performance measurement & corporate disclosure. A transparent & agile corporate governance empowers a Company to make informed and ethical decisions that oust anything which is against the stakeholder's interest.

'Governance' in general terms, means the application of best management practices, compliance of law in true letter and spirit, adherence to ethical standards, distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

2. OUR PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance aims at facilitating effective monitoring and efficient control of business. Its essence lies in equity in operations and enhanced disclosures for protecting the interest of different stakeholders. A strong and effective corporate governance helps to develop your Company's culture of integrity, leading to positive performance and a sustainable business overall. Essentially, it exists to increase the accountability of all departments and employees within Company to avoid mistakes before they can even occur. The Company's Governance philosophy also reflects its commitment to disclose timely and accurate information regarding its financial and operational performance, as well as its leadership and governance structure.

A good corporate governance has the following general principles which are deployed in your Company, including but not limited to: -

- **Independence-** Independence means the ability to make decisions freely without being unduly influenced. It ensures the reduction in conflict of interest. Therefore, your Company has 6 (six) non-executive directors out of a total of 9 (nine) directors

so that decisions are taken responsibly without influence.

- **Responsibility-** Your Company is very clear with respect to individual responsibilities and the Company's Board and Committees fulfill their responsibilities as given by statutes from time to time.
- **Accountability-** It is a universal truth that one should be responsible for his/her own actions. It means that the management is accountable to the Board of Directors ("**Board**") and the Board is accountable to the shareholders of the Company. It gives confidence to shareholders in the business of the Company that in case of any unfavourable situation, the persons responsible will be held in charge. Therefore, accountability of all departments and employees within your Company are well defined and any deliberation/suggestions by the Board also gets communicated to them to improve their process.
- **Transparency-** Clear information about the Company's policies and practices and the decisions that affect the rights of the shareholders are communicated to the Board from time to time.
- **Equity-** Equity gives shareholders an opportunity to voice their grievances and address any issues relating to the violation of their rights. This principal deals with the protection of shareholders' rights and treating all shareholders equally without any personal favoritism, and granting redressal for any violations of rights, if any. Further, the complaints received from the investors/stakeholders are also presented to the Board on quarterly basis for their consideration and review.

Key elements of your Company's corporate governance -

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

without presence of non-independent directors and members of management;

- There is a confidential Board evaluation process where each Board member evaluates the performance of every Director, Committees of the Board, the Chairman of the Board and the Board itself; and
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions.

3. BOARD OF DIRECTORS

i. COMPOSITION

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

The composition of the Board is in conformity with the Companies Act, 2013 (“Act”) and rules made thereunder and RBI Master Directions. The Board having diverse experience and expertise in their respective areas. The Company have a balanced Board, having optimum combination of Executive and Non-Executive Directors including Women Director in compliance with the requirements of the Act as amended from time to time.

As on March 31, 2023, the Board comprised 9 (nine) Directors, consisting of 3 (three) Independent Directors including a Woman Independent Director, 3 (three) Non-Executive Directors including a Woman Nominee Director and 3 (three) Executive Directors. The Independent Directors of the Company are duly registered on the Independent Directors databank and have submitted their annual disclosures/declarations with respect to the criteria of independence as stipulated under the Companies Act, 2013, and confirmed that they are independent of the management and meet the criteria of independence laid down thereunder.

The composition and category of Directors as on March 31, 2023, is as follows:

Sl. No.	Name of the Director	Director since	Capacity	DIN	Number of Board Meetings		No. of other Director ships	Remuneration			No. of shares held in, and convertible instruments held in NBFC
					Held	Attended		Salary and other compensation (₹ in Lakh)	Sitting fees (₹ in Lakh)	Commission (₹ in Lakh)	
1.	Mr. Radha Krishan Kogta	15/01/1996	Promoter, Chairman & Whole-Time Director	00197552	4	4	2	40	0	0	729500
2.	Mr. Arun Kogta	18/01/2016	Promoter, Managing Director and Chief Executive Officer	05109722	4	4	0	100	0	0	858701*
3.	Mr. Varun Kogta	25/04/2014	Promoter, Whole-Time Director and Chief Financial Officer	06844307	4	4	0	85	0	0	694701**
4.	Mr. P R Kalyanaraman	08/03/2017	Independent Director	01993027	4	4	3	0	3	5	0
5.	Mr. Kumar Sharadindu	08/08/2019	Independent Director	07341455	4	4	2	0	2.45	5	0
6.	Mrs. Shashikala Ramachandra	12/12/2019	Independent Director	08087460	4	4	1	0	2.35	5	0
7.	Mr. Arjun Saigal	28/11/2018	Non-Executive Director representing NHPEA Rimo Holding B.V. (Investor)	07556188	4	3	3	0	0	0	0
8.	Mr. Robin Bhanwarlal Agarwal	01/10/2019	Non-Executive Director representing Aditya (Mauritius) Limited (Investor)	08572806	4	4	2	0	0	0	0
9.	Ms. Nithya Easwaran	05/05/2022	Nominee Director representing Multiples Private Equity Fund III (Investor)	03605392	3	3	9	0	0	0	0

* The Shares does not include 341936 convertible share warrants as they are only granted and yet to be exercised.

** The Shares does not include 341935 convertible share warrants as they are only granted and yet to be exercised.

The changes in the composition of the Board that took place during the year under review was carried out in compliance with the provisions of the Companies Act, 2013 and applicable RBI guidelines. Further, in pursuance to the provisions of RBI circular dated April 19, 2022 regarding disclosure in Financial Statements for NBFCs, the details of change in composition of the Board for the FY 2021-22 and 2022-23 are as follows:

Details of change in composition of the Board during the financial year 2021-22 and 2022-23

Sl. No.	Name of Director	Capacity	Nature of Change	Effective Date
1.	Mr. Radha Krishan Kogta	Promoter, Chairman & Whole-Time Director	Re-appointment	23/09/2021
2.	Mr. Arun Kogta	Promoter, Managing Director & Chief Executive Officer	Re-appointment	23/09/2021
3.	Mr. Amit Mehta	Nominee Director representing IIFL Seed Ventures Fund I (Investor)	Resignation	05/05/2022
4.	Ms. Nithya Easwaran	Additional Director representing Multiples Private Equity Fund III (Investor)	Appointment as Additional Director	05/05/2022
5.	Ms. Nithya Easwaran	Nominee Director representing Multiples Private Equity Fund III (Investor)	Regularized as Nominee Director	08/05/2022

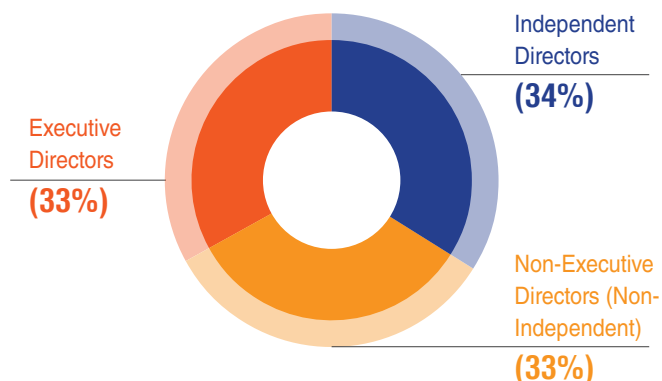
Disclosure of Relationships between directors inter-se;

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

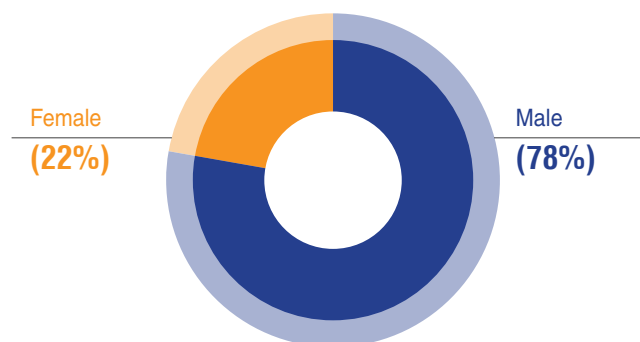
ii. BOARD DIVERSITY

The Board of your Company is diversified and consists of experienced professionals from varied disciplines. The Company acknowledges the importance of diversity at the Board, which encompasses diversity of perspective, experience, education, background, ethnicity and personal attributes. The Company also recognizes that gender diversity is a significant aspect of diversity which can play an important role in contributing to diversity of perspective at the Board. Therefore, the Company has two women directors out of nine directors on the Board.

Board of Directors



Board of Directors



iii. THE BRIEF DESCRIPTION CONSISTING OF SKILLS AND DOMAIN EXPERTISE OF THE BOARD OF DIRECTORS OF THE COMPANY ARE AS UNDER:

The brief profile of Board members along with the Senior Management/KMPs/CXOs of the Company is hosted on website of the Company and can be accessed at www.kogta.in/about/our-team/

The table summarizes the key skills and attributes to identify, select and nominate the candidate to serve on the Board of the Company.

Sl. No.	Particulars	Description
1.	Leadership	Leadership ability in regular and complex business environment, management, decision making, strategy formulation abilities, etc.
2.	Business	Experience and understanding of the industry, business environment, economic conditions, strategic thinking, etc.
3.	Financial	Knowledge and understanding of finance management, ability to read and understand financial statements, etc.
4.	Corporate Governance	Maintaining Board and management accountability, environmental awareness, ethical behavior, policies adoption for governance, etc.
5.	Risk Management	Experience and understanding of industry & business, market scenario, ability to quantify risks and choose mitigation strategy, etc.

All directors of the Company are having requisite expertise and skills as mentioned above.

iv. BOARD MEETINGS

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

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

Several Board and Committee meetings were conducted through audio visual means as per provisions of Companies Act, 2013 and relevant Circulars/Rules issued by the Ministry of Corporate Affairs ('MCA') from time to time, for conducting meetings through video conferencing. The Board met at least once in a calendar quarter and the maximum time gap between any two meetings was not more than one hundred and twenty days. These meetings were well attended by the requisite quorum.

Minimum 4 (four) pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions were also passed by way of circulation.

During the year Company's board met 4 (four) times on May 05, 2022, August 05, 2022, November 04, 2022 and February 03, 2023.

Besides, Directors of the Company has passed resolution by circulation viz. May 11, 2022, September 24, 2022, October 15, 2022 and March 15, 2023.

Attendance of each Director at the Board meetings held during the year and the last Annual General Meeting and the number of other Directorship as on March 31, 2023:

Sl. No.	Name of the Director	Director since	Capacity	DIN	Number of Board Meetings		Attendance at Last AGM	No. of other Directorships
					Held	Attended		
1.	Mr. Radha Krishan Kogta	15/01/1996	Promoter, Chairman & Whole-Time Director	00197552	4	4	Yes	2
2.	Mr. Arun Kogta	18/01/2016	Promoter, Managing Director and Chief Executive Officer	05109722	4	4	Yes	0

Sl. No.	Name of the Director	Director since	Capacity	DIN	Number of Board Meetings		Attendance at Last AGM	No. of other Directorships
					Held	Attended		
3.	Mr. Varun Kogta	25/04/2014	Promoter, Whole-Time Director and Chief Financial Officer	06844307	4	4	Yes	0
4.	Mr. P R Kalyanaraman	08/03/2017	Independent Director	01993027	4	4	Yes	3
5.	Mr. Kumar Sharadindu	08/08/2019	Independent Director	07341455	4	4	No	2
6.	Mrs. Shashikala Ramachandra	12/12/2019	Independent Director	08087460	4	4	No	1
7.	Mr. Arjun Saigal	28/11/2018	Non-Executive Director representing NHPEA Rimo Holding B.V. (Investor)	07556188	4	3	No	3
8.	Mr. Robin Bhanwarlal Agarwal	01/10/2019	Non-Executive Director representing Aditya (Mauritius) Limited (Investor)	08572806	4	4	No	2
9.	Ms. Nithya Easwaran	05/05/2022	Nominee Director representing Multiples Private Equity Fund III (Investor)	03605392	3	3	No	9

DETAILS OF DIRECTORSHIP IN OTHER LISTED ENTITIES OF DIRECTOR(S) AS ON MARCH 31, 2023 (EXCEPT KOGTA FINANCIAL (INDIA) LIMITED):

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

Notes:

- Pursuant to the provisions of the Section 165 of the Act, none of the Director on the Board hold directorship in more than 10 (Ten) Public Limited Companies and not exceeding 20 (Twenty) Companies in compliance of requirement of the Act.
- None of the Independent Director serves as an Independent Director in more than 7 (Seven) Listed Companies.
- None of the Directors are related with each other except Mr. Arun Kogta and Mr. Varun Kogta.
- All independent Directors confirmed that they meet the criteria of independence.
- None of the Director belong to promoters or promoter group except Mr. Radha Krishan Kogta, Mr. Arun Kogta and Mr. Varun Kogta.
- None of the Non-Executive Directors hold any convertible instruments of the Company.

v. BOARD'S ROLE AND FUNCTIONING

The fundamental responsibility of the Board is to provide leadership and oversight path, so the Company can reach to its goals and achieve its vision and mission. The following are the roles and responsibilities of the Board, which includes but not limited to: -

- a. perform the duties of strategic planning and oversight;
- b. representing the Company's shareholders and includes high-level corporate position holders;
- c. provide direction and continuity for the organization;
- d. establish a policy based governance system;
- e. overseeing the Corporate Governance framework of the Company;
- f. monitoring corporate performance against strategic business plan.

vi. REMUNERATION OF DIRECTORS

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

Your Company has a well-defined Nomination and Remuneration Policy (NRC Policy) for its Directors, Key Managerial Personnel and Senior Management Personnel, regulated by NRC. The NRC Policy has set of principles and objectives as more fully and particularly envisaged under Section 178 of the Companies Act, 2013 read with applicable guidelines issued by Reserve Bank of India and principles pertaining to qualifications, positive attributes, integrity and independence of Directors, etc. The NRC while determining the remuneration of the Directors shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully. The Criteria of making payments to Director has been stipulated in NRC Policy of the Company which is enclosed in **Annexure-I** of this Board Report and can also be accessed at www.kogta.in/investor/policy/

The Independent Directors are entitled to receive sitting fees for attending Board Meeting, Committees Meeting and General Meeting and profit related commission,

as approve by the shareholders of the Company, from time to time. The remuneration to the Managing Director and Whole-Time Director(s) is paid as determined by the NRC/Board of Directors and also approved by the shareholders at the General Meeting.

4. COMMITTEES OF THE BOARD

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

The Board has established the following statutory and non-statutory Committees in line with the Companies Act, 2013 and Rules made thereunder and Master Directions of Reserve Bank of India:

- Audit Committee
- Nomination and Remuneration Committee
- Asset Liability Management Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- IT Strategy Committee
- IT Steering Committee
- Loan & Investment Committee
- Compensation Committee
- Management Committee

The composition and functioning of these Committees are in compliance with the applicable provisions of the Companies Act, 2013 and Corporate Governance Master Directions issued by the Reserve Bank of India.

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

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

(a) AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Act and circulars, directions and guidelines issued by Reserve

Bank of India ('Guidelines'). All the members of the Committee have wide experience in field of Banking & Finance, Regulatory and Financial service industry.

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

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Reviewing, with the management, the Financial Statements before submission to the Board along with examination of auditor's report thereon and also ensure reliability of financial statements for preparation of other related records linked to the financial statements;
- Approval or any subsequent modification of transactions of the Company with related parties and granting omnibus approval to related party transactions which are in the ordinary course of business and on an arm's length basis and to review and approve such transactions;
- Scrutiny of inter-corporate loans and investments, if any;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- To put in place and oversee the Internal Audit Function of the Company;
- Reviewing with the management, performance of

Statutory and internal auditors, the scope of internal audit, adequacy of internal control systems and ensure adherence thereto and any other related issues;

- To review the functioning of the vigil mechanism;
- To review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;
- Ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the NBFCs; and
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment, or modification, as may be applicable.

The terms of reference of this Committee are also detailed in Internal guidelines on Corporate Governance Policy hosted on Company's website at www.kogta.in/investor/policy/

All Committee meetings were duly held and convened by giving proper notices and within the stipulated timelines as provided under the Act and other regulatory requirements.

During the year, 4 (four) Audit Committee meetings were held on May 04, 2022, August 04, 2022, November 03, 2022 and February 02, 2023. All the meetings were conducted with requisite quorum.

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

Sl. No.	Name of the Director/ Member	Member of Committee since	Capacity	No. of Meetings of the Committee		No. of equity shares held in the Company
				Held	Attended	
1.	Mr. P R Kalyanaraman	08/03/2017	Independent Director as Chairman	4	4	0
2.	Mr. Kumar Sharadindu	08/08/2019	Independent Director as Member	4	3	0
3.	Mrs. Shashikala Ramachandra	29/01/2020	Independent Director as Member	4	4	0
4.	Mr. Varun Kogta*	08/03/2017	Whole-Time Director & Chief Financial Officer as Member	2	2	6,94,701
5.	Ms. Nithya Easwaran*	05/08/2022	Nominee Director as Member	2	2	0

*Mr. Varun Kogta, ceased to be a member of the Committee since August 05, 2022 and Ms. Nithya Easwaran has been appointed as a member of the Committee with effect from August 05, 2022.

Mr. Rahul Agrawal, the Company Secretary and Compliance Officer of the Company acted as the secretary to this Committee.

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

(b) NOMINATION AND REMUNERATION COMMITTEE (NRC)

The constitution of the Nomination and Remuneration Committee (NRC) is in compliance with the provisions of Section 178 of the Act and circulars, directions and guidelines issued by Reserve Bank of India ('Guidelines').

The terms of reference of NRC are in accordance with the Act and Guidelines, which inter alia includes:

- Formulation of criteria for determining qualifications, positive attributes and independence of a director;
- Recommendation of persons to be appointed to the

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

Sl. No.	Name of the Member	Member of Committee since	Capacity	No. of Meetings of the Committee		No. of equity shares held in the Company
				Held	Attended	
1.	Mr. P R Kalyanaraman	08/03/2017	Independent Director as Chairman	3	3	0
2.	Mr. Kumar Sharadindu	08/08/2019	Independent Director as Member	3	3	0
3.	Mr. Amit Mehta*	08/03/2017	Nominee Director as Member	1	1	6700
4.	Ms. Nithya Easwaran*	05/05/2022	Nominee Director as Member	2	2	0

*Mr. Amit Mehta, ceased to be a member of the Committee since May 05, 2022 and Ms. Nithya Easwaran has been appointed as a member of the Committee with effect from May 05, 2022.

Mr. Rahul Agrawal, the Company Secretary and Compliance Officer of the Company acted as the secretary to this Committee.

As per Section 178(7) of the Act and the Secretarial Standards, the Chairperson of the Committee or, in his/her absence, any other member of the Committee authorised by him/her in this behalf shall attend the General Meetings of the Company. Mr. P R Kalyanaraman, Chairman of the Committee was present at the 26th Annual General Meeting of the Company held on June 27, 2022 and First Extra Ordinary General Meeting of FY 2022-23 held on May 08, 2022.

Board, Key Managerial Persons (KMPs) and Senior Management Personnel (SMPs);

- Specifying the manner and criteria for effective evaluation of performance of Board, its Committees, Chairperson and individual directors;
- Recommendation of Nomination & Remuneration Policy for directors, KMPs and SMPs;
- Review of remuneration of directors, KMPs and SMPs recommend the same to the Board;
- Retain, motivate and promote talent and to ensure long term sustainability of talented Directors and KMPs.

The terms of reference of this Committee are also detailed in Internal guidelines on Corporate Governance Policy hosted on Company's website at www.kogta.in/investor/policy/

During the year, 3 (three) Nomination and Remuneration Committee (NRC) meetings were held on May 05, 2022, August 05, 2022 and February 03, 2023. All the meetings were conducted with requisite quorum.

(c) RISK MANAGEMENT COMMITTEE (RMC)

The Company has constituted Risk Management Committee (RMC) in line with the provisions of the RBI Master Direction, 2016 read with other circulars and guidelines issued by Reserve Bank of India ('Guidelines').

The Committee reviews the Risk Management Policy, document and improve risk management practices, ensure appropriate / adequate reporting to the Board, manage the integrated risk, and any other matter as the Committee may deem fit. The Committee is involved in

the process of identification, measurement, monitoring and mitigation of the various risks faced by the Company.

The terms of reference of the RMC are in accordance with the Guidelines, which inter alia includes:

- Review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work;
- Ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions, and then to formulate the risk strategies and activate what is necessary to pro-actively manage these risks, and to decide the Company's appetite or tolerance for risk;

- To overview and take on record highlights on risk bearing capacity of the Company;
- Review of Risk Management Policy; and
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The terms of reference of this Committee are also detailed in Internal guidelines on Corporate Governance Policy hosted on Company's website at www.kogta.in/investor/policy/

During the year, 4 (four) Risk Management Committee meetings were held on May 04, 2022, August 04, 2022, November 03, 2022 and February 02, 2023. All the meetings were conducted with requisite quorum.

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

Sl. No.	Name of the Director/ Member	Member of Committee since	Capacity	No. of Meetings of the Committee		No. of equity shares held in the Company
				Held	Attended	
1.	Mrs. Shashikala Ramachandra	29/01/2020	Independent Director as Chairperson	4	4	0
2.	Mr. Arun Kogta	15/10/2018	Managing Director & Chief Executive Officer as Member	4	4	858701
3.	Mr. Varun Kogta*	15/10/2018	Whole-Time Director & Chief Financial Officer as Member	2	2	694701
4.	Mr. Kumar Sharadindu	29/10/2021	Independent Director as Member	4	3	0
5.	Mr. P R Kalyanaraman	29/10/2021	Independent Director as Member	4	4	0
6.	Ms. Nithya Easwaran*	05/08/2022	Nominee Director as Member	2	2	0
7.	Mr. Nayan Kogta	15/10/2018	Chief Operating Officer as Member	4	4	634701
8.	Mr. Shobhit Nawal	15/10/2018	Finance Controller as Member	4	4	19750

*Mr. Varun Kogta, ceased to be a member of the Committee since August 05, 2022 and Ms. Nithya Easwaran has been appointed as a member of the Committee with effect from August 05, 2022.

