



# OPTIMISED TO GROW, CUSTOMISED TO SUCCEED.



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## At a Glance



# 1,42,479

Customers



# 8

States



# 216

Branches



# 4,729

Employees



To view this report online,  
please visit: [www.kogta.in](http://www.kogta.in)

# OPTIMISED TO GROW, CUSTOMISED TO SUCCEED.

Relentlessly pursuing excellence, Kogta Financial strategically positions itself as one of India's fastest growing Companies in the NBFC landscape. Founded by visionaries and with over 25 years of deep expertise in asset finance, we deliver innovative and customised offerings to meet the evolving credit needs of our customers.

We remain resilient, maintaining stability and achieving steady growth amidst a challenging environment. Optimising potential with existing resources, we enhance our disbursements, maintain robust portfolio quality and augment our footprint, customer outreach and AUM. Our steady performance continues to yield tangible results, including an upgraded credit rating from A to A+.

At Kogta Financial, integrity, service excellence, ethical practices and safe and trustworthy financial policies serve as the bedrock of our operations, earning us the trust of our esteemed lenders and the loyal patronage of our growing customer base.

Central to our ethos is cultivating enduring relationships with our valued customers by providing customised offerings that efficiently cater to their life cycle credit needs.

Committed to innovation, we leverage digital technology to drive operational excellence and cost efficiency, streamlining processes and elevating the customer experience. Additionally, we invest in nurturing a talented workforce to improve productivity, quality service and overall performance.

Under the stewardship of next-generation leaders, we look forward to the future with confidence, poised to cement our position as a leading player in the sector. We envision a larger role in extending financial accessibility across the rural and semi-urban belt of North, West and Central India.



**Optimising our resources, we will continue to serve our customers and expand our presence, fostering the growth of enterprises and individuals alike.**

**Customising success, we prioritise the prosperity of our clients, employees and shareholders, delivering lasting value for all our stakeholders.**

# PROGRESSING WITH A STRATEGIC VISION

Relentlessly pursuing excellence, Kogta Financial strategically positions itself as one of India’s fastest growing Companies in the NBFC landscape. Founded by visionaries and with over 25 years of deep expertise in asset finance, we deliver innovative and customised offerings to meet the evolving credit needs of our customers.



## VISION

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



## MISSION

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



## 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

## HOW WE DIFFERENTIATE



**1**  
Fair business practices

**2**  
Secure and reliable financial policies

**3**  
Diverse product portfolio



**4**  
Varied customer profile pan India

**5**  
Widespread network catering to urban, semi urban and rural areas

**6**  
Efficient systems and processes



**7**  
Seamless loan mechanism

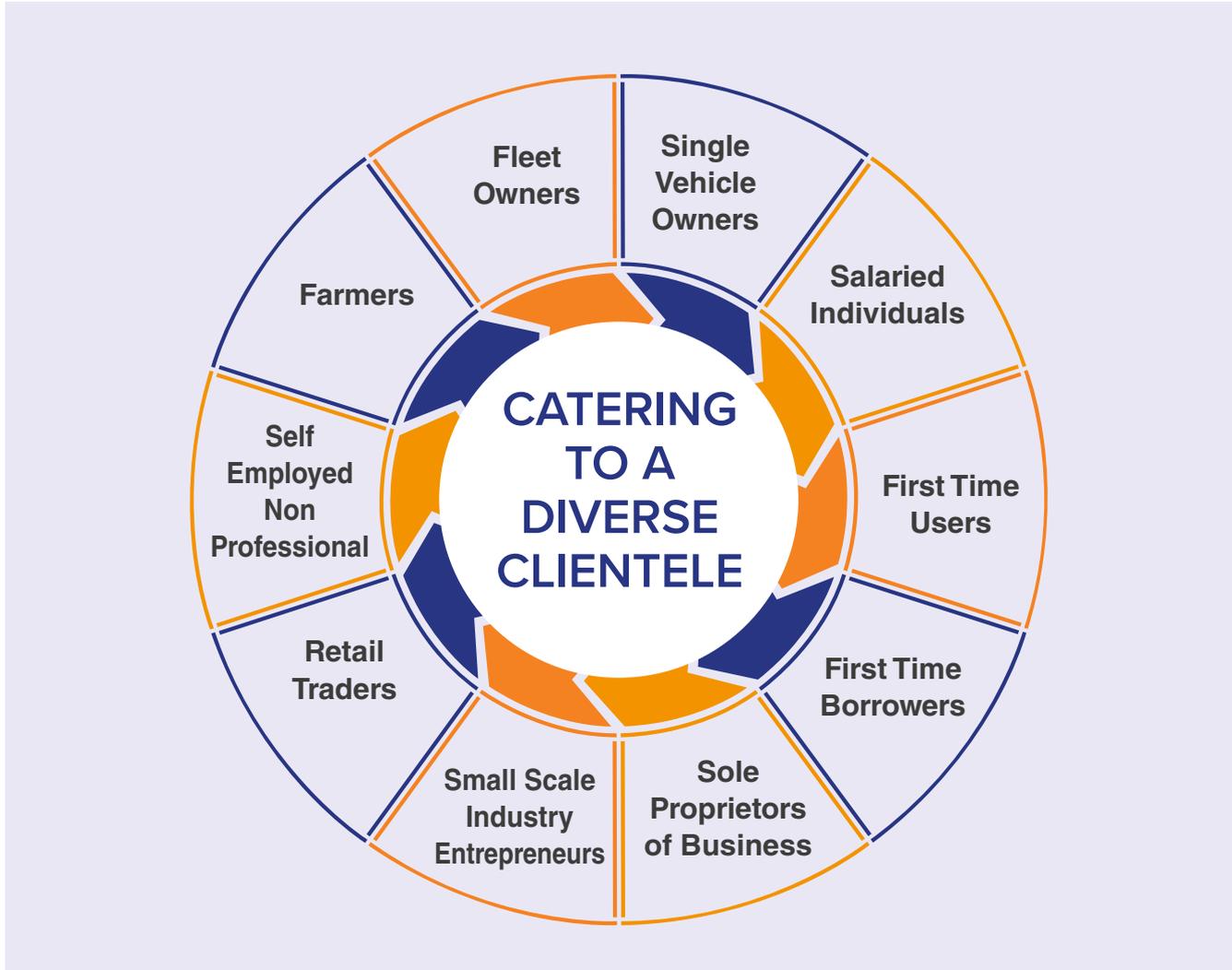
**8**  
Dedicated customer service

**9**  
Highly experienced and competent management team



Headquartered in Jaipur, we cater to diverse customer aspirations through a wide range of product portfolios and an extensive branch network. Our offerings include loans for commercial vehicle purchase, four-wheelers, tractors and Loan Against Property (LAP) and Secured Business Loans to the SME/MSME segment.

# PROGRESSING WITH A STRATEGIC VISION



With a rapidly expanding presence in our existing geographies, we serve 1,42,479 active customers through our 216 branches spread across Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Delhi NCR, Punjab & Haryana.

Guided by the next generation and a lean management system, our strong growth is supported by 4,729 committed employees, fair business practices, efficient, secure and reliable financial policies and a robust credit/risk assessment framework, serving a diverse customer base and unwavering customer centricity. Additionally, we have aligned cutting-edge technology with business objectives to enhance operational efficiency, risk management, customer experience and regulatory compliance.

Funded by top private equity investors and a diversified lender base, we strive to strengthen the Retail and SME/MSME segments with secure retail lending mechanisms, a strong presence in emerging markets, well established systems/processes, modern technology and dynamic leadership capabilities.

Positioned for success, we envision a key role in transforming the NBFC lending space, especially in livelihood small entrepreneur financing while delivering enduring stakeholder value.

## PERFORMANCE ENDORSED BY RATING

Nature of Debt Instrument	Term	CARE Rating	ICRA Rating
Bank Loans	Long Term	CARE A+	ICRA A+
Non-Convertible Debentures	Long Term	CARE A+	ICRA A+
Non-Convertible Debentures Market Linked	Long Term	CARE PP MLD A+	ICRA PP-MLD A+



## FY 2023-24 IN NUMBERS

₹ **4,793.33** crore  
AUM

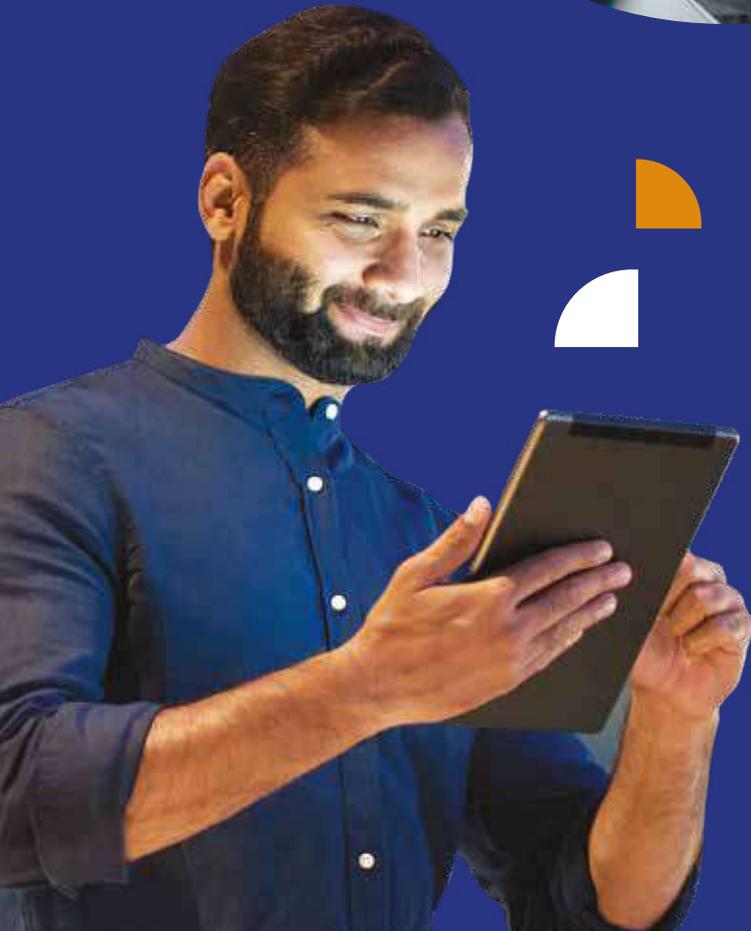
₹ **1,280.33** crore  
Net Worth

₹ **3,170.55** crore  
Disbursements

**27.10%**  
CAR

**37,803**  
New Customers onboarded

# GROWTH POWERED BY KEY STRENGTHS



## SEASONED LEADERSHIP

An adept management team with rich domain expertise complemented by proficient operational teams, collectively striving to achieve broader goals and drive growth.

## EXTENSIVE PRODUCTS

A diverse array of loan products offering high yield and low risks to meet the unmet credit needs of an extensive clientele.

## CUSTOMER CENTRICITY

Our dedicated Customer Relationship Management ('CRM') team has introduced various refinance schemes to retain existing customers and strengthen our long-term relationships. Additionally, we have aligned our customer engagement policy with RBI customer service guidelines for better transparency and improved service quality.

## TECHNOLOGY EDGE

Our in-house integrated technology platform for loan origination and portfolio management leverages real-time data across enterprise-wide functions for better internal controls, seamless processes and dedicated customer service. Our scalable cloud solutions ensure high availability and disaster recovery capabilities, minimising downtime and data loss.

## ROBUST CREDIT AND RISK MANAGEMENT FRAMEWORK

A risk-based lending model that customises risk pricing according to the borrower's profile and the product features, ensuring delivery of quality turnover, enhanced productivity and in-depth client perspective.

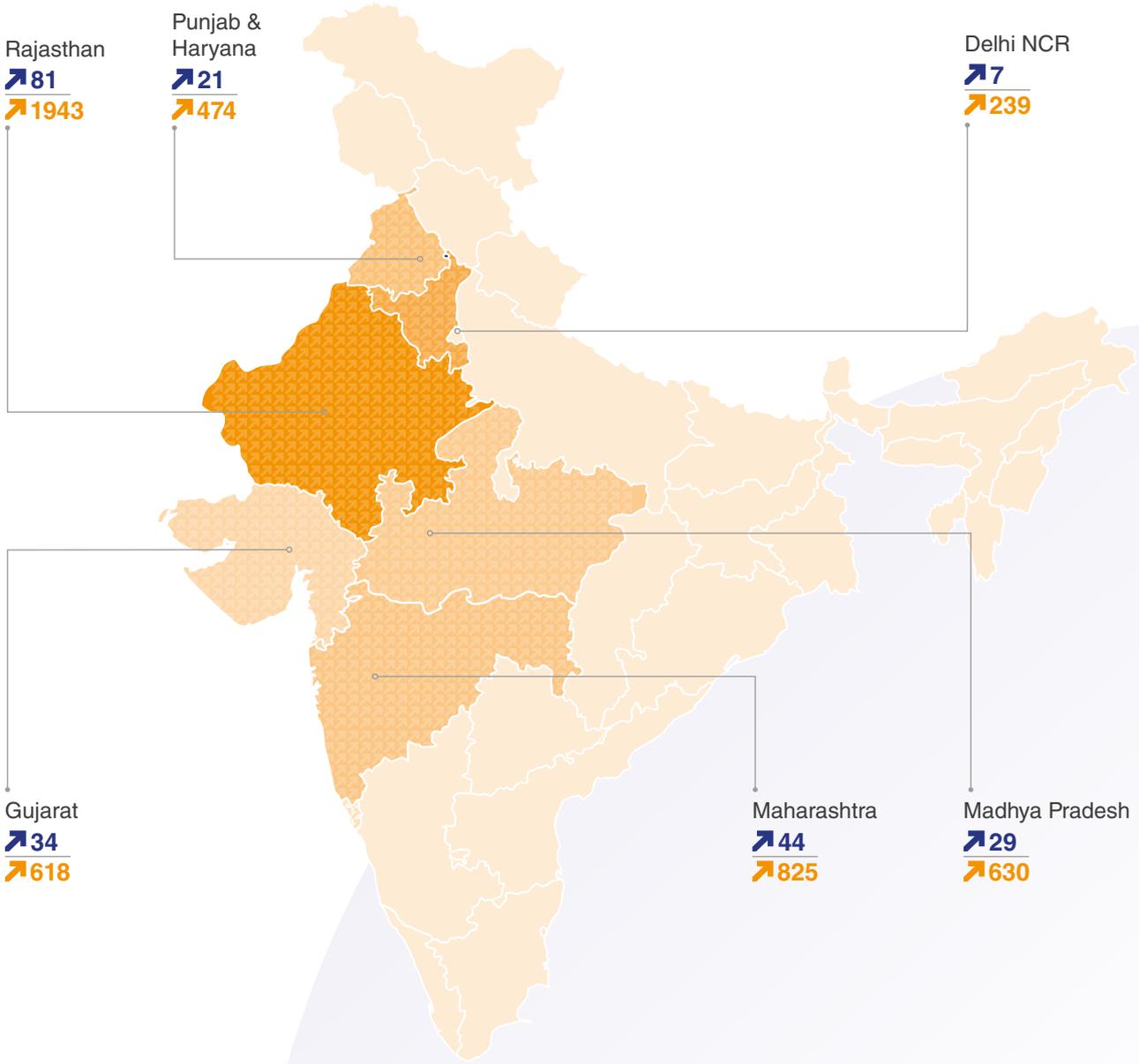
## STRONG LIQUIDITY POSITION

Healthy liquidity is maintained through funding, secured from esteemed private equity investors and a widespread lender mix which includes PSUs, Private Banks, Financial Institutions, Mutual Funds and Debt Funds.

## EXPANDING REACH

We focus on increasing penetration in our existing geographies and capturing a sizeable market share by leveraging our well-established HR capabilities, technology and acquired market expertise.

# EXPANDING OUR SERVICE FOOTPRINT



Map not to scale. For illustrative purposes only.

**TOTAL**  
216 Branches as on March 31, 2024  
4,729 Number of Employees

# ASSORTED PRODUCT BASKET



**PASSENGER VEHICLE  
LOAN**

Our loan products are meant for pre-owned, used, and new cars across all vehicle categories, manufacturers, and brands. Additionally, we offer a seamless and hassle-free loan application process along with attractive interest rates.



**LIGHT COMMERCIAL  
VEHICLE**

Our specialised Light Commercial Vehicle (LCV), Small Commercial Vehicle (SCV) & Intermediate Commercial Vehicle (ICV) loan products are crafted to meet compact commercial vehicle funding needs for transportation, supporting the diverse requirements of small businesses and agricultural customers.



**HEAVY COMMERCIAL  
VEHICLE &  
CONSTRUCTION  
EQUIPMENT LOAN**

We aim to cater to the individual business needs of our diverse clientele by providing customised loan schemes for new and used commercial vehicle purchases across categories. Additionally, we provide loans for financing new and used construction equipment for use across earthmoving, mining, material handling, road construction, concrete and material processing.



**TRACTOR LOAN**

We adopt an extensive market penetration strategy in our stronghold regions. This enables us to provide convenient access to tractor loans for customers in towns, rural areas, and Tier II & Tier III regions.



**MSME LOAN**

We cater to the financial needs of Micro, Small and Medium Enterprises (MSMEs) through a range of tailored products. These include doorstep assistance, transparent and convenient processing, quick turnaround time, and coverage across diverse industries (urban and rural areas) through our extensive branch network.



**LOAN AGAINST  
PROPERTY**

Our Loan Against Property (LAP) serves the varied financial needs of both self-employed and salaried. These include business expansion, renovation, marriage, education, medical treatment and property purchase among others.

# OUR LENDER ECOSYSTEM

### BANKS


### FINANCIAL INSTITUTIONS


### SMALL FINANCE BANKS


### OTHERS


# MESSAGE FROM THE MD & CEO



“Despite global uncertainties, it is heartening to see India standing strong as the fifth-largest global economy, fuelled by resilient domestic demand, a rise in disposable income, increased industrial activity, investments and supportive government policies.

## **Dear Stakeholder,**

I am delighted to present Kogta Financial's Annual Report for the financial year 2023-24.

As we reflect on FY 2023-24, it is remarkable to see how the global economy displayed remarkable resilience despite facing uneven growth and challenges. Supply chain disruptions, escalating geopolitical tensions, rising inflation and synchronised monetary policy tightening stood as significant hurdles. Yet, the global economy avoided recession, major banking systems remained largely resilient and stability persisted in major emerging markets.

Despite global uncertainties, it is heartening to see India standing strong as the fifth-largest global economy, fuelled by resilient domestic demand, a rise in disposable income, increased industrial activity, investments and supportive government policies. Moreover, the emerging shift in consumption patterns has amplified demand for luxury and high-end products and services, outpacing demand for basic goods. Displaying tenacity, our economy surpassed expectations with an impressive 8.4% growth rate in Q3 FY 2023-24, propelled by investments and government spending. As we anticipate the upcoming general elections, we recognise the potential for various factors to influence economic growth, market stability and investor

confidence, presenting opportunities for informed decision-making and future outcomes.