Mr. Rahul Agrawal, the Company Secretary and Compliance Officer of the Company acted as the secretary to this Committee.

(d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

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

- Formulate and recommend to the Board, a CSR policy, which shall indicate the activities to be undertaken by the Company as per Companies Act, 2013 and rules made thereunder;

- Review and recommend the amount of expenditure to be incurred on CSR activities;
- Institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time;
- Monitor the CSR policy of the Company from time to time;
- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy of the Company; and
- To carry out any other function as is mandated by

the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The terms of reference of this Committee are also detailed in Internal guidelines on Corporate Governance Policy hosted on Company's website at www.kogta.in/investor/policy/

During the year, 5 (five) CSR Committee meetings were held on May 04, 2022, May 05, 2022, August 04, 2022, November 03, 2022 and February 03, 2023. All the meetings were conducted with requisite quorum.

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

Sl. No.	Name of the Director/ Member	Member of Committee since	Capacity	No. of Meetings of the Committee		No. of equity shares held in the Company
				Held	Attended	
1.	Mr. Radha Krishan Kogta	20/12/2016	Whole-Time Director as Chairman	5	5	729500
2.	Mr. Varun Kogta	20/12/2016	Whole-Time Director & Chief Financial Officer as Member	5	5	694701
3.	Mr. P R Kalyanaraman	17/01/2019	Independent Director as Member	5	5	0

Mr. Rahul Agrawal, the Company Secretary and Compliance Officer of the Company acted as the secretary to this Committee.

(e) ASSET LIABILITY MANAGEMENT COMMITTEE

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

The terms of reference of the Asset Liability Management Committee are in accordance with the Guidelines, which inter alia includes:

- Management of liquidity position, long term and short term;
- Review of ALM Returns to be submitted to RBI;

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

The terms of reference of this Committee are also detailed in Internal guidelines on Corporate Governance Policy hosted on Company's website at www.kogta.in/investor/policy/

During the year, 4 (four) ALCO meetings were held on May 03, 2022, August 03, 2022, November 02, 2022 and February 01, 2023. All the meetings were conducted with requisite quorum.

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

Sl. No.	Name of the Director/ Member	Member of Committee since	Capacity	No. of Meetings of the Committee		No. of equity shares held in the Company
				Held	Attended	
1.	Mr. Arun Kogta	15/10/2018	Managing Director & Chief Executive Officer as Chairman	4	4	858701
2.	Mr. Varun Kogta	15/10/2018	Whole-Time Director & Chief Financial Officer as Member	4	4	694701
3.	Mr. Shobhit Nawal	15/10/2018	Finance Controller as Member	4	4	19750

Mr. Rahul Agrawal, the Company Secretary and Compliance Officer of the Company acted as the secretary to this Committee.

(f) IT STRATEGY COMMITTEE

The Board constituted the IT Strategy Committee in compliance with the provisions of the Master Direction - Information Technology Framework for the NBFC Sector dated June 08, 2017 issued by the Reserve Bank of India specifying the Information Technology framework to be adopted for the NBFC sector ('IT Master Direction').

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

The terms of reference of the IT Strategy Committee are in accordance with the IT Master Direction, which inter alia includes:

- Approve IT strategy and policy documents and review the same from time to time and ensure that the management has put an effective strategic planning process in place;
- Ascertain that the management has implemented processes and practices to ensure that IT delivers

value to the business and ensure that IT investments represent a balance of risks and benefits and that budgets are acceptable;

- Monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Ensure an independent review and audit in accordance with approved policies and procedures;
- Ensure that business continuity preparedness is not adversely compromised on account of outsourcing; and
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The terms of reference of this Committee are also detailed in Internal guidelines on Corporate Governance Policy hosted on Company's website at www.kogta.in/investor/policy/

During the year, 3 (three) IT Strategy Committee meetings were held on May 04, 2022, November 03, 2022 and February 02, 2023. All the meetings were conducted with requisite quorum.

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

Sl. No.	Name of the Director/ Member	Member of Committee since	Capacity	No. of Meetings of the Committee		No. of equity shares held in the Company
				Held	Attended	
1.	Mr. P R Kalyanaraman	16/05/2019	Independent Director as Chairman	3	3	0
2.	Mr. Arun Kogta	16/05/2019	Managing Director & Chief Executive Officer as Member	3	3	858701

Sl. No.	Name of the Director/ Member	Member of Committee since	Capacity	No. of Meetings of the Committee		No. of equity shares held in the Company
				Held	Attended	
3.	Mr. Varun Kogta	16/05/2019	Whole-Time Director & Chief Financial Officer as Member	3	3	694701
4.	Mr. Chandan Agarwal	07/05/2021	Head Product Development & New Business Initiatives as Member	3	3	0
5.	Mr. Vinod Maheshwari	16/05/2019	Chief Technology Officer (CTO) as Member	3	3	1900
6.	Mr. Devendra Kumar Pareek	08/02/2022	Senior Manager - IT and System as Member	3	3	0

Mr. Rahul Agrawal, the Company Secretary and Compliance Officer of the Company acted as the secretary to this Committee.

(g) IT STEERING COMMITTEE

The Board constituted the IT Steering Committee in compliance with the provisions of the Master Direction - Information Technology Framework for the NBFC Sector dated June 08, 2017 issued by the Reserve Bank of India specifying the Information Technology framework to be adopted for the NBFC sector ('IT Master Direction').

The terms of reference of the IT Steering Committee are in accordance with the IT Master Direction, which inter alia includes:

- Operating at an executive level and focusing on priority setting, resource allocation and project tracking;
- To provide oversight and monitoring of the progress of the project, including deliverables to be realized at each phase of the project and milestones to be

reached according to the project timetable;

- Undertake any other responsibility as laid down by RBI and Board of Directors from time to time; and
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The terms of reference of this Committee are also detailed in Internal guidelines on Corporate Governance Policy hosted on Company's website at www.kogta.in/investor/policy/

During the year, 4 (four) IT Steering Committee meetings were held on May 03, 2022, August 03, 2022, November 02, 2022 and February 01, 2023. All the meetings were conducted with requisite quorum.

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

Sl. No.	Name of the Director/ Member	Member of Committee since	Capacity	No. of Meetings of the Committee		No. of equity shares held in the Company
				Held	Attended	
1.	Mr. Chandan Agarwal	07/05/2021	Head Product Development & New Business Initiatives as Chairman	4	4	0
2.	Mr. Varun Kogta	16/05/2019	Whole-Time Director & Chief Financial Officer as Member	4	4	694701
3.	Mr. Vinod Maheshwari	16/05/2019	Chief Technology Officer (CTO) as Member	4	4	1900
4.	Mr. Devendra Kumar Pareek	29/10/2021	Senior Manager - IT and System as Member	4	4	0

Mr. Rahul Agrawal, the Company Secretary and Compliance Officer of the Company acted as the secretary to this Committee.

(h) LOAN & INVESTMENT COMMITTEE

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

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

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

- To issue and allot non-convertible debentures to the investors identified by the Board of Directors; and
- Such other powers/authorities, as may be decided by the Board, from time to time, in connection with the offer and allotment of the Debt Security.

The terms of reference of this Committee are also detailed in Internal guidelines on Corporate Governance Policy hosted on Company's website at www.kogta.in/investor/policy/

During the year, 53 (fifty three) Loan & Investment Committee meetings were held on April 5, 2022, April 21, 2022, May 5, 2022, May 9, 2022, May 26, 2022, June 1, 2022, June 10, 2022, June 18, 2022, June 21, 2022, June 27, 2022, July 6, 2022, July 18, 2022, July 26, 2022, August 9, 2022, August 12, 2022, August 22, 2022, August 26, 2022, August 31, 2022, September 12, 2022, September 22, 2022, September 26, 2022, September 29, 2022, October 13, 2022, October 17, 2022, October 21, 2022, November 7, 2022, November 9, 2022, November 22, 2022, November 24, 2022, November 28, 2022, December 2, 2022, December 16, 2022, December 20, 2022, December 28, 2022, December 31, 2022, January 5, 2023, January 13, 2023, January 25, 2023, January 31, 2023, February 7, 2023, February 9, 2023, February 16, 2023, February 23, 2023, February 27, 2023, March 2, 2023, March 6, 2023, March 14, 2023, March 16, 2023, March 23, 2023, March 24, 2023, March 25, 2023, March 29, 2023 and March 31, 2023. All the meetings were conducted with requisite quorum.

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

Sl. No.	Name of the Director/ Member	Member of Committee since	Capacity	No. of Meetings of the Committee		No. of equity shares held in the Company
				Held	Attended	
1.	Mr. Varun Kogta	20/12/2016	Whole-Time Director & Chief Financial Officer as Chairman	53	52	694701
2.	Mr. Arun Kogta	20/12/2016	Managing Director & Chief Executive Officer as Member	53	19	858701
3.	Mr. Nayan Kogta	20/12/2016	Chief Operating Officer as Member	53	52	634701
4.	Mr. Shobhit Nawal	16/05/2019	Finance Controller as Member	53	53	19750

Mr. Rahul Agrawal, the Company Secretary and Compliance Officer of the Company acted as the secretary to this Committee.

(i) COMPENSATION COMMITTEE

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

The terms of reference of the Compensation Committee are in accordance with the Board power, which inter alia includes:

- To make a plan and shortlist employee to grant, vest and exercise Employee Stock Options;
- To approve the grant letter including the vesting plan of each employee and option acceptance letter;
- To consider and approve the Staff Car Policy of the Company and provide approval to the employees as per term & conditions of the said policy;
- To allot equity share to the eligible employees (as identified by the Committee), who shall exercise

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

Sl. No.	Name of the Director/ Member	Member of Committee since	Capacity	No. of Meetings of the Committee		No. of equity shares held in the Company
				Held	Attended	
1.	Mr. Arun Kogta	02/02/2018	Managing Director & Chief Executive Officer as Chairman	12	12	858701
2.	Mr. Varun Kogta	02/02/2018	Whole-Time Director & Chief Financial Officer as Member	12	12	694701
3.	Mr. Nayan Kogta	02/02/2018	Chief Operating Officer as Member	12	12	634701

Mr. Rahul Agrawal, the Company Secretary and Compliance Officer of the Company acted as the secretary to this Committee.

(j) MANAGEMENT COMMITTEE

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

The terms of reference of the Management Committee are in accordance with the Board power, which inter alia includes:

- To prepare, arrange, execute, file and sign all application(s), letter(s), form(s), agreement(s) or any other document(s) as may be necessary with Registrar or any Government bodies to get register and/or renew such registration(s) of the Branch offices

its rights to subscribe the ESOPs under the Kogta Employee Stock Option Scheme of the Company; and

- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The terms of reference of this Committee are also detailed in Internal guidelines on Corporate Governance Policy hosted on Company’s website at www.kogta.in/investor/policy/

During the year, 12 (twelve) Compensation Committee meetings were held on April 28, 2022, June 29, 2022, July 18, 2022, August 01, 2022, August 30, 2022, October 11, 2022, November 26, 2022, December 27, 2022, January 4, 2023, January 23, 2023, February 23, 2023 and March 28, 2023. All the meetings were conducted with requisite quorum.

of the Company under the Shop and Establishment Act as notified by the related states and under any other Act, as required and necessary;

- To prepare, arrange, execute, file and sign all application(s), letter(s), form(s), agreement(s) or any other document(s) as may be necessary to transact the Administrative activities related to financial and non- financial transaction(s) with Customers/service providers including but not limited to RTO, Seizer, Lawyer, Valuer, Parking yard, Etc./agents including but not limited to Direct Selling Agents, Direct Marketing Agents, Business Associate Agents, Etc.

/Government and Non- Government departments and all other statutory bodies/authorities on behalf of the Company; and

- To delegate all or any aforesaid powers to any other person/ employee of the Company and/or to any outsider agency or person as may deems fit by the Management Committee and to do all or any acts as mentioned above with or without any specific condition(s) as may be deem fit for benefit of the Company.

The terms of reference of this Committee are also detailed in Internal guidelines on Corporate Governance Policy hosted on Company's website at www.kogta.in/investor/policy/

During the year, 3 (three) Management Committee meetings were held on May 06, 2022, August 31, 2022 and October 14, 2022. All the meetings were conducted with requisite quorum.

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

Sl. No.	Name of the Director/ Member	Member of Committee since	Capacity	No. of Meetings of the Committee		No. of equity shares held in the Company
				Held	Attended	
1.	Mr. Varun Kogta	20/12/2016	Whole-Time Director & Chief Financial Officer as Chairman	3	3	694701
2.	Mr. Rahul Agrawal	20/12/2016	Company Secretary & Compliance Officer as Member	3	3	5600
3.	Mr. Manoj Sharda	20/12/2016	National Operation Manager as Member	3	3	5000
4.	Mr. Vijendra Singh	10/11/2017	Chief Manager CMS Banking as Member	3	3	0

Mr. Rahul Agrawal, the Company Secretary and Compliance Officer of the Company also acted as the secretary to this Committee.

(k) STAKEHOLDERS RELATIONSHIP COMMITTEE

The constitution of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Act to consider and resolve the grievances of security holders of the Company.

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

- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various

services being rendered by the Registrar & Share Transfer Agent;

- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend/annual reports/statutory notices by the shareholders of the Company; and
- To carry out any other function as is mandated by the Board from time to time.

The terms of reference of this Committee are also detailed in Internal guidelines on Corporate Governance Policy hosted on Company's website at www.kogta.in/investor/policy/

During the year, 4 (four) Stakeholders Relationship Committee meetings were held on May 05, 2022, August 04, 2022, October 19, 2022 and February 02, 2023. All the meetings were conducted with requisite quorum.

The particulars of members of the Stakeholders Relationship Committee, number of meetings held/attended during the tenure of a particular member, attendance of the members at the meetings and number of equity shares held in the Company are mentioned hereunder: -

Sl. No.	Name of the Director/ Member	Member of Committee since	Capacity	No. of Meetings of the Committee		No. of equity shares held in the Company
				Held	Attended	
1.	Mr. Kumar Sharadindu	05/05/2022	Independent Director as Chairman	4	4	0
2.	Mr. Arun Kogta	05/05/2022	Managing Director and Chief Executive Director as Member	4	4	858701
3.	Mr. Varun Kogta	05/05/2022	Whole-Time Director & Chief Financial Officer as Member	4	4	694701

Mr. Rahul Agrawal, the Company Secretary and Compliance Officer of the Company acted as the secretary to this Committee.

The status and details of the investor complaints received during the Financial Year 2022-23 are as follows.

PARTICULARS OF INVESTOR COMPLAINTS	NUMBER OF COMPLAINTS
No. of Complaints received during the year	0
No. of Complaints disposed off during the year	0
No. of Complaints not resolved to the satisfaction of investors	0
No. of Pending Complaints	0

5. MEETING OF INDEPENDENT DIRECTORS

Pursuant to Section 149(8) read with Schedule IV of Companies Act, 2013, a meeting of the Independent Directors of the Company is required to be conducted once in a year in absence of Non-Independent Directors.

During the year under review, a meeting of Independent Directors was held on February 02, 2023 which was chaired by Mr. P R Kalyanaraman and attended by all the Independent Directors of the Company. No sitting fees was paid to independent directors for the said meeting.

DETAILS OF REMUNERATION OF INDEPENDENT DIRECTORS:

The Independent Directors are paid sitting fees for attending each meeting of the Board of Directors or any Committee thereof as approved by the Board, within the permissible limit prescribed under the Companies Act, 2013, and other regulatory guidelines, as amended from time to time. The Board of Directors approved the increase in profit linked commission, to be paid to independent directors, in their meeting held on May 05, 2022 which was subsequently approved by members of the Company in 26th (Twenty Sixth) Annual General Meeting held on June 27, 2022. The sitting fees and profit linked commission are within the limits prescribed under the provisions of Companies Act, 2013.

(Amount in ₹)

Name of Independent Director	Sitting Fees	Profit Linked Commission	Total
Mr. P R Kalyanaraman	3,00,000	5,00,000	8,00,000
Mr. Kumar Sharadindu	2,45,000	5,00,000	7,45,000
Mrs. Shashikala Ramachandra	2,35,000	5,00,000	7,35,000
Total	7,80,000	15,00,000	22,80,000

6. MAXIMUM TENURE OF INDEPENDENT DIRECTORS

In terms of the Act, independent directors shall hold office for a maximum term of up to five consecutive years on the Board of the Company but shall be eligible for re-appointment for a further period of up to five years on passing of a special resolution by the Company and disclosure of such appointment shall be made in the Board's Report. The Maximum tenure of Independent Directors of the Company is in accordance with the Act. The Company issues a formal letter of appointment/re-appointment to Independent Directors in the manner provided under the Act. The terms and conditions for appointment/re-appointment of the Independent directors is placed on the Company's website and can be accessed at www.kogta.in/investor/policy/

7. SHAREHOLDERS GENERAL MEETINGS

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

Financial Year	Date	Time	Venue	Special Resolution Passed
2022-23	June 27, 2022	01:00 P.M.	Kogta House, Azad Mohalla, Near Railway Station, Bijainagar, Ajmer – 305624, Rajasthan	<ul style="list-style-type: none"> To review and approve remuneration to be paid to Executive Directors of the Company for the Financial Year 2022-23; To approve the limit and power for issuances of Non-Convertible Debentures on Private Placement Basis; and To review and approve the compensation (Profit related commission) payable to Independent Directors of the Company.
2021-22	July 9, 2021	01:00 P.M.	Kogta House, Azad Mohalla, Near Railway Station, Bijainagar, Ajmer – 305624, Rajasthan	<ul style="list-style-type: none"> Authority to accept borrowings upto an aggregate value not exceeding to ₹ 3,000 Crore; Authority to create mortgage, charge etc. to secure borrowings upto an aggregate value not exceeding ₹ 3,000 Crore; Approval to authorise the Board to grant loans advances, provide guarantee, security and make investment in terms of section 186 of the Companies Act, 2013; Approval to change the place, other than the registered office, where books of accounts and other relevant books and statutory registers of the Company may be kept; and To review and approve remuneration to be paid to executive directors of the Company for Financial Year 2021-22.
2020-21	July 30, 2020	01:00 P.M.	Kogta House, Azad Mohalla, Near Railway Station, Bijainagar, Ajmer – 305624, Rajasthan	<ul style="list-style-type: none"> To review and approve remuneration of Mr. Radha Krishan Kogta, Chairman & Whole-Time Director of the Company; To review and approve remuneration of Mr. Arun Kogta, Managing Director & Chief Executive Officer of the Company; and To review and approve remuneration of Mr. Varun Kogta, Whole-Time Director & Chief Financial Officer of the Company.

- The details of the location and time of the extra ordinary general meeting held in Financial Year 2022-23 are given below: -

Financial Year	Date	Time	Venue	Special Resolution Passed
2022-23	May 08, 2022	11:00 A.M.	S-1, Gopal Bari, Near Ajmer Pulia, Opposite Metro Pillar No. 143, Jaipur – 302001, Rajasthan	<ul style="list-style-type: none"> To consider, approve and adopt the draft of the Restated Articles of Association of the Company amended pursuant to the provisions of Share Subscription Agreement and the Amended and Restated Shareholders' Agreement dated March 31, 2022; To consider, review and approve amendments in the ESOP Scheme of the Company and also increase in employee stock option pool of the Company; and To consider, review and approve issuance of share warrants to Promotor management of the Company on preferential basis.

- Postal Ballot**

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

8. ANNUAL GENERAL MEETING INFORMATION: -

AGM Date, Time and Venue	July 07, 2023 at 12:00 P.M. at “Kogta House”, Azad Mohalla, Bijainagar, Ajmer – 305624, Rajasthan
Financial Year	April 01, 2022 to March 31, 2023
Dividend Payment Date	Within 30 days from declaration of dividend
Registrar and Share Transfer Agent	KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) “Selenium, Tower-B”, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana
Debenture Trustees	CATALYST TRUSTEESHIP LIMITED (Erstwhile GDA Trusteeship Limited) Windsor, 6 th Floor, Office No - 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098 IDBI TRUSTEESHIP SERVICES LIMITED Asian Building, 17, R Kamani Rd, Ballard Estate, Fort, Mumbai – 400 001 VARDHMAN TRUSTEESHIP PRIVATE LIMITED The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Address for Correspondences	The Company Secretary & Compliance Officer, Kogta Financial (India) Limited Registered Office: “Kogta House”, Azad Mohalla Near Railway Station, Bijainagar, Ajmer – 305 624, Rajasthan Corporate Office: S-1, Gopal Bari, Near Ajmer Pulia, Opposite Metro Pillar No. 143, Jaipur – 302 001, Rajasthan Ph. +91 141 - 6767000 Email: compliance@kogta.in
Name and Address of the Stock Exchange(S)	Privately Placed Debentures are Listed on BSE Limited 25 th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400 001 Annual Listing Fees to the stock exchange have been paid for the financial year ended March 31, 2023
Scrip Code / ISIN [listed during FY 2022-23]	Scrip Code: 973935 ISIN: INE192U07301 Scrip Code: 974264 ISIN: INE192U07319 Scrip Code: 974318 ISIN: INE192U07327 Scrip Code: 974706 ISIN: INE192U07335
Share Transfer System	100% of the Securities of the Company are in Demat Form. Transfers of these securities are done through the depositories with no involvement of the Company.

9. SHAREHOLDING AS ON MARCH 31, 2023

(Below details are on diluted basis and does not include ESOP and Warrants to be allotted)

a. Distribution of shareholding as on March 31, 2023

Category (Number of Shares)	No. of Shareholders	% of total no. of shareholders	Total shares	% of total no. of shares
1 – 200000	120	85.11	583754	1.84
200001 - 500000	8	5.67	2967500	9.34
500001 - 1000000	8	5.67	5142603	16.19
1000001 - 5000000	3	2.13	9266699	29.17
5000001 & above	2	1.42	13804068	43.46
Total	141	100	31764624	100

b. Categories of Shareholders as on March 31, 2023

Category	No. of Shares	Percentage of Holding(%)
Promoters	9803103	30.86
Public	212754	0.67
Other Institutions / FI	4886619	15.38
Foreign Corporates / FI	16862148	53.08
Total	31764624	100

c. Top ten shareholders of the Company as on March 31, 2023

Sr. No.	Name	No. of Shares	% of holding
Investor's Shareholding			
1	NHPEA Rimo Holding B.V.	7910834	24.90
2	Aditya (Mauritius) Limited	5893234	18.55
3	Multiples Private Equity Fund III	4886619	15.38
4	Javelin Investments Private Limited	3058080	9.63
Promoter Group Shareholding			
5	Mr. Bal Mukund Kogta	1322000	4.16
6	Mr. Arun Kogta	858701	2.70
7	Mr. Radha Krishan Kogta	729500	2.30
8	Mr. Varun Kogta	694701	2.19
9	Mr. Nayan Kogta	634701	2.00
10	Ms. Nidhi Kogta	580000	1.83

10. OTHER DISCLOSURES**1. Related Party Transactions**

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

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

2. Code of Conduct

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

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

3. Fair Practice Code

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

of recommendations made by the Financial Intelligence Unit on Reporting Standards. The details of the Fair Practice Code are available on the website of the Company at www.kogta.in/investor/policy/

4. ALM Policy

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

5. Code of Conduct for Prohibition of Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has adopted a Code for the Prohibition of Insider Trading to regulate, monitor and report trading by Designated Person(s) in listed securities of the Company. The Code is hosted on the website of the Company at www.kogta.in/investor/policy/

The Audit Committee and the Board at its meetings held on May 04, 2022 and May 05, 2022, respectively, had reviewed the compliance in terms of regulation 9A (4) of the SEBI (Prohibition of Insider Trading Regulation) 2015 and confirmed that the systems for internal control with respect to the SEBI (Prohibition of Insider Trading Regulation) 2015 are adequate and are operating effectively.

6. Accounting Treatment

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

7. Means of Communication

The Company has provided adequate and timely information to its stakeholders or public at large, inter-alia, through the following means:

- i. **Publication of quarterly/half yearly/annual financial results:** The quarterly/half yearly and annual financial results of the Company are published in the English national daily newspaper circulating in the whole or substantially the whole of India viz. Financial Express.
- ii. **Update on official website:** The Company hosts financial results, Annual Reports, intimations made to stock exchanges, press releases, Corporate Governance coverage, CSR activities, policies, codes and procedures and other disclosures on its

website under investor section and CSR section for the Company's investors and other stakeholders.

iii. **Management's Discussion and Analysis Report:** is annexed with this Annual Report.

iv. **BSE Listing Centre (Listing Centre):** All periodical and other event-based compliance filings of the Company are filed electronically on web-based application.

v. **SEBI Complaints Redress System (SCORES):** Your Company is registered on SEBI SCORES (SEBI Complaints Redress System) an online platform designed to help investors to lodge their complaints, pertaining to securities market, online with SEBI against listed companies. Further, it is informed that your Company has not received any investor complaint in FY 2022-23.

8. Utilization of Funds

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

9. Dematerialization of shares

All Shares and securities of the Company are held in Dematerialization form.

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

During the financial year 2022-23, the Board has issued & allotted 803103 (Eight Lakh Three Thousand One Hundred and Three) equity shares (pursuant to the exercise of right attached to warrants by the respective warrant holders) in its meeting held on May 05, 2022 to the promoter management in accordance with the Articles of Association of the Company. Further, the Company has issued and allotted up to 10,25,806 (Ten Lakh Twenty-Five Thousand Eight Hundred and Six) convertible share warrants through private placement basis to Promoter Management through resolution passed by the Board of Directors on May 11, 2022 after taking approval of shareholders at the 01st Extra-Ordinary General meeting held on May 08, 2022. The above mentioned warrants shall be exercised and converted in accordance with the provisions of the Articles of Association of the Company.

Other than the above-mentioned warrants, there were no outstanding GDRs/ADRs/CCPS, outstanding to be converted in Financial Year 2022-23 and which would have an impact on the equity of the Company. Further, the Company has outstanding Compulsory Convertible Preference Shares (“CCPS”), which shall be converted on or before 20 (twenty) years from the date of allotment and as per the terms mentioned in Articles of Association of the Company.

11. RECOMMENDATIONS OF THE COMMITTEES

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

12. PENALTIES AND STRICTURES

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

13. STATUS OF COMPLIANCE OF DISCRETIONARY REQUIREMENTS

Being the debt listed entity, as Privately Placed Debentures are listed on BSE Limited the Company has complied with the requirements prescribed under Regulations 49 to 62 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year under review.

Further, among discretionary requirements, and other acts, rules, regulations and guidelines as applicable, the Company has adopted the following:

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

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

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

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

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

The internal auditor reports directly to the Audit Committee.

- d. **Modified opinion(s) in audit report**

During the year under review, there is no audit qualification on the Company's financial statements.

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

Sd/-

RADHA KRISHAN KOGTA

Chairman

DIN: 00197552

Date: May 12, 2023

Place: Jaipur

CIN: U67120RJ1996PLC011406

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

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KOGTA FINANCIAL (INDIA) LTD** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed;
- IV. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable on the Company during the Audit Period)**
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable on the Company during the Audit Period)**
 - iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable on the Company during the Audit Period)**
 - v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - vi. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable on the Company during the Audit Period)**
 - vii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review)**
 - viii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - ix. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- VI. As confirmed following other laws are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper

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

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

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

- Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (“ICSI”);
- The Listing Agreement entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

S.N.	Date of Allotment	Number of Debentures	Face Value per Debenture	Total Amount	Remarks
1.	09/05/2022	300	10,00,000	30 Crore	Listed on BSE Limited
2.	29/09/2022	350	10,00,000	35 Crore	Listed on BSE Limited
3.	21/10/2022	350	10,00,000	35 Crore	Listed on BSE Limited
4.	24/03/2023	12,500	1,00,000	125 Crore	Listed on BSE Limited

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors. There was no change in the composition of the Board of Directors during the period under review except appointment of Ms. Nithya Easwaran as a Nominee Director of the Company and resignation of Mr. Amit Mehta from the post of Nominee Director of the Company.

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines however it is recommended to further strengthen the controls and processes, considering the growing scale and operations of the Company to avoid non compliances of rules and regulations under any statute.

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

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

- 8,03,103 (Eight Lakh Three Thousand One Hundred Three) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 454.02/- (Indian Rupees Four Hundred Fifty Four and Zero Two Paise Only) each aggregating to ₹ 37,26,55,854.06/- (Indian Rupees Thirty Seven Crore Twenty Six Lakh Fifty Five Thousand Eight Hundred Fifty Four and Zero Six Paise Only) by virtue of conversion of Warrants into equity shares on May 05, 2022.
- 18,135 (Eighteen Thousand One Hundred Thirty Five) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 80/- (Indian Rupees Eighty Only) each aggregating to ₹ 16,32,150/- (Indian Rupees Sixteen Lakh Thirty Two Thousand One Hundred Fifty Only) under the EMPLOYEE STOCK OPTION PLAN - 2018 on August 01, 2022.
- 38,725 (Thirty Eight Thousand Seven Hundred Twenty Five) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 160/- (Indian Rupees One Hundred Sixty Only) each aggregating to ₹ 65,83,250/- (Indian Rupees Sixty Five Lakh Eighty Three Thousand Two Hundred Fifty Only) under the EMPLOYEE STOCK OPTION PLAN - 2019 on August 01, 2022.
- 1600 (One Thousand Six Hundred) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 440/- (Indian Rupees Four Hundred Forty Only) each aggregating to ₹ 7,20,000/- (Indian Rupees Seven Lakh Twenty Thousand Only) under the EMPLOYEE STOCK OPTION PLAN - 2020 on August 01, 2022.
- 900 (Nine Hundred) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 80/- (Indian Rupees Eighty Only) each aggregating to ₹ 81,000/- (Indian Rupees Eighty One Thousand Only) under the EMPLOYEE STOCK OPTION PLAN - 2018 on August 30, 2022.
- 1000 (One Thousand) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 160/- (Indian Rupees One Hundred Sixty Only) each aggregating to ₹ 1,70,000/- (Indian Rupees One Lakh Seventy Thousand Only) under the EMPLOYEE STOCK OPTION PLAN - 2019 on August 30, 2022.
- 12,525 (Twelve Thousand Five Hundred Twenty Five) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 80/- (Indian Rupees Eighty Only) each, aggregating to ₹ 11,27,250/- (Indian Rupees Eleven Lakh Twenty Seven Thousand Two Hundred Fifty Only) under the EMPLOYEE STOCK OPTION PLAN - 2018 on October 11, 2022.
- 2,875 (Two Thousand Eight Hundred Seventy Five) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 160 /- (Indian Rupees One Hundred Sixty Only) each, aggregating to ₹ 4,88,750/- (Indian Rupees Four Lakh Eighty Eight Thousand Seven Hundred Fifty Only) under the EMPLOYEE STOCK OPTION PLAN - 2019 on October 11, 2022.
- 1,000 (One Thousand) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 160 /- (Indian Rupees One Hundred Sixty Only) each, aggregating to ₹ 1,70,000/- (Indian Rupees One Lakh Seventy Thousand Only) under the EMPLOYEE STOCK OPTION PLAN -2019 on December 27, 2022.
- 3,850 (Three Thousand Eight Hundred Fifty) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 440 /- (Indian Rupees Four Hundred Forty Only) each, aggregating to ₹ 17,32,500/- (Indian Rupees Seventeen Lakh Thirty Two Thousand Five Hundred Only) under the EMPLOYEE STOCK OPTION PLAN - 2020 on December 27, 2022.
- 3,500 (Three Thousand Five Hundred) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 160 /- (Indian Rupees One Hundred Sixty Only) each, aggregating to ₹ 5,95,000/- (Indian Rupees Five Lakh Ninety Five Thousand Only) under the EMPLOYEE STOCK OPTION PLAN - 2019 on February 23, 2023.
- 5,300 (Five Thousand Three Hundred) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 440/- (Indian Rupees Four Hundred Forty Only) each, aggregating to ₹ 23,85,000/- (Indian Rupees Twenty Three Lakh Eighty Five Thousand Only) under the EMPLOYEE STOCK OPTION PLAN -2020 on February 23, 2023

- 2,750 (Two Thousand Seven Hundred Fifty) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 160/- (Indian Rupees One Hundred Sixty Only) each, aggregating to ₹ 4,67,500/- (Indian Rupees Four Lakh Sixty Seven Thousand Five Hundred Only) under the EMPLOYEE STOCK OPTION PLAN - 2019 on March 28, 2023.
 - 1,520 (One Thousand Five Hundred Twenty) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 440/- (Indian Rupees Four Hundred Forty Only) each, aggregating to ₹ 6,84,000/- (Indian Rupees Six Lakh Eighty Four Thousand Only) under the EMPLOYEE STOCK OPTION PLAN - 2020 on March 28, 2023.
 - 1,333 (One Thousand Three Hundred Thirty Three) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 440/- (Indian Rupees Four Hundred Forty Only) each, aggregating to ₹ 5,99,850/- (Indian Rupees Five Lakh Ninety Nine Thousand Eight Hundred Fifty Only) under the EMPLOYEE STOCK OPTION PLAN -2020 - Series 3 on March 28, 2023.
- iii. During the period under review, the Company has made the following allotments of Compulsorily Convertible Preference Shares and Convertible Share Warrants: -**
- 80,00,442 (Eighty Lakh Four Hundred Forty Two) Series E Compulsorily Convertible Preference Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 443.35/- (Indian Rupees Four Hundred Forty Three and Three Five Paise Only) each aggregating to ₹ 3,62,70,00,380.70/- (Indian Rupees Three Hundred Sixty Two Crore Seventy Lakh Three Hundred Eighty and Seven Zero Paise Only) on May 05, 2022.
 - 10,25,806 (Ten Lakh Twenty Five Thousand Eight Hundred and Six) share warrants having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 896.70/- (Indian Rupees Eight Hundred Ninety Six and Seven Zero Paise Only) each aggregating to ₹ 93,00,98,300.20/- (Indian Rupees Ninety Three Crore Ninety Eight Thousand Three Hundred and Two Zero Paise only) on May 11, 2022.

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

S.N.	Date of Allotment	Number of Debentures	Face Value per Debenture	Total Amount	Date of Redemption	Remarks
1.	22.08.2019	150	10,00,000	15.00 Crore	15.04.2022	Unsecured
2.	17.11.2020	250	10,00,000	25.00 Crore	11.05.2022	Listed on BSE Limited
3.	29.12.2020	250	10,00,000	25.00 Crore	29.06.2022	Listed on BSE Limited
4.	30.09.2020	2500	1,00,000	25.00 Crore	30.09.2022	Listed on BSE Limited
5.	24.12.2020	800	1,00,000	8.00 Crore	21.10.2022	Listed on BSE Limited
6.	28.01.2020	2700	1,00,000	27.00 Crore	27.01.2023	Listed on BSE Limited
7.	03.03.2021	200000	1,000	20.00 Crore	03.03.2023	Listed on BSE Limited

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

- a) To consider, approve and adopt the draft of the restated articles of association of the Company amended pursuant to the provisions of the share subscription agreement and amended and restated shareholders agreement dated March 31, 2022.
- b) To consider, review and approve amendments in the ESOP Scheme of the Company and also increase in Employee Stock Option Pool of the Company.
- c) To consider, review and approve issuance of share warrants to promoter management of the Company on preferential basis.

- d) To consider and approve the appointment of a Nominee Director of the Company.
- e) To review and approve remuneration to be paid to Executive Directors of the Company for financial year 2022-2023.
- f) To approve the limit and power for issuances of non –convertible debentures on private placement basis.
- g) To review and approve the Compensation (profit related commission) payable to Independent Directors of the Company.

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

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

Sd/-
DEEPAK ARORA
Partner

FCS No. 5104 ICOP No. 3641
UDIN: F005104E000292688

PLACE: JAIPUR
DATE: May 11, 2023

Annexure A

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

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

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

For DEEPAK ARORA & ASSOCIATES

Practicing Company Secretaries

ICSI Unique Code

P2001RJ080000

Sd/-

DEEPAK ARORA

Partner

FCS No. 5104 ICOP No. 3641

UDIN: F005104E000292688

PLACE: JAIPUR

DATE: May 11, 2023

Related Party Transaction Policy

1. INTRODUCTION

Kogta Financial (India) Limited (“Company” or “KFL”) is a Non-Banking Financial Company (“NBFC”) having valid Certificate of Registration with Reserve Bank of India (“RBI”) vide registration no. B.10.00086 dated May 27, 2016 under current RBI classification as NBFC - Investment and Credit Company (“NBFC-ICC”) – Non Deposit taking Systemically Important (“ICC-ND-SI”) with more than 25 years of experience in asset finance business.

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

2. REGULATORY REQUIREMENT

In accordance with the provisions of the Companies Act, 2013 (“Act”) read with the Rules framed there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI LODR”), to the extent applicable and Guidelines applicable to NBFC - Middle Layer (ML) and NBFC - Upper Layer (UL) - Regulatory Restrictions on Loans and Advances issued by Reserve Bank of India (RBI) and other applicable laws/guidelines/circulars (hereinafter referred to as “Relevant Law”), wherever applicable, it is mandatory to regulate transactions between the Company, its subsidiaries and its Related Parties with a view to ensure that such transactions are executed on an arm’s length basis and in a transparent and fair manner.

3. ABOUT THE POLICY

The Company has framed the policy on Related Party Transactions (“RPT Policy” or “Policy”) considering the requirements prescribed under Relevant Law regarding the approval of related party transactions.

4. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out (a) the manner of dealing with the transactions between the Company and its related parties and (b) the materiality thresholds for RPTs, based on the Act, SEBI LODR and any other statute as may be applicable to the Company.

5. DEFINITIONS

“**Applicable Law(s)**” includes (a) the Act and the rules made thereunder; (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other statute, law, standards, regulations or other governmental instruction relating to RPTs and amendments made thereto.

“**Arm’s Length Transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

“**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with applicable law and under Section 177 of the Act.

“**Board**” means Board of Directors of Kogta Financial (India) Limited.

“**Control**” shall have the meaning assigned to it under Clause (27) of Section 2 of the Act;

“**Key Managerial Personnel**” or “**KMP**” shall mean the managerial personnel as defined under Section 2(51) of the Act.

“**Major Shareholder**” shall mean a person holding 10% or more of the paid-up share capital or five crore rupees in paid-up shares, whichever is lower.

“**Material Related Party Transaction(s)**” means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 crore or ten percent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

In case of transaction involving payment to a related party for brand usage or royalty, it will be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent (5%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“**Material Modification(s)**” means and include any modification to an existing RPTs, in aggregate with a related party, having variance of 25% in value of the transaction already approved by the Audit Committee or Board or Shareholders, as the case may be, or such modification as may be decided by the Audit Committee.

“**Ordinary course of business**” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association.

“**Related party**” with reference to the KFL means a person or entity which is a Related Party under Section 2(76) of the Act, or under the applicable accounting standards: - Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the Company; or
- (b) any person or any entity, holding equity shares:
 - (i) of twenty per cent or more; or
 - (ii) of ten per cent or more, with effect from April 1, 2023;

in the Company either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

“**Relative**” means relative as defined under sub-section (77) of section 2 of the Act and rules made there under.

“**Related party transaction**” or “**RPT**” shall have the same meaning as specified under the Act and Rules made thereunder and Regulation 2(1) (zc) of the SEBI LODR, as amended and shall mean a transaction involving a transfer of resources, services or obligations between:

- a) the Company or any of its subsidiaries on the one hand and a related party of the Company or any of its subsidiaries on the other hand;
- b) the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries with effect from April 1, 2023,

regardless of whether a price is charged and a transaction with a related party shall be construed to

include a single transaction or a group of transactions in a contract.

Following shall not be considered RPTs of the Company in terms of **SEBI LODR**:

- a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) payment of dividend by the Company;
- c) subdivision or consolidation of securities by the Company;
- d) issuance of securities by way of a rights issue or a bonus issue; and
- e) buy-back of securities.

“**Senior Officer**” shall have the same meaning as assigned to “Senior Management” under Section 178 of the Act and Nomination & Remuneration Policy of the Company;

“**Subsidiary Company**” or “**Subsidiary**”, means a subsidiary as defined in section 2(87) of the Act.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI LODR, as amended from time to time, or any other applicable law or regulation.

6. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

Identification of Related Party

Each director and KMP shall be responsible for providing notice to the Board or Audit Committee regarding persons and entities to be considered as “related Party” by virtue of his/her being Director or KMP in the Company or holding certain shareholding percentage. Such notice shall be provided to the Company at the time of appointment and also at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made.

In case of granting loans and advances to any Director, KMP or their relative, the Company shall obtain a declaration from the borrower giving details of the relationship of the borrower to the directors/ KMP/ senior officers in accordance with the provisions prescribed in the Relevant Law(s). Further the Company shall recall the loan if it comes to its knowledge that the borrower has given a false declaration.

Explanation: The term 'loans and advances' will not include loans or advances against -

- a) Government securities
- b) Life insurance policies
- c) Fixed deposits
- d) Stocks and shares
- e) Housing loans, car advances, etc. granted to an employee of the NBFC under any scheme applicable generally to employees.

Provided that Company's interest/lien is appropriately marked with legal enforceability.

7. APPROVAL OF RELATED PARTY TRANSACTIONS

A. Approval of the Audit Committee:

Members of the Audit Committee, who are independent directors, shall only approve RPTs.

- i. Subject to the omnibus approval process under Regulation 23(3) of the SEBI LODR, all Related Party Transactions and subsequent Material Modifications shall require prior approval of the Audit Committee.
- ii. A Related Party Transaction to which the Subsidiary of the Company is a party, but the Company is not a party, shall require prior approval of the Audit Committee of the Company, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds the threshold limits specified under Regulation 23(2) of SEBI LODR Regulations, as amended from time to time.
- iii. Where any member of Audit Committee / Director is interested in any contract or arrangement with a Related Party, such member / Director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.
- iv. The Company may obtain omnibus approval from the Audit Committee for RPTs where the Company is a party. Further Omnibus approval from the Audit Committee can also be granted in case the transactions are entered between subsidiaries and other related parties, where the Company is not a party to the transaction subject to compliance with the conditions stipulated under the Act read with the Rules framed thereunder and the SEBI LODR including the following:
 - a. The Audit Committee shall grant the omnibus approval in line with this Policy and such approval shall be applicable in respect of

transactions which are repetitive in nature (either in the past or in the future);

- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c. The omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transactions, in aggregate, that can be entered into in a year; (ii) the indicative base price / current contracted price and the formula for variation in the price if any, (iii) such other conditions as the Audit Committee may deem fit.

Provided that where the need for RPT cannot be foreseen and the aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 crore per transaction;

- d. The Audit Committee shall, review quarterly and take note of all Related Party Transactions for which omnibus approval has been granted by the Audit Committee, if applicable;
- e. Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year.

Information to be placed before Audit Committee:

The following information shall be placed before the Audit Committee of the Board of Directors to enable the independent directors who are members of the Audit Committee to consider and decide on the approval in respect of Related Party Transactions:

- i. Type, material terms and particulars of the proposed transaction;
- ii. Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- iii. Tenure of the proposed transaction (particular tenure shall be specified);
- iv. Value of the proposed transaction;
- v. Any other information that may be relevant.

The Audit Committee of the Board shall also review the status of long-term (more than one year) or recurring related party transactions on an annual basis.

The Committee shall also consider all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters as specified in the relevant applicable circulars issued by SEBI from time to time.