Meanwhile, the NBFC sector in India has evolved as a significant financial player, adeptly catering to the changing credit needs of our evolving economy. Strong domestic demand, enhanced credit conditions, increased financial inclusion and robust solvency and funding of Indian financial institutions have bolstered the transformation of the credit quality within the sector. Additionally, favourable government and RBI initiatives such as the Pradhan Mantri Mudra Yojana (PMMY) and Pradhan Mantri Jan Dhan Yojana (PMJDY) have further enhanced industry growth.

Amidst this economic backdrop, Kogta Financial's dedicated efforts to optimise potential with existing resources, cultivate lasting customer relationships, enhance productivity and achieve steady growth in FY 2023-24. We pursued operational efficiency and operating leverage across our business, by capitalising on our market expertise, extensive branches, robust retail lending mechanism and core capabilities. Expanding our presence in established markets, we also prioritised enhancing existing customer experiences through tailored offerings.

Our collected efforts have resulted in a sound business performance in the fiscal year. As on March 31, 2024, our Total Assets under Management (AUM) amounted to a sizeable ₹ 4,793.33 crore, over ₹ 3,395.61 crore generated in FY 2022-23, showcasing a y-o-y growth of 41.16%. This growth underscores our steadfast commitment to offer innovative products and deliver consistent performance year-on-year. Notably, our AUM has grown impressively, at 3 times over 3 years, highlighting sustained progress and customer trust in our offerings.

In FY 2023-24, our total disbursements stood at ₹ 3,170.55 crore, marking a growth of 33.13% over ₹ 2,381.53 crore disbursed in the previous year, highlighting our continued efficiency in effectively meeting the growing aspirations of customers.

Upholding our commitment to key stakeholders, we continued to deliver steady financial results. Our revenue from operations reached ₹ 769.94 crore in FY 2023-24, compared to ₹ 521.54 crore generated in FY 2022-23, demonstrating 47.63% growth. We ensured diligence in managing our credit risk by maintaining our steadfast focus on robust risk management and superior asset quality. In FY 2023-24, our Gross Non-Performing Assets (NPA) decreased to 2.63% from 3.32% in FY 2022-23, while our Net NPA decreased to 1.30% from 1.81% during the same period. Correspondingly, our Stage III (Gross) and Stage III (Net) Non-Performing Assets (NPA) stood at 2.63% and 1.71% respectively in FY 2023-24, compared to 3.11% and 1.88% achieved during the previous year.

We are excited to share that our performance during the fiscal year has led to an improvement in our external credit rating by ICRA & CARE, transitioning from A to A+. This upgraded rating bolstered our ability to procure funds at competitive rates and efficiently cater to the evolving credit requirements of our diverse clientele. Furthermore, thanks to our healthy financial position and prudent management practices, we have maintained a Capital Adequacy Ratio of 27.10%, well above the statutory requirement of 15%.

With a highly integrated loan origination technology platform, built-in portfolio management system, dynamic processes, adequate resources and robust capitalisation, we continue to empower mobility through our offerings, delivering customised and tailored offerings. Moreover, our customer-centric initiatives are aligned with the RBI's customer service guidelines, ensuring protection of customer rights, transparency and delivery of high quality customer services.

On our funding front, robust business practices have helped strengthen our asset quality and diversify our resources, optimising growth potential over the years. Backed by experienced founders with profound operating and market expertise, a highly

“We are excited to share that our performance during the fiscal year has led to an improvement in our external credit rating by ICRA & CARE, transitioning from A to A+.”

competent team and advanced technology, we have achieved a remarkable 46% CAGR over a 5-year period.

Our dedicated team has focussed on deepening our presence in existing markets by leveraging our widespread network, strategic product mix and diverse customer profile. Additionally, we have enhanced productivity by recruiting talent across our offices in FY 2023-24. Simultaneously, we remain committed to maintaining robust asset quality and implementing cutting-edge IT systems to drive operational and cost efficiency coupled with superior customer experience. Through our cost effective and efficient value chain, we strive to lay a strong foundation for powering the dreams of millions in rural and semi-urban towns.

In conclusion, I would take this opportunity to thank our financing partners for their unwavering support throughout our journey. I also express my sincere gratitude to our employees for supporting us in all our endeavours. Moreover, I extend thanks to our valued customers and stakeholders for their continued support and trust in our capabilities to deliver lasting value.

As a progressive NBFC, our unwavering focus remains on optimising growth from existing resources and creating comprehensive offerings. Simultaneously, we aim to expand to newer geographies and cater to an evolving customer base. Additionally, we will continue to build long-term relationships with our existing customers by providing unique solutions tailored to their needs.

Customising our success to align with the mutual growth of our stakeholders, we foresee playing a greater role in the nation's development and progress in the coming years.

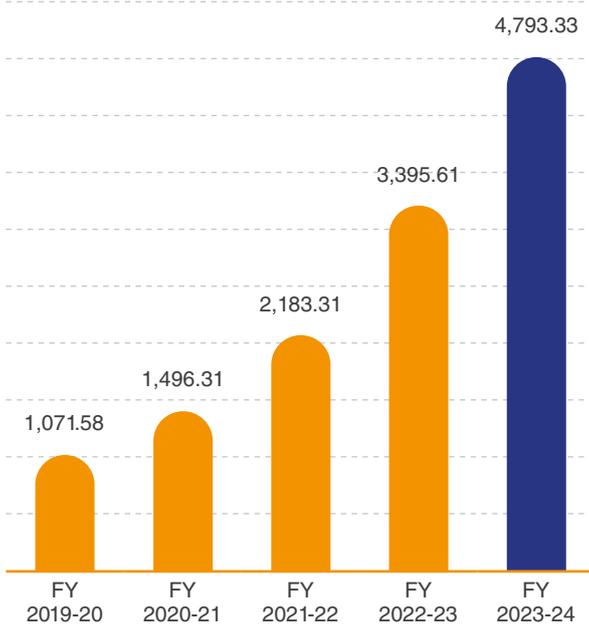
Thank you,

**ARUN KOGTA**  
MD and CEO

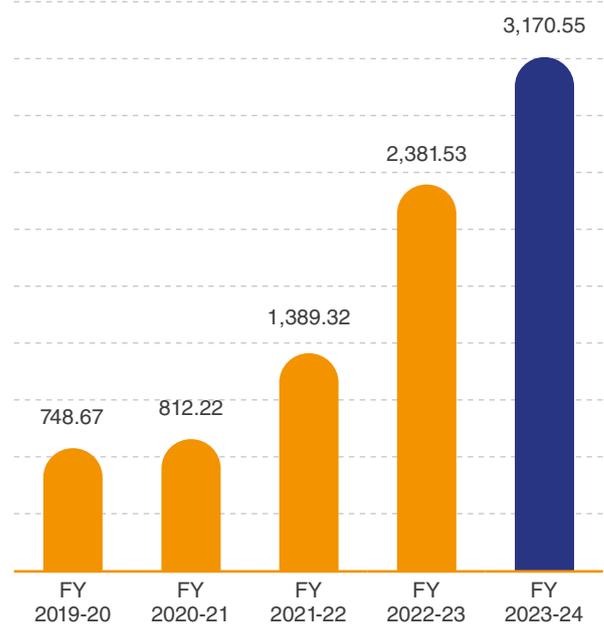


# OUR STELLAR PERFORMANCE

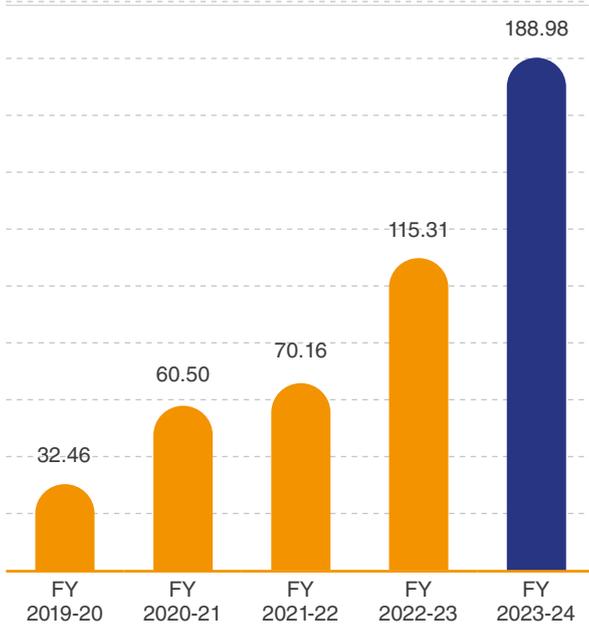
**TOTAL AUM (₹ crore)**



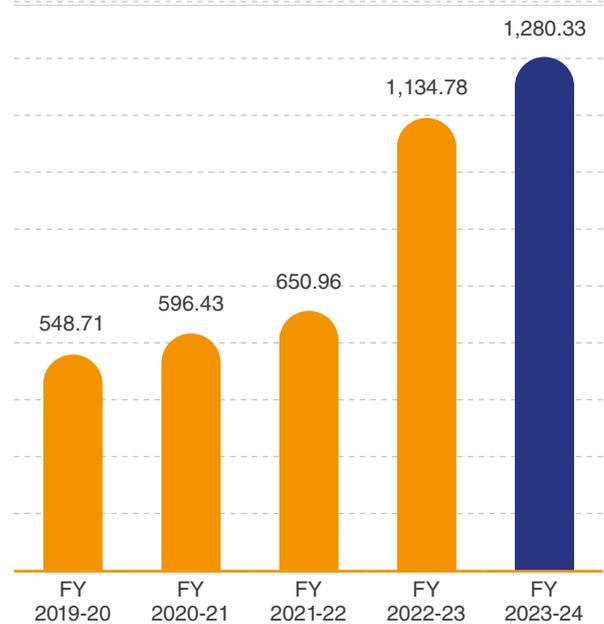
**TOTAL DISBURSEMENTS (₹ crore)**



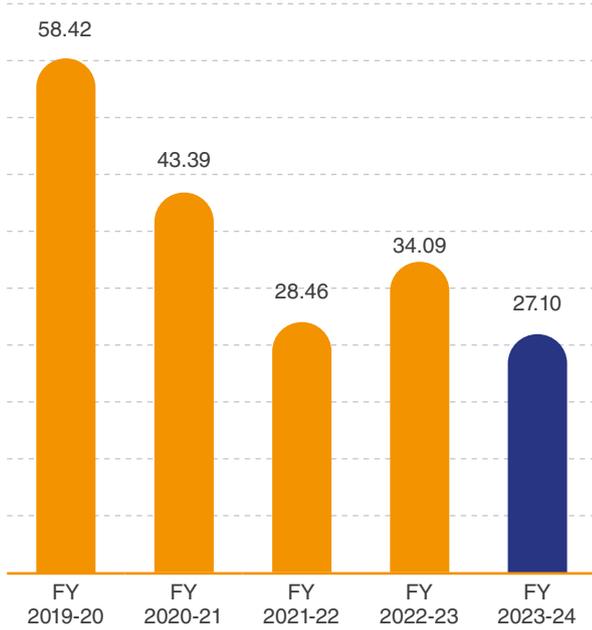
**NET PROFIT BEFORE TAX (₹ crore)**



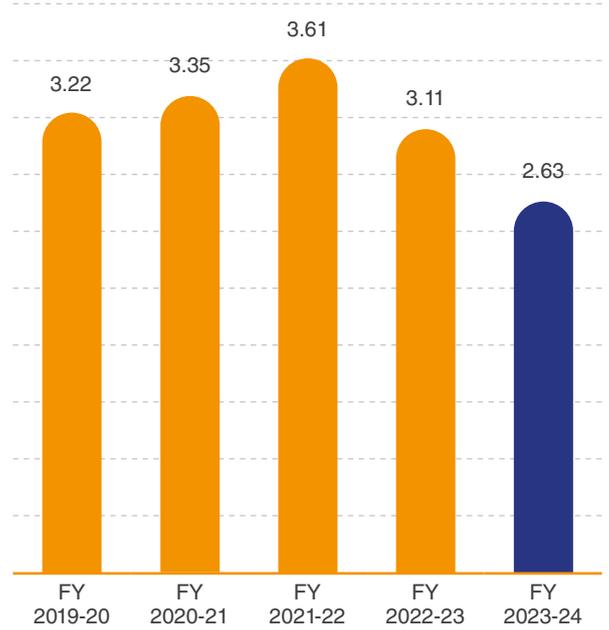
**NET WORTH (₹ crore)**



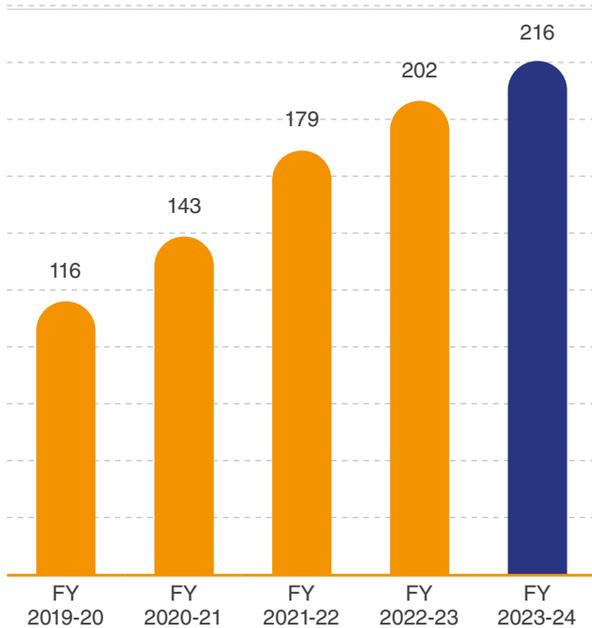
**CAPITAL ADEQUACY RATIO (%)**



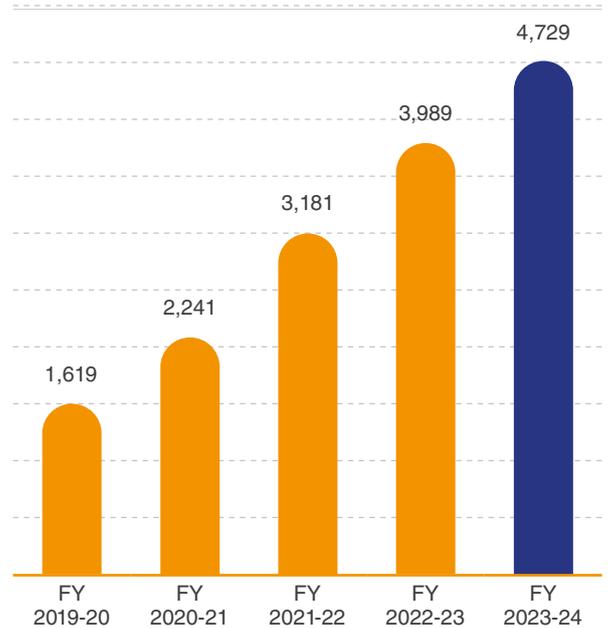
**GROSS STAGE III (%)**



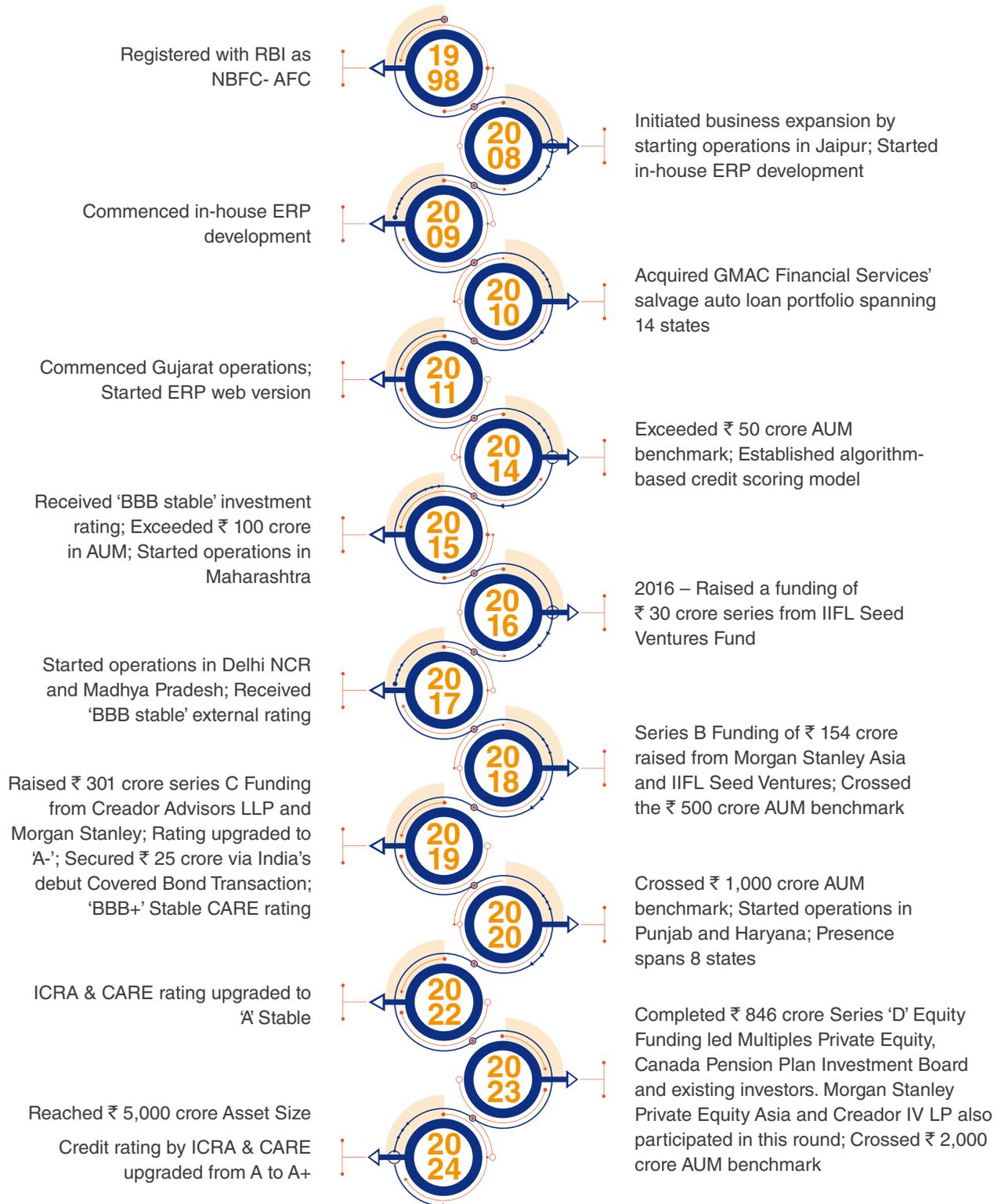
**NETWORK EXPANSION (No. of Branches)**



**NUMBER OF EMPLOYEES**



# NAVIGATING A PURPOSEFUL JOURNEY



# TECHNOLOGY AT THE FOREFRONT

Leveraging the latest technology trends, we develop and integrate cutting-edge technology and digital initiatives to enhance operational efficiency, elevate customer experiences, strengthen risk management practices and ensure compliance with regulatory standards.