B. Board of Directors

The following transactions shall require approval of the Board duly recommended by the Audit Committee:

- a. All transactions with Related Parties specified under Section 188 of the Companies Act, which are not in ordinary course of business or not at arm's length, or both.
- b. All transactions with Related Parties which are required to be placed before the shareholders for approval under the Act or SEBI LODR.
- c. All loans and advances aggregating Rupees five crore and above granted to:
 - i. directors (including the Chairman/ Managing Director) or relatives of directors;
 - ii. any firm in which any of directors or their relatives is interested as a partner, manager, employee or guarantor; and
 - iii. any company in which any of directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor.

Provided that a director or his/her relatives shall be deemed to be interested in a Company, being the subsidiary or holding company, if he/she is a major shareholder or is in control of the respective holding or subsidiary company.

The proposals for credit facilities of an amount less than Rupees Five Crore to these borrowers may be sanctioned by the appropriate authority in the Company under powers vested in such authority, but the matter should be reported to the Board.

The Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances.

Any member of the Board who has any interest in any Related Party Transaction will recuse himself/herself and abstain from discussion and voting on the approval of the Related Party Transaction.

Further all transactions which are identified as related party transactions should be approved by the Board before and/ or within the 3 months of entering into such transaction.

C. Shareholders

If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the SEBI LODR, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, then such RPT and any subsequent material modification thereto, shall require shareholders' approval by a resolution.

In such a case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.

D. Deemed Approval

The transactions or arrangements which are specifically dealt under the separate provisions of the Law and executed under separate approvals/procedures from relevant committee shall be deemed to be approved for the purpose of this Policy. Such transactions are enumerated below:

- i. Appointment and payment of remuneration, including any variations thereto, to Key Managerial Personnel pursuant to the Nomination and Remuneration Committee approval;
- ii. Payment of remuneration, fees, commission, etc. to directors pursuant to approval of the Nomination and Remuneration Committee;
- iii. Any benefits, interest arising to Related Party solely from the ownership of Company shares at par with other holders, for example, dividends, right issues, stock split or bonus shares approved by the Nomination and Remuneration Committee or any other Board Composed Committee.
- iv. Contribution with respect to Corporate Social Responsibility to eligible entity pursuant to approval of Board or the Corporate Social Responsibility Committee.

8. REPORTING OF RELATED PARTY TRANSACTIONS

The Company shall abide by the following when granting loans and advances to senior officers:

- i. Loans and advances sanctioned to senior officers of the Company shall be reported to the Board.
- ii. No senior officer or any Committee comprising, inter alia, a senior officer as member, shall, while exercising powers of sanction of any credit facility, sanction any credit facility to a relative of that senior officer. Such a facility shall be sanctioned by the next higher sanctioning authority under the delegation of powers.

Every contract or arrangement, which is required to be approved by the Audit Committee/Board/Shareholders under this Policy, shall be reported in the Board's report, as per the requirement under the Relevant Law.

Further the Company shall disclose in Annual Financial Statements, aggregate amount of such sanctioned loans and advances as per template provided in the **Annex 1**.

As and when applicable by the Relevant Law(s), the details of all transactions with related parties shall be submitted to the stock exchange(s), as per the manner

and timelines set-out in the SEBI LODR and the same shall be published on the Company's website.

9. VALIDITY

The Policy shall be valid till next review by Committee members and/or Board of Directors, as applicable.

10. REVIEW

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

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

Annex 1

Loans to Directors, Senior Officers and relatives of Directors

	(₹ Crore)	
	Current Year	Previous Year
Directors and their relatives		
Entities associated with directors and their relatives		
Senior Officers and their relatives		

Independent Auditor's Report

To the Members of Kogta Financial (India) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Kogta Financial (India) Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the audit of the Financial Statements' section of our report. We are independent of the Company

in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
<p>(a) Impairment of financial instruments as on balance sheet date (expected credit losses) as described in Note 1.17 of the financial statements)</p>	
<p>Ind AS 109: Financial Instruments (“Ind AS 109”) requires the Company to provide for impairment of its loan receivables (financial instruments) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company’s loans and advances.</p> <p>In the process, a significant degree of judgement has been applied by the Management for:</p> <ol style="list-style-type: none"> Defining Staging of loans (i.e. classification in ‘significant increase in credit risk’ (“SICR”) and ‘default’ categories); Grouping of borrowers based on homogeneity by using appropriate statistical techniques; Estimation of behavioral life; Estimation of losses for loan products with no/ minimal historical defaults; and Management overlay for macro-economic factors and estimation of their impact on the credit quality. <p>In view of such high degree of management’s judgement involved in the estimation of ECL, it is a key audit matter.</p>	<ul style="list-style-type: none"> Our audit procedures included reading the Company’s accounting policies for impairment of Financial Instruments and assessing compliance with the policies in terms of Ind AS 109 and with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 (“the RBI Guidelines”). Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. Assessed the criteria for staging of loans based on their past-due status to check compliance with the requirement of Ind AS 109. Tested samples of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. Assessed the additional considerations applied by the management for the staging of loans as SICR. Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of account and records. Tested the arithmetical accuracy of computation of ECL provision performed by the Company. Read and assessed adequacy of the disclosures included in the financial statements in respect of expected credit losses with the requirements of Ind AS 107 Financial Instruments: Disclosure (“Ind AS 107”) and Ind AS 109.
<p>(b) IT systems and controls</p>	
<p>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p>	<p>We performed the following procedures, assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting:</p> <ul style="list-style-type: none"> Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. Tested the Company’s periodic review of access rights. In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting.

Other Information

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- g) In our opinion, the managerial remuneration has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) No amount is required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate)

- have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company, shall, whether, directly or indirectly, lend or invest, in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances,
- nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) During the year, the Company has declared the final dividend for the financial year 2022-23 and has paid the final dividend for the financial year 2021-22 on the preference shares in compliance with Section 123 of the Act.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

(Rajesh Sethi)
Partner

Place : Jaipur
Date : May 12, 2023

Membership No. 085669
UDIN: 23085669BGWUVQ1772

Annexure 1

referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our Report to the Members of Kogta Financial (India) Limited for the year ended 31 March, 2023

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment;
- B. The Company has maintained proper records showing full particulars of intangible assets;
- (b) All these property, plant and equipment are physically verified by the management during the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company;
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable;
- (e) According to the information and explanations given by the management, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- (ii) (a) The Company’s business does not involve inventories and, accordingly, the requirements under clause 3 (ii) (a) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to the information and explanations given by the management and audit procedure performed by us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company;
- (iii) During the year, the company has made investments, provided security and granted loans or advances in the nature of secured and unsecured loans, to companies, firms, Limited Liability Partnerships or any other parties, in respect of which-
- (a) According to the information and explanations given by the management, the principal business of the Company is to give loans. Therefore, in our opinion, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company;
- (b) According to the information and explanations given by the management and audit procedure performed by us, the investments made, security given and the terms and conditions of the grant of all loans and advances in the nature of loans are not prejudicial to the company’s interest;
- (c) According to the information and explanations given by the management and audit procedure performed by us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated. The principal business of the Company is to give loans, so the irregular repayments or receipts of loans and advances overdue by more than 90 days are as below;
- | Number of Cases | Overdue amount more than 90 days (in Lakhs) | Remarks |
|-----------------|---|---------|
| 3,236 | 8,943.71 | - |
- (d) According to the information and explanations given by the management and audit procedure performed by us, the total amount overdue for more than ninety days is Rs.8,943.71 lakhs, and the reasonable steps have been taken by the company for recovery of the principal and interest;

- (e) According to the information and explanations given by the management, the principal business of the Company is to give loans. Therefore, in our opinion, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company;
- (f) According to the information and explanations given by the management and audit procedure performed by us, the Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. The aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013 is as below:

(Amounts in lakhs)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
Repayable on demand (A)	Nil	713.35	20.94
Agreement does not specify any terms or period of repayment (B)	Nil	Nil	Nil
Total (A+B)	Nil	713.35	20.94
Percentage of loans/ advances in nature of loans to the total loans	Not applicable	0.25%	0.01%

- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and security given in respect of which provisions of sections 185 and 186 of the Companies Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, cess and any other statutory dues to the appropriate authorities except Goods and Service tax and Professional tax where there is a slight delay in few months. The provisions relating to sales-tax, service tax, duty of customs,

duty of excise, value added tax are not applicable to the Company.

According to the information and explanations given to us and audit procedure performed by us, no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, cess, sales-tax, service tax, duty of customs, duty of excise, value added tax and other statutory dues were outstanding as at 31 March, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of goods and service tax, provident fund, employees' state insurance, income-tax, cess, sales-tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and audit procedure performed by us, the Company has not surrendered or disclosed any transaction as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, the provisions of clause 3(viii) of the Order are not applicable to the Company.

- (ix) (a) In our opinion and according to the information and explanations given by the management, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and audit procedure performed by us, the company is not declared wilful defaulter by any bank or financial institution or other lender;
- (c) According to the information and explanations given by the management and audit procedure performed by us, the Company has applied the term loans for the purpose for which the loans were obtained;
- (d) According to the information and explanations given by the management, the Company deploys funds based on their respective maturity pattern. Based on overall examination of the balance sheet of the Company, no funds raised on short term basis have been utilised for long term purposes during the year;
- (e) According to the information and explanations given to us and audit procedure performed by

us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

- (f) According to the information and explanations given to us and audit procedure performed by us, the Company does not have any subsidiary, joint venture or associate company. Therefore, the provisions of clause 3(viii) of the Order are not applicable to the Company.
- (x) (a) According to the information and explanation given by the Management and audit procedure performed by us, the Company has not raised any money by way of initial public offer or further public offer during the year. Further, monies raised by the Company by way of non-convertible debentures were applied for the purposes for which those were raised;
- (b) According to the information and explanations given to us, during the year, the Company has made preferential allotment and private placement of Equity shares and Preference shares in accordance with the provisions and requirements of Section 42 and 62 of the Act and the Rules framed thereunder and the fund raised have been used for the purpose for which the fund were raised.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us, no whistle-blower complaints has been received during the year. Therefore, the provisions of clause 3(xi)(c) of the Order are not applicable to the Company;
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order

are not applicable to the Company and hence not commented upon.

- (xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 31, 2022 and the draft of the internal audit reports where issued after the balance sheet date covering period January 1, 2023 to March 31, 2023 for the period under audit;
- (xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) (a) The company is required and obtained the registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934);
- (b) The company has not conducted Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company and hence not commented upon;
- (d) According to the information and explanations given by the management to us, the Group does not have any Core Investment Company as part of the Group;
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the year.

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given by the Management and audit procedures performed by us, there is no amount which remains unspent as per the provision of section 135 of the Companies Act 2013 during the year. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the Company;
- (xxi) The Companies (Auditor's Report) Order (CARO) is reported on the standalone financial statements of the Company. Therefore, the provision of clause 3(xxi) of the Order is not applicable to the Company.

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

(Rajesh Sethi)

Partner

Place : Jaipur
Date : May 12, 2023

Membership No. 085669
UDIN: 23085669BGWUVQ1772

Annexure 2

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

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

We have audited the internal financial controls with reference to these financial statements of Kogta Financial (India) Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR’S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included

obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to these financial statements.

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

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion

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

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls with reference to these financial statements

were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

(Rajesh Sethi)

Partner

Place : Jaipur
Date : May 12, 2023

Membership No. 085669
UDIN: 23085669BGWUVQ1772

Balance Sheet

as at March 31, 2023

(All amounts in lakhs, except as stated otherwise)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial Assets			
Cash and cash equivalents	2	18,859.61	7,385.65
Bank Balances other than cash and cash equivalents	3	41,543.53	26,914.08
Loans	4	283,175.09	183,255.58
Investments	5	30,845.21	31,189.83
Other Financial Assets	6	5,745.31	4,067.22
Sub-total-Financial assets		380,168.75	252,812.36
Non-Financial Assets			
Deferred Tax Assets (net)		560.44	426.26
Property, plant and equipment	7	1,320.19	761.22
Right of Use Assets	8	1,496.47	1,243.79
Other Intangible Assets	9	338.49	127.38
Other non-financial assets	10	1,551.34	2,358.44
Sub-total-Non-financial assets		5,266.93	4,917.09
Total - Assets		385,435.68	257,729.45
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables	11	682.36	783.80
Debt securities	12	55,307.29	47,936.87
Borrowings (Other than debt securities)	13	209,361.35	139,895.40
Lease Liability	14	1,708.17	1,394.41
Other financial liabilities	15	3,945.22	2,103.84
Sub-total-Financial liabilities		271,004.39	192,114.32
Non-Financial liabilities			
Current tax liabilities (net)			
Provisions	16	534.89	195.34
Other non-financial liabilities	17	417.93	323.87
Sub-total-Non-financial liabilities		952.82	519.21
EQUITY			
Equity share capital	18	8,552.42	7,662.56
Other equity	19	104,926.05	57,433.36
Sub total - Equity		113,478.47	65,095.92
Total - Liabilities and Equity		385,435.68	257,729.45

Summary of significant accounting policies

1

The accompanying notes are forming part of financial statements

As per our attached report of even date

For and on behalf of the Board of Directors of

KOGTA FINANCIAL (INDIA) LIMITED

 For **J.C. BHALLA & CO.**
 Chartered Accountants
 ICAI Firm Reg. No. : 001111N
 per **RAJESH SETHI**
 Partner
 Membership No. 085669
 Place: Jaipur
 Date: May 12, 2023

R. K. KOGTA
 (Chairman)
 DIN 00197552
VARUN KOGTA
 (Executive Director & CFO)
 DIN 06844307
 Place: Jaipur
 Date: May 12, 2023

ARUN KOGTA
 (Managing Director & CEO)
 DIN 05109722
RAHUL AGRAWAL
 (Company Secretary)
 Membership No. F10834

Statement of Profit and Loss

for the year ended on March 31, 2023
(All amounts in lakhs, except as stated otherwise)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest Income	20	48,001.22	33,436.53
Fee and Commission Income	21	3,312.45	1,978.35
Net gain on fair value changes	22	840.44	602.16
Total Revenue from operations		52,154.11	36,017.04
Other Income	23	33.84	12.92
Total income		52,187.95	36,029.96
Expenses			
Finance Costs	24	19,018.47	14,614.12
Impairment on financial instruments	25	3,262.96	1,795.17
Employee Benefits Expenses	26	14,905.05	10,141.83
Depreciation, amortization and impairment	27	879.11	596.61
Others expenses	28	2,591.46	1,866.70
Total expenses		40,657.05	29,014.43
Profit before taxes		11,530.90	7,015.53
Tax expenses			
- Current Taxes		3,074.31	1,630.83
- Adjustment of tax relating to earlier periods		31.38	-
- Deferred Taxes		(122.40)	171.71
Profit for the year		8,547.62	5,212.99
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(a) Re-measurements of net defined benefit plans		(46.80)	(36.31)
A (ii) Income tax relating to items that will not be reclassified to profit or loss		(11.78)	(9.14)
Sub-total (A)		(35.02)	(27.17)
B (i) Items that will be reclassified to profit or loss		-	-
Sub-total (B)		-	-
Other Comprehensive Income (A+B)		(35.02)	(27.17)
Total Comprehensive Income for the year		8,512.60	5,185.82
Earning per equity share	29		
Basic		81.46	53.57
Diluted		27.23	19.06
Nominal value per share		10/-	10/-

The accompanying notes are forming part of financial statements

As per our attached report of even date

For and on behalf of the Board of Directors of

KOGTA FINANCIAL (INDIA) LIMITED

For **J.C. BHALLA & CO.**
Chartered Accountants
ICAI Firm Reg. No. : 001111N

per **RAJESH SETHI**
Partner
Membership No. 085669

Place: Jaipur
Date: May 12, 2023

R. K. KOGTA
(Chairman)
DIN 00197552

VARUN KOGTA
(Executive Director & CFO)
DIN 06844307

Place: Jaipur
Date: May 12, 2023

ARUN KOGTA
(Managing Director & CEO)
DIN 05109722

RAHUL AGRAWAL
(Company Secretary)
Membership No. F10834

Cash Flow Statement

as at March 31, 2023

(All amounts in lakhs, except as stated otherwise)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A Cash flow from operating activities:		
Net profit before tax as per statement of profit and loss	11,530.90	7,015.53
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation of PPE, ROU and other intangible assets	879.11	596.61
Loans & advances written off	880.74	784.37
Amortization of ancillary cost	(652.24)	(730.23)
Provision for expected credit loss (ECL)	1,832.16	717.61
EIS receivable on assignment transactions	(1,362.69)	(2,178.71)
Provision for employee benefits	22.07	47.65
Loss/(Profit) on sale of property, plant and equipment	(14.39)	2.65
Net (gain)/ loss on sale of current investments	(1,893.77)	(689.77)
ESOP Expenses	(11.26)	257.52
Interest Expense on Lease	186.77	111.89
Interest expenses on vehicle loans	13.41	10.59
Rental income	(5.20)	(5.20)
Operating profit before working capital changes	11,405.61	5,940.51
Changes in working capital		
(Increase)/decrease in Loans	(102,349.97)	(53,953.75)
(Increase)/decrease in bank deposits	(14,629.45)	(1,787.96)
Increase in financial and other assets	160.82	(493.60)
Increase/(decrease) in financial and other liabilities	1,834.00	1,528.41
Total of changes in working capital	(114,984.60)	(54,706.90)
Direct taxes paid	2,513.41	2,559.06
Net cash flow used in operating activities (A)	(106,092.40)	(51,325.45)
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(1,255.37)	(562.90)
Sale of Property, plant and equipment (including capital work-in-progress)	16.74	5.21
Purchase of current investments	(94,744.59)	(66,641.91)
Proceeds from sale/maturity of current investments	96,982.98	49,995.97
Rental income	5.20	5.20
Net cash flow used in investing activities (B)	1,004.96	(17,198.43)
C Cash flow from financing activities:		
Issue of equity shares (including share premium)	40,322.49	179.87
Share / debenture issue expenses	(441.28)	(170.55)
Dividend paid on preference shares	(0.01)	(0.01)
Payment of lease liability	(521.87)	(348.67)
Interest paid on vehicle loan	(13.41)	(10.59)
Proceeds from borrowings	146,915.66	127,388.50
Repayments of borrowings	(69,700.19)	(61,765.58)
Net Cash flow from financing activities (C)	116,561.39	65,272.97
Net increase/(decrease) in cash and cash equivalents (A+B+C)	11,473.95	(3,250.91)

Cash Flow Statement

as at March 31, 2023

(All amounts in lakhs, except as stated otherwise)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash and cash equivalents as at the beginning of the year	7,385.65	10,636.56
Cash and cash equivalents at the end of the year	18,859.61	7,385.65
Components of cash and cash equivalents		
Cash on hand	275.92	374.68
Balance in franking machine*	-	-
Balance with banks		
In current accounts/collection accounts	2,257.37	1,016.13
In cash credit	9,820.90	2,994.26
In deposit account	6,505.42	3,000.58
Total cash and cash equivalents	18,859.61	7,385.65

The accompanying notes are forming part of financial statements

As per our attached report of even date

For **J.C. BHALLA & CO.**

Chartered Accountants
ICAI Firm Reg. No. : 001111N

per **RAJESH SETHI**

Partner
Membership No. 085669

Place: Jaipur

Date: May 12, 2023

For and on behalf of the Board of Directors of

KOGTA FINANCIAL (INDIA) LIMITED

R. K. KOGTA

(Chairman)
DIN 00197552

VARUN KOGTA

(Executive Director & CFO)
DIN 06844307

Place: Jaipur

Date: May 12, 2023

ARUN KOGTA

(Managing Director & CEO)
DIN 05109722

RAHUL AGRAWAL

(Company Secretary)
Membership No. F10834

Statement of Changes in Equity

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

Particulars	Amount
Balance as at April 01, 2021	7,657.38
Shares issued during the year ended March 31, 2022	5.18
Balance as at March 31, 2022	7,662.56
Changes in equity share capital due to prior period errors	-
Restated balance as at April 01, 2022	7,662.56
Shares issued during the year ended March 31, 2023	889.86
Balance as at March 31, 2023	8,552.42

(₹ in lakhs)

B. OTHER EQUITY

Particulars	Reserves and surplus						Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Capital reserves	Securities premium	General Reserves	Stock option outstanding account	Retained earnings	
Balance as at April 01, 2021	2,186.63	40.00	41,886.80	1,100.84	352.88	6,418.73	51,985.88
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance as at April 01, 2021	2,186.63	40.00	41,886.80	1,100.84	352.88	6,418.73	51,985.88
Profit for the year (A)	-	-	-	-	-	5,212.99	5,212.99
Other comprehensive loss for the year (B)	-	-	-	-	-	(27.17)	(27.17)
Total comprehensive income for the year (A+B)	-	-	-	-	-	5,185.82	5,185.82
Additions during the year	1,037.16	-	-	109.26	321.18	-	1,467.60
Transfer to reserve from retained earnings during the year	-	-	-	-	(9.26)	(1,137.16)	(1,146.42)
Issue of share capital	-	-	-	-	-	-	-
Share options exercised during the year	-	-	165.44	-	(54.40)	-	111.04
Share issue expenses	-	-	(170.55)	-	-	-	(170.55)
Dividend paid (including DDT)	-	-	-	-	-	(0.00)	(0.00)
Balance as at March 31, 2022	3,223.79	40.00	41,881.68	1,210.10	610.41	10,467.38	57,433.36
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance as at April 01, 2022	3,223.79	40.00	41,881.68	1,210.10	610.41	10,467.38	57,433.36
Profit for the year (C)	-	-	-	-	-	8,547.62	8,547.62
Other comprehensive loss for the year (D)	-	-	-	-	-	(35.02)	(35.02)
Total comprehensive income for the year (C+D)	-	-	-	-	-	8,512.60	8,512.60
Additions during the year	1,702.52	-	-	111.96	140.31	-	1,954.79
Transfer to reserve from retained earnings during the year	-	-	-	-	(11.96)	(1,802.52)	(1,814.48)
Issue of share capital	-	-	-	-	-	-	-
Share options exercised during the year	-	-	39,420.68	-	(139.61)	-	39,281.07
Share issue expenses	-	-	(441.28)	-	-	-	(441.28)
Dividend paid (including DDT)	-	-	-	-	-	(0.01)	(0.01)
Balance as at March 31, 2023	4,926.31	40.00	80,861.08	1,322.06	599.14	17,177.45	104,926.05

(₹ in lakhs)

The accompanying notes are forming part of financial statements

As per our attached report of even date

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

 For **J.C. BHALLA & CO.**
 Chartered Accountants
 ICAI Firm Reg. No. : 001111N

 per **RAJESH SETHI**
 Partner
 Membership No. 085669

 Place: Jaipur
 Date: May 12, 2023

R. K. KOGTA
 (Chairman)
 DIN 00197552

VARUN KOGTA
 (Executive Director & CFO)
 DIN 06844307

 Place: Jaipur
 Date: May 12, 2023

ARUN KOGTA
 (Managing Director & CEO)
 DIN 05109722

RAHUL AGRAWAL
 (Company Secretary)
 Membership No. F10834

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

2. CASH AND CASH EQUIVALENTS

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Cash on hand	275.92	374.68
Balances with banks		
(a) In current accounts/collection accounts	2,257.37	1,016.13
(b) In cash credit or overdraft accounts	9,820.90	2,994.26
(c) In deposits where original maturity is upto three months	6,505.42	3,000.58
Total	18,859.61	7,385.65

3. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
In deposits where original maturity is more than three months but upto twelve months	3,019.40	7,878.55
In deposits where original maturity is more than twelve months	38,524.13	19,035.53
Total	41,543.53	26,914.08

Other bank balance in deposit accounts include deposits under lien aggregating to ₹ 6,729.72 lakhs (P.Y. ₹ 2,942.46 lakhs) towards the credit enhancement provided by the company under the securitization agreements and other credit facilities (refer Note no. 13.4).

4. LOANS (AT AMORTISED COST)

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Term loans	288,917.77	187,502.18
Total Gross	288,917.77	187,502.18
Less: Impairment loss allowances	5,742.68	4,246.60
Total Net	283,175.09	183,255.58
Secured by tangible assets (Vehicles, PPE including land & building)	288,736.21	187,343.76
Unsecured	181.56	158.42
Total Gross	288,917.77	187,502.18
Less: Impairment loss allowances	5,742.68	4,246.60
Total Net	283,175.09	183,255.58
Loans in India		
Public sector	-	-
Others	288,917.77	187,502.18
Total Gross	288,917.77	187,502.18
Less: Impairment loss allowances	5,742.68	4,246.60
Total Net	283,175.09	183,255.58

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

- 4.1** Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and hypothecation of vehicles.
- 4.2** Loans includes unsecured loans to employees and related parties aggregating to ₹ 104.64 lakhs (P.Y. 55.54 lakhs) and NIL (P.Y. 24.95 lakhs) respectively.
- 4.3** Impairment loss allowance includes ₹ 1,700 lakhs (P.Y. 800.00 lakhs) on account of management overlay.
- 4.4** The Company has assigned a pool of certain loans having outstanding amount of ₹ 50,810.58 lakhs (P.Y. ₹ 30,697.56 lakhs) by way of a direct assignment transaction. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreement, the Company pays to assignee, on a monthly basis, the pro-rata collection amounts.
- 4.5** The Company has given impairment assessment and measurement approach in note no. 1.17 of the Summary of significant accounting policies.
- 4.6** The Company has defined risk assessment model in note no. 38.
- 4.7 Details of Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties:**

(₹ in lakhs)

Type of Borrower	As at March 31, 2023		As at March 31, 2022	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	0.00%	-	0.00%
Directors	-	0.00%	-	0.00%
KMPs	-	0.00%	-	0.00%
Related parties	-	0.00%	69.55	0.04%

4.8 Grouping financial assets measured on a collective basis

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

- a) Vehicle
- b) LAP & MSME

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

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

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

4.8.1 Vehicle

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

Particulars	(₹ in lakhs)			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2021	86,437.09	14,002.98	3,617.61	104,057.68
New assets originated	100,968.95	-	-	100,968.95
increase in existing assets	541.56	-	-	541.56
Assets derecognised or repaid	(43,271.22)	(8,146.73)	(1,043.21)	(52,461.16)
Transfers from Stage 1	(10,008.32)	7,317.03	2,691.29	0.00
Transfers from Stage 2	1,494.36	(2,466.25)	971.89	-
Transfers from Stage 3	70.28	41.83	(112.11)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	-	-	(1,689.81)	(1,689.81)
As at March 31, 2022	136,232.69	10,748.85	4,435.66	151,417.21

Particulars	(₹ in lakhs)			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2022	136,232.69	10,748.85	4,435.66	151,417.21
New assets originated	169,637.70	-	-	169,637.70
increase in existing assets	(2,015.63)	-	-	(2,015.63)
Assets derecognised or repaid	(76,982.52)	(4,750.95)	(1,191.23)	(82,924.70)
Transfers from Stage 1	(7,368.74)	4,589.91	2,778.83	0.00
Transfers from Stage 2	1,394.54	(3,129.82)	1,735.29	-
Transfers from Stage 3	72.11	37.50	(109.61)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	(58.96)	-	(1,696.33)	(1,755.30)
As at March 31, 2023	220,911.19	7,495.50	5,952.60	234,359.29

Particulars	(₹ in lakhs)			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 01, 2021	737.95	856.08	1,056.77	2,650.80
New assets originated	653.00	-	-	653.00
increase in existing assets	(6.92)	-	-	(6.92)
Assets derecognised or repaid	(347.91)	(462.99)	(302.33)	(1,113.22)
Transfers from Stage 1	(106.47)	56.38	50.09	-
Transfers from Stage 2	171.59	(268.73)	97.14	(0.00)
Transfers from Stage 3	33.46	21.84	(55.30)	-
Net remeasurement of ECL arising from transfer of stage	(167.52)	310.58	1,018.66	1,161.73
Write offs	-	-	(491.92)	(491.92)
As at March 31, 2022	967.19	513.16	1,373.11	2,853.47

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 01, 2022	967.19	513.16	1,373.11	2,853.47
New assets originated	917.94	-	-	917.94
increase in existing assets	242.28	-	-	242.28
Assets derecognised or repaid	(413.01)	(229.82)	(345.02)	(987.84)
Transfers from Stage 1	(355.33)	85.20	270.12	-
Transfers from Stage 2	110.89	(245.85)	134.96	0.00
Transfers from Stage 3	41.33	20.87	(62.20)	-
Net remeasurement of ECL arising from transfer of stage	(115.81)	68.97	1,535.38	1,488.54
Write offs	(0.33)	-	(525.07)	(525.41)
As at March 31, 2023	1,395.17	212.53	2,381.28	3,988.98

4.9.2 MSME

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

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2021	25,916.90	3,112.71	870.08	29,899.70
New assets originated	20,904.94	-	-	20,904.94
increase in existing assets	1,991.33	-	-	1,991.33
Assets derecognised or repaid	(14,899.86)	(1,451.89)	(64.43)	(16,416.17)
Transfers from Stage 1	(4,743.88)	3,551.35	1,192.53	(0.00)
Transfers from Stage 2	269.30	(1,026.28)	756.98	-
Transfers from Stage 3	87.09	32.06	(119.15)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	-	-	(294.82)	(294.82)
As at March 31, 2022	29,525.83	4,217.96	2,341.19	36,084.97

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2022	29,525.83	4,217.96	2,341.19	36,084.97
New assets originated	32,592.69	-	-	32,592.69
increase in existing assets	1,156.17	-	-	1,156.17
Assets derecognised or repaid	(13,227.27)	(615.17)	(187.79)	(14,030.23)
Transfers from Stage 1	(2,051.83)	1,167.07	884.76	-
Transfers from Stage 2	1,122.37	(2,481.92)	1,359.55	-
Transfers from Stage 3	116.89	16.90	(133.79)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	(26.11)	-	(1,219.01)	(1,245.12)
As at March 31, 2023	49,208.74	2,304.84	3,044.90	54,558.48

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 01, 2021	237.72	282.63	255.56	775.91
New assets originated	193.36	-	-	193.36
increase in existing assets	11.96	-	-	11.96
Assets derecognised or repaid	(99.98)	(104.89)	(18.89)	(223.77)
Transfers from Stage 1	(55.48)	27.52	27.96	-
Transfers from Stage 2	42.86	(119.06)	76.20	-
Transfers from Stage 3	51.03	11.55	(62.58)	-
Net remeasurement of ECL arising from transfer of stage	(85.34)	270.31	536.41	721.38
Write offs	-	-	(85.72)	(85.72)
As at March 31, 2022	296.13	368.06	728.94	1,393.13

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 01, 2022	296.13	368.06	728.94	1,393.13
New assets originated	193.77	-	-	193.77
increase in existing assets	138.15	-	-	138.15
Assets derecognised or repaid	(85.28)	(91.83)	(49.36)	(226.46)
Transfers from Stage 1	(183.42)	24.70	158.72	-
Transfers from Stage 2	95.45	(232.35)	136.90	0.00
Transfers from Stage 3	48.09	6.37	(54.46)	-
Net remeasurement of ECL arising from transfer of stage	(108.50)	39.17	705.17	635.85
Write offs	(0.16)	-	(380.58)	(380.74)
As at March 31, 2023	394.23	114.13	1,245.35	1,753.70

5. INVESTMENTS

As at March 31, 2023

(₹ in lakhs)

Particulars	Amortised Cost	Through profit and loss account	Total
	1	2	(3=1+2)
Quoted			
Mutual fund	-	505.45	505.45
Debt instruments	10,817.19	17,309.54	28,126.73
Pass through certificate (PTC)	1,149.95	-	1,149.95
Unquoted			
Mutual fund	-	-	-
Pass through certificate (PTC)	1,063.08	-	1,063.08
Total – Gross (A)	13,030.22	17,814.99	30,845.21
Less: Allowance for impairment loss (B)	-	-	-
Total – Net (A-B)	13,030.22	17,814.99	30,845.21

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

As at March 31, 2022

	(₹ in lakhs)		
	Amortised Cost	Through profit and loss account	Total
Investments	1	2	(3=1+2)
Mutual fund	-	5,504.44	5,504.44
Debt instruments	15,235.09	3,266.08	18,501.17
Unquoted			
Mutual fund	-	5,141.69	5,141.69
Pass through certificate (PTC)	2,042.53	-	2,042.53
Total – Gross (A)	17,277.62	13,912.21	31,189.83
Less: Allowance for impairment loss (B)	-	-	-
Total – Net (A-B)	17,277.62	13,912.21	31,189.83

5.1 All Investments represented above are made in India.

6. OTHER FINANCIAL ASSETS

	(₹ in lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposit	194.84	161.45
Advance Recoverable in cash or value to be received	700.18	418.17
EIS Receivable	4,850.29	3,487.60
Total	5,745.31	4,067.22

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

6.2 Trade Receivables aging schedule

As at March 31, 2023

	(₹ in lakhs)					
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	699.31	0.87	-	-	-	700.18
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

As at March 31, 2022

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	417.91	0.23	0.03	-	-	418.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

7. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Computers	Air conditioner & DG set	Office equipment	Furniture & fixtures	Leasehold Improvements	Vehicles	Land and Building	Total
Cost:								
As at April 1, 2021	264.03	54.92	116.84	355.65	-	324.34	32.50	1,148.28
Additions	175.30	19.20	32.49	175.93	-	71.64	-	474.56
Disposals	17.09	-	0.62	-	-	13.06	-	30.76
As at March 31, 2022	422.24	74.12	148.71	531.58	-	382.92	32.50	1,592.08
Additions	208.62	51.19	153.30	241.33	81.59	258.24	-	994.27
Disposals	21.91	-	1.52	0.62	-	39.09	-	63.15
As at March 31, 2023	608.95	125.31	300.49	772.29	81.59	602.07	32.50	2,523.20
Depreciation and impairment:								
As at April 1, 2021	152.79	17.03	60.37	143.26	-	197.42	3.91	574.78
Disposals	14.42	-	0.54	-	-	7.94	-	22.90
Charge for the year	101.23	7.35	30.73	68.64	-	69.87	1.15	278.98
As at March 31, 2022	239.60	24.38	90.56	211.90	-	259.35	5.06	830.86
Disposals	16.58	-	1.31	0.29	-	30.15	-	48.33
Charge for the year	163.10	13.01	39.63	104.67	5.14	93.84	1.10	420.48
As at March 31, 2023	386.13	37.39	128.88	316.28	5.14	323.04	6.16	1,203.01
Capital work-in-progress								
As at April 1, 2021	-	-	-	-	-	-	-	-
As at March 31, 2022	-	-	-	-	-	-	-	-
As at March 31, 2023	-	-	-	-	-	-	-	-
Net book value:								
As at April 1, 2021	111.24	37.89	56.47	212.39	-	126.92	28.59	573.50
As at March 31, 2022	182.64	49.74	58.15	319.68	-	123.57	27.44	761.22
As at March 31, 2023	222.82	87.92	171.60	456.02	76.45	279.03	26.34	1,320.19

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

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

8. RIGHT OF USE ASSETS

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Right of Use Assets	1,496.47	1,243.79
Total	1,496.47	1,243.79

9. OTHER INTANGIBLE ASSETS

Particulars	(₹ in lakhs)		
	Trademark	Software	Total
Cost:			
As at April 1, 2021	3.39	136.57	139.96
Additions	-	88.34	88.34
Disposals	-	-	-
As at March 31, 2022	3.39	224.91	228.30
Additions	-	261.10	261.10
Disposals	-	-	-
As at 31 March 2023	3.39	486.01	489.40
Accumulative amortisation and impairment:			
As at April 1, 2021	1.61	63.54	65.15
Disposals	-	-	-
Amortisation charge for the year	0.68	35.09	35.77
As at March 31, 2022	2.29	98.63	100.92
Disposals	-	-	-
Amortisation charge for the year	0.67	49.32	49.99
As at March 31, 2023	2.96	147.95	150.91
Net book value other intangible assets:			
As at April 1, 2021	1.78	73.03	74.81
As at March 31, 2022	1.10	126.28	127.38
As at March 31, 2023	0.43	338.06	338.49
Other intangible assets under development			
As at April 1, 2021	-	-	-
As at March 31, 2022	-	-	-
As at March 31, 2023	-	-	-
Total other intangible assets			
As at April 1, 2021	1.78	73.03	74.82
As at March 31, 2022	1.10	126.28	127.38
As at March 31, 2023	0.43	338.06	338.49

10. OTHER NON-FINANCIAL ASSETS

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Repossessed Assets (net of impairment allowance)	1,436.70	1,917.64
Prepaid expenses	58.28	67.56
Deferred lease expense	42.95	38.24
Income tax refund receivable	13.41	335.00
Total	1,551.34	2,358.44

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

11. TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	681.18	783.61
Total outstanding dues of Micro enterprises and Small enterprises	1.18	0.19
Total	682.36	783.80

11.1. Trade Payables aging schedule

As at March 31, 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.18	-	-	-	1.18
(ii) Others	681.18	-	-	-	681.18
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

As at March 31, 2022

(₹ in lakhs)

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

12. DEBT SECURITIES (AT AMORTISED COST)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Non Convertible Debentures	51,747.69	43,250.53
Unsecured		
Non Convertible Debentures*	3,559.60	4,686.34
Total	55,307.29	47,936.87
Debt securities in India	55,307.29	47,936.87
Debt securities in outside India	-	-
Total	55,307.29	47,936.87

* Non Convertible Debentures are partially secured by way of pari passu charge and equitable mortgage of the immovable property (land) owned by the company amounting to ₹ 5.46 lakhs.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

12.1. Detail of Redeemable Non-Convertible Debentures

Sr. No	ISIN No.	Date of allotment	Date of redemption	Total number of debentures	Rate of Interest p.a.	Face value	As at March 31, 2023	As at March 31, 2022	Secured/ Unsecured
1	INE192U07095	30-Sep-20	30-Sep-22	2,500	10.95%	-	-	623.62	Secured
2	INE192U07186	10-Mar-21	10-Sep-23	3,500	11.00%	19,984	703.17	2,106.30	Secured
3	INE192U07210	20-Sep-21	20-Mar-25	250	12.25%	571,420	1,428.95	2,138.79	Secured
4	INE192U07228	23-Sep-21	23-Sep-23	250	12.45%	1,000,000	2,503.40	2,493.29	Secured
5	INE192U07236	23-Sep-21	23-Sep-25	200	12.45%	1,000,000	1,998.37	1,993.25	Secured
6	INE192U07301	09-May-22	09-May-25	300	10.60%	722,222	2,179.91	-	Secured
7	INE192U07145	29-Dec-20	29-Jun-22	250	9.46%	-	-	2,498.31	Secured
8	INE192U07046	01-Jun-20	01-Jun-23	1,000	10.75%	100,000	999.34	997.01	Secured
9	INE192U07178	03-Mar-21	03-Mar-23	200,000	10.80%	-	-	1,984.98	Secured
10	INE192U08044	22-Aug-19	15-Apr-22	150	15.90%	-	-	1,499.99	Unsecured
11	INE192U07244	27-Sep-21	27-Sep-23	200	9.80%	1,000,000	2,286.88	2,072.89	Secured
12	INE192U07251	27-Sep-21	27-Mar-24	400	10.15%	1,000,000	4,584.10	4,149.32	Secured
13	INE192U07269	27-Sep-21	27-Aug-24	150	10.45%	1,000,000	1,723.52	1,557.52	Secured
14	INE192U08051	27-Sep-21	31-Oct-24	300	12.40%	1,000,000	3,559.60	3,186.35	Unsecured
15	INE192U07319	29-Sep-22	31-Oct-25	350	10.35%	1,000,000	3,679.32	-	Secured
16	INE192U07327	21-Oct-22	21-Apr-25	350	9.25%	1,000,000	3,629.38	-	Secured
17	INE192U07103	17-Nov-20	16-May-22	250	9.50%	-	-	2,581.86	Secured
18	INE192U07202	08-Jul-21	22-Jun-24	300	9.65%	245,781	736.18	2,031.21	Secured
19	INE192U07293	30-Mar-22	30-Sep-24	100,000	8.71%	600	593.96	986.80	Secured
20	INE192U07061	21-Jul-20	21-Apr-23	50	10.50%	10,000,000	5,097.88	5,086.48	Secured
21	INE192U07038	28-Jan-20	28-Jan-23	2,700	12.36%	-	(0.00)	744.24	Secured
22	INE192U07129	24-Dec-20	24-Oct-22	800	12.40%	-	-	918.35	Secured
23	INE192U07137	24-Dec-20	24-Jun-23	800	12.60%	100,000	1,021.18	920.38	Secured
24	INE192U07160	25-Feb-21	25-Feb-25	250	11.45%	500,000	1,259.89	1,887.28	Secured
25	INE192U07285	20-Dec-21	20-Jun-24	300	9.50%	1,000,000	3,315.78	2,991.68	Secured
26	INE192U07194	17-Mar-21	31-Dec-24	250	11.40%	666,667	1,660.98	2,486.97	Secured
27	INE192U07335	24-Mar-23	23-Dec-25	12,500	9.74%	100,000	12,345.49	-	Secured
Total							55,307.29	47,936.87	

12.2 Non convertible debentures are redeemable at par.

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term loans		
From Banks	147,501.75	78,423.05
From Others	27,231.76	35,639.90
Others		
Cash Credit from Banks	7,273.57	3,017.01
Overdraft Credit from Banks	12,199.31	3,851.95
Securitization	8,230.27	13,801.58

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Term loans		
From Others	6,786.71	5,161.91
Inter Corporate Deposits	137.98	-
Total	209,361.35	139,895.40
Borrowings in India	209,361.35	139,895.40
Total	209,361.35	139,895.40

- 13.1** Secured term loans from banks amounting to ₹ 147,501.75 lakhs carry rate of interest in the range of 7.45% to 12.75% p.a. The loans are having tenure of 2 to 6 years from the date of disbursement and are repayable in both monthly & quarterly instalments. These loans are secured by hypothecation (exclusive charge) of the loans given by the Company.
- 13.2** Secured term loans from financial institutions amounting to ₹ 27,231.76 lakhs carry rate of interest in the range of 9.55% to 12.25% p.a. The loans are having tenure of 2 to 6 years from the date of disbursement and are repayable in both monthly & quarterly instalments. These loans are secured by hypothecation (exclusive charge) of the loans given by the Company.
- 13.3** Cash credit borrowings from bank are secured against hypothecation of receivables given by the company, are repayable on demand and carry interest rates ranging from 8.20% to 10.90%.
- 13.4** Overdraft borrowings from bank are secured against fixed deposits placed by the company, are repayable on demand and carry interest rates ranging from 5.80% to 9.10%. (refer Note no. 3)
- 13.5** Other borrowings includes associated liabilities to securitized asset that has been re-recognised due to non fulfilment of derecognition criteria as per Ind AS.
- 13.6** Unsecured term loans from financial institutions amounting to ₹ 6,786.71 lakhs carry rate of interest in the range of 11.75% to 12.60% p.a. The loans are having tenure of 3 to 5 years from the date of disbursement and are repayable in both monthly instalments.
- 13.7** Inter corporate deposits from companies are unsecured and repayable within one year and carries interest rate of 12.00%.
- 13.8** The company has not defaulted in the repayment of dues to its lenders
- 13.9** Periodical returns or statements of loan receivables filed by the Company with banks or financial institutions are in agreement with the books of accounts
- 13.10** The company has not breached any covenant of loan availed or debt securities issued.

13.11 Changes in liabilities arising from financing activities

Particulars	As at March 31, 2022	Cash flows	Other*	As at March 31, 2023
Debt securities	47,936.87	7,379.87	(9.45)	55,307.29
Borrowings	139,895.40	69,077.42	388.53	209,361.35
Subordinated liabilities	-	-	-	-
Total	187,832.27	76,457.29	379.08	264,668.64

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

Particulars	As at March 31, 2022	Cash flows	Other*	As at March 31, 2021
Debt securities	39,345.90	8,485.63	105.34	47,936.87
Borrowings	83,299.90	56,264.38	331.12	139,895.40
Subordinate liabilities	0.00	-0.00	-	-
Total	122,645.80	64,750.01	436.46	187,832.27

*Other column includes amortisation of transaction cost.