## WEB-BASED ERP

### Accurate

The ERP solution integrates Loan Origination System (LOS), Loan Management System (LMS), Accounting System and Human Resource Management System (HRMS). Built on the MVC architecture, the application offers a modular and scalable approach to application development.

LOS handles loan origination tasks such as KYC verification, credit score, risk assessment, credit underwriting based on product-specific credit policies, document verification and digital loan disbursement.

LMS oversees the entire loan lifecycle, right from disbursement to closure, including digital EMI collection, legal proceedings and accounting.

Accounting System manages the Company's financial transactions, records and reporting.

HRMS manages various aspects of human resource management such as employee data management, payroll processing and performance evaluation, among others.

## CRM

CRM (Customer Relationship Management) oversees customer and channel partner relationships. It addresses their enquiries, complaints and grievances while facilitating lead management, sales tracking and customer retention.

## ANDROID MOBILE APPLICATIONS

### KFIN

KFIN, our in-house Android mobile application expands customer outreach and enhances business mobility. It facilitates seamless lead generation, loan origination, customer verification, EMI collection and HR processes.

### Motor Gaadee

Motor Gaadee, an Android-based mobile app, provides a secure platform with advanced security features to protect user data and prevent unauthorised access. The app streamlines the sale of pre-owned vehicles, allowing users to access vehicle details, submit real-time online bids, track competitive offers and securely finalise purchases.



# FOCUSSED ESG APPROACH

Our steadfast dedication to social responsibility, environmental consciousness and governance is evident in our operations and robust business practices, right from decision-making to risk management to stakeholder engagement. Anchored by a focussed ESG strategy, we aim to deliver lasting value to our stakeholders while advancing our sustainable development goals. KFL is pleased to announce its inaugural Sustainability Report, marking a significant milestone in the company’s journey towards greater sustainability.

As a strong advocate for financial inclusion, we reach out to underprivileged segments including individuals with low-income backgrounds, women, rural populations, and marginalised communities, to meet their unmet credit needs through our offerings and support.

## 3 PILLARS OF OUR ESG FRAMEWORK

### RESPONSIBLE

- Sustainable Operations
- Responsible Finance
- Customer Experience

### EMPOWER

- Human Capital Development
- Employee Well-Being
- Workplace Health and Safety
- Corporate Social Responsibility

### ACCOUNTABLE

- Regulatory Compliance
- Governance and Business Ethics
- Risk Management
- Cyber Security and Data Privacy
- Digital Transformation



## OUR ESG VISION

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



ENVIRONMENTAL

**Key environmental initiatives conducted in FY 2023-24 include:**

- Reduction in energy intensity by 22.7% from previous FY
- Reduction in emission intensity by 21.3% from previous FY
- 100% E-waste disposal through authorised recyclers
- ~3,000 Trees planted through various employee volunteering and CSR initiatives



# FOCUSSED ESG APPROACH

## SOCIAL

**Key FY 2023-24 social initiatives undertaken across:**

### **CUSTOMER RELATIONSHIP MANAGEMENT (CRM)**

- A dedicated team to actively monitor customer feedback and swift complaint handling, promptly mitigating issues and enhancing customer satisfaction
- Invested in comprehensive training programmes to equip employees with essential skills and knowledge to deliver exceptional service
- Round-the-clock customer service team is available to assist customers with enquiries, providing professional and friendly service
- Outreach through vernacular language infographics to promote financial literacy and empower customers to make informed decisions
- Meeting evolving customer needs with service offerings including vehicle and MSME lending
- Our employees expressed gratitude to valued customers, internal and external, for their invaluable contributions to the company's journey

### **EMPLOYEE FOCUS**

- Launched a pilot programme "EmpowerHer 2024" dedicated to women hiring
- 22% women representation across the Board
- Achieving 100% return-to-work rate from parental leave
- Average 7 hours of training per employee; 40% increase from previous FY
- Promoting diversity and inclusion, we have 5 specially-abled employees

### **CSR INITIATIVES**

- CSR spend ₹ 1.64 crore
- ~3,000 Trees planted through various employee volunteering and CSR initiatives
- Launched a year-round programme "Impactful25" featuring 25 impactful initiatives within the employee volunteering programme



## GOVERNANCE

**Key FY 2023-24 initiatives include**

- 100% of Senior Management roles in key positions are held by local community representatives
- 100% of the Governance Body members and employees undergo comprehensive anti-corruption training
- Constitution of Sustainability Committee



## AWARDS & RECOGNITION



Best ESG Performance Award in Sustainable Finance received in 3<sup>rd</sup> Annual ESG Summit & Awards, 2023



Quality and Business Excellence Awards at the Apex India Corporate Ethics Awards, 2023



Positive Social Impact category at Credior ESG Impact Awards, 2023

# LIFE AT KOGTA

We are committed to fostering a dedicated and productive workforce to drive our growth. Through a variety of employee engagement initiatives, we sustain motivation and momentum among our team members, promoting overall well-being and a synergised workplace.

## KEY EMPLOYEE INITIATIVES: FY 2023-24

### POSH TRAINING

To ensure workplace safety and inclusivity, we conducted a comprehensive POSH (Prevention of Sexual Harassment) training for all employees. The training culminated in an interactive quiz, rewarding excellence. This underscores our commitment to fostering a secure and respectful work environment for all.



### FAMILY DAY

We hosted a Family Day event to provide a unique glimpse into the daily lives of our employees, strengthening family bonds and fostering a deeper understanding of their work environment.



**'IMPACTFUL 25' SERIES**

As part of the 'Impactful 25' series, we conducted a series of activities.

We conducted a pan India Plantation Drive (Activity 7) to promote environmental sustainability and increase greenery, wherein a remarkable 600 plants were successfully planted.



A Blood Donation Drive was organised across all our pan India offices. In total, approximately 100 units of blood were donated across states. Post the event, we awarded donors with E-Certificates and encouraged them to share their experiences on LinkedIn with meaningful captions.

Vocal for Local (Activity 7) was initiated to promote local businesses and vendors across India. Employees participated by shopping locally and sharing their experiences through pictures. Additionally, in Rajasthan, we extended support to two rural women entrepreneurs creating handmade products, providing them with a platform to showcase their items and helping them collectively generate an estimated revenue of ₹ 8,000.



**CELEBRATION OF INDIA FESTIVALS ACROSS OUR PAN INDIA OFFICES**

**HOLI**



**NAVRATRI**



**GANESH CHATURTHI**



**DIWALI**



# FY 2023-24

## CSR INITIATIVES

### INTERNATIONAL YOGA DAY

Kogta Foundation partnered with a certified yoga teacher for a 10-day virtual yoga and meditation programme to promote yoga's benefits for physical and mental well-being. On International Yoga Day, a special session was held in Jaipur, Rajasthan, encouraging participants to benefit from adopting yoga practices. Yoga mats, T-shirts, and refreshments were provided to participants, including employees, customers and the local community. The event was also live streamed on YouTube for broader participation.



### CONTRIBUTION TO THE DEVELOPMENT OF SCHOOLS IN JAIPUR AND BIJAINAGAR, RAJASTHAN

Kogta Foundation provided financial assistance for the construction and infrastructure development of government schools in Khora Bisal (Jalsu) & Mahatma Gandhi Govt. School, Banipark, Jaipur. The initiatives would access to quality, value-based, holistic education for underprivileged children.



### TREE PLANTATION

Kogta Foundation initiated tree plantation drives across Rajasthan, Delhi, Gujarat, Madhya Pradesh, Punjab, Haryana, and Maharashtra. Our employees volunteered their time, demonstrating remarkable teamwork and dedication to promote a healthy and nourished environment. Tree guards were installed to protect newly planted trees during the initial years. Saplings would be nurtured until they grew and matured.



**CLEANLINESS DRIVE AND TREE PLANTATION ON WORLD ENVIRONMENT DAY**

During World Environment Day, the Company organised a week-long “Care & Connect” programme where employees volunteered in various environmental activities. In Jaipur, Rajasthan, a partnership with a specialised NGO facilitated a cleanliness campaign at Nahargarh Biological Park & Wildlife Sanctuary and involved the local community. Similar initiatives were undertaken in Delhi, Indore (Madhya Pradesh), Chandigarh, Bikaner (Rajasthan), Karnal (Haryana) & Navi Mumbai (Maharashtra).



**STATIONERY (PENS & NOTEBOOK) DISTRIBUTION IN SCHOOLS AT BIJAINAGAR & JAIPUR, RAJASTHAN**

The Kogta Foundation distributed stationery materials such as pens and notebooks to students in various government schools towards fulfilling the basic needs for proper education among students.



**HOSPITAL WING CONSTRUCTION**

Kogta Foundation provided financial support to Mahesh Hospital at Chandpole, Jaipur, Rajasthan towards hospital infrastructure to offer essential services to needy patients and their attendants.



**GAU SEVA (CARING FOR COWS) GAUSHALA AT JAIPUR, RAJASTHAN**

As advocates for cow welfare and their protection from slaughterhouses, we contributed to sustaining cows at a shelter. This initiative ensures the nourishment and care of cows while generating livelihoods for those involved.



# FY 2023-24

## CSR INITIATIVES

### CONTRIBUTION TOWARDS SAFETY AND HEALTHCARE PROGRAMMES

Kogta Foundation organised eye checkup camps with Bharat Vikas Parishad, an NGO at various schools in Bijainagar, Rajasthan to raise awareness among students, address avoidable blindness and provide necessary treatment. Basic services including screening, providing eyeglasses for refractive errors and dispensing medicines for allergies and other eye issues were provided.



### PAHIYO PE PAATHSHALA (ONE MONTH) PROGRAMME IN RAJASTHAN

In collaboration with 'Cinema on Wheels,' we introduced a unique concept of movable multiplex cinema to rural areas, aiming to educate on important life skills in rural areas. The solar panel vehicle, featuring a modern digital movie theatre on a special utility vehicle, promotes our commitment to ESG and spreads awareness about renewable energy.

It offers a 360-degree Dolby Digital surround sound and a high-definition screen coupled with comfortable 50-plus seating, central air conditioning, power backup and technical support. We focussed on delivering knowledge in an entertaining way to government school children, covering various topics such as renewable energy and gender stereotypes. The concept drives positive change and empowers communities by integrating knowledge and entertainment.



### MAINTENANCE OF SAFE & CLEAN DRINKING WATER PLANT

Ensuring the welfare and skill development of underprivileged individuals is a continuous and life-changing process. The Kogta Foundation supports the Dakshiva Welfare Foundation in providing skill development and poor people welfare services to people from underprivileged homes. By ensuring access to education and opportunities, we aim to brighten their futures.



### HELMET DISTRIBUTION PROGRAMME (ROAD SAFETY INITIATIVE), RAJASTHAN

The road safety initiative, a collaboration between the Kogta Foundation and the Rajasthan Road Safety Society, aims to raise awareness about road safety and etiquette. With a phased helmet distribution drive, it emphasised the value of life and a healthy lifestyle, particularly for children.



# STRATEGIC LEADERSHIP



## Mr. Radha Krishan Kogta

Chairman & Whole Time Director

Mr. R. K. Kogta, a founding member and first-generation entrepreneur holds a Bachelor of Commerce degree from the University of Rajasthan. He has over 35 years of experience in finance, construction, and other SME businesses.

Mr. Kogta's robust leadership skills and expertise in credit and risk analysis have been pivotal to Kogta Financial's success and growth. His responsibilities within the company span strategic finance, corporate planning, and risk management. Under his able leadership and guidance, the company has significantly improved its disbursements, profitability, and overall performance over the years.



## Mr. Arun Kogta

Managing Director & Chief Executive Officer

Mr. Arun Kogta, an MBA in Finance from Cardiff University, U.K., and a Civil Engineering graduate from Pune University, joined Kogta Financial in 2004. His profound financial acumen, coupled with his professional passion, has steered the company's remarkable ascent to its current stature.

His operational management skills have been instrumental in ensuring the company's smooth functioning and expansion into new geographies. Specialising in marketing, credit, risk analysis, and collection, his responsibilities encompass formulating business development strategies, establishing new disbursement touchpoints, risk analysis of operational areas and identification of new product segments among others.



## Mr. Varun Kogta

Whole Time Director & Chief Financial Officer

Mr. Varun Kogta is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He has extensive banking industry experience having previously worked with ICICI Bank, Axis Bank, and Ernst & Young in their statutory audit teams.

His strong managerial skills, coupled with vast sector experience and infectious energy, make him adept at efficiently handling the company's financial, operational, legal, and administrative activities. Additionally, monitoring financial budgeting and management reporting systems. He also has strong interpersonal skills and advanced analytical, problem-solving, and organisational capabilities. His strategic focus on relationship-building has fostered long-term connections based on trust, integrity, and conviction with banks and stakeholders.



## Mr. P.R. Kalyanaraman

Independent Director

Mr. P R Kalyanaraman is a seasoned commercial banker with an impeccable career spanning around 40 years. He has excelled in diverse roles across public and private sector banks, as well as non-banking financial institutions across geographies and functions (business and operational areas) across retail and corporate businesses, both at field and macro levels. Beginning his career as a marketing professional, he has consistently emphasised its pivotal role, alongside prioritising team building and mentorship across assignments, transforming restrictive work practices and enhancing control measures. His expertise largely covers administrative and operational functions such as resource mobilisation, management of stressed assets, large industrial credit and foreign exchange operations.

Throughout his distinguished career, Mr. P R Kalyanaraman has held notable positions, including Managing Director at Centrum Capital, General Manager at Bank of India, Board member at FedBank Financial Services Limited and Executive Director at Federal Bank.



### Mr. Kumar Sharadindu

Independent Director

Mr. Kumar Sharadindu, with over 30 years of banking experience holds a master's degree in physics from Delhi University. Since 2019, Mr. Sharadindu has served on the Board of Kogta Financial as an Independent Director.

In his distinguished career, he has been involved in various branch operations, headed treasury operations, managed investments, and risk management. He has served as the Chief General Manager of the State Bank of India and later on, the role of MD & CEO at SBI Pension Funds (P) Ltd, where he played a key role in doubling the AUM within two years.



### Mrs. Shashikala Ramachandra

Independent Director

Mrs. Shashikala Ramachandra has been serving as an Independent Director at Kogta Financial since 2019. She has nearly 40 years of banking sector experience, retiring as the General Manager and Group Chief Risk Officer from Canara Bank.

Beginning her journey at Canara Bank, she progressed through several pivotal roles, including Divisional Manager, Deputy General Manager and General Manager, ultimately having served as the Chief Risk Officer. Her stint at Canara Bank saw her spearhead the implementation of enterprise risk management solutions, oversee SAS modules, implementation of Loan Origination Systems, model development and validation for the BASEL approaches and managing credit risk and being in complete preparedness for advanced approaches, apart from group risk and ICAAP.



### Ms. Nithya Easwaran

Nominee Director

Ms. Nitya Easwaran has over 27 years of rich expertise in financial services. She serves as the Managing Director of Multiples Alternate instead of Investor Nominee Director, Asset Management (Multiples), a private equity platform with assets under management (AUM) exceeding USD 2.5 billion.

She joined Multiples in 2010 and heads the financial services and fintech investing practice. She holds the position of Director on the Board of Multiples and is an integral part of the Investment Committee. Additionally, Nithya serves as a Director on the Boards of Arvind Fashions, APAC Financial Services, APAC Housing Finance, Acko Technology & Services, Niyo Solutions Inc., Finnew Solutions Private Limited, DAM Capital Advisors and TI Clean Mobility. She is also an independent director on the Board of Zerodha Asset Management Company and serves on the Board of Governors of IIM, Lucknow.



### Mr. Arjun Saigal

Nominee Director

Arjun Saigal is a Managing Director at Morgan Stanley and Co-Head of Morgan Stanley Private Equity Asia (ex-China) business.

Mr. Saigal joined Morgan Stanley in 2012 and also Co-Heads the Fund's India Investment Operations. He has led investments in multiple companies in India including Five Star, Southern Health Foods, SMT, Kogta, Sterling Accuris and Centrum Housing.

Prior to joining Morgan Stanley, Mr. Saigal worked with Baring Private Equity Partners India and before that was with Ontario Teachers' Pension Plan. Mr. Saigal is a graduate of the London School of Economics and received his M.B.A. from Columbia Business School.



### Mr. Robin Agarwal

Nominee Director

Mr. Robin Agarwal has been an Investor Director at Kogta Financial since 2019. He is an alumnus of the Indian School of Business, Hyderabad, and the Indian Institute of Technology, Mumbai. With over 12 years of experience in Private Equity and Consulting, he currently serves as an Executive Director at CR Advisors LLP (Creador India), focussing on growth investments in India & South East Asia regions.

# Corporate Information



## REGISTERED OFFICE

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



## TRUSTEE AND REGISTRAR & SECURITIES TRANSFER AGENT

### Trustee

#### CATALYST TRUSTEESHIP LIMITED

(Erstwhile GDA Trusteeship Limited)  
Unit No.- 901, 9<sup>th</sup> Floor, Tower – B, Peninsula  
Business Park, Senapati Bapat Marg,  
Lower Parel (W), Mumbai - 400013  
E-mail- [compliancectl-mumbai@ctltrustee.com](mailto:compliancectl-mumbai@ctltrustee.com)

#### IDBI Trusteeship Services Limited

Asian Building, 17, R Kamani Rd,  
Ballard Estate, Fort, Mumbai – 400001  
Ph.- 022-40807000  
E-mail- [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)

#### Vardhman Trusteeship Private Ltd

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

#### Registrar & Securities Transfer Agent

#### KFIN TECHNOLOGIES LIMITED

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



## 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-110065  
FRN: 001111N

### Secretarial Auditor

#### M/s DEEPAK ARORA & ASSOCIATES

Company Secretaries  
23 KA-4, Jyoti Nagar, Near Vidhan Sabha,  
Jaipur-302005, Rajasthan  
FRN: P2001RJ080000

### Internal Auditor

#### M/s LODHA & COMPANY

Chartered Accountants  
6, Karim Chambers, 40 Ambalal Doshi Marg  
Hamam Street, Mumbai - 400001, Maharashtra  
FRN: 301051E



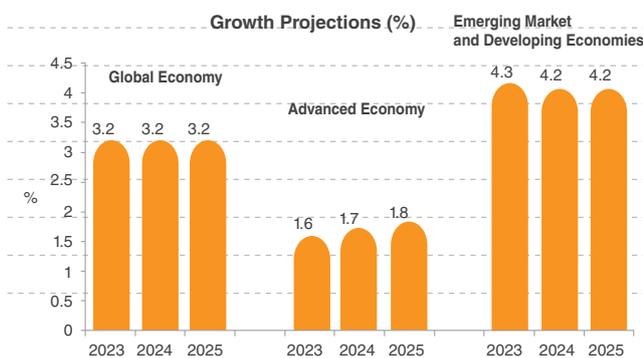
# Management Discussion and Analysis

## ECONOMIC OVERVIEW

### Global Economy

During CY 2023, the global economy demonstrated a resilient recovery from stubborn inflation, rising interest rates and the climate change crisis. Geopolitical tensions such as between Russia & Ukraine have resulted in grain shortages and an increase in oil and commodity prices resulting in higher inflation. The Israel-Hamas conflict also added to geopolitical tensions and trade disruptions in the global economy. Despite such headwinds, disinflation and steady economic growth with relatively balanced risks, the probability of an economic downturn has reduced during CY 2023. According to the World Economic Outlook Update – April 2024, the projected growth of 3.2% in CY 2024 is attributed to the better-than-expected resilience displayed across the United States and key emerging markets and developed economies and fiscal support from China. Inflation is declining at a faster rate compared to the peak achieved in 2022 backed by favourable supply-side conditions. Additionally, tighter monetary policies and higher interest rates maintained by the Central Bank have brought down inflation to an average of 5.8% in 2023 from 6.8% in 2022.

During CY 2023, global trade has showcased contraction which was led by the underperformance of exports from developing countries, reduced demand in developed nations, sluggish performance in East Asian economies, and a decline in commodity prices. In the March 2024 World Bank report, the global economy's trade rebounded in January 2024, with goods trade up 0.4% on a Y-o-Y basis. This marks the first expansion after nine months of contraction. Furthermore, the improvement in the goods component of the new export orders PMI indicates that the decline in goods trade may have bottomed out.



International Monetary Fund

### Outlook

Global growth is projected at 3.2% in 2025, which is still below the pre-pandemic level of 3.8%. Inflation is expected to ease down to 5.9% in 2024 and 4.5% in 2025, with the 2025 forecast revised down. With inflation easing, market expectations that future policy rates will decline have contributed to a reduction in longer-term interest rates and rising equity markets. Other factors contributing to the growth are the rapid economic recovery in China and accelerated progress in implementing supply-side reforms. On the downside risk global economy needs to remain cautious towards geopolitical tensions as the conflict in the Middle East has increased the supply chain disruption and the shipping costs in the Red Sea. However, with faster disinflation and steady growth, the possibility of a severe economic downturn has diminished and the global economy will maintain steady growth in the near future.

### Indian Economy

India's economic journey in FY 2023-24 stands as a testament to determination and resilience, as it overcame the obstacles of global volatility to sustain growth momentum and solidify its place as the world's fifth-largest economy. According to the latest NSO press release, the Indian economy remained steadfast with a robust GDP growth rate of 7.6% in FY 2023-24 compared to 7% growth in FY 2022-23. This growth is driven by several factors, including capital spending by the government, strong manufacturing activity, robust domestic demand, increased capital investment, and improved efficiency & transparency due to government support and structural reforms such as the Goods and Services Tax and Insolvency and Bankruptcy Code.

The output of core industries experienced a substantial increase, rising by 8.6% during Apr-Oct 2023 compared to the same period last year. Steel, Coal, and Cement, among the eight core industries, achieved impressive double-digit growth rates of 14.5%, 13.1%, and 12.2% respectively. Additionally, the Index of Industrial Production (IIP) data showed growth in the manufacturing sector at 5.8% and in the mining sector at 9.1% between April and November on a Y-o-Y basis. On the other hand, the service sector has demonstrated strong performance, with a growth rate of 8% year-on-year for the first half of the financial year. Additionally, the PMI index reached a six-month high of 61.8 in January and remained in the expansionary zone throughout the year.

On the downside, the Indian economy grappled with a higher inflation rate which was led by rising geo-political

tension, soaring fuel & commodity prices and food pricing pressure. To curb this inflationary pressure, RBI has tightened its monetary policy and maintained the repo rate unchanged for the seventh consecutive policy review. Prolonged higher interest rates continued to weigh on household consumption and corporate investment. The agriculture sector is experiencing a deceleration, with a contraction of 0.8% in the October to December 2023 quarter and a modest growth of 0.7% for the full fiscal year which is a key concern for the economy. However, the government has actively provided support to counter the growing concerns as the Union Budget 2024 allocates ₹1.27 lakh crore to these (Agriculture and Allied) sectors. Also, ongoing initiatives such as PM-KISAN Yojana, PM-KMY and the Interest Subvention Scheme (ISS) are continuously providing support to the farmers and the industry.

### Outlook

On account of the declining inflation rate, supporting business investment and discretionary household spending, the Indian economy will remain sturdy and showcase robust growth in the coming financial year. According to RBI, the growth rate for FY 2024-25 will stand at 7%. The inflation rate in India is expected to decline in FY 2024-25 to 4.5% from an average of 5.4% during FY 2023-24. Monetary policy easing is assumed to start in the second half of 2024 backed by Government investment will remain at high levels. Moreover, the implementation of government initiatives such as the PLI scheme, the Make in India campaign, and the relaxation of FDI limits is expected to enhance growth. On the other side, rising geopolitical tension and global slowdown along with supply-chain disruption remains can dent the potential growth. Also, this year, India is holding its general elections, which could have far-reaching effects on economic growth, market stability, and investor confidence. A change in government can influence trade policy, geopolitical relations, and economic policy, thereby altering the economic and industrial outlook. However, the diverse economic base, strong domestic consumption and various government support will help the economy counter the downside risk.

## OVERVIEW OF INDUSTRY SEGMENTS

### Automobile industry

India ranks as the world's third-largest automobile market, contributing 7.1% to the country's GDP and providing employment to 37 million people. Additionally, the industry holds a 4.7% share in India's exports and accounts for 40% of global R&D. Notably, India plays a significant role in the global heavy vehicle market, as the largest tractor manufacturer, the second-largest bus manufacturer and the third-largest heavy truck manufacturer worldwide. The Indian automotive market has witnessed significant growth, reaching a value of USD 116.86 billion in 2023, reflecting an 8.10% growth from USD 108.10 billion in 2022.

Government initiatives such as the Production-Linked Incentive (PLI) Scheme have been particularly successful, attracting a proposed investment of ₹ 67,690 crore, surpassing the initial target estimate of ₹ 42,500 crore over a five-year period. Additionally, proactive measures such as 'Make in India,' the Foreign Trade Policy (FTP) and schemes like the Advance Authorisation and Export Promotion Capital Goods Scheme have been implemented, boosting manufacturing and automobile exports.

Digital adoption and technological upgradation have emerged as key driving factors, with the adoption of connected automotive technology witnessing a rise in India. This facilitates integrating vehicles with internet connectivity, enabling features such as real-time navigation, remote diagnostics and vehicle-to-vehicle interaction.

During FY 2023-24, total domestic automobile sales surged to 23.85 million units, compared to 21.20 million units during the last financial year. The Passenger Vehicles (PV) and the three-wheelers segments experienced strong volume growth, with increases of 8.45% and 41.53%, respectively, during the fiscal year. PV sales reached 42,18,746 units, and CV sales reached 9,67,878 units. This growth was propelled by factors such as the expanding middle class, increasing disposable incomes, evolving consumer preferences, and enhanced infrastructure availability in India.

### Automobile Domestic Sales Trend (in Numbers)

Category	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Passenger Vehicles	33,77,389	27,73,519	27,11,457	30,69,523	38,90,114	42,18,746
Commercial Vehicles	10,07,311	7,17,593	5,68,559	7,16,566	9,62,468	9,67,878
Three-Wheelers	7,01,005	6,37,065	2,19,446	2,61,385	4,88,768	6,91,749
Two-Wheelers	2,11,79,847	1,74,16,432	1,51,20,783	1,35,70,008	1,58,62,087	1,79,74,365
<b>Grand Total</b>	<b>2,62,66,179</b>	<b>2,15,45,551</b>	<b>1,86,20,233</b>	<b>1,76,17,606</b>	<b>2,12,04,162</b>	<b>2,38,52,738</b>

## Indian Automobile Export Trends

India is a significant player in the global automobile export market, yet it experienced a 5.5% decline in automobile shipments during FY 2023-24. The overall export during the financial year stands at 45,00,492 units compared to 47,61,299 units in the last financial year. This decline was primarily driven by overseas markets grappling with monetary and geopolitical crises. The Passenger Vehicle (PV) segment was the sole segment to showcase growth, with shipments increasing by 1.4% to reach 6,72,105 units. This growth in the PV segment can be attributed to Indian regulatory norms aligning with global standards, resulting in vehicles being developed and sold with minimal adaptation required for export markets. On the other hand, the government is supporting the automobile industry through initiatives such as the Production Linked Incentive (PLI) and Make in India, which aim to enhance manufacturing capacity and stimulate exports. Additionally, the industry's ongoing innovation and development of advanced technologies suggest the potential for further growth in exports.

(in Numbers)

Category	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Passenger Vehicles	6,76,192	6,62,118	4,04,397	5,77,875	6,62,891	6,72,105
Commercial Vehicles	99,933	60,379	50,334	92,297	78,645	65,816
Three-Wheelers	5,67,683	5,01,651	3,93,001	4,99,730	3,65,549	2,99,977
Two-Wheelers	32,80,841	35,19,405	32,82,786	44,43,131	36,52,122	34,58,416
<b>Grand Total</b>	<b>46,24,649</b>	<b>47,43,553</b>	<b>41,30,518</b>	<b>56,13,033</b>	<b>47,59,207</b>	<b>44,96,314</b>

## Outlook

The Indian automobile industry is poised for significant growth, projected to increase from USD 116.86 billion in 2023 to USD 217.90 billion by 2031, indicating a CAGR of 8.1%. This growth will be driven by several factors, including increasing domestic demand and favourable government policies. Additionally, the industry's ability to adapt to future trends such as the rising demand for electric vehicles. Government support through policies and initiatives like Automotive Mission Plan 2026, and scrappage policy will also play a crucial role in driving this growth.

## The Micro, Small and Medium Enterprises (MSMEs) Sector

India is the world's second-largest MSME base after China. Indian MSMEs contribute approximately 30% to the country's GDP, 6.11% to manufacturing output, and 25.63% to the services GDP of the Indian economy. The sector offers a diverse range of services and manufactures over 6,000 products, ranging from traditional to high-tech items.

The MSME sector witnessed significant expansion during 2023 with Udyam registrations surging from 1.31 crore as of December 31, 2022, to a total of 2.19 crore. 88.89 lakh registrations were recorded between January and December 2023. Additionally, a collaborative effort between the Ministry and Small Industries Development Bank of India (SIDBI) led to the launch of a portal, for integrating Informal Micro Enterprises (IMEs) into the formal sector. Approximately, 1.11 crore IMEs have been onboarded onto the UAP through this initiative. These initiatives have facilitated sectoral growth during the financial year.

During the year of reporting, the growth of MSMEs was supported by the proactive assistance of the Indian government. The government focussed on aiding the growth and progress of MSMEs, implementing various measures to tackle their specific challenges and promote their expansion. During the 2023-24 budget, the government announced the PM Vishwakarma initiative, allocating ₹ 13,000 crore for an initial five-year period. As of December 30, 2023, a total of 48.80 lakh enrolments have been recorded under PM Vishwakarma. Also, the government undertakings will refund performance security which was deducted during the COVID-19 pandemic under the Vivad se Vishwas – I. The Credit Guarantee for Micro and Small Enterprises (CGTMSE) was revamped in the year 2023 where the ceiling limit of Guarantee coverage was increased from ₹ 2 crore to ₹ 5 crore.

Apart from financial assistance, the government has also launched programmes like Raising and Accelerating MSME Performance (RAMP) and the MSME Self-Reliant India Fund (Fund of Funds) to empower MSMEs through technology upgrades, skill development, and access to markets. Through these initiatives, the government aims to cultivate a more inclusive financial ecosystem. This approach can help India unlock the full potential of its MSME sector, thereby fuelling additional economic growth and job creation.

Despite the sector being the country's socio-economic development, securing adequate financing poses a key challenge for MSMEs. An estimated credit gap of ₹ 33 trillion obstructs the growth potential of these enterprises also the MSMEs were facing the challenge of the working capital gap. As per the IFC report, formal credit channels, address only a fraction of this need, providing just ₹ 10.9 trillion.

This leaves a substantial financing gap of ₹ 22.1 trillion with 67% of this demand attributed to fulfilling working capital needs. To overcome the challenges, MSME working capital loans help the industry. Also, the development of standardised and easily accessible working capital products can offer MSMEs the financial flexibility required for their growth and success.

### Outlook

The Indian economy is poised to achieve the milestone of a USD 5 trillion economy by 2027-28, with MSMEs expected to be a driving force behind this growth. This sector stands as a crucial pillar of the Indian economy, making substantial contributions to its growth, employment, and exports. Economists project that by 2028, the MSME sector will be valued at ₹ 1 trillion, with 63.4 million MSMEs making significant contributions to the Indian economy. This growth will be driven by the digitalisation of the sector, Skill Training Eco-system of the Ministry of MSME and the recent support shown by the government. MSMEs are well-positioned to drive widespread economic growth, create employment opportunities, and foster entrepreneurship across the nation

### Loan against Property

In India, Loan Against Property (LAP) is a financial product frequently provided by NBFCs to SMEs. LAP is a type of loan secured against property. It offers benefits like no end-use restrictions, income tax exemptions, competitive interest rates, affordable EMIs, digital monitoring, long repayment duration, and income tax exemptions. The demand is also driven by lower interest rates, quick approvals, and flexible terms.

In recent years, Non-Banking Financial Companies (NBFCs) have shifted their focus from medium ticket loans to the Small Ticket Loan Against Property (S-LAP) segment. The estimated market potential for S-LAP stands at ₹ 22 lakh crore. However, as of March 2023, lenders have only tapped around ₹ 1.8 lakh crore, indicating a penetration rate of less than 10%, according to ICICI Securities report.

### NBFC Sector Overview

In recent times, Non-Banking Financial Companies (NBFCs) have emerged as significant players in India's financial industry, catering to the changing credit needs of the commercial sector. As of 2023, the size of the NBFC sector is estimated to be around USD 326 billion. The sector's remarkable growth is driven by various factors, such as a rising middle class, enhanced financial inclusion and positive policy interventions. Initiatives from the government and central banks like Pradhan Mantri Mudra Yojana (PMMY), and Pradhan Mantri Jan Dhan Yojana (PMJDY) have supported the growth of the industry.

In terms of asset size-wise mix, housing loans and infrastructure loans remain predominant within the overall NBFC portfolio. Microfinance loans have seen a marginal improvement in their share, from approximately 2% to 3% between FY 2019-28 and FY 2022-23. It is expected that housing and infrastructure loans will maintain their share in the overall NBFC credit ecosystem.

Between September 2022 and September 2023, the NBFC sector in India experienced substantial credit growth, with gross advances rising by 20.8% year-on-year up from 10.8% in the previous year. As per RBI data, the credit quality of the NBFCs has been improving on account of strong domestic demand, improving credit conditions for bank borrowers, and strengthened solvency and funding of Indian financial institutions. The report states that the Gross Non-Performing Assets (GNPA) ratio for government NBFCs has reduced to approximately 2.5%, while for private NBFCs, it stands at about 6.1%. The Net Non-Performing Assets (NNPA) ratio has also improved, supported by a healthy Provision Coverage Ratio (PCR).

In recent years, NBFC have diversified their funding sources beyond traditional funding sources such as banks and debentures. They are now exploring private equity, venture capital, securitisation, and collaborating with ARCs to manage risk and optimise balance sheets.

### Outlook

With notable improvement in asset quality and stronger balance sheets observed in 2023, research estimates that NBFC credit is poised to increase at a CAGR of 13–15% between FY 2022-23 and FY 2024-25. This growth trajectory is attributed to the evolving needs of the customer, solid risk management, and the growing demand for seamless and instant services through digital technology. To capitalise on these trends, NBFCs are expected to leverage strategic collaborations, embrace technological advancements, and prioritise financial inclusivity. Government initiatives, coupled with the ongoing digital transformation, are creating a conducive environment for NBFCs to expand credit access to unbanked and underserved segments.

## COMPANY OVERVIEW

Established in 1996, Kogta Financial (India) Limited is a rapidly expanding retail-focussed NBFC in India. With over 25 years of operation, we have cultivated extensive expertise in the asset finance sector. Our services encompass loans tailored for the purchase of commercial vehicles, four-wheelers, and tractors, alongside disbursements for LAP and Secured Business Loans specifically designed for the SME/MSME sector. Through our various offerings, we serve

a diverse range of customers encompassing farmers, small road transporters, first-time borrowers, small-scale industry proprietors, small mining operators, and retail traders among others.

Our growth is rooted in a commitment to dedicated customer service, fair business practices, and the implementation of efficient, safe, and trusted financial policies. Our financial services benefit around 1,50,000 customers. Headquartered in Jaipur, we boast a widespread network of 216 branches spanning across Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Delhi NCR, Punjab & Haryana.

During the fiscal year 2023-24, our ratings were upgraded by both ICRA and CareEdge. ICRA raised our rating from [ICRA]A (Stable) to [ICRA]A+ (Stable), while CareEdge revised our rating from CARE A; Positive to CARE A+; Stable. This upgrade in the credit rating was supported by our exceptional track record and sustained growth momentum. Furthermore, we successfully expanded our business while maintaining strong capitalisation and profitability.

**Performance of key product offerings**

We primarily serve two key sectors: Vehicle purchase and MSME loans. Under the vehicle finance sector, comprising approximately 80.24% of our total loan portfolio, we provide financing for a range of commercial vehicles, including SCVs, LCVs, MUVs, ICVs, and HCVs. We also offer loans for consumer vehicles (cars) and agricultural vehicles (tractors) under our vehicle finance division. 19.76% of our Assets Under Management (AUM) is allocated to MSMEs, in the form of LAP and secured business loans.

We have developed our lending framework focussed on financing products offering high yields with low risk. The framework is tailored to each customer profile and the specific product for which credit is extended.

**Business Performance**

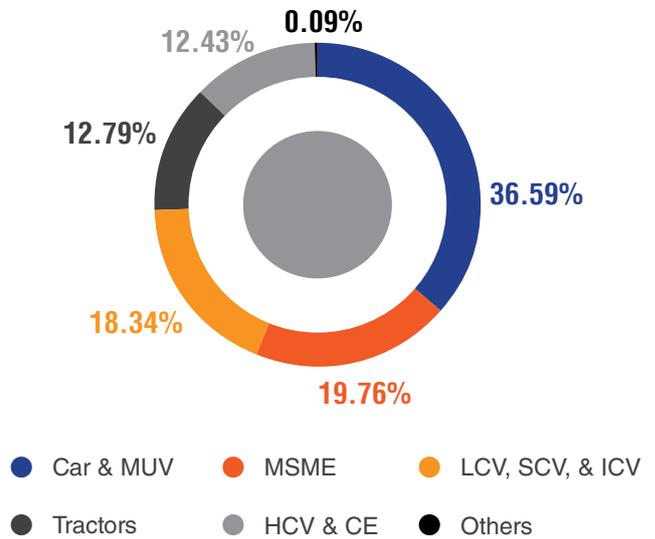
**Operational Review**

During the year under review, our total AUM showcased a growth of 41.16% and stands at ₹ 4,793.33 crore as compared to ₹ 3,395.61 crore in the last financial year.

**Contribution to the overall portfolio**

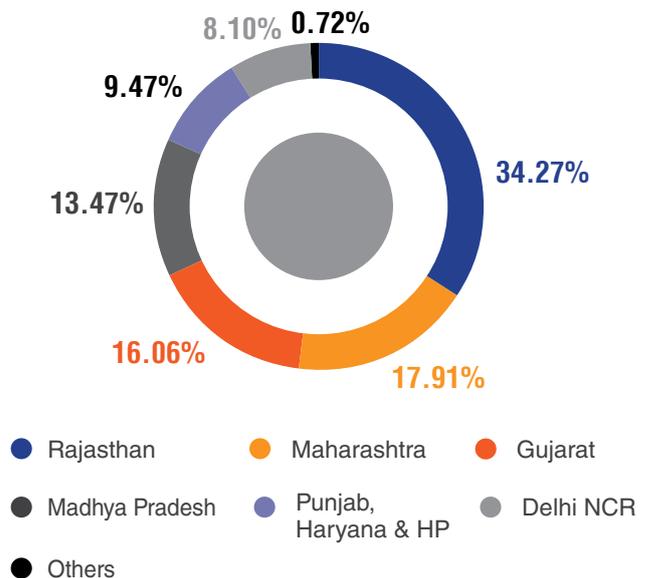
As of March 2024, our loan portfolio stands at ₹ 4,793.33 crore. Amongst our portfolio, Cars & MUV are the major contributors, accounting for 36.59% while LCV, SCV & ICV contribute 18.34% of revenue. Additionally, we generated 12.79% of the revenue from the tractors segment while heavy commercial vehicles and construction equipment and MSMEs contributed 12.43% and 19.76%, respectively.

**Segmentwise break-up of Portfolio**



Rajasthan accounts for 34.27% of the loan portfolio, followed by Maharashtra at 17.91%, Gujarat at 16.06%, Madhya Pradesh at 13.47%, Punjab & Haryana at 9.47% and Delhi NCR at 8.10%.

**Regionwise break-up of Portfolio**



## Risk Management and Mitigation

Our adept risk management practices help us efficiently manage various business-related risks, enabling us to pursue growth with stability.

Risk	Impact	Mitigation
<p><b>Liquidity risk</b></p> 	<ul style="list-style-type: none"> <li>As a retail-focussed lender, our business is directly influenced by the availability and cost of capital</li> <li>Unfavourable macroeconomic environments or situations leading to tight monetary conditions, pose a significant risk to our business</li> </ul>	<ul style="list-style-type: none"> <li>We have strategically opted for a diversified range of lenders, including PSU &amp; Private banks, NBFCs, and debt funds. We also raise funds through various modes including Term Loans, Non Convertible Debentures, Pass Through Certificates, Direct Assignment Transactions etc.</li> <li>By nurturing long-term relationships with our lenders and maintaining a strong track record, we can access sufficient capital at favourable rates, thus minimising liquidity risk</li> <li>We also proactively do Stress testing to check the impact of reduced liquidity on business</li> </ul>
<p><b>Credit risk</b></p> 	<ul style="list-style-type: none"> <li>We are exposed to credit default risks from borrowers and counterparties which can affect loan recovery and obligation fulfilment</li> </ul>	<ul style="list-style-type: none"> <li>We have robust credit approval processes, continuous credit monitoring mechanisms, and appropriate margin requirements to minimise such risks</li> <li>We also have a diversified geographical &amp; product spread which helps mitigate this risk. Regular Stress Testing also helps in managing the same effectively</li> </ul>
<p><b>Interest rate risk</b></p> 	<ul style="list-style-type: none"> <li>Various micro and macroeconomic factors like inflation, economic growth, central bank policies, government policies, global events and many others can increase the lending rates</li> <li>Change in interest can impact the overall margins of our Company</li> </ul>	<ul style="list-style-type: none"> <li>Our Company has established comprehensive policies and procedures to ensure compliance with regulatory guidelines regarding assets and liabilities exposure</li> <li>It conducts rate-sensitive asset-liability maturity analysis to evaluate the correlation between the maturity profiles of its loan book and changes in interest rates</li> </ul>
<p><b>Operational risk</b></p> 	<ul style="list-style-type: none"> <li>Gaps in internal processes, technology failures, cyber-security breaches, and employee fraud, among others can disrupt operations</li> </ul>	<ul style="list-style-type: none"> <li>Our operational risk management policy with risk matrix are well defined. Risk-based internal audit framework is also implemented which covers any operational risk that arises in the process</li> </ul>
<p><b>Legal and compliance risk</b></p> 	<ul style="list-style-type: none"> <li>Regulatory changes, litigation risks, and instances of non-compliance can have financial and reputational impacts</li> </ul>	<ul style="list-style-type: none"> <li>Our dedicated compliance team strives to proactively identify and minimise such risks through ongoing regulatory monitoring and adopting higher governance standards. We have implemented risk-based Compliance Framework and Compliance Management tool</li> </ul>
<p><b>Information technology risk</b></p> 	<ul style="list-style-type: none"> <li>The risk arising as a result of IT infrastructural failure or data loss/threats causing operational setbacks and financial losses</li> </ul>	<ul style="list-style-type: none"> <li>Our Company has deployed advanced technology for its business systems and has established a robust IT risk management system to address potential risks. This includes regular security drills and employee training to safeguard its IT infrastructure from internal and external threats</li> </ul>

## Human Resource

Our Company embraces diversity and is committed to providing equal opportunities to all employees. We recognise our people as a valuable asset and the foundation of our strength. Through our people-centric practices, we aim to attract, retain, and develop talent in a highly competitive market. At Kogta, we are well-focussed towards maximising the potential of our workforce, our Company has developed engaging and motivational learning and training sessions for employees. These dynamic sessions are designed to inspire and propel our team to reach their personal and professional best. We also ensure a safe work environment by maintaining a 'Zero Tolerance' policy on sexual harassment, for which we have conducted a comprehensive POSH (Prevention of Sexual Harassment) training for all employees. Our Company also maintain a high regard for honesty and institutional integrity and formulated an Anti-Corruption framework which consists of a whistle-blower policy.

Our Company has consistently operated as a merit-based organisation, selecting, nurturing, evaluating, rewarding, and advancing individuals based on their professional and leadership capabilities. The well-being of our employees and their families is of paramount importance to us, and we have conducted a general health check-up. In our continued effort to enhance employee well-being, we've initiated a fitness challenge to promote a healthy lifestyle among our team. Additionally, we conducted the 'Say No to Tobacco' activity to encourage a tobacco-free lifestyle among employees.

As of March 31, 2024, we have a 4,729 pool of talented employees, of which 4.49% comprise female employees. During the year, we have added 3,292 new employees to our organisation.

## Internal Controls & Systems

Our Company has embraced a compliance management system (CMS) as an integrated system used to monitor and streamline compliance processes of regulatory requirements, internal policies and industry standards. The CMS is in conformity with the circular on streamlining of the Internal Compliance monitoring function – leveraging the use of technology issued by the Reserve Bank of India on January 31, 2024. Through this robust CMS, our Company not only mitigates risks associated with non-compliance but also fosters a culture of continuous regulatory adherence. This proactive approach not only safeguards our operations but also strengthens trust with stakeholders by demonstrating our commitment to regulatory excellence.

## Cautionary Statement

Some of the statements in the Management Discussion and Analysis regarding the company's goals and prospects may qualify as "forward-looking statements" under applicable laws and regulations. The actual outcomes may differ substantially from the forward-looking statements found in this document due to a variety of external and internal risks and uncertainties. These could encompass the impact of economic and political conditions in India, fluctuations in interest rates, new regulations, and governmental policies that might affect the company's operations and its capacity to execute its strategy. The company does not commit to revising these statements.

# Board's Report

To,  
**The Members,**  
**KOGTA FINANCIAL (INDIA) LIMITED**

Your Board of Directors (“**Board**”) take great pleasure in presenting the 28<sup>th</sup> (Twenty Eighth) report on the business and key 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, 2024.

## 1. FINANCIAL SUMMARY AND HIGHLIGHTS

The financial performance for FY 2023-24 and corresponding figures of FY 2022-23 are summarized below:

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total Income	77,032.28	52,187.95
Total Expenditure	27,431.56	20,759.47
<b>Profit Before Interest &amp; Depreciation</b>	<b>49,600.72</b>	<b>31,428.5</b>
Less: Interest and Finance charges	29,397.84	19,018.47
Less: Depreciation	1,304.50	879.11
<b>Profit Before Tax</b>	<b>18,898.38</b>	<b>11,530.90</b>
Total Tax Expenses	4805.43	2983.28
<b>Profit After Taxation</b>	<b>14,092.95</b>	<b>8,547.62</b>
<b>Other Comprehensive Income (Net of Tax)</b>	<b>-51.47</b>	<b>-35.02</b>
<b>Total Comprehensive Income for the period</b>	<b>14,041.48</b>	<b>8,512.60</b>
<b>APPROPRIATION:-</b>		
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	2,808.30	1,702.52
<b>EPS:</b>		
<b>Basic</b>	<b>132.57</b>	<b>81.46</b>
<b>Diluted</b>	<b>44.00</b>	<b>27.23</b>

## 2. KEY FINANCIAL PERFORMANCE

Your Company witnessed continuous growth and consistent performance in FY 2023-24. The key financial performance indicators for the year are as follows:

- Gross income crossed to ₹ 77,032.28 Lakhs as compared to ₹ 52,187.95 Lakhs in the previous year showing the growth of 47.61%.
- The Profit Before Tax increased to ₹ 18,898.38 Lakhs for FY 2023-24 vis-a-vis ₹ 11,530.90 Lakhs for the FY 2022-23 indicate y-o-y growth of 63.89%.
- Net Profit grew by ₹ 5,528.87 lakh to ₹ 14,041.48 Lakhs for FY 2023-24 vis-à-vis ₹ 8,512.60 Lakhs for FY 2022-23.
- Net Interest Income grew by ₹ 12,422.51 Lakhs to ₹ 41,405.27 Lakhs during FY 2023-24 from ₹ 28,982.75 Lakhs during FY 2022-23 with y-o-y growth of 42.86%.
- Balance sheet size grew to ₹ 5,27,921.50 Lakhs as on March 31, 2024 vis-à-vis ₹ 3,85,435.68 Lakhs as on March 31, 2023 with y-o-y growth of 36.97%.
- Capital Adequacy Ratio is 27.10% as on March 31, 2024 vis-à-vis 34.1% as on March 31, 2023 which is well above the stipulated requirement of 15% by Reserve Bank of India (RBI).

Your Company provides a variety 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.

- Your Company disbursed loans for ~₹ 3170.55 Crore growth of 33.13% during the reviewed year as compared to ~ ₹ 2,381.53 Crore.
- During the year 2023-24, the total Assets Under Management had increased to ~₹ 4,793.33 Crore from ~₹ 3,395.61 Crore with growth rate of 41.16%.

Over the last few years, your Company has steadily expanding its footprint by opening new branches and currently your Company has strengthened its presence across 8 states with a network of 216 offices as on March 31, 2024.

### 3. ACCOUNTING METHODOLOGY

The financial statements of the Company for FY 2023-24 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") we would like to apprise that 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 business policies and have active borrowers over 1,42,479. Your Company has a network of 216 branches across the states of Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Delhi NCR, Punjab & Haryana.

Your Company has diversified customer profiles including but not limited to farmers, small road transporters, taxi operators, first time borrowers, 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 this Annual Report.

### 5. DIVIDEND

Your directors do not recommend any dividend on equity shares for the financial year 2023-24.

Further, the Board of Directors of KFL at its meeting held on May 12, 2023, has recommended a final dividend of ₹ 741.63/- (Indian Rupees Seven Hundred Forty One and Six Three 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 2022-23 which was duly approved by shareholders at the 27<sup>th</sup> Annual General Meeting ("AGM") held on July 07, 2023.

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 2023-24 at the rate 0.0001% of face value of preference shares amounting to ₹ 749.08/- (Indian Rupees Seven Hundred Forty Nine and Zero Eight Paise only) at its meeting held on May 15, 2024, 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 2023-24.

However, we wish to inform that your Company had amended object clause of its Memorandum of Association ("MOA") to solicit and procure insurance business as Composite Corporate Agent without any risk participation as per Insurance Regulatory and Development Authority of India (IRDAI) guidelines. Thereafter the Company had also received certificate of registration to act as a Corporate Agent (composite) under the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 from Insurance Regulatory and Development Authority of India on February 05, 2024.

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.

## 7. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the provisions of Section 124 and 125 of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated November 08, 2023 (“SEBI LODR”) and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”) interest/dividends/ redemption amount which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unclaimed interest/ dividend escrow account shall be transferred by the Company to the Investor Education and Protection Fund (“IEPF”).

The IEPF Rules mandate Companies to transfer all shares/amount in respect of which dividend/interest/ redemption amount has not been paid or claimed for seven consecutive years or more in the name of IEPF. The members whose dividend/shares/interest/redemption

amount are transferred to the IEPF Authority, can claim their dividend/shares/interest/redemption amount from the IEPF Authority by following the procedure prescribed in the Act, SEBI LODR and IEPF Rules.

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

## 8. TRANSFER TO RESERVES

In terms of the RBI master directions and other applicable regulations, the Company has transferred the following amounts to various reserves during the financial year ended on March 31, 2024.

Amount transferred to	Amount (₹ in Lakh)
General Reserves	100.00
Transfer to statutory reserve fund (u/s 45IC of RBI Act)	2,808.30

## 9. CREDIT RATINGS

Below table depicts the credit ratings of the Company as on March 31, 2024. During the period under review, the Company reported the following changes in the credit ratings:

Sr. No.	Facilities / Instruments	Rating agency	Rating assigned	
			2023-24	2022-23
1	Long Term Bank Facilities	CARE Ratings Ltd.	CARE A+; Stable	CARE A; Stable
		ICRA Ltd.	[ICRA] A+; Stable	[ICRA] 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 - Market Linked Debentures	CARE Ratings Ltd.	CARE PP- MLD A+; Stable	CARE PP MLD A; Stable
		ICRA Ltd.	PP-MLD [ICRA] A+; Stable	PP-MLD [ICRA] A; Stable

### Note:

- CARE Ratings Ltd. has upgraded its rating to CARE A+; Stable from CARE A; Positive as stated above on March 08, 2024.
- ICRA Ltd. has upgraded its rating to ICRA A+; Stable from ICRA A; Positive as stated above on February 23, 2024, and further re-affirmed on dated March 11, 2024.

## 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 unauthorized access.

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

We are delighted to inform you that your Company have made the following material changes during the financial year of the Company: -

- The Company has amended object clause of its MOA for initiation of Insurance distribution and services to cater its existing and potential customer(s) with the prior approval of the Members of the company at the 01<sup>st</sup> (First) Extra Ordinary General Meeting held on 11<sup>th</sup> Day of September, 2023.
- The Company has received certificate of registration to act as a Corporate Agent (composite) under the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 from Insurance Regulatory and Development Authority of India on February 05, 2024; and

- The Company has increased its authorized share capital from ₹ 89,17,90,226/- to ₹ 1,10,32,76,696/- with the approval of the Members of the Company at the 02<sup>nd</sup> (Second) Extra-Ordinary General Meeting held on 01<sup>st</sup> Day of March, 2024.

Further, apart from the above, no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year i.e. March 31, 2024, up to the date of this 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, 2024 in prescribed form MGT-7 is available on the website of the Company at [www.kogta.in/investor-information/financial-performance/](http://www.kogta.in/investor-information/financial-performance/)

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

### a) BOARD OF DIRECTORS (BOARD):-

The composition of the Board of Directors of the Company ("Board") is governed by the provisions of the Act, other applicable laws, and the Articles of Association of the Company. As on March 31, 2024, 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.

During the financial year and up to the date of this report, following changes took place in the composition of the Board of the Company: -

- Pursuant to the recommendation of Nomination & Remuneration Committee ("NRC") the Board in its meeting held on May 12, 2023 has approved the continuation of Mr. P R Kalyanaraman (DIN: 01993027) 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 which was subsequently

approved by the members of the Company in the 27<sup>th</sup> Annual General meeting held on 07<sup>th</sup> Day of July, 2023.

- Pursuant to the recommendation of Nomination & Remuneration Committee (“NRC”) the Board in its meeting held on February 02, 2024 has approved the Re-appointment of Mr. Varun Kogta (DIN:06844307) as a Whole Time Director of the Company for a period of 5 (five) years with effect from April 25, 2024, which was subsequently approved by the Members of the Company in the Extra Ordinary General Meeting held on 01<sup>st</sup> Day of March, 2024.

During the year, no other change took place in the Board of the Company. The composition of the Board of the Company was compliant with the applicable regulatory norms.

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/](http://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:-

During the year under review, the following changes took place in Key Managerial Personnels (“KMPs”) of the Company.

- Pursuant to the provisions of Scale Based Regulation issued by Reserve Bank of India on October 22, 2021 read with RBI circular issued regarding the Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs

Further, none of the directors have been debarred from holding office as director by virtue of any order of the SEBI or any other authority.

#### 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. Arjun Saigal (DIN: 07556188), Non-Executive Director and Ms. Nithya Easwaran (DIN: 03605392), Nominee Director, 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 28<sup>th</sup> AGM.

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

The composition of Board of the Company as on March 31, 2024, are as follows:

dated April 11, 2022, and on recommendation of Nomination & Remuneration Committee, the Board in its meeting held on May 12, 2023 has approved the change in designation of Mr. Rahul Agrawal from Company Secretary and Compliance Officer to Chief Compliance Officer of the Company for the tenure of 5 (five) years with effect from May 13, 2023.

- Pursuant to the provisions of Section 203 of the Act read with the rules made there under and on recommendation of Nomination & Remuneration Committee, the Board in its meeting held on May 12, 2023, has approved the appointment of Mr. Karan Singh Chouhan (ACS 45180) as the Company Secretary & Compliance Officer of the Company with effect from May 13, 2023.

- Pursuant to the provisions of section 2(51) of the Companies Act, 2013 and on recommendation of Nomination & Remuneration Committee (NRC), the Board in its meeting held on February 02, 2024, designated Mr. Nayan Kogta, Chief Operating Officer (COO) and Mr. Rahul Agrawal, Chief Compliance Officer (CCO) as KMP of the Company.

Following are the Key Managerial Personnel of the Company as on March 31, 2024:

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. Nayan Kogta	BJDPK5405N	Chief Operating Officer
5	Mr. Rahul Agrawal	ALIPA4848H	Chief Compliance Officer
6	Mr. Karan Singh Chouhan	AQXPC3182A	Company Secretary & Compliance Officer

**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 the 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 possesses requisite knowledge, experience, expertise and integrity.

**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/](http://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, 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 read with 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 personnel's have affirmed the compliance of the code. The Code is disclosed on the website of the Company at [www.kogta.in/investor/policy/](http://www.kogta.in/investor/policy/)

**15. MEETINGS OF THE BOARD AND ITS COMMITTEES**

- The Board of Directors met five (5) 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 and the Secretarial Standard on

Meetings of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India.

- The Independent Directors conducted their separate meeting on February 02, 2024 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 Committee(s) 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, Succession Policy and Compensation Policy forms an integral part of the NR Policy as annexures. The Company has also adopted 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/](http://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

ensures efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its internal control systems and undertakes review of policies annually and as and when required.

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.

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

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 2023-24.

## 18. PARTICULAR OF EMPLOYEE REMUNERATION

Being an unlisted Company, the disclosure requirements as mentioned under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are 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 shall appoint the statutory auditors for the continuous period of three (3) years, subject to the firm satisfying the eligibility norms each year.

In compliance with the aforesaid RBI Guidelines, 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 01<sup>st</sup> Extra Ordinary General Meeting of FY 2021-22 held on September 15, 2021 and further at 26<sup>th</sup> (Twenty Sixth) Annual General Meeting held on June 27, 2022. The Company obtains the declaration of fulfillment of eligibility criteria in accordance with the provisions of Section 141 of the Companies Act, 2013 and guidelines issued by RBI from the Statutory Auditors on an annual basis.

It is informed that it will also conduct a limited review of the financial results of the Company for the quarter ended on June 30, 2024.

Further, on recommendation of the Audit Committee, the Board had approved (subject to the approval of shareholders in Annual General Meeting scheduled to be held on July 10, 2024) the appointment of M/s T. R. Chadha & Co, LLP, (FRN:006711N/ N500028) Chartered Accountant, as a Statutory Auditors of the Company for the term of three (3) year in compliance with the RBI Guidelines with effect from conclusion of 28<sup>th</sup> Annual General Meeting to be held in the Financial year 2024-25 till the conclusion of the Annual General Meeting to be held in the Financial year 2027-28. It is also informed that subject to the members approval on appointment, it will conduct audit / limited review of financial statements/results of the Company from September 2024 quarter onwards.

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 FY 2023-24. 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 2023-24 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 2023-24, considering the satisfactorily performance of the Secretarial Auditor in past years.

The secretarial audit report for FY 2023-24 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, the Statutory Auditor of the Company has not 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. Your Board reviews and defines the risk tolerance levels and risk appetite in guidance with the Risk Management Committee of 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 the 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 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, 2024 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 Master Direction – Reserve Bank of India ("RBI") (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023, 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 Report and also available on the website of the Company at [www.kogta.in/investor/policy/](http://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 under Annexure II of 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/](http://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 utilized for the purpose and in the manner approved by the Board for FY 2023-24.

## 29. SHARE CAPITAL

i. During the financial year 2023-24, your Company has increased its Share Capital in following manner:

Authorized Share Capital	As on April 01, 2023	Addition	As on March 31, 2024
	₹ 89,17,90,226/-	Increase	₹ 1,10,32,76,696/-
Equity	₹ 13,10,00,000/- consisting of 1,31,00,000 equity shares of face value of ₹ 10/- each	₹ 21,14,86,470/- consisting of 2,11,48,647 equity shares of Face value of ₹ 10/-	₹ 34,24,86,470/- consisting of 3,42,48,647 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	₹ 85,52,41,793.04/-	Increase	₹ 85,58,47,803.04/-
Equity	₹ 10,61,59,770/- consisting of 1,06,15,977 equity shares of face value of ₹ 10/- each.	₹ 6,06,010/- consisting of 60,601 equity shares of face value of ₹ 10/- each.	₹ 1,06,76,5780 /- consisting of 1,06,76,578 equity shares of face value of ₹ 10/- each.
Preference	₹ 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.	NIL	₹ 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, 2024, 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 2023-24, the Company has issued following Non-Convertible Debenture on Private Placement Basis, as follows: -**

10,000 (Ten Thousand) Rated, Listed, Senior, Secured, Redeemable taxable Non-Convertible Debentures, bearing a face value of ₹ 1,00,000/- (Indian Rupees one Lakh) each, aggregating to ₹ 100,00,00,000/- (Indian Rupees One Hundred Crore) issued to ICICI prudential corporate bond fund through ICICI prudential regular savings fund and ICICI prudential credit risk fund on March 05, 2024.

**III. During the financial year 2023-24, the Company has redeemed following Non-Convertible Debentures: -**

- (i) 50 (Fifty) Rated, Secured, Senior, Redeemable, Taxable, Transferable, listed Non-Convertible Debentures bearing a face value of ₹ 1,00,00,000/- (Indian Rupees One Crore) each, aggregating to ₹ 50,00,00,000/- (Indian Rupees Fifty Crore) issued to State Bank of India was redeemed on April 21, 2023;
- (ii) 1000 (One Thousand) Rated, Secured, Senior, Redeemable, Taxable, Transferable, Listed Non-Convertible Debentures, bearing a face value of ₹ 1,00,000/- (Indian Rupees One Lakh) each, aggregating to ₹ 10,00,00,000/- (Indian Rupees Ten Crore) issued to DCB Bank Limited was redeemed on June 01, 2023;
- (iii) 800 (Eight Hundred) Rated, Listed, Taxable Secured, senior, Redeemable, principal protected, Market linked, Non-Convertible Debentures (Series C Debentures) bearing a face value of ₹ 1,00,000/- (Indian Rupees One Lakh) each, aggregating to ₹ 8,00,00,000/- (Indian Rupees Eight Crore) issued to Unifi AIF was redeemed on June 23, 2023;
- (iv) 3500 (Three Thousand Five Hundred) Rated, Secured, Senior, Redeemable, Taxable, Transferable, Listed Non-Convertible Debentures,

(including green shoe option of 3000 (Three Thousand) Secured, Senior, Rated, Listed Redeemable, Taxable, Non-Convertible Debentures bearing a face value of ₹ 1,00,000/- (Indian Rupees One Lakh) each, aggregating to ₹ 35,00,00,000/- (Indian Rupees Thirty-Five Crore) issued to A K Capital Finance Limited was redeemed on September 08, 2023;

- (v) 250 (Two Hundred and Fifty) Rated, Secured, 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 AU Small Finance Bank Limited was redeemed on September 22, 2023;
- (vi) 200 (Two Hundred) Rated, Listed, senior, Secured, Redeemable, taxable, Market linked, principal protected Non-Convertible Debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakh) each, aggregating to ₹ 20,00,00,000/- (Indian Rupees Twenty Crore) issued to Northern ARC Money Market Alfa Trust (Tranche-I) was redeemed on September 27, 2023; and
- (vii) 400 (Four Hundred) Rated, Listed, senior, Secured, Redeemable, Taxable, Market linked, principal protected Non-Convertible Debentures, bearing a face value of ₹ 10,00,000/- (Indian Rupees Ten Lakh) each, aggregating to ₹ 40,00,00,000/- (Indian Rupees Forty Crore) issued to Northern ARC Money Market Alfa Trust and Northern ARC Capital Limited (Tranche- II) was redeemed on March 27, 2024.

**IV. Commercial Papers**

No Commercial Papers were issued during the year under review.

**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
<b>A) CONSERVATION OF ENERGY:</b>	
<ul style="list-style-type: none"> <li>• the steps taken or impact on conservation of energy;</li> </ul>	<ul style="list-style-type: none"> <li>• KFL understands the significant impact that energy management has on the environment. To address this, as a part of KFL's sustainability strategy, Company has set a Goal for 2030 to reduce its Carbon emission intensity by 25%. Company's carbon emissions result from its energy consumption in the form of purchased electricity. To achieve this goal, company identifies high energy consuming offices, energy saving measures, explore the opportunity of using renewable energy, monitor and report the reduction in energy consumption.</li> </ul>

PARTICULARS	REMARKS
	<ul style="list-style-type: none"> <li>The company is actively monitoring &amp; reporting its energy consumption, investing in energy-efficient solutions such as LED lighting, Energy-efficient Star Rated equipment and promoting smart usage of electronic devices.</li> <li>Employees are educated on the importance of conserving energy, including the simple act of turning off equipment when it's not needed.</li> <li>These steps are part of KFL's broader strategy to reduce energy use and decrease the company's carbon footprint to 25% by 2030.</li> </ul>
<ul style="list-style-type: none"> <li>the steps taken by the Company for utilizing alternate sources of energy;</li> </ul>	<ul style="list-style-type: none"> <li>As a part of KFL's sustainability strategy, Company has set a goal to reduce its Carbon emission intensity to 25% by 2030. To achieve this goal, company will explore the opportunity of using renewable energy.</li> </ul>
<ul style="list-style-type: none"> <li>the capital investment on energy conservation equipment's;</li> </ul>	NIL
<b>B) TECHNOLOGY ABSORPTION:</b>	
<ul style="list-style-type: none"> <li>the efforts made towards technology absorption;</li> </ul>	<p>The Company continues its initiatives for Technology Absorption. Technology is being used as a business enabler at your Company and the Company has implemented best of the class applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security.</p>
<ul style="list-style-type: none"> <li>the benefits derived like product improvement, cost reduction, product development or import substitution;</li> </ul>	NIL
<ul style="list-style-type: none"> <li>in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)</li> </ul>	NIL
(a) the details of technology imported;	NIL
(b) the year of import;	NIL
(c) whether the technology been fully absorbed;	NIL
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	NIL
<ul style="list-style-type: none"> <li>the expenditure incurred on Research and Development</li> </ul>	NIL
<b>C) FOREIGN EXCHANGE EARNINGS AND OUTGO:</b>	
<ul style="list-style-type: none"> <li>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</li> </ul>	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 Master Direction – Reserve Bank of India (“RBI”) (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023, and SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, 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, sector wise 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 SHARES

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

No share warrants were issued during the year under review.

#### 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)
- EMPLOYEE STOCK OPTION PLAN 2023 (ESOP 2023)

**Further the details regarding the ESOPs as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 till March 31, 2024**

Sr. No.	Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP PLAN 2020 - SERIES 2	ESOP PLAN 2020 - SERIES 3	ESOP 2023	Total
1.	No. of options granted	127000	284800	214500	24000	10000	313900	974200
2.	No. of options vested	112075	108150	182300	16500	7000	0	426025
3.	No. of options exercised	108430	76400	63940	1200	1834	0	251804
4.	Total number of shares arising as a result of exercise of option	108430	76400	63940	1200	1834	0	251804
5.	No. of options lapsed	18570	87000	40200	1000	0	4100	150870
6.	Exercise price per option (in ₹)	90	170	450	450	450	1000	-
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	As per ESOP Plan 2023	-
8.	Money realized by exercise of options (In ₹)	9,758,700	1,29,88,000	2,87,73,000	5,40,000	8,25,300	0	5,28,85,000
9.	Total number of options in force	0	121400	110360	21800	8166	309800	571526
<b>Employee wise details of options granted to KMPs and employees who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year</b>								
10.	Mr. Rahul Agrawal, Chief Compliance Officer	3000	7000	4000	0	0	2500	16500
11.	Mr. Karan Singh Chouhan, Company Secretary & Compliance Officer	0	500	3000	0	0	2000	5500
12.	Mr. Shobhit Nawal, Finance Controller	10000	15000	7500	0	0	10000	42500
13.	Mr. Anupam Sirohi, National Sales Manager (Tractor Vertical)	-	-	-	-	10000	4000	14000

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 – Reserve Bank of India (Non-Banking Financial Company– Scale

Based Regulation) Directions, 2023 and any other applicable circulars, guidelines & notifications, as issued/ amended from time to time by Reserve Bank of India.

### 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 equity shares of the Company are not listed on any Stock Exchange.

### 38. NOTICES RECEIVED/PENALTY IMPOSED

During the year under review, the Company neither received any notice nor any penalty was imposed on the Company.

### 39. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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 behavior, 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/](http://www.kogta.in/investor/policy/)

The Company has taken adequate measures to protect the directors and employees of the Company against unethical behavior, actual or suspected fraud. The Company creates awareness about whistle blower mechanism while circulating mails through Human resource department and, by providing training during induction program and annual review meeting.

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.

### 40. 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 follows a 'zero-tolerance approach' towards bribery, corruption, and other wrong practices. The Company is resolute to act professionally, fairly, ethically and with integrity in its dealings and operations. 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/](http://www.kogta.in/investor/policy/)

### 41. 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.

### 42. 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 and general meetings held during the year. The Company was totally in compliance with the applicable standards and other requirements of the Act.

### 43. 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/](http://www.kogta.in/investor/policy/).

The Company also provides mandatory induction training on prevention of sexual harassment to every new candidate at the time of joining the Company, as well as all employees. The Company also creates awareness on prevention of sexual harassment by circulating e-mails to all employees.

The following is a summary of sexual harassment complaints received and disposed off during the year 2023-24:

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

#### 44. 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 through post/email/website/social media platform, Grievance Redressal Officer of the Company, office of ombudsman, SEBI complaints redress system (SCORES) platform/Online dispute resolution portal ("ODR portal") in accordance to the Policy or can submit their query on the website of the Company at [www.kogta.in/pages/contact-us/](http://www.kogta.in/pages/contact-us/) which are expeditiously redressed.

Further, the complaints received from the investors/stakeholders are also presented to the Board on a quarterly/annual basis for their consideration and review.

#### 45. 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.

In pursuance to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, only top one thousand equity listed entities based on market capitalization, are required to

make a business responsibility & sustainability report as part of its annual report. Being a debt listed Company the preparation of a Business Responsibility & Sustainability Report ("BRS Report") is not applicable on the Company, but your Company still believes that ESG is a social obligation which shall be complied with full spirit.

Till Financial year ended on March, 2024 all the sustainability compliances including ESG risk and relevant reports were reviewed and approved by the Risk Management Committee and the Board. Basis the suggestions received from the Board in its meeting held on May 15, 2024, Your Company have formed a Board level Committee i.e. Sustainability Committee to monitor ESG and sustainability compliances and initiatives of the Company.

Further, for a better outlook for stakeholders of the Company the sustainability report forms part of this annual report.

#### 46. COMPLIANCE OF SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

#### 47. OTHER DISCLOSURES

- No application was made under the Insolvency and Bankruptcy Code, 2016 during the year, therefore there is no requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
- The requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable during the year.
- The Company has amended the Articles of Association (AOA) of the Company by insertion of New Article 40.1.3 in the existing AOA of the Company with the approval of the Members of the Company at the 27<sup>th</sup> Annual General Meeting held on 07<sup>th</sup> Day of July, 2023.

#### 48. AWARDS AND RECOGNITIONS

During the year under review, following awards were conferred by reputable organizations to your Company:

- Your Company won “**Gold Award**” in Corporate Ethics Award 2023 from Apex India Foundation.
- Your Company received the best ESG Performance Award for Sustainable Finance and Positive Social Impact Recognition.

#### 49. ACKNOWLEDGEMENT

Your directors express sincere appreciation and gratitude to the Reserve Bank of India, Securities and Exchange Board of India, Ministry of Corporate Affairs Rating Agencies, Stock Exchanges, depositories, Insurance Regulatory Development Authority of India, Debenture Trustees, Registrar and Transfer Agent(s), 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. Your directors would also like to take this opportunity to express its heartfelt appreciation and gratitude to each employee of the Company at all levels for their dedicated service and commitments, who by demonstrating strong work ethics, professionalism, teamwork, and initiatives helped the Company continue to serve its customers and reinforce its customer centric image despite the challenging environment.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,  
**KOGTA FINANCIAL (INDIA) LIMITED**

Sd/-

**RADHA KRISHAN KOGTA**

CHAIRMAN

DIN: 00197552

Date: May 15, 2024

Place: Jaipur

**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 (“the 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”) under NBFC Middle Layer – RBI (NBFC - Scale Based Regulation) Directions, 2023 with more than 25 years of experience in asset finance business.

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

## 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 on Scale Based Regulation, Directions 2023 (“Master Directions”) and other 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 Personnels (KMPs) and senior management/officer personnels (SMPs).

## 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 determine qualifications, positive attributes and independence of a director 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 appointment, re-appointment, removal, remuneration and evaluation of performance of the Directors, KMPs and SMPs.

## 4. OBJECTIVE

This objective of the Policy is to ensure: -

- i. that 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, variable and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- iv. the evaluation of performance of the Directors, KMPs and SMPs; and
- v. the evaluation of 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 the 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: -
  - the Chief Executive Officer (CEO) or the Managing Director or the Manager;
  - the Company Secretary;
  - the Whole Time Director;
  - the Chief Financial Officer (CFO);
  - such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
  - such other officer as may be prescribed;
- f. ‘**Senior Management/Officer personnel or SMP**’ means personnel of the Company who are members of its core management team excluding Board of Directors, comprising one level below

the executive directors including functional heads, who are directly reporting to the KMPs (excluding Company Secretary) of the Company.

- g. **Share-linked instruments** means Employee Stock Option;
- h. **Malus** means an arrangement that permits the Company to prevent vesting of all or part of the amount of a deferred remuneration. Malus arrangement does not reverse vesting after it has already occurred.
- i. **Clawback** means a contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested remuneration to the Company under certain circumstances.

**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 constitution of the Committee is in compliance with the provisions of the Applicable Law. 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 Committee shall be as follows: -

- i. Identify persons who are qualified to become directors and key managerial persons 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 director 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 or by the Nomination and Remuneration Committee;
- v. whether to extend or continue the term of appointment, re-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;
- x. ensure that there is no conflict of interest in appointment of directors on Board of the Company and KMPs;
- xi. Retain, motivate and promote talent and to ensure long term sustainability of talented Directors, KMPs, SMPs.
- xii. 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 or any other matter in which his/her interest is involved directly/indirectly and the Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee. Minutes of Committee meetings shall be recorded and signed by the Chairperson of the meeting and circulated/ tabled at the subsequent Board and Committee meeting.

## 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 (if required) 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 and clauses of the Articles of Association of the Company.

- c) Furthermore, where any insurance is taken by the Company on behalf of its Directors and Officers 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 receive 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, etc., 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/her capacity as the professional; and
  - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

## 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 with the aim to improve the effectiveness and efficiency of the Board and Committees.

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 in 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 and in compliance with the Articles of Association of the Company.

## 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 (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

Pursuant to RBI Guidelines, 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. Technical 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 analyse

Further statutory declarations/Appendix XXIII-A as prescribed in the Master Directions shall be obtained from Directors before appointment/re-appointment and on annual basis. 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 qualification, 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 qualification, 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 March 31) 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 Appendix XXIII-B 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) shall decide the Appointments, Reappointments, and Removal of the non-performing Directors of the Company.

## 2. REGULATORY REQUIREMENT

In accordance with the provisions of Applicable Law, the Nomination & Remuneration Committee (“NRC”) shall specify the manner for effective evaluation of performance of individual directors including Chairperson, Board as whole and its Committees and review its implementation and compliance.

## 3. 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;

## 4. CRITERIA OF PERFORMANCE EVALUATION

The NRC 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, behaviour, 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.

## 5. 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 NRC.

## 6. BOARD MEMBER FEEDBACK

The Company believes in value for its stakeholders through ethical processes and integrity. The Board 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.

## 7. PROCEDURE TO RATE THE PERFORMANCE

Based on evaluation criteria, the NRC 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.

## 8. 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 NRC 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 2023-24

[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/](http://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 society in the long run.

## 2. COMPOSITION OF CSR COMMITTEE

The Board has 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, 2024, was as under: -

Sl. No.	Name of the Member	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. P R Kalyanaraman	Independent Director as Chairman of Committee	5	5
2.	Mr. Radha Krishan Kogta	Whole Time Director & Chairman of Board as Member of Committee	5	5
3.	Mr. Varun Kogta	Whole Time Director & Chief Financial Officer as Member of Committee	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	<a href="http://www.kogta.in/investor-information/composition-of-board-and-committees/">www.kogta.in/investor-information/composition-of-board-and-committees/</a>
CSR Policy	<a href="https://www.kogta.in/investor/policy/">https://www.kogta.in/investor/policy/</a>
CSR projects/ initiatives taken by the Company	<a href="https://www.kogta.in/media-center/csr/">https://www.kogta.in/media-center/csr/</a>

**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:** ₹ 81,98,79,874/- (Indian Rupees Eighty One Crore Ninety Eight Lakh Seventy Nine Thousand Eight Hundred Seventy Four only).

**(b) Two percent of average net profit of the Company as per sub section (5) of section 135:**

₹ 1,63,97,597/- (Indian Rupees One Crore Sixty Three Lakh Ninety Seven Thousand Five Hundred Ninety Seven 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
1,65,03,792/-	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	1,63,97,597/-
2.	Total amount spent for the Financial Year	1,65,03,792/-
3.	Excess amount spent for the Financial Year (ii)-(i)	1,06,195/-
4.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	1,06,195/-
5.	Amount available for set off in succeeding Financial Years (iii)-(iv)	0

**(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:**

₹ 1,06,195/- (Indian Rupees One Lakh Six Thousand One Hundred Ninety Five only)

**(d) Amount required to be set off for the financial year, if any: NIL**

**(e) Total CSR obligation for the financial year [(b)+(c)- (d)]: ₹ 1,65,03,792/- (Indian Rupees One Crore Sixty Five Lakh Three Thousand Seven Hundred Ninety Two only)**

**6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 1,64,96,098/- (Indian Rupees One Crore Sixty Four Lakh Ninety Six Thousand Ninety Eight only)**

**(b) Amount spent in Administrative Overheads: ₹ 7,694/- (Indian Rupees Seven Thousand Six Hundred Ninety Four only)**

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

**(d) Total amount spent for the Financial Year [(a)+(b) +(c)]: ₹ 1,65,03,792/- (Indian Rupees One Crore Sixty Five Lakh Three Thousand Seven Hundred Ninety Two only)**

**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.	2022-23	Nil	Nil	1,65,03,792	N/A	N/A	Nil	Nil
2.	2021-22	Nil	Nil	1,09,55,666	N/A	N/A	Nil	Nil
3.	2020-21	Nil	Nil	73,00,730	N/A	N/A	Nil	Nil
<b>TOTAL</b>				<b>3,47,60,188</b>				

**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		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
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. P R Kalyanaraman**  
 Chairman of CSR Committee  
 DIN: 01993027

 Date: May 15, 2024  
 Place: Jaipur

 Date: May 15, 2024  
 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.	1 Year	Rent at market rate	4,80,000	May 12, 2023	NIL
		Mrs. Ritu Kogta	Relative of Director of KFL.	1 Year	Rent at market rate	13,29,782	May 12, 2023	NIL
		Mr. Varun Kogta	Whole Time Director & CFO of KFL.	1 Year	Rent at market rate	2,40,000	May 12, 2023	NIL
		Mrs. Madhu Kogta	Relative of COO of KFL.	1 Year	Rent at market rate	5,65,950	May 12, 2023	NIL
		Mr. Radha Krishan Kogta	Chairman of KFL.	1 Year	Rent at market rate	25,21,920	May 12, 2023	NIL
		Kogta Housing Development Private Limited	Director of KFL is also Director in the said Company.	1 Year	Rent at market rate	37,82,880	May 12, 2023	NIL
2.	Loan and advances given by KFL.	Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Advances / Loan facility at contractual interest rate	52,58,040	May 12, 2023	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	509,303	May 12, 2023	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	52,58,040	May 12, 2023	NIL
4.	Interest Income received by KFL.	Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Interest on loans and advances at applicable rates.	24,356	May 12, 2023	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
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.	89,17,494	May 12, 2023	NIL
		Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Interest at market rate.	49,68,509	May 12, 2023	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.	1,86,76,102	May 12, 2023	NIL
		Kogta Housing Development Private Limited	Chairman of KFL is also Director in the said Company.	Various maturities	Interest at market rate.	90,07,772	May 12, 2023	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.	1,33,624	May 12, 2023	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.	8,25,054	May 12, 2023	NIL
8.	Commission paid by KFL	M/s Easy Recovery Solutions	Proprietor of Firm is a relative of Chairman of KFL	1 Year	Commission for Recovery Agent services	11,55,012	May 12, 2023	NIL
9.	CSR Contribution	Kogta Foundation	Settlor is KFL	-	CSR Contribution	1,60,10,793	August 4, 2023	NIL

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

Sd/-

**RADHA KRISHAN KOGTA**

Chairman

DIN: 00197552

Date: May 15, 2024

Place: Jaipur

**CIN:** U67120RJ1996PLC011406

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

## ANNEXURE - IV

# Corporate Governance Report

## 1. CORPORATE GOVERNANCE IN NBFC

Corporate Governance creates and enhance 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.

Corporate Governance requires competence and capability levels to meet the expectations in managing the business and its resources and helps to achieve goals and objectives of the organization.

## 2. OUR PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance aims at facilitating effective monitoring and efficient control of business. 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 the Company to avoid mistakes before they can even occur.

A Good Corporate Governance framework incorporates a system of robust checks and balances between the Board, its Committees, the management, auditors and various other Stakeholders.

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

- **Responsibility-** Your Company is very clear with respect to individual responsibilities and the Company's Board and Committees fulfill their responsibilities as given by the Board and statues 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 the shareholders in the business of the Company that in case of any unfavorable situation, the persons responsible will be held in charge. Hence, accountability of all departments and employees within your Company are well defined and any deliberation/suggestions by the Board or its Committee also gets communicated to them to improve their processes.
  - **Transparency-** The Company provides information about its activities and governance to its stakeholders that is accurate, complete and made available in a timely way, to achieve transparency.
  - **Equity-** Equity gives stakeholders 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;
  - Company's Board is composed of directors from different backgrounds and substantial experience, who are able to provide appropriate guidance to the management;
  - The Board comprises of independent directors with outstanding track record and reputation;

- **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 being influenced.

- 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

The Board of Directors (“Board”) plays a pivotal role in ensuring good governance by reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance. The Board provides strategic guidance and independent views to the Company’s senior management while discharging its fiduciary responsibilities.

#### i. COMPOSITION

The composition of the Board is in conformity with the Companies Act, 2013 (“Act”) and rules made thereunder and RBI Master directions. Your 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 on March 31, 2024, 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, 2024, 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 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	5	5	2	45	0	0	729500
2.	*Mr. Arun Kogta	18/01/2016	Promoter, Managing Director and Chief Executive Officer	05109722	5	5	0	160	0	0	858701
3.	®Mr. Varun Kogta	25/04/2014	Promoter, Whole Time Director and Chief Financial Officer	06844307	5	5	0	136	0	0	694701
4.	#Mr. P R Kalyanaraman	08/03/2017	Independent Director	01993027	5	5	3	-	6	7	0
5.	Mr. Kumar Sharadindu	08/08/2019	Independent Director	07341455	5	5	2	-	5.8	7	0
6.	Mrs. Shashikala Ramachandra	12/12/2019	Independent Director	08087460	5	5	1	-	5.3	10	0
7.	Mr. Arjun Saigal	28/11/2018	Non-Executive Director representing NHPEA V Kiwi (BVI) Limited (Investor)	07556188	5	3	3	0	0	0	0

Sl. No.	Name of the Director	Director since	Capacity	DIN	Number of Board Meetings		No. of other Director ships	Remuneration			No. of shares and convertible instruments held in NBFC
					Held	Attended		Salary and other compensation (₹ in Lakh)	Sitting fees (₹ in Lakh)	Commission (₹ in Lakh)	
8.	Mr. Robin Bhanwarlal Agarwal	01/10/2019	Non-Executive Director representing Aditya (Mauritius) Limited (Investor)	08572806	5	5	1	0	0	0	0
9.	Ms. Nithya Easwaran	05/05/2022	Nominee Director representing Multiples Private Equity Fund III (Investor)	03605392	5	5	9	0	0	0	0

**Note:**

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

®Mr. Varun Kogta has been re-appointed as Whole Time Director of the Company for another term of 5(Five) Years w.e.f. April 25, 2024 with the approval of shareholders of the Company in the 02<sup>nd</sup> Extra Ordinary General Meeting held on 01<sup>st</sup> March, 2024 and the shares does not include 341935 convertible shares warrants as they are only granted and yet to be exercised.

#The continuation of directorship of Mr. Pandithacholanaloor Ramaswamy Kalyanaraman as an Independent Director of the Company as he has attained the age of seventy-five years on March 30, 2023 was approved by Shareholders of the Company in the 27<sup>th</sup> Annual General meeting held on 07<sup>th</sup> Day of July, 2023 for his remaining tenure till March 07, 2025.

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 Act and applicable RBI guidelines. Further, in pursuance to the provisions of Master Direction – Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023 regarding disclosure in Financial Statements for NBFCs, the details of change in composition of the Board for the FY 2022-23 and 2023-24 are as follows:

**Details of change in composition of the Board during the financial year 2022-23 and 2023-24**

Sl. No.	Name of Director	Capacity	Nature of Change	Effective Date
1.	Mr. Varun Kogta	Promoter, Whole Time Director and Chief Financial Officer	Re-appointment	25/04/2024
2.	Mr. Amit Mehta	Nominee Director representing IIFL Seed Ventures Fund I (Investor)	Resignation	05/05/2022
3.	Ms. Nithya Easwaran	Additional Director representing Multiples Private Equity Fund III (Investor)	Appointment as Additional Director	05/05/2022
4.	Ms. Nithya Easwaran	Nominee Director representing Multiples Private Equity Fund III (Investor)	Regularized as Nominee Director	08/05/2022

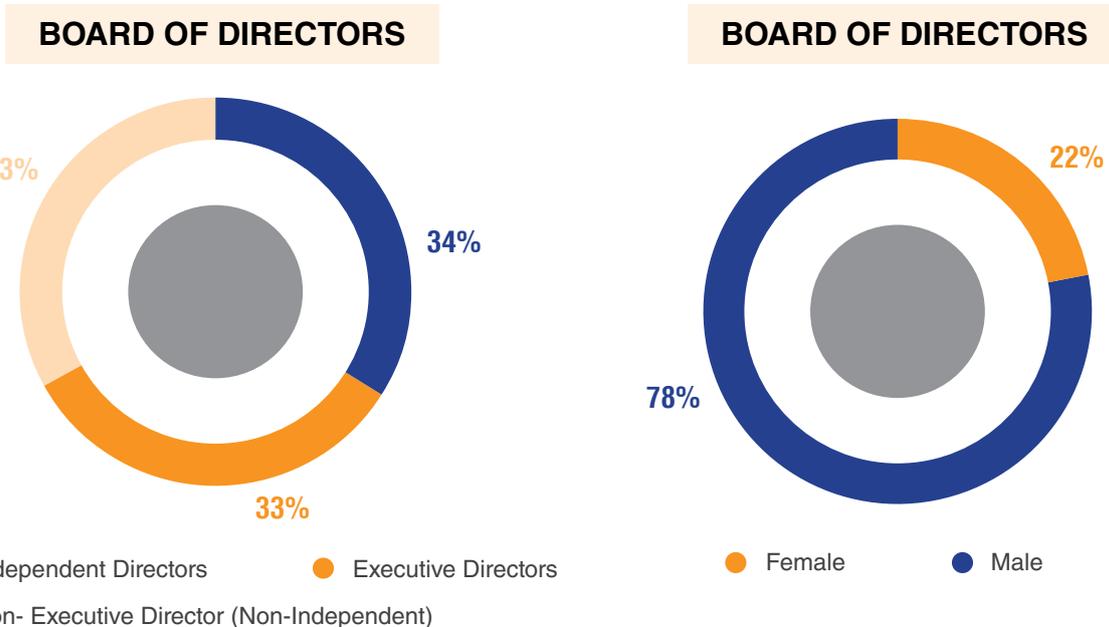
**Disclosure of Relationships between directors inter-se;**

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**

Your Company acknowledges the importance of diversity at the Board, which encompasses diversity of perspective, experience, 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. The directors are selected on the basis of evaluation and merit with no discrimination on race, colour, religion, gender or nationality. Therefore, the Company has two women directors out of nine directors on the Board.

A brief profile of directors is available on the website of the Company and can be accessed at [www.kogta.in/about/our-team/](http://www.kogta.in/about/our-team/)



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

**Core skills/ expertise**

Core skills/expertise as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

The chart/ matrix of such core skills/ expertise, along with the names of directors who possess such skills is given below:

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

Name / skill and expertise	Leadership	Business	Financial	Corporate Governance	Risk Management	Technology	Analytics
Mr. Radha Krishan Kogta	Yes	Yes	Yes	Yes	Yes	-	-
Mr. Arun Kogta	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Varun Kogta	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. P R Kalyanaraman	Yes	Yes	Yes	Yes	-	Yes	-
Mr. Kumar Sharadindu	Yes	Yes	Yes	Yes	Yes	-	-
Mrs. Shashikala Ramachandra	Yes	-	Yes	Yes	Yes	Yes	Yes
Mr. Arjun Saigal	Yes	Yes	Yes	Yes	Yes	-	-
Mr. Robin Bhanwarlal Agarwal	-	Yes	Yes	-	-	-	Yes
Ms. Nithya Easwaran	Yes	Yes	Yes	Yes	Yes	-	-

#### iv. BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business decisions. The 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 Directors actively participate in Board Meetings and Meetings of the Committees in which they are Members.

Notice of Board / Committee Meetings is given well in advance to all the Directors (other than meetings held at shorter notice in accordance with the provisions of the Act and Articles of Association of the Company. Notice, agenda papers and other explanatory notes/presentation/relevant information are circulated to all the Directors/Members/Invitees within regulatory timelines to enable them to take informed decisions at the meetings

Several Board and Committee meetings were conducted through audio visual means as per provisions of

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, 2024:

Sl. No.	Name of the Director	Director since	Capacity	DIN	Number of Board Meetings		Attendance at Last AGM	No. of other Directorships	chairmanship or membership in the committees of other Companies	
					Held	Attended			Chairman	Member
1.	Mr. Radha Krishan Kogta	15/01/1996	Promoter, Chairman & Whole Time Director	00197552	5	5	Yes	2	0	0
2.	Mr. Arun Kogta	18/01/2016	Promoter, Managing Director and Chief Executive Officer	05109722	5	5	Yes	0	0	0
3.	Mr. Varun Kogta	25/04/2014	Promoter, Whole Time Director and Chief Financial Officer	06844307	5	5	Yes	0	0	0
4.	Mr. P R Kalyanaraman	08/03/2017	Independent Director	01993027	5	5	No	3	2	2

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 or other audio visual means ("OAVM"). 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 four (4) pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings can be 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 five (5) times on May 12, 2023, August 04, 2023, August 31, 2023, October 31, 2023 and February 02, 2024.

Besides, Directors of the Company has passed resolution by circulation viz. October 05, 2023, January 23, 2024 and February 20, 2024.

Sl. No.	Name of the Director	Director since	Capacity	DIN	Number of Board Meetings		Attendance at Last AGM	No. of other Directorships	chairmanship or membership in the committees of other Companies	
					Held	Attended			Chairman	Member
5.	Mr. Kumar Sharadindu	08/08/2019	Independent Director	07341455	5	5	Yes	2	2	4
6.	Mrs. Shashikala Ramachandra	12/12/2019	Independent Director	08087460	5	5	No	1	1	0
7.	Mr. Arjun Saigal	28/11/2018	Non-Executive Director representing NHPEA V Kiwi (BVI) Limited (Investor)	07556188	5	3	No	3	0	0
8.	Mr. Robin Bhanwarlal Agarwal	01/10/2019	Non-Executive Director representing Aditya (Mauritius) Limited (Investor)	08572806	5	5	No	1	0	0
9.	Ms. Nithya Easwaran	05/05/2022	Nominee Director representing Multiples Private Equity Fund III (Investor)	03605392	5	5	No	9	0	4

**Details of Directorship of directors in other listed entities as on March 31, 2024(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:**

- None of the directors hold office as a director, including as an alternate director, in more than twenty companies at the same time. Further, none of them have directorships in more than ten public companies.
- None of the Independent Director serves as an Independent Director in more than Seven (7) Listed Companies.
- None of the Directors are related with each other except Mr. Arun Kogta and Mr. Varun Kogta.
- All independent Directors confirmed that they meet the criteria of independence.
- None of the Director belong to promoters or promoter group except Mr. Radha Krishan Kogta, Mr. Arun Kogta and Mr. Varun Kogta.
- None of the Non-Executive Directors hold any convertible instruments of the Company.
- None of the Key Managerial Personnel of the Company holds any office (including Directorship) in any other NBFC-ML, NBFC-UL.

**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.
- g. monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- h. overseeing the process of disclosure and communications.
- i. representing the interests of shareholders and other stakeholders, such as employees, customers, and the community.

**vi. REMUNERATION OF DIRECTORS****Remuneration to Non-Executive Independent Directors**

The Independent Directors are paid sitting fees for attending each meeting of the Board of Directors, Committee meetings or any general meetings 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 12, 2023 which was subsequently approved by members of the Company in Twenty Seventh (27<sup>th</sup>) Annual General Meeting held on July 07, 2023. The sitting fees and profit linked commission are within the limits prescribed under the provisions of Companies Act, 2013.

The Company is being benefited from the expertise, advice and inputs provided by the Independent Directors. The Independent Directors devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the

Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time.

**Details of remuneration paid to Non-Executive Independent Directors are provided below:**

Amount in (₹)			
Name of Independent Director	Sitting Fees	Profit Linked Commission	Total
Mr. PR Kalayanaraman	6,00,000/-	7,00,000/-	13,00,000/-
Mr. Kumar Sharadindu	5,80,000/-	7,00,000/-	12,80,000/-
Mrs. Shashikala Ramachandra	5,30,000/-	10,00,000/-	15,30,000/-
<b>Total</b>	<b>17,10,000/-</b>	<b>24,00,000/-</b>	<b>41,10,000/-</b>

Further, the Company has not granted any employee stock options to the Independent Directors. None of the Non-Executive Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence.

**Remuneration to 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 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/](http://www.kogta.in/investor/policy/). Further, the Compensation policy of the Company is in line with the compensation guidelines issued by the Reserve Bank of India (RBI) pursuant to Scale Based Regulations.

The remuneration to the Executive Directors i.e. Chairman, 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.

Details of Remuneration paid to all the Directors and Key Managerial Personnel during the Financial Year 2023-24 is also provided in Annual Return in form 'MGT-7' as available on the website of the Company and can be accessed at <https://www.kogta.in/investor-information/financial-performance/>

#### vii. DIRECTORS AND OFFICERS LIABILITY POLICY

The Company has in place a D&O policy which is renewed every year. It covers directors (including independent directors) and officers of the Company. The Board is of the opinion that quantum and risk presently covered is adequate.

#### 4. COMMITTEES OF THE BOARD

The Committees constituted by the Board to 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, Master Directions of Reserve Bank of India and other regulatory requirements as applicable:

- 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
- Information Security Committee
- Loan & Investment Committee
- Compensation Committee
- Management Committee
- Internal complaints committee

Further, the Committees constituted by the Board of the Company are guided by its charter, which defines the scope, roles and responsibilities, powers and composition of the 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.

All recommendations/suggestions received from the Committees during the Financial Year 2023-2024 were accepted by the Board.

Details on the role, terms of reference and composition of above Committees, including the number of meetings held during the financial year 2023-2024 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 Master Direction – Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023. All members are non-executive directors, are financially literate and have accounting or related financial management expertise.

**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 if any, 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;
- Discussion with the internal auditors of any significant findings and follow up there on;
- To review the functioning of the vigil mechanism;
- Monitoring the end use of funds, if raised through public offers and related matters;
- To review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;
- 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
- Have the same power, functions and duties as laid down in section 177 of the Act; 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/](http://www.kogta.in/investor/policy/)

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements.

During the year, four (4) Audit Committee meetings were held on May 11, 2023, August 03, 2023, October 30, 2023 and February 01, 2024. All the meetings were conducted with requisite quorum.

The composition 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 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 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	4	0
3.	Mrs. Shashikala Ramachandra	29/01/2020	Independent Director as Member	4	4	0
4.	Ms. Nithya Easwaran	05/08/2022	Nominee Director as Member	4	4	0

During the year under review, the Committee met and discussed on various matters including financials, internal audit reports and audit report. During the period under review, the Board of Directors of the Company accepted all the recommendations of the Audit Committee. The Company Secretary acts as the Secretary of the Committee.

#### (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 Master Direction – Reserve

Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023.

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

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in charter, recommend to the Board their appointment and removal;
- Specify the manner for effective evaluation of performance of Board, its Committees and

individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;

- Formulation of criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees;
- Ensuring 'fit and proper' status of proposed / existing directors;
- Retain, motivate and promote talent and to ensure long term sustainability of talented Directors, KMPs and SMPs.

- Have the same powers, functions and duties as laid down in Section 178 of the Act; 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/](http://www.kogta.in/investor/policy/)

During the year, four (4) Nomination and Remuneration Committee (NRC) meetings were held on April 27, 2023, May 11, 2023, August 03, 2023 and February 01, 2024. All the meetings were conducted with requisite quorum.

The composition 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 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 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	4	0
3.	Ms. Nithya Easwaran	05/05/2022	Nominee Director as Member	4	4	0

During the year under review, there was no change in the composition of the NRC. The Company Secretary acts as the Secretary of the Committee.

As per Section 178(7) of the Act and the Secretarial Standards, the Chairman 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. Kumar Sharadindu, member of the Committee was present at the 27<sup>th</sup> Annual General Meeting and 01<sup>st</sup> Extra Ordinary General Meeting of FY 2023-24 held on July 07, 2023 and September 11, 2023.

Further, Mr. P R Kalyanaraman, Chairman of the Committee and Mr. Kumar Sharadindu, member of the Committee was present at 02<sup>nd</sup> Extra Ordinary General Meeting of FY 2023-24 held on March 01, 2024.

### (c) ASSET LIABILITY MANAGEMENT COMMITTEE

The Company has formed an Asset Liability Management Committee (**ALCO**) in line with provisions of Master Direction – Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation)

Directions, 2023. The ALCO reviews the assets and liabilities position of the Company and gives directions to the finance team 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:

- Responsible for balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
- Ensure that the Company operates its activities within the limits / parameters set by the Board regarding the business and risk management strategy;
- Review the results of and progress in implementation of the decisions made in the previous meetings;
- Articulate the current interest rate view of the Company and base its decisions for future business strategy on this view;

- Review, revise as necessary, and recommend for Board approval the Asset Liability Management Policy, Investment Policy and Resource Planning Policy. In respect of the Investment and Resource Planning Policy, for instance, its responsibility would be to decide on source and mix of liabilities or sale of assets;
- Consider and approve any other matters related to liquidity and market risk management including matters which requires decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk or any other thing that might be required by the Reserve Bank of India (RBI) to be dealt with by ALCO and by Board of Directors, from time to time; and
- Review the Structural Liquidity Analysis (“SLA”) representing the cash flows of the Company over a time horizon spanning from 1 day to 6 months and comparison between the projected and actual SLA on quarterly basis and to do analysis of the cash flows mismatch and pending funding requirement to bridge the liquidity gap.
- To ensure and review the filing of Asset Liability Management statement, Structural Liquidity and Interest Rate Sensitivity statement and other required returns with Reserve Bank of India (“RBI”).
- To ensure that the Company has in place stress testing framework for conducting stress testing on half yearly basis under three scenarios with increasing degree of adversity i.e. Baseline, Medium and Severe for each risk category as applicable on the Company in line with the RBI guidelines.
- 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/](http://www.kogta.in/investor/policy/)

During the year, four (4) ALCO meetings were held on May 10, 2023, August 02, 2023, October 27, 2023 and January 31, 2024. All the meetings were conducted with requisite quorum.

The composition 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 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 shares held in the Company
				Held	Attended	
1.	Mr. Arun Kogta	15/10/2018	Managing Director & Chief Executive Officer as Chairman	4	3	858701
2.	Mr. Varun Kogta	15/10/2018	Whole Time Director & Chief Financial Officer as Member	4	4	694701
3.	Mr. Nayan Kogta*	02/02/2024	Chief Operating Officer as Member	0	0	634701
4.	Mr. Shobhit Nawal	15/10/2018	Finance Controller as Member	4	4	22000

**Note:** \*Mr. Nayan Kogta Chief Operating Officer of the Company has been appointed as a Member of the Committee w.e.f. February 02, 2024.

The Company Secretary acts as the Secretary of the Committee.

#### (d) RISK MANAGEMENT COMMITTEE (RMC)

The Company has constituted Risk Management Committee (RMC) in line with the provisions of the Master Direction – Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023 read with other circulars and guidelines issued by Reserve Bank of India (‘Guidelines’) from time to time.

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:**

- Assist the Board in setting risk strategy policies in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting;
- Review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed;
- Review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work;
- Ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's appetite or tolerance for risk;
- Oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained;
- Review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy

of reporting and financial results are always maintained at an optimal level;

- Monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts;
- Provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk, also taking account of reports by internal auditor to the Board on all categories of identified risks facing by company;
- Review the risk acceptance criteria, review loan loss provisioning;
- Review of Risk Management Policy;
- Take care matters related to pricing of credit as per RBI guidelines; 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/](http://www.kogta.in/investor/policy/)

During the year, four (4) Risk Management Committee meetings were held on May 11, 2023, August 02, 2023, October 30, 2023 and February 01, 2024. All the meetings were conducted with requisite quorum.

The composition 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 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 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. Kumar Sharadindu	29/10/2021	Independent Director as Member	4	4	0
4.	Mr. P R Kalyanaraman	29/10/2021	Independent Director as Member	4	4	0
5.	Ms. Nithya Easwaran	05/08/2022	Nominee Director as Member	4	4	0
6.	Mr. Nayan Kogta	15/10/2018	Chief Operating Officer as Member	4	4	634701
7.	Mr. Shobhit Nawal	15/10/2018	Finance Controller as Member	4	4	22000

The Company Secretary acts as the Secretary of the Committee.

**(e) 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 under Annexure II of 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/](http://www.kogta.in/investor/policy/)

During the year, five (5) CSR Committee meetings were held on May 11, 2023, May 12, 2023, August 01, 2023, October 27, 2023 and February 01, 2024. All the meetings were conducted with requisite quorum.

The composition 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 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 shares held in the Company
				Held	Attended	
1.	Mr. P R Kalyanaraman*	17/01/2019	Independent Director as Chairman	5	5	0
2.	Mr. Radha Krishan Kogta**	20/12/2016	Chairman & Whole Time Director as Member	5	5	729500
3.	Mr. Varun Kogta	20/12/2016	Whole Time Director & Chief Financial Officer as Member	5	5	694701

**Note:**

\* Change in designation of Mr. P R Kalyanaraman from member to Chairman w.e.f. February 02, 2024.

\*\* Change in designation of Mr. Radha Krishan Kogta from Chairman to member w.e.f. February 02, 2024.

The Company Secretary acts as the Secretary of the Committee.

**(f) STAKEHOLDERS RELEATIONSHIP 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/](http://www.kogta.in/investor/policy/)

During the year, four (4) Stakeholders Relationship Committee meetings were held on May 11, 2023, August 03, 2023, October 30, 2023 and February 01, 2024. 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 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 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

The Company Secretary acts as the Secretary of the Committee.

**The status and details of the investor complaints received during the Financial Year 2023-24 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 shareholders	0
No. of Pending Complaints	0

### (g) IT STRATEGY COMMITTEE

The Board constituted the IT Strategy Committee in compliance with the provisions of the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023 issued by the Reserve Bank of India.

The terms of reference of the IT Strategy Committee are guided by the prescriptions of the above Master Directions which inter-alia includes strategic alignment, risk management, resource management, performance management and Business Continuity/ Disaster Recovery Management 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 above mentioned Master Direction, which inter alia includes:**

- ensure that the Company has put an effective IT strategic planning process in place;
- guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives;
- satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organization;

- ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks;
- ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the RE's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives;
- review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company;
- review, assessment of IT capacity requirements and measures taken to address the issues; and;
- carry out any other function as 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/](http://www.kogta.in/investor/policy/)

During the year, four (4) IT Strategy Committee meetings were held on May 10, 2023, August 02, 2023, October 27, 2023 and February 01, 2024. All the meetings were conducted with requisite quorum.

The composition 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 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 shares held in the Company
				Held	Attended	
1.	Mr. P. R. Kalyanaraman	16/05/2019	Independent Director as Chairman	4	4	0
2.	Mr. Arun Kogta	16/05/2019	Managing Director & Chief Executive Officer as Member	4	4	858701
3.	Mr. Varun Kogta	16/05/2019	Whole Time Director & Chief Financial Officer as Member	4	4	694701
4.	Mr. Chandan Agarwal	07/05/2021	Head Product Development & New Business Initiatives as Member	4	4	0
5.	Mr. Vinod Maheshwari	16/05/2019	Chief Technology Officer (CTO) as Member	4	4	2000
6.	Mr. Devendra Kumar Pareek*	08/02/2022	Senior Manager - IT and System as Member	2	1	0
7.	Mr. Nilesh B Rade**	04/08/2023	Head of Engineering - IT Department as Member	2	2	0

Note: \* Mr. Devendra Kumar Pareek ceased to be the Member of the Committee w.e.f. August 04, 2023.

\*\* Mr. Nilesh B Rade has been appointed as Member of the Committee w.e.f. August 04, 2023.

The Company Secretary acts as the Secretary of the Committee.

#### (h) IT STEERING COMMITTEE

The Board constituted the IT Steering Committee in compliance with the provisions of the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023 issued by the Reserve Bank of India.

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

- Assist the IT Strategy Committee in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs;
- Oversee the processes put in place for business continuity and disaster recovery;
- Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and
- Update IT Strategy Committee and CEO periodically on the activities of IT Steering Committee.
- 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/](http://www.kogta.in/investor/policy/)

During the year, four (4) IT Steering Committee meetings were held on May 09, 2023, August 02, 2023, October 27, 2023 and January 31, 2024. 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 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 shares held in the Company
				Held	Attended	
1.	Mr. Chandan Agarwal	07/05/2021	Head Product & Digital Lending 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	Senior Engineering as Member	4	4	2000
4.	Mr. Devendra Kumar Pareek*	29/10/2021	Senior Manager - IT and System as Member	2	1	0
5.	Mr. Nilesh B Rade**	04/08/2023	Head of Engineering - IT Department as Member	2	0	0
6.	Mr. Gajendra Kumar**	04/08/2023	Head - Networking & System as Member	2	2	0

**Note:** \* Mr. Devendra Kumar Pareek ceased to be the Member of the Committee w.e.f. August 04, 2023.

\*\* Mr. Nilesh B Rade and Mr. Gajendra Kumar has been appointed as Member of the Committee w.e.f. August 04, 2023.

The Company Secretary acts as the Secretary of the Committee.

## (i) INFORMATION SECURITY COMMITTEE (ISC)

During the year, the Board constituted the Information Security Committee (ISC) on February 02, 2024 in compliance with the provisions of the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023 issued by the Reserve Bank of India for managing cyber/ information security.

**The terms of reference of the ISC are in accordance with the above mentioned Master Direction, which inter alia includes:**

- Development of information/ cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the Company's risk appetite;
- Approving and monitoring information security projects and security awareness initiatives;
- Reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities; and
- Updating IT Strategy Committee and CEO periodically on the activities of ISC.
- 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/](http://www.kogta.in/investor/policy/).

**The details of the composition of the Committee are as follows:**

Sl. No.	Name of the Member	Member of Committee since	Capacity	No. of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1.	*Mr. Tushar Athawale	02/02/2024	Chief Risk Officer as Chairman	0	0	0
2.	Mr. Nayan Kogta	02/02/2024	Chief Operating Officer as Member	0	0	634701
3.	Mr. Chandan Agarwal	02/02/2024	Head Product & Digital Lending as Member	0	0	0
4.	Mr. Nilesh B Rade	02/02/2024	Head of Engineering - IT Department as Member	0	0	0
5.	Mr. Gajendra Kumar	02/02/2024	Head - Networking & System as Member	0	0	0

The Company Secretary acts as the Secretary of the Committee.

### (j) LOAN & INVESTMENT COMMITTEE

In accordance with 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 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 transaction with one or more lenders, banks and/or any other Financial institutions;
- To advise the Board in setting strategic direction for borrowing operations & planning;
- To delegate authority/powers to any other person to negotiate, re- negotiate, finalize, execute and deliver, cause to be executed or deliver, sign, deal with, modify, alter, amend and do all other acts, deeds, things and matters in connection with the Facility, the Finance Documents and other documents, letter(s), applications, receipts, notices, mandates, assignments, powers of attorney, undertakings, declarations, notices (including utilization request), agreements and other documents, instruments, writings and papers

in connection to borrowing with all lenders and to do all acts, deeds, matters and things as deem necessary, proper or desirable;

- To negotiate, decide and approve the terms and conditions or modifications thereof of the issue and allotment of Non-Convertible Debentures (“NCD”), Commercial Papers (“CP”), Bond and other debt securities (“Debt Security”) to the eligible investors as identified by the Board;
- 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; 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/](http://www.kogta.in/investor/policy/)

During the year, fifty three (53) Loan & Investment Committee meetings were held on April 5, 2023, April 22, 2023, May 8, 2023, May 25, 2023, May 29, 2023, June 5, 2023, June 26, 2023, June 28, 2023, July 7, 2023, July 21, 2023, July 26, 2023, July 29, 2023, August 3, 2023, August 9, 2023, August 17, 2023, August 23, 2023, September 4, 2023, September 16, 2023, September 21, 2023, September 23, 2023, September 27, 2023, September 29, 2023, October 3, 2023, October 6, 2023, October 9, 2023, October 13, 2023, October 25, 2023, November 03, 2023, November 08, 2023, November 18, 2023, November 29, 2023, December 07, 2023, December 12, 2023, December 18, 2023, December 22, 2023, December 28, 2023, January 16, 2024, January 23, 2024, January 29, 2024, January 31, 2024, February 05, 2024, February 13, 2024, February 26, 2024, February 28, 2024, March 01, 2024, March 05, 2024, March 07, 2024, March 16, 2024, March 19, 2024, March 21, 2024, March 26, 2024, March 27, 2024 and March 29, 2024. 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 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 shares held in the Company
				Held	Attended	
1.	Mr. Varun Kogta	20/12/2016	Whole Time Director & Chief Financial Officer as Chairman	53	51	694701
2.	Mr. Arun Kogta	20/12/2016	Managing Director & Chief Executive Officer as Member	53	9	858701
3.	Mr. Nayan Kogta	20/12/2016	Chief Operating Officer as Member	53	53	634701
4.	Mr. Shobhit Nawal	16/05/2019	Finance Controller as Member	53	53	22000

The Company Secretary acts as the Secretary of the Committee.

### (k) 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 terms & conditions of the said policy;

- To allot equity shares to the eligible employees (as identified by the Committee), who shall exercise its rights to subscribe the ESOPs under the Kogta Employee Stock Option Scheme of the Company;
- To perform annual evaluation appraisal of remuneration of Senior Management Personnel ; 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/](http://www.kogta.in/investor/policy/)

During the year, Eight (8) Compensation Committee meetings were held on April 22, 2023, June 8, 2023, August 4, 2023, August 30, 2023, September 30, 2023, November 27, 2023, December 28, 2023 and March 30, 2024. All the meetings were conducted with requisite quorum.

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 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 shares held in the Company
				Held	Attended	
1.	Mr. Arun Kogta	02/02/2018	Managing Director & Chief Executive Officer as Chairman	8	8	858701
2.	Mr. Varun Kogta	02/02/2018	Whole Time Director & Chief Financial Officer as Member	8	8	694701
3.	Mr. Nayan Kogta	02/02/2018	Chief Operating Officer as Member	8	8	634701

The Company Secretary acts as the Secretary of the Committee.

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

- To prepare, arrange, execute, file and sign all application(s), letter(s), form(s), agreement(s) or any other document(s) as may be necessary with any person(s), firm(s), body corporate(s) to obtain/ take on lease or on rent any immovable property to establish new Branch offices of the Company and also to negotiate and finalise the terms and conditions of such rent/ lease agreement;
- To sign, execute and submit any application, letter, document and/or agreement, in respect of any matter relating to take and obtain telephone connections, internet connections, electricity connections and water connections, on behalf of the Company, as may be required for every offices of the Company whether new or existing to effectively running the business of the Company;
- To prepare, arrange, execute, file and sign all application(s), letter(s), form(s), agreement(s) or any other document(s) as may be necessary to transact the Administrative activities related to financial and non-financial transaction