13.12 Terms of repayment of long term borrowings outstanding as at March 31, 2023

(₹ in lakhs, except as stated otherwise)

Particulars	Interest rate range	No. of instalments	As at March 31, 2023	As at March 31, 2022
Monthly repayment				
Less than 1 Year	Less than 10%	720	35,392.60	27,729.55
	10% - 12%	441	15,609.76	18,016.94
	12% - 14%	56	2,097.94	2,854.77
1 - 3 Year	Less than 10%	1080	53,426.90	28,085.77
	10% - 12%	212	11,252.32	21,548.74
	12% - 14%	78	2,911.14	1,640.18
3 - 5 Year	Less than 10%	293	17,006.77	9,098.78
	10% - 12%	47	3,346.61	3,527.25
	12% - 14%	7	271.66	-
Over 5 Years	Less than 10%	0	-	43.99
	10% - 12%	0	-	-
	12% - 14%	0	-	-
Quarterly repayment				
Less than 1 Year	Less than 10%	53	9,449.39	2,234.22
	10% - 12%	22	3,449.95	3,417.49
	12% - 14%	0	-	626.97
1 - 3 Year	Less than 10%	117	22,805.12	4,657.16
	10% - 12%	33	3,669.36	6,048.99
	12% - 14%	0	-	-
3 - 5 Year	Less than 10%	56	8,363.59	2,448.51
	10% - 12%	12	627.45	1,047.16
	12% - 14%	0	-	-
Over 5 Years	Less than 10%	0	-	-
	10% - 12%	2	69.93	-
	12% - 14%	0	-	-
Total		3,229.00	189,750.48	133,026.45

14. LEASE LIABILITY

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	1,708.17	1,394.41
Total	1,708.17	1,394.41

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

15. OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Commission Payable	637.83	369.71
Employee Incentive Payable	78.10	56.65
Due to assignee towards collections in derecognised assets	3,197.28	1,648.11
Security deposits	32.01	29.37
Total	3,945.22	2,103.84

16. PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Provision for gratuity	264.21	195.34
Other provisions		
Provision for Income tax	270.68	0.00
Total	534.89	195.34

17. OTHER NON-FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	417.93	323.87
Total	417.93	323.87

18. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Capital		
1,31,00,000 (March 31, 2022: 1,31,00,000) equity shares of ₹ 10/- each	1,310.00	1,310.00
3,60,77,764 (March 31, 2022: 3,60,77,764) preference shares of ₹ 10/- each	3,607.78	3,607.78
17,74,600 (3March 31, 2022: 17,74,600) Preference shares of ₹ 225.41/- each	4,000.13	4,000.13
	8,917.91	8,917.91
Issued, subscribed and fully paid-up:		
1,06,15,977 (March 31, 2022: 97,17,861) equity shares of ₹ 10/- each	1,061.60	971.79
3,49,08,206 (March 31, 2022: 2,69,07,764) Preference shares of ₹ 10/- each	3,490.83	2,690.78
17,74,544 (March 31, 2022: 17,74,544) Preference shares of ₹ 225.41/- each	3,999.99	3,999.99
	8,552.42	7,662.56

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

18.1 Reconciliation of the shares outstanding at the beginning and at the end of year

Equity shares

(₹ in lakhs, except as stated otherwise)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity Share at the beginning of the year	9,717,861	971.79	9,666,006	966.61
Add:				
Equity Share Allotted during the year				
Shares issued during the year of ₹ 10/- each	803,103	80.31	-	-
Shares issued under ESOP	95,013	9.50	51,855	5.18
	10,615,977	1,061.60	9,717,861	971.79

Preference share

(₹ in lakhs, except as stated otherwise)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Preference Share at the beginning of the year	28,682,308	6,690.78	28,682,308	6,690.78
Add:				
Preference Share Allotted during the year				
Shares issued during the year of ₹ 10/- each	8,000,442	800.04	-	-
	36,682,750	7,490.82	28,682,308	6,690.78

During the year, the company has issued 8,03,103 equity shares having face value of ₹ 10/- per share and 80,00,442 compulsory convertible preference shares having face value of ₹ 10/- per share.

18.2 Terms/right attached to shares

Equity shares

The company has only one class of the equity shares having par value of ₹ 10/- per share. Each shareholder is eligible for vote in proportion to his share of the paid up equity capital of the company. The company declares and pays dividends in Indian rupees.

Preference shares

The company has six class of compulsory convertible preference shares (CCPS). All the preference shareholders are entitled to receive preference dividend of 0.0001%, in priority to equity shareholders of the company, in each financial year. The company declares and pays dividends in Indian rupees. Each class of preference shares are eligible for conversion into equity shares at following terms within twenty years from the date of allotment at the option of the investor.

Series A:

The company has 38,40,000 compulsory convertible preference shares (CCPS) issued at face value of ₹ 10/- per share. The preference shares are eligible for conversion into equivalent number of equity shares.

Series B:

The company has 1,01,37,308 compulsory convertible preference shares having face value of ₹ 10/-. The preference shares are eligible for conversion into one equity share against every two preference shares.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

Series C:

The company has 17,74,544 compulsory convertible preference shares having face value of ₹ 225.41/-. The preference shares are eligible for conversion into equivalent number of equity shares.

Series D1:

The company has 96,99,216 compulsory convertible preference shares having face value of ₹ 10/-. The preference shares are eligible for conversion into one equity share against every two preference shares.

Series D2:

The company has 32,31,240 compulsory convertible preference shares having face value of ₹ 10/-. The preference shares are eligible for conversion into one equity share against every two preference shares.

Series E:

The company has 80,00,442 compulsory convertible preference shares having face value of ₹ 10/- per share. The preference shares are eligible for conversion into one equity share against every two preference shares.

18.3 In the event of the liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders adjusted by the partly paid up value of the share, if applicable.

18.4 Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares				
Bal Mukund Kogta	1,322,000	12.45%	1,322,000	13.60%
Arun Kogta, Director	858,701	8.09%	791,000	8.14%
Radha Krishan Kogta, Director	729,500	6.87%	729,500	7.51%
Varun Kogta, Director	694,701	6.54%	627,000	6.45%
Nidhi Kogta	580,000	5.46%	580,000	5.97%
Banwari Lal Kogta HUF	574,500	5.41%	574,500	5.91%
Nayan Kogta	634,701	5.98%	567,000	5.83%
Banwari Lal Kogta	549,000	5.17%	549,000	5.65%
Arun Kogta HUF	521,500	4.91%	521,500	5.37%
Preference shares				
NHPEA Rimo Holding B.V.	15,360,849	41.87%	13,368,548	46.61%
Aditya (Mauritius) Ltd.	11,394,375	31.06%	9,699,216	33.82%
IIFL Seed Ventures Fund I	-	0.00%	5,614,544	19.57%
Multiples Private Equity Fund III	6,106,213	16.65%	-	0.00%
Javelin Investments Private Limited	3,821,313	10.42%	-	0.00%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

18.5 Shareholding of promoters

Shares held by promoters at the end of the year	As at March 31, 2023			As at March 31, 2022		
	Promoter name	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares
Bal Mukund Kogta	1,322,000	12.45%	-1.06%	1,322,000	13.60%	-0.06%
Arun Kogta	858,701	8.09%	-0.05%	791,000	8.14%	-0.03%
Radha Krishan Kogta	729,500	6.87%	-0.58%	729,500	7.51%	-0.03%
Varun Kogta	694,701	6.54%	0.08%	627,000	6.45%	-0.03%
Nidhi Kogta	580,000	5.46%	-0.46%	580,000	5.97%	-0.02%
Banwari Lal Kogta HUF	574,500	5.41%	-0.46%	574,500	5.91%	-0.02%
Nayan Kogta	634,701	5.98%	0.13%	567,000	5.83%	-0.02%
Banwari Lal Kogta	549,000	5.17%	-0.44%	549,000	5.65%	-0.02%
Arun Kogta HUF	521,500	4.91%	-0.42%	521,500	5.37%	-0.02%
Radha Kishan Kogta HUF	454,500	4.28%	-0.36%	454,500	4.68%	-0.02%
Prem Lal Kogta HUF	426,000	4.01%	-0.34%	426,000	4.38%	-0.02%
Ritu Kogta	403,000	3.80%	-0.32%	403,000	4.15%	-0.02%
Bal Mukund Kogta HUF	400,000	3.77%	-0.32%	400,000	4.12%	-0.02%
Madhu Kogta	391,000	3.68%	-0.31%	391,000	4.02%	-0.02%
Durga Devi Kogta	349,500	3.29%	-0.28%	349,500	3.60%	-0.01%
Varun Kogta HUF	304,500	2.87%	-0.24%	304,500	3.13%	-0.01%
Ayush Kogta	239,000	2.25%	-0.19%	239,000	2.46%	-0.01%
Manju Kogta	199,000	1.87%	-0.16%	199,000	2.05%	-0.01%
Neha Suryaprakash Kalya	172,000	1.62%	-0.14%	172,000	1.77%	-0.01%
Total	9,803,103	92.34%	-5.93%	9,600,000	98.79%	-0.40%

19. OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
General Reserve		
Balance at the beginning of the year	1,210.10	1,100.84
Add:- Addition during the year	111.96	109.26
Balance at the end of the year	1,322.06	1,210.10
Securities Premium		
Balance at the beginning of the year	41,881.69	41,886.80
Add:- Addition during the year	39,420.67	165.44
Less:- Utilization during the year against share issue expense	(441.28)	(170.55)
Balance at the end of the year	80,861.08	41,881.69
Statutory reserve u/s 45-IC of RBI Act		
Balance at the beginning of the year	3,223.79	2,186.63
Add:- Addition during the year	1,702.52	1,037.16
Balance at the end of the year	4,926.31	3,223.79
Capital reserve	40.00	40.00
	40.00	40.00

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Share based payment reserve		
Balance at the beginning of the year	610.40	352.88
Add:- Addition during the year	140.31	321.18
Less:- Transfer to share capital on account of options exercised during the year	(139.61)	(54.40)
Less:- Transfer to reserve	(11.96)	(9.26)
Balance at the end of the year	599.14	610.40
Retained Earnings		
Balance at the beginning of the year	10,467.38	6,418.73
Profit for the year	8,512.60	5,185.82
Less:- Preference share Dividend	(0.01)	(0.01)
Less:-Dividend distribution tax on preference share dividend	-	-
Less:-Transfer to statutory reserve	(1,702.52)	(1,037.16)
Less:-Transfer to general reserve	(100.00)	(100.00)
Balance at the end of the year	17,177.45	10,467.38
Total	104,926.05	57,433.36

19.1 Nature and purpose of reserve

General Reserve

General reserve is a free reserve, retained from company's profit and can be utilized upon fulfilling certain conditions in accordance with the statute of the relevant act.

Securities Premium

Securities Premium Account is used to record the premium on issue of shares. The reserve can be utilised in accordance with provisions of the Companies Act, 2013.

Statutory reserve u/s 45-IC of RBI Act

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

Capital reserve

Capital reserve represents the reserve created on account of forfeiture of the shares.

Share based payment reserve

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at the grant date fair value on stock options vested but not exercised by employees in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the company.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

20. INTEREST INCOME

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	On Financial Assets measured at Amortised Cost	
Interest on Loans	40,477.75	28,417.26
Net gain on derecognition of financial instruments under amortised cost category	4,185.78	2,952.44
Interest income from fixed deposits	1,796.92	1,375.16
Interest income from other investments	1,540.77	691.67
Total	48,001.22	33,436.53

Loan origination income included in Interest income on Loan is disclosed net of the direct incremental costs of ₹ (72.30) lakhs for year ended March 31, 2023 (P.Y. ₹ 587.12 lakhs) associated with the origination of the underlying loans.

21. FEE AND COMMISSION INCOME

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Fee income	2,897.10
Other support services	415.35	191.52
Total	3,312.45	1,978.35

22. NET GAIN ON FAIR VALUE CHANGES

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Net gain on financial instruments at fair value through profit and loss - Realised	
Income from sale of Mutual funds	521.40	234.11
Income from Debentures	279.37	-
Net gain on financial instruments at fair value through profit and loss - Unrealised		
Income from Mutual funds	5.47	222.92
Income from Debentures	34.20	145.13
Total	840.44	602.16

23. OTHER INCOME

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Net gain on derecognition of Property, plant and equipment	14.39
Rental Income	15.81	12.92
Other income	3.64	-
Total	33.84	12.92

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

24. FINANCE COSTS

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	On Financial liabilities measured at Amortised Cost	
Interest on financial liabilities		
Borrowings other than debt securities	13,264.35	8,849.73
Debt securities	4,667.35	4,935.44
Lease liability	186.77	111.89
Others		
Bank charges	40.73	53.41
Other finance cost	859.27	663.65
Total	19,018.47	14,614.12

25. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	On Financial instruments measured at Amortised Cost	
Loan assets	1,832.16	717.61
Loan assets written off (net of recoveries)	880.74	784.37
Loss on disposal of repossessed assets	550.06	293.19
Total	3,262.96	1,795.17

26. EMPLOYEE BENEFITS

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Salaries and wages	13,828.21
Share based payments to employees	140.31	321.18
Contribution to provident and other funds	841.02	611.13
Gratuity expense	31.37	53.66
Staff welfare expenses	64.14	21.11
Total	14,905.05	10,141.83

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

26.1 Gratuity and other post-employment benefit plans:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed in accordance with the rules as prescribed under the payment of Gratuity Act, 1972.

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

	(₹ in lakhs)	
Particulars	March 31, 2023	March 31, 2022
Details of Actuarial Valuation:		
Present value of the obligation at the beginning of the year	195.34	111.38
Current service cost	22.41	48.81
Interest cost on benefit obligation	8.96	4.84
Benefits paid (if any)	(9.29)	(6.01)
Net actuarial (gain)/loss recognized in the year	46.80	36.31
Present value of the obligation at the end of the year	264.21	195.34
Balance sheet		
Present value of defined benefit obligation	264.21	195.34
Fair value of plan assets	-	-
Plan assets/(liabilities)	264.21	195.34
Amount recognized in the statement of P&L		
Interest cost	8.96	4.84
Current service cost	22.41	48.81
Expenses to be recognized in P&L	31.37	53.65
Remeasurement (gains)/loss recognized in other comprehensive income		
Remeasurement (gains)/loss on obligations arising from changes in experience adjustments	36.89	43.42
Remeasurement (gains)/loss on obligations arising from changes in financial assumptions	(25.32)	(1.88)
Remeasurement (gains)/loss on obligations arising from changes in demographic assumptions	35.23	(5.22)
Total	46.80	36.31
Principal assumptions used in determining gratuity obligations		
Discount rate	7.139% p.a.	4.70% p.a.
Salary Growth Rate	7.00% p.a.	7.00% p.a.
Mortality	IALM 2012-14	IALM 2012-14
Expected rate of return	-	-
Withdrawal rate	19% to 61% p.a.	40% to 65% p.a.
- Executive	61.00% p.a.	65.00% p.a.
- Manager	19.00% p.a.	40.00% p.a.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

Maturity Profile - Future Expected Payments

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
1 Year	66.09	64.49
2 to 5 Years	157.47	130.89
More than 6 Years	79.13	28.18
Total	302.70	223.55
Liability duration in years (Weighted by discounted cashflows)	4.29	2.00

Sensitivity Analysis

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 1%)	255.22	273.96	190.18	200.76
Salary Growth rate (+/- 1%)	273.19	255.65	200.58	190.24
Withdrawal Rate (+/- 50%)	-	-	161.65	262.62
Withdrawal Rate (+/- 25%)	244.50	286.13	-	-

There is an improvement in attrition rate experience in comparison to the assumptions made over the last one year. Therefore, sensitivity of DBO is shown at 25% increase / decrease in March 31, 2023 instead of at 50% change as in March 31, 2022.

27. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Property, plant and equipment	420.48	278.98
Other Intangible Assets	49.99	35.77
Right of Use Assets	408.64	281.86
Total	879.11	596.61

28. OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent	260.82	189.15
Electricity expenses	139.22	89.83
Repairs and maintenance	66.52	54.35
Printing and stationery	231.59	147.88
Travelling and conveyance	97.30	54.87
Professional fees	352.50	259.35
CSR expenditure	108.74	72.87

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Director sitting fees	7.80	7.15
Commission to directors	15.00	9.00
Auditor Remuneration	28.50	21.00
Telephone and internet expenses	104.95	78.21
Business promotion	7.20	10.52
Rates & taxes	439.93	244.65
Office expenses	379.39	249.00
Share issue expenses	10.08	-
Donation	2.10	1.13
Collection & recovery expenses	104.82	188.78
Insurance expenses	12.91	8.16
Legal expenses	222.09	178.15
Net Loss on derecognition of Property, plant and equipment	-	2.65
Total	2,591.46	1,866.70

28.1 Auditor Remuneration

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory audit fees	21.00	16.00
Limited review	7.50	5.00
Other services (Certification fee)	-	-
Total	28.50	21.00

28.2 Amount Spent towards Corporate Social Responsibility (CSR)

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Amount unspent for the last year	-	-
(b) Amount required to be spent by the company during the year	108.74	72.87
(c) Amount of expenditure incurred		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	108.74	72.87
(d) Shortfall at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Net shortfall	-	-
(g) Reason for shortfall	NA	NA

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for the year ended March 31, 2023

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(h) Nature of CSR activities	Animal welfare, Making available safe drinking water, Promoting education, Promoting health care including preventive health care	Animal welfare, Making available safe drinking water, Promoting education, Promoting health care including preventive health care
(i) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	107.32	59.00
(j) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

29. EARNINGS PER SHARE (EPS)

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

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/(loss) after tax	8,547.62	5,185.82
Less: dividends on convertible preference shares & tax thereon	0.01	0.01
Net profit/ (loss) for calculation of basic EPS	8,547.61	5,185.81
Net profit as above	8,547.61	5,185.81
Add: dividends on convertible preference shares & tax thereon	0.01	0.01
Net profit/ (loss) for calculation of diluted EPS	8,547.62	5,185.82
Weighted average number of equity shares in calculating basic EPS		
Effect of dilution:		
Equity shares (in lakhs)	104.93	96.81
Weighted average no. of equity shares for Diluted EPS (in lakhs)	313.91	272.15
Earning per equity share		
Basic	81.46	53.57
Diluted	27.23	19.06

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

30. INCOME TAX

The major components of income tax expense for the year ended March 31, 2023 are:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current income tax:		
Current income tax charge	3,074.31	1,630.83
Adjustment of tax relating to earlier periods	31.38	
Deferred tax:		
Relating to origination and reversal of temporary differences	(122.40)	171.71
Income tax expense reported in the statement of profit or loss	2,983.28	1,802.54
Deferred tax relating to OCI		
Net loss/(gain) on re-measurements of defined benefit plans	(11.78)	(9.14)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax from continuing operations	11,530.90	7,015.53
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	11,530.90	7,015.53
Tax at statutory Income Tax rate of 25.17%	2,902.10	1,765.67
Expenses Disallowed in Income tax Act	27.29	40.17
Expenses Disallowed u/s 43B of the Income tax Act	17.51	97.00
Incremental deferred tax liabilities /(assets)	(28.05)	(100.30)
Tax on Long term capital gain @ 11.96%	33.07	-
Adjustment relating to earlier periods	31.38	-
Tax at effective Income Tax rate of 25.87% (P.Y. 25.69%) (a)	2,983.30	1,802.54
Tax on Other comprehensive income (b)	(11.78)	(9.14)
Total Tax expenses at effective tax rate of 25.77% (P.Y. 25.56%) (a+b)	2,971.52	1,793.40

31. DEFERRED TAX ASSET

Deferred tax liabilities/(assets)	As at March 31, 2023	As at March 31, 2022
Deferred tax asset		
Impact of EIR adjustments on financial assets	194.86	193.07
Impairment on Loans	1,534.37	1,063.80
Provision for gratuity and Leave availment	65.01	35.90
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	103.56	80.02
Employee stock options outstanding	151.20	154.04
Other adjustments	54.36	38.66
Gross deferred tax asset	2,103.37	1,565.49

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities/(assets)		
Deferred tax liability		-
Impact of EIR adjustments on financial liabilities	2.97	2.97
Gain on De-recognition of Loans	(303.63)	(253.80)
Upfront interest income on assignment transaction	(1,232.28)	(888.40)
Other adjustments	(9.99)	-
Gross deferred tax liability	(1,542.93)	(1,139.22)
Net Deferred Tax Liability	560.44	426.26

	Year ended March 31, 2023		Year ended March 31, 2022	
	Income statement	OCI	Income statement	OCI
Deferred Tax charged to statement of profit and loss account				
Deferred tax asset		-	(42.32)	-
Impact of EIR adjustments on financial assets	(1.79)	-	28.45	-
Impairment on Loans	(470.57)	-	(184.05)	-
Provision for gratuity and Leave availment	(26.47)	(2.64)	(6.97)	(5.02)
Employee stock options outstanding	2.84	-	(64.81)	-
Other adjustments	(15.71)	-	(11.55)	-
Deferred tax liability				
Impact of EIR adjustments on financial liabilities	(0.00)	-	(0.00)	-
Gain on De-recognition of Loans	49.83	-	(106.70)	-
Upfront interest income on assignment transaction	343.89	-	546.28	-
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(13.55)	-	(23.90)	-
Deferred Tax charged to statement of profit and loss account	(131.54)	(2.64)	176.74	(5.02)

32. STOCK OPTIONS

The Company has formulated share based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2023 are as given below:

Particulars	ESOP 2020 (Series 3)	ESOP 2020 (Series 2)	ESOP 2020 (Series 1)	ESOP 2019	ESOP 2018
Date of Grant for employee stock options outstanding	17-08-21	30-03-21	13-11-20	16-05-19	12-05-18
Vesting Period:					
2 years from the date of grant	NA	NA	NA	NA	40%
Expiry of 1 year from 1st vesting	NA	NA	NA	NA	30%
Expiry of 2 year from 1st vesting	NA	NA	NA	NA	30%
3 years from the date of grant	NA	NA	NA	50%	NA

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

Particulars	ESOP 2020 (Series 3)	ESOP 2020 (Series 2)	ESOP 2020 (Series 1)	ESOP 2019	ESOP 2018
Expiry of 2 year from 1st vesting	NA	NA	NA	50%	NA
1 years from the date of grant	40%	40%	40%	NA	NA
Expiry of 1 year from 1st vesting	30%	30%	30%	NA	NA
Expiry of 2 year from 1st vesting	30%	30%	30%	NA	NA
Exercise period	3 Years from the date of Vesting	3 Years from the date of Vesting	3 Years from the date of Vesting	2 Years from the date of Vesting	3 months from the date of vesting
Method of settlement	Equity	Equity	Equity	Equity	Equity
Vesting condition	Continuous service	Continuous service	Continuous service	Continuous service	Continuous service
Maximum term of Options	6 Years 1 Month	6 Years 1 Month	6 Years 2 Month	7 Years 1 Month	4 Years 4 Months
Weighted average remaining contractual life (years)	3.32 Years	2.98 Years	2.66 Years	2.25 Years	0.00 Years
Weighted average exercise price per option	₹ 450.00	₹ 450.00	₹ 450.00	₹ 170.00	₹ 90.00

Year ended March 31, 2023

Number of options outstanding at the beginning of the year	10,000	24,000	170,180	216,550	32,535
Number of options granted during the year	-	-	-	-	-
Number of options forfeited during the year	-	-	10,800	10,750	375
Number of options exercised during the year	1,333	-	12,270	49,850.00	31,560
Number of options expired during the year	-	-	3,800	3,000.00	600
Number of options outstanding at the end of the year	8,667	24,000	143,310	152,950	-
Number of options exercisable at the end of the year	-	-	-	-	-
Weighted average fair values of the outstanding options	₹ 457.34	₹ 215.45	₹ 215.45	₹ 189.94	₹ 39.27

Year ended March 31, 2022

Number of options outstanding at the beginning of the year	10,000	24,000	212,500	249,050	69,120
Number of options granted during the year	-	-	-	-	-
Number of options forfeited during the year	-	-	18,800	32,500	3,525
Number of options exercised during the year	-	-	19,320	-	32,535
Number of options expired during the year	-	-	4,200	-	525
Number of options outstanding at the end of the year	10,000	24,000	170,180	216,550	32,535
Number of options exercisable at the end of the year	-	-	-	-	-
Weighted average fair values of the outstanding options	₹ 457.34	₹ 215.45	₹ 215.45	₹ 189.94	₹ 39.27

The Company measures the cost of Employee stock options using the fair value method and has calculated fair value of option at the time of Grant using Black-Scholes pricing model with the following assumptions:

ESOP 2021

Particulars	Tranche 1	Tranche 2	Tranche 3
Weighted average share price	₹ 765.85	₹ 765.85	₹ 765.85
Exercise price	₹ 450.00	₹ 450.00	₹ 450.00

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

Particulars	ESOP 2020 (Series 3)	ESOP 2020 (Series 2)	ESOP 2020 (Series 1)	ESOP 2019	ESOP 2018
Weighted average fair value of stock option			₹ 430.76	₹ 458.93	₹ 491.18
Risk free interest rate			4.76%	5.24%	5.62%
Expected Life of Options			2.54 years	3.54 years	4.54 years
Expected volatility			56.19%	52.28%	52.08%
Expected dividend rate			0.00%	0.00%	0.00%

ESOP 2020

Particulars	Tranche 1	Tranche 2	Tranche 3
Weighted average share price	₹ 521.91	₹ 521.91	₹ 521.91
Exercise price	₹ 450.00	₹ 450.00	₹ 450.00
Weighted average fair value of stock option	₹ 199.04	₹ 219.71	₹ 233.08
Risk free interest rate	4.38%	4.81%	5.17%
Expected Life of Options	2.64 years	3.64 years	4.64 years
Expected volatility	44.59%	40.97%	36.58%
Expected dividend rate	0.00%	0.00%	0.00%

ESOP 2019

Particulars	Tranche 1	Tranche 2
Weighted average share price	₹ 224.17	₹ 224.17
Exercise price	₹ 170.00	₹ 170.00
Weighted average fair value of stock option	₹ 182.25	₹ 197.63
Risk free interest rate	6.98%	7.21%
Expected Life of Options	4.13 years	6.13 years
Expected volatility	46.38%	46.38%
Expected dividend rate	0.99%	0.99%

ESOP 2018

Particulars	Tranche 1	Tranche 2	Tranche 3
Weighted average share price	₹ 100.51	₹ 100.51	₹ 100.51
Exercise price	₹ 90.00	₹ 90.00	₹ 90.00
Weighted average fair value of stock option	₹ 34.15	₹ 40.20	₹ 45.17
Risk free interest rate	7.43%	7.65%	7.78%
Expected Life of Options	2.26 years	3.26 years	4.26 years
Expected volatility	41.45%	41.45%	41.45%
Expected dividend rate	0.99%	0.99%	0.99%

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Expense charged for the year	140.31	321.18
Employee stock options outstanding balance	599.14	610.40

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

33.1 Fair value of Financial instruments not measured at fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, that are not carried at fair value in the balance sheet. This table does not include the fair values of non financial assets and non financial liabilities.

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Loans (Fixed rate)	283,175.09	282,704.15	183,255.58	183,183.12
Borrowings (Fixed rate)	264,668.64	264,994.27	187,832.27	188,574.86

Valuation techniques

The management assessed that cash and cash equivalents, bank balances other than cash & cash equivalents, other financial assets, trade payables, lease liability and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of financial assets or liabilities.

Loans - The fair value of fixed rate loans are determined by discounting expected future contractual cash flows using current market interest rates charged to similar categories of new loans.

Debt Securities, Borrowings (other than debt securities) and subordinated liabilities - The fair value of certain fixed rate debt securities, borrowings (other than debt securities) and subordinated liabilities is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans. The fair value of floating rate debt securities, borrowings (other than debt securities) and subordinated liabilities are deemed to be equivalent to the carrying value.

33.2 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosure fair value measurement hierarchy of assets & liabilities as at March 31, 2023

(₹ in lakhs)

Particulars	Fair value			
	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans (Fixed rate)	-	-	282,704.15	282,704.15
Financial Liabilities				
Borrowings (Fixed rate)	-	-	264,994.27	264,994.27

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

Quantitative disclosure fair value measurement hierarchy of assets & liabilities as at March 31, 2023

(₹ in lakhs)

Particulars	Fair value			Total
	As at March 31, 2022			
	Level 1	Level 2	Level 3	
Financial Assets				
Loans (Fixed rate)	-	-	183,183.12	183,183.12
Financial Liabilities				
Borrowings (Fixed rate)	-	-	188,574.86	188,574.86

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2023 and March 31, 2022.

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assets		
Cash & Cash Equivalents	18,859.61	7,385.65
Bank Balances Other than Cash & Cash Equivalents	41,543.53	26,914.08
Loans (Fixed rate)	283,175.09	183,255.58
Investments	13,030.22	17,277.62
Other Financial Assets	5,745.31	4,067.22
Total Financial Assets	362,353.76	238,900.15
Financial liabilities		
Trade Payables	682.36	783.80
Debt Securities	55,307.29	47,936.87
Borrowings (Other than debt securities)	209,361.35	139,895.40
Lease Liability	1,708.17	1,394.41
Other financial liabilities	3,945.22	2,103.84
Total Financial liabilities	271,004.39	192,114.32

35. IND AS 116 ON LEASE

The changes in the carrying value of ROU assets for the year ended March 31, 2023 are as follows

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Gross carrying value		
Opening Balance	1,756.81	1,220.35
Addition	724.10	697.17
Translation adjustments	-	-
Adjustment/Deletion	(189.93)	(160.71)
Closing Balance	2,290.98	1,756.81

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Accumulative amortisation		
Opening Balance	513.02	376.24
Depreciation	408.64	281.86
Translation adjustments	-	-
Adjustment/Deletion	(127.15)	(145.08)
Closing Balance	794.51	513.02
Net carrying value	1,496.47	1,243.79

The following is the movement in lease liabilities during the year ended March 31, 2023.

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities		
Opening Balance	1,394.41	949.66
Additions	724.10	697.17
Adjustment/Deletion	(75.25)	(15.63)
Translation adjustments	-	-
Finance expense	186.77	111.89
Payment of lease liabilities	(521.87)	(348.67)
Closing Balance	1,708.17	1,394.41

Amounts recognised in profit & loss during the year ended March 31, 2023

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense of right-of-use assets	408.64	281.86
Interest expense on lease liabilities	186.77	111.89
Total	595.41	393.75

Total cash outflow for leases:

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total cash outflow for leases	521.87	348.67
Total	521.87	348.67

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

Classification of current and non current liabilities of the lease liabilities

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current liabilities	360.99	267.57
Non Current Liabilities	1,347.18	1,126.84
Total	1,708.17	1,394.41

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023, on an undiscounted basis

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Tenure		
Less than 1 year	528.36	408.30
1-3 years	925.69	673.63
3-5 years	580.85	521.40
More than 5 years	155.67	250.31
Closing balance	2,190.57	1,853.64

The company has paid following rent on account of short term leases and where the lease security deposit is less than 50,000:

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short Term and Low value Lease	248.51	180.54
Total	248.51	180.54

36. TRANSFER OF FINANCIAL ASSETS

Transferred financial assets that are not derecognized in their entirety

Securitisation:

The Company uses securitisations as a source of finance. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued securities. Securitisation has resulted in the continued recognition of the securitised assets.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in lakhs)

Loans and advances measured at amortised cost	As at March 31, 2023	As at March 31, 2022
Gross carrying amount of transferred assets measured at amortised cost	8,104.93	16,221.64
Carrying amount of associated liabilities	8,230.27	13,801.58

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

Assignment Deal:

During the year ended March 31, 2023, the Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been decognised from the Company's balance sheet.

The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the Company business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition, per type of asset.

(₹ in lakhs)

Loans and advances measured at amortised cost	As at March 31, 2023	As at March 31, 2022
Carrying amount of derecognised financial assets	50,810.58	30,697.56
Gain from derecognition	4,041.27	2,927.58

The Company has assigned a pool of certain loans having outstanding amount of ₹ 50,810.58 (P.Y. ₹ 30,697.56 lakhs) by way of a direct assignment transaction on behalf of assignee. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreement, the Company pays to assignee, on a monthly basis, the pro-rata collection amounts.

37. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity and preference capital, share premium and all other reserves attributable to the shareholders of the Company net of intangible assets. The company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the capital is monitored by the Risk management committee and Board considering the regulations issued by RBI.

The Company manages its capital structure in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is total debt divided by equity. The Company's policy is to keep the capital adequacy ratio at reasonable level in imminent year well above the stipulated requirement of 15% by RBI. The company has complied with the capital requirements prescribed by RBI over the reported period.

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Debts	264,668.64	187,832.27
Net worth	113,478.47	65,095.92
Debt to Equity (in times)	2.33	2.89

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

38. RISK MANAGEMENT

The Company's Principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations. At the other hand company's Principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. The Company's risk governance structure operates with a robust board and risk management committee with a clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and monitors the risk profile of the company directly as well as through its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The key risks faced by the company are liquidity risk, credit risk, Concentration risk, market risk, interest rate risk and Operational Risk.

38.1 Objectives and Policies

(A) Liquidity risk

Liquidity Risk refers to the risk that the Company will encounter difficulty in meeting its financial obligations primarily associated with financial liabilities. The objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. Liquidity risk may arise because of the possibility that the company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required.

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

(₹ in lakhs)

Particulars	Maturity profile of Financial liabilities as on March 31, 2023		
	Borrowings	Payables	Other Financial liabilities
1 Day to 31 Days / One month	13,180.45	31.00	3,275.38
Over 1 month to 2 month	7,565.78	29.65	-
Over 2 month to 3 month	8,264.26	30.13	-
Over 3 month to 6 month	22,212.55	771.40	637.83
Over 6 month to 1 year	58,586.17	181.18	32.01
Over 1 year to 3 years	125,173.42	704.83	-
Over 3 year to 5 years	29,616.08	508.65	-
Over 5 years	69.93	133.70	-
Total	264,668.64	2,390.53	3,945.22

Notes Forming Part of the Financial Statements

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(B) Credit risk

Credit risk arises when a borrower is unable to meet financial obligations under the loan agreement to the Company. This could be either because of wrong assessment of the borrower's repayment capabilities or due to uncertainties in future. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

The company has comprehensive and well-defined credit policies across all products and segments, which are backed by analytics and technology for mitigating the risks associated with them. Company has developed "Credit scoring model" which uses quantitative measures of the performance and characteristics of past loans to predict the future performance of loans with similar characteristics. It is a statistical method of assessing the credit risk associated with new loan applications. Various Parameters or risk identifiers of this function are empirically designed; that is, they are developed entirely from information and experience gained through prior experience. It is the set of decision models and their underlying techniques that aid the company in determining to ascertain the credit worthiness of a potential customer and also fairly price credit risks. It is an objective risk assessment/identification tool, as opposed to subjective methods that rely on a credit underwriter's opinion. It helps the company in taking credit decisions in a consistent manner.

Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, cash flow analysis, physical verifications of a customer's business and residence and field visits and required term cover for insurance.

The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals.

(C) Concentration of Risk/Exposure

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Company is in retail lending business in western & central India. Vehicle Finance segment (consisting of new and used Commercial Vehicles, Passenger Vehicles, Tractors and Construction Equipment) is lending against security of hypothecation on underlying vehicle and contributes to 81.12% of the loan book of the Company as of March 31, 2023 (81% as of March 31, 2022). Portfolio is reasonably well diversified across 10 states of the country. Similarly, sub segments within Vehicle Finance like Heavy Commercial Vehicles, Light Commercial Vehicles, Car and Multi Utility Vehicles, three wheeler and Small Commercial Vehicles, Tractors and Construction Equipment have portfolio share between 0.15% to 43.16% leading to well diversified product mix.

MSME & Loan against Property segment is mortgage loan against security of immovable property (primarily self-occupied residential property) to self employed non-professional category of borrowers and contributes to 18.88% of the lending book of the company as of March 31, 2023 (19% as of March 31, 2022). Portfolio is diversified and distributed between 3.53% to 34.48% across 7 states i.e. Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Punjab, Haryana & Delhi NCR.

The Concentration of risk is managed by company for each product by its region and its sub segments. Company did not overly depend on few regions or sub-segments as of March 31, 2023.

(D) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market variables. Such changes in the values of financial instruments may result from changes in the interest rates, credit, and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk and liquidity risk.

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(E) Interest Rate Risk

The Company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Change in interest rate affects Company's earnings (measured by NII or NIM) and corresponding net worth, Hence it is essential for the Company to not only quantify the interest rate risk but also to manage it proactively. The Company mitigates its interest rate risk by keeping a balanced mix of borrowings. The Company lends at fixed rate of interest thus, the company is not exposed to interest rate risk on loans.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Borrowings (Floating)				
Increase in basis points (+/- 1%)	(1,078.19)	(1,078.19)	(519.74)	(519.74)
Decrease in basis points (+/- 1%)	1,078.19	1,078.19	519.74	519.74

(F) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses. The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of concurrent audit.

The company has put in place a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with any adverse events.

38.2 Collateral and other Credit Enhancements

Although collateral can be an important mitigation of credit risk, it is the Company's policy to lend on the basis of the customer's ability & intention to meet the repayment obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements. The company obtains first and exclusive charge on all collateral for the loans given. Vehicle Finance and MSME & Loan against Property are secured by collateral at the time of origination. In case of Vehicle loans, Company values the vehicle either through proforma invoice (for new vehicles) or using registered valuers for used vehicles. In case of MSME & Loan against Property, the value of the property at the time of origination will be arrived by obtaining valuation report from Company's empanelled valuers

Notes Forming Part of the Financial Statements

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Hypothecation endorsement is obtained in favour of the Company in the Registration Certificate of the underlying vehicle funded under the vehicle finance segment. Immovable Property is the collateral for MSME & Loan against Property. Security Interest in favour of the Company is created through deposit of title deed by equitable or registered Mortgage.

The company does not obtain any other form of credit enhancement other than the above. All the loans are secured by way of tangible Collateral. Any surplus remaining after settlement of outstanding debt by way of sale of collateral is returned to the borrower.

39. MATURITY ANALYSIS AS AT MARCH 31, 2023 AND MARCH 31, 2022

(₹ in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amount	Within 12 Months	After 12 Months	Amount	Within 12 Months	After 12 Months
ASSETS						
Financial assets						
Cash and cash equivalents	18,859.61	18,859.61	-	7,385.65	7,385.65	-
Bank balance other than cash and cash equivalents	41,543.53	22,520.24	19,023.29	26,914.08	19,410.59	7,503.49
Loans	283,175.09	85,681.19	197,493.89	183,255.58	56,679.60	126,575.98
Investments	30,845.21	26,794.94	4,050.28	31,189.83	28,072.68	3,117.15
Other financial assets	5,745.31	2,849.87	2,895.44	4,402.22	2,232.70	2,169.52
Non-financial assets						
Deferred tax assets (Net)	560.44	-	560.44	426.26	-	426.26
Property, plant and equipment	1,320.19	-	1,320.19	761.22	-	761.22
Right of use assets	1,496.47	404.97	1,091.50	1,243.79	307.81	935.98
Other intangible assets	338.49	-	338.49	127.38	-	127.38
Other non-financial assets	1,551.34	1,509.10	42.24	2,023.44	1,985.86	37.58
Total - Assets	385,435.68	158,619.93	226,815.75	257,729.45	116,074.90	141,654.55
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Trade Payables	682.36	682.36	-	783.80	783.80	-
Debt securities	55,307.29	24,198.72	31,108.57	47,936.87	17,026.05	30,910.82
Borrowings (other than debt securities)	209,361.35	85,610.49	123,750.86	139,895.40	61,748.91	78,146.49
Lease Liability	1,708.17	361.00	1,347.17	1,394.41	267.56	1,126.85
Other financial liabilities	3,945.22	3,945.22	-	2,103.84	2,103.84	-
Non-financial liabilities						
Provisions	534.89	270.68	264.21	195.34	-	195.34
Other non-financial liabilities	417.93	417.93	-	323.87	323.87	-
Equity						
Equity share capital	8,552.42	-	8,552.42	7,662.56	-	7,662.56
Other equity	104,926.05	-	104,926.05	57,433.36	-	57,433.36
Total - Liabilities and Equity	385,435.68	115,486.40	269,949.28	257,729.45	82,254.03	175,475.42

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

40. RELATED PARTY DISCLOSURES

40.1 Names of related parties and nature of relationship

Relationship	Name of Related Party
Key Managerial Personnel	1. Radha Krishan Kogta (Chairman)
	2. Arun Kogta (Managing Director & Chief Executive Officer)
	3. Varun Kogta (Executive Director & Chief Financial Officer)
	4. Rahul Agrawal (Company Secretary & Compliance Officer)
Relatives of Key Managerial Personnel & other parties	1. Banwari Lal Kogta
	2. Bal Mukund Kogta
	3. Durga Devi Kogta
	4. Madhu Kogta
	5. Manju Kogta
	6. Nidhi Kogta
	7. Ritu Kogta
	8. Nayan Kogta
	9. Akansha Kogta
	10. Neha Suryaprakash Kalya
	11. Aayush Kogta
	12. Ayushi Kogta
	13. Prem Lal Kogta HUF
	14. Banwari Lal Kogta HUF
	15. Bal Mukund Kogta HUF
	16. Radha Krishan Kogta HUF
	17. Arun Kogta HUF
	18. Varun Kogta HUF
	19. Nayan Kogta HUF
	20. Giriraj Allied Industries
	21. Giriraj Construction
	22. Giriraj Industries
	23. Giriraj Automobiles
	24. Nidhi Freight Carrier
	25. Easy Recovery Solutions
	26. Shri Nath Marble Mines
	27. Shri Giriraj Marble
	28. Matangi Stonex LLP
	29. Kogta Foundation
	30. Kogta Employees Welfare Trust
	31. Kogta Housing Development Private Limited
	32. Alka Estates Private Limited
33. Jaipur Promotors Private Limited	
34. JIB Advisors LLP	
35. Hivestica Partners LLP	
36. NHPEA Rimo Holding B.V.	

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

40.2 Details of Transactions and balance outstanding

Nature of Transactions	Director		Relatives of Directors		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Borrowings	-	-	137.98	-	-	-	-	-	-	-	137.98	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	5.09	69.55	-	-	-	-	-	-	5.09	69.55
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	0.06	13.23	10.19	-	-	-	-	-	-	13.23	10.25
Interest received	-	0.11	0.87	2.80	-	-	-	-	-	-	0.87	2.91
Others	235.59	172.40	253.70	439.07	21.20	14.55	-	-	-	-	510.49	626.02
Remuneration Paid	225.00	170.00	75.00	50.00	21.20	14.55	-	-	-	-	321.20	234.55
Rent Paid	10.59	2.40	38.52	24.57	-	-	-	-	-	-	49.11	26.97
Commission Paid	-	-	32.85	22.57	-	-	-	-	-	-	32.85	22.57
Donation Paid	-	-	10732	59.00	-	-	-	-	-	-	10732	59.00
Servicing Income	-	-	-	282.93	-	-	-	-	-	-	-	282.93
Maximum Outstanding During the Year (Borrowings)	-	17.37	198.36	145.83	-	-	-	-	-	-	198.36	163.20
Maximum Outstanding During the Year (Advances)	-	22.68	49.75	88.99	-	-	-	-	-	-	49.75	111.67
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Number of outstanding stock options granted under ESOP 2018	-	-	-	-	-	900	-	-	-	-	-	-
Number of outstanding stock options granted under ESOP 2019	-	-	-	-	5,000	7,000	-	-	-	-	-	-
Number of outstanding stock options granted under ESOP 2020	-	-	-	-	3,400	3,400	-	-	-	-	-	-
Issuance of Equity Shares of the Company	-	-	-	-	-	-	-	-	-	-	-	-
Number of shares issued under ESOP 2018	-	-	-	-	3,000	2,100	-	-	-	-	-	-
Number of shares issued under ESOP 2019	-	-	-	-	2,000	-	-	-	-	-	-	-
Number of shares issued under ESOP 2020	-	-	-	-	600	600	-	-	-	-	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

41. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent Liabilities: -		
Claim not acknowledge as debt by the Company	-	-
Bill Discounted & Outstanding	-	-
Guarantee and Letter of Credit issued by banker on behalf of the Company (including guarantee given by the Company)	-	-
Capital commitments :-		
Estimated amount of the contract to be executed on capital account	-	-

42. CAPITAL

(₹ in lakhs)

S. No. Particulars	As at March 31, 2023	As at March 31, 2022
i) CRAR (%)	34.09	28.46
ii) CRAR-Tier I Capital (%)	33.91	28.46
iii) CRAR-Tier II Capital (%)	0.18	0.00
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

42.1 CRAR as at March 31, 2023 (P.Y. March 31, 2022) has been determined in accordance with the RBI Master Directions read with RBI notification RBI/2019-20/170, DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards.

43. INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	30,845.21	31,189.83
(a) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	30,845.21	31,189.83
(a) Outside India	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
2 Movement of provisions held towards depreciation on Investments		
(i) Opening Balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/ write-back of excess provisions	-	-
(iv) Closing balance	-	-

44. DERIVATIVES

a Forward Rate Agreement/Interest Rate Swap

The Company has no transactions/exposure in forward rate agreement/interest rate swap during 2022-23 and 2021-22.

b Exchange Traded Interest Rate (IR) Derivatives

The Company has no transactions/exposure in exchange traded interest rate (IR) derivatives during 2022-23 and 2021-22.

c Currency derivatives and interest rate derivatives

The Company has no transactions/exposure in currency or interest rate derivatives during 2022-23 and 2021-22.

45. DETAILS OF FINANCIAL ASSETS SOLD TO SECURITIZATION/RECONSTRUCTION COMPANY FOR ASSET RECONSTRUCTION

The Company has not sold any financial assets to Securitisation/Reconstruction Company for asset Reconstruction during 2022-23 and 2021-22.

46. VALUE OF IMPORTS CALCULATED ON CIF BASIS

The Company has not imported any goods therefore value of import on CIF basis is Nil. (As on March 31, 2023 – Nil).

47. EXPENDITURE IN FOREIGN CURRENCY

The Company does not have any expenditure in Foreign Currency (As on March 31, 2023 – Nil).

48. EARNING IN FOREIGN CURRENCY

The Company does not have any earnings in Foreign Currency (As on March 31, 2023 – Nil).

49. DISCLOSURES RELATING TO SECURITIZATION FOR STC TRANSACTIONS

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

(₹ in lakhs)

S. No.	Particulars	No./ Amount	
		As at March 31, 2023	As at March 31, 2022
1	No of SPVs sponsored by the NBFC for securitization transactions	5	5
2	Total amount of securitized assets as per books of the SPVs sponsored	12,580.50	17,360.61
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

(₹ in lakhs)

S. No.	Particulars	No./ Amount	
		As at March 31, 2023	As at March 31, 2022
a)	Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
b)	On-balance sheet exposures		
	First loss (in the form of fixed deposit)	2,341.08	2,222.87
	Others	1,409.39	2,943.90
4	Amount of exposures to securitization transactions other than MRR		
a)	Off-balance sheet exposures		
	(i) Exposure to own Securitization		
	First loss	-	-
	Others*	-	-
	(ii) Exposure to third party securitizations		
	First loss	-	-
	Others	-	-
b)	On-balance sheet exposures		
	(i) Exposure to own Securitization		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitizations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	29,217.07	25,723.07
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	12,580.50	17,360.61
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.	Servicing Agent	Servicing Agent
	(a) Amount paid	70.30%	43.22%
	(b) Repayment received	73.88%	47.75%
	(c) Outstanding amount	3.58%	4.53%
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	NIL	NIL
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	NIL	NIL
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	NIL	NIL

*Others include second loss credit enhancement.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

50. DISCLOSURE OF LOAN TRANSFER THROUGH ASSIGNMENT

The company has undertaken 7 assignment transactions during the year ended March 31, 2023 (P.Y. 7 transactions). Details are given below:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) No. of accounts	18044	8616
(ii) Aggregate value (net of provisions) of accounts sold (₹)	45400.76	25777.92
(iii) Aggregate consideration (₹)	45400.76	25777.92
(iv) Additional consideration realized in respect of accounts transferred in earlier years (₹)	-	-
(v) Aggregate gain/(loss) over net book value (₹)	-	-
(vi) Weighted Average Maturity (Remaining)	2.88 Years	4.12 Years
(vii) Weighted Average Holding (After Origination)	9.4 Months	11.82 Months
(viii) Retention of Beneficial Economic Interest (Average)	10%	10%
(ix) Coverage of Tangible Security Coverage	100%	100%
(x) Rating wise Distribution of rated Loans	Unrated	Unrated
(xi) No. of Instances(Transactions) where transferor has agreed to replace the transferred loans	NA	NA
(xii) No of Transferred Loans Replaced	NA	NA

51. DISCLOSURE OF LOAN ACQUIRED THROUGH ASSIGNMENT

The company has undertaken 1 assignment transactions during the year ended March 31, 2023 (P.Y. NIL). Details are given below:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) No. of accounts	228	-
(ii) Aggregate value (net of provisions) of accounts Purchase	287.16	-
(iii) Aggregate consideration (₹)	287.16	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years (₹)	-	-
(v) Aggregate gain/(loss) over net book value (₹)	-	-
(vi) Weighted Average Maturity (Remaining)	1.35 Years	-
(vii) Weighted Average Holding (After Origination)	9.65 Months	-
(viii) Retention of Beneficial Economic Interest (Average)	10%	-
(ix) Coverage of Tangible Security Coverage	100%	-
(x) Rating wise Distribution of rated Loans	Unrated	-
(xi) No. of Instances(Transactions) where transferor has agreed to replace the transferred loans	NA	-
(xii) No of Transferred Loans Replaced	NA	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

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

The Company has neither purchased nor sold any non performing financial asset during 2022-23 and 2021-22.

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

(₹ in lakhs)

For the year 2022-23	Deposits	Advances*	Investments	Borrowings	Foreign Currency assets	Foreign Currency liabilities
1 to 7 days	-	7,136.72	1,952.23	1,081.00	-	-
8 to 14 days	-	6.26	2,433.14	494.51	-	-
15 to 30/31 days	-	3,645.29	3,121.83	11,604.94	-	-
Over 1 month up to 2 month	-	7,367.61	3,563.83	7,565.78	-	-
Over 2 months up to 3 months	-	6,009.55	4,546.27	8,264.26	-	-
Over 3 month & up to 6 month	-	18,471.71	3,246.58	22,212.55	-	-
Over 6 month & up to 1 year	-	43,044.05	7,931.06	58,586.17	-	-
Over 1 year & up to 3 years	-		3,904.41	125,173.41	-	-
		129,495.78				
Over 3 years & up to 5 years	-	38,028.80	145.87	29,616.08	-	-
Over 5 years	-	29,969.32	-	69.94	-	-
Total	-	283,175.09	30,845.22	264,668.64	-	-

For the year 2021-22	Deposits	Advances*	Investments	Borrowings	Foreign Currency assets	Foreign Currency liabilities
1 to 7 days	-	4,708.79	-	820.74	-	-
8 to 14 days	-	7.77	271.50	382.82	-	-
15 to 30/31 days	-	2,298.48	7,248.64	5,881.38	-	-
Over 1 month up to 2 month	-	4,968.78	451.03	8,044.51	-	-
Over 2 months up to 3 months	-	3,178.99	3,883.48	8,381.08	-	-
Over 3 month & up to 6 month	-	12,232.29	9,070.80	16,281.01	-	-
Over 6 month & up to 1 year	-	29,284.50	7,147.23	38,983.42	-	-
Over 1 year & up to 3 years	-	82,738.07	3,117.15	91,892.64	-	-
Over 3 years & up to 5 years	-	24,044.95	-	17,120.71	-	-
Over 5 years	-	19,792.96	-	43.98	-	-
Total	-	183,255.58	31,189.83	187,832.27	-	-

*Advances are net of ECL provision.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

53.1 Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI.

54. EXPOSURE TO REAL ESTATE SECTOR

The Company has exposure to real estate sector as on March 31, 2023 and March 31, 2022 which is given herein below:

(₹ in lakhs)

Category	As at March 31, 2023	As at March 31, 2022
A Direct Exposure (Fund and Non Fund Based)		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	-	-
(ii) Commercial Real Estate-		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures-		
a. Residential	-	-
b. Commercial Real Estate	-	-
B Indirect Exposure (Fund and Non Fund Based)	545.70	265.07
Total Exposure to Real Estate Sector	545.70	265.07

55. DETAILS OF (SGL)/GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE COMPANY

The prescribed exposure limit of credit and investment concentration of single party and single group of parties has not exceeded during the year 2022-23 and 2021-22.

56. ADVANCES AGAINST INTANGIBLE SECURITY

No finance has been made against the collateral of intangible security such as rights, licenses, authorizations, etc. in respect of projects (including infrastructure projects) during the year 2022-23 and 2021-22.

57. PROVISIONS AND CONTINGENCIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss		
Provisions for depreciation on Investment	-	-
Provision towards NPA (Expected credit loss on Stage 3 assets)	1,860.65	687.45
Provision made towards Income tax (Net of Deferred Tax)	2,940.13	1,793.40
Other Provision and Contingencies	68.87	83.96
Provision for standard Assets (Expected credit loss on Stage 1 & 2 assets)	(28.49)	30.16

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

58. DRAW DOWN FROM RESERVES

No reserves have been draw down during the financial year 2022-23 and 2021-22 except as disclosed in the part (b) of statement of changes in equity.

59. CONCENTRATION OF ADVANCES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Advances to twenty largest borrowers	2,130.19	1,174.95
Percentage of Advances to twenty largest borrowers to total advances of the NBFC	0.74%	0.63%

60. CONCENTRATION OF EXPOSURES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to twenty largest borrowers/customers	2,130.19	1,174.95
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	0.74%	0.63%

61. CONCENTRATION OF NPAs

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to top four NPA accounts	174.39	163.23

62. SECTOR-WISE NPAs

(₹ in lakhs)

Sectors	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ lakhs)	Gross NPAs (₹ lakhs)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ lakhs)	Gross NPAs (₹ lakhs)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied activities	40,249.29	738.33	1.83%	21,247.47	410.25	1.93%
2. Commercial Real Estate	545.70	4.98	0.91%	265.07	3.95	1.49%
3. Retail Loans	248,122.79	8,853.70	3.57%	165,934.10	6,362.65	3.83%
Vehicle/Auto Loans	194,108.91	5,497.68	2.83%	130,166.67	4,025.39	3.09%
LAP & MSME Loans	54,013.88	3,356.02	6.21%	35,767.43	2,337.26	6.53%
Total	288,917.78	9,597.00	3.32%	187,446.64	6,776.85	3.62%

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

63. DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING

RBI has not observed any divergence in asset classification and provisioning for the company.

64. MOVEMENT OF NPAS

(₹ in lakhs, except as stated otherwise)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Net NPAs to Net Advances (%)	1.81%	2.52%
(ii) Movement of NPAs(Gross)		
(a) Opening balance	6,776.85	4,487.69
(b) Additions during the year	7,699.06	5,782.73
(c) Reductions during the year	4,878.91	3,493.57
(d) Closing balance	9,597.00	6,776.85
(iii) Movement of Net NPAs		
(a) Opening balance	4,674.80	3,175.36
(b) Additions during the year	3,883.59	3,976.27
(c) Reductions during the year	3,420.56	2,476.84
(d) Closing balance	5,137.83	4,674.80
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	2,102.05	1,312.33
(b) Provisions made during the year	3,815.47	1,806.46
(c) Write-off/write-back of excess provisions	1,458.35	1,016.73
(d) Closing balance	4,459.17	2,102.05

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

The Company does not have any joint venture or subsidiary overseas.

66. OFF-BALANCE SHEET SPVS SPONSORED

The Company does not have any off balance sheet SPV sponsored either domestic or overseas.

67. DISCLOSURE OF CUSTOMER COMPLAINTS

S. No. Particulars	As at March 31, 2023	As at March 31, 2022
Complaints received by the NBFC from its customers		
1 No. of complaints pending at the beginning of the year	1	1
2 No. of complaints received during the year	166	11
3 No. of complaints disposed during the year	164	11
Of which, number of complaints rejected by the NBFC	0	0

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
4	No. of complaints pending at the end of the year	3	1
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman*	25	12
	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	25	11
	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0
	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days	
1	2	3	4	5	6	
March 31, 2023						
1	CIBIL related query	-	69.00	1280%	1.00	-
2	Documents related concern	-	47.00	4600%	-	-
3	Misbehave/Abuse	-	19.00	1900%	-	-
4	Integrity issue	-	17.00	1700%	2.00	-
5	Loan amount/Charges related	1.00	6.00	100%	-	-
6	Others	-	8.00	300%	-	-
	Total	1.00	166.00	1409%	3.00	-
March 31, 2022						
1	CIBIL related query	-	5.00	150%	-	-
2	Documents related concern	-	1.00	100%	-	-
3	Misbehave/Abuse	-	-	0%	-	-
4	Integrity issue	-	-	0%	-	-
5	Loan amount/Charges related	-	3.00	-25%	1.00	-
6	Others	1.00	2.00	0%	-	-
	Total	1.00	11.00	89%	1.00	-

*This includes pending complaint at the end of previous year also.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

68. TRANSACTION WITH NON-EXECUTIVE DIRECTORS

(₹ in lakhs)

S. No.	Name of Non-Executive Director	Transaction Type	As at March 31, 2023	As at March 31, 2022
1	Mr. P R Kalyanaraman	Payment of sitting fees	3.00	2.70
2	Mr. Kumar Sharadindu	Payment of sitting fees	2.45	2.20
3	Mrs. Shashikala Ramachandra	Payment of sitting fees	2.35	2.25
4	Mr. P R Kalyanaraman	Payment of commission	5.00	3.00
5	Mr. Kumar Sharadindu	Payment of commission	5.00	3.00
6	Mrs. Shashikala Ramachandra	Payment of commission	5.00	3.00

69. DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

There is no parent Company to finance any product.

70. POSTPONEMENT OF REVENUE RECOGNITION

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

71. 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, 2023 is ₹ 1.18 Lakhs (as on March 31, 2022 is ₹ 0.19 Lakhs).

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

72. DETAILS OF RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

The Company has been assigned following credit rating from all rating agencies during the financial year ended March 31, 2023

S. No.	Instrument	Rating agency	Date of rating assigned/ reviewed	Rating valid up to	Rating assigned	
					2022-23	2021-22
1	Bank Loan Rating	CARE	22-Jul-22	21-Jul-23	A /Stable	A-/Stable
2	Non-Convertible Debentures	CARE	28-Sep-22	27-Sep-23	A /Stable	A-/Stable
3	Non-Convertible Debentures (MLD)	CARE	28-Sep-22	27-Sep-23	PP MLD A /Stable	PP MLD A-/Stable
4	Non-Convertible Debentures (Covered Bond)	CARE	20-Feb-23	19-Feb-24	-	AA (CE)/Stable
5	Non-Convertible Debentures	ICRA	16-Mar-23	15-Mar-24	A /Stable	A-/Stable
6	Term Loan rating	ICRA	16-Mar-23	15-Mar-24	A /Stable	-
7	Non-Convertible Debentures (MLD)	ICRA	16-Mar-23	15-Mar-24	PP MLD A /Stable	PP MLD A-/Stable

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

73. DETAILS OF IMPAIRMENT LOSS ALLOWANCE RESERVE

(₹ in lakhs)

	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms*
Asset Classification as per RBI Norms	1	2	3	4	6	(7) = (4)-(6)
				(5)=(3)-(4)		
Performing Assets						
Standard	Stage 1	270,037.68	1,780.45	268,257.23	1,193.17	587.28
	Stage 2	9,283.09	274.14	9,008.94	90.34	183.81
Subtotal		279,320.77	2,054.59	277,266.17	1,283.51	771.08
Non-Performing Assets (NPA)						
Substandard	Stage 1	76.00	7.69	68.32	7.69	-
	Stage 2	517.25	52.52	464.73	52.10	0.42
	Stage 3	7,060.56	2,715.65	4,344.91	729.83	1,985.82
Doubtful						
Up to 1 year	Stage 1	6.25	1.26	4.99	1.26	-
	Stage 3	1,936.94	910.98	1,025.96	408.21	502.76
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		1,943.19	912.23	1,030.95	409.47	502.76
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		9,597.00	3,688.09	5,908.92	1,199.08	2,489.01
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	270,119.93	1,789.39	268,330.54	1,202.12	587.28
	Stage 2	9,800.34	326.66	9,473.68	142.43	184.23
	Stage 3	8,997.50	3,626.63	5,370.87	1,138.04	2,488.59
Grand Total		288,917.77	5,742.68	283,175.09	2,482.59	3,260.09

*Loss allowances (Provision) as required under Ind AS 109 is greater than the provision required as per IRACP norms (including the provision requirement specified in the notification dated March 13, 2020), hence the Company is not required to create impairment reserve.

74. DISCLOSURE ON LIQUIDITY RISK

Disclosure on Liquidity Risk, as per extant RBI guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies as at March 31, 2023 is as follows:

A. Funding Concentration based on Significant Counterparty

(₹ in lakhs)

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
26	221,913.15	-	81.60%

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

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

C. Top 10 Borrowings

(₹ in lakhs)

Particulars	Amount
Total Value of top 10 Borrowings	81,001.54
% of Total Borrowings	30.60%

D. Funding Concentration based on Significant Instrument/Product

S. No.	Name of the Instrument/Product	Amount	% of Total Liabilities
1	Term Loans	189,750.48	69.77%
2	Working Capital / Line of Credit /Overdraft facilities	19,472.88	7.16%
3	Commercial Papers	-	0.00%
4	Non-Convertible Debentures	55,307.29	20.34%
5	Inter corporate deposits	137.98	0.05%
	Total	264,668.63	97.32%

E. Stock Ratios

Sr. No.	Name of the Instrument/Product	%
1)	a Commercial Papers as a % of Total Public Funds	0.00%
	b Commercial Papers as a % of Total Liabilities	0.00%
	c Commercial Papers as a % of Total Assets	0.00%
2)	a Non-Convertible Debentures (original maturity of less than one year) as a % of Total Public Funds	0.00%
	b Non-Convertible Debentures (original maturity of less than one year) as a % of Total Liabilities	0.00%
	c Non-Convertible Debentures (original maturity of less than one year) as a % of Total Assets	0.00%
3)	a Other Short-Term Liabilities as a % of Total Public Funds	7.41%
	b Other Short-Term Liabilities as a % of Total Liabilities	7.21%
	c Other Short-Term Liabilities as a % of Total Assets	5.09%

F. Institutional set-up for Liquidity Risk Management

The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee (RMC), which is a committee of the Board, is responsible for evaluating the overall risks faced by AFL including liquidity risk. The meetings of RMC are held at quarterly intervals. The Asset Liability Management Committee (ALCO) is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level. The minutes of ALCO meetings are placed before the RMC during its quarterly meetings for its noting.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

75. As per the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, liquidity coverage ratio is not applicable on the company.

76. DETAILS OF RESOLUTION PLAN IMPLEMENTED UNDER THE RESOLUTION FRAMEWORK FOR COVID-19 RELATED STRESS AS PER RBI CIRCULAR NO.

RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 (Resolution Framework 1.0)

(₹ in lakhs)

(a) Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	125.31	11.61	-	9.19	104.51
Corporate persons of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	125.31	11.61	-	9.19	104.51

There were 29 borrower accounts having an aggregate exposure of ₹ 162.99 Lacs, where resolution plan had been implemented under RBI's resolution framework 1.0 dated August 06, 2020 and now modified under RBI's Resolution Framework 2.0 dated May 05, 2021.

RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework 2.0)

(b) Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	475.99	72.61	-	61.26	342.12
Corporate persons of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	475.99	72.61	-	61.26	342.12

Notes Forming Part of the Financial Statements

for the year ended March 31, 2023

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

The Indian parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

78. There is no transaction which is not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

79. MISCELLANEOUS

- a The Company operates in a single reportable segment i.e. lending to retail customers under various product lines, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographic segment i.e. domestic.
- b The Company has not obtained registration from other financial sector regulators except Reserve Bank of India.
- c No penalties were imposed by the regulator during the year during the financial year ended March 31, 2023, (March 31, 2022: Nil)
- d Previous year figures have been regrouped/ rearranged to conform to current year classification.

The accompanying notes are forming part of financial statements

As per our attached report of even date

For and on behalf of the Board of Directors of

KOGTA FINANCIAL (INDIA) LIMITED

For **J.C. BHALLA & CO.**

Chartered Accountants

ICAI Firm Reg. No. : 001111N

per **RAJESH SETHI**

Partner

Membership No. 085669

Place: Jaipur

Date: May 12, 2023

R. K. KOGTA

(Chairman)

DIN 00197552

VARUN KOGTA

(Executive Director & CFO)

DIN 06844307

Place: Jaipur

Date: May 12, 2023

ARUN KOGTA

(Managing Director & CEO)

DIN 05109722

RAHUL AGRAWAL

(Company Secretary)

Membership No. F10834



Kogta Financial (India) Limited

Kogta House, Azad Mohalla, Bijainagar,
District Ajmer - 305 624 (Rajasthan) India.

Email: info@kogta.in

www.kogta.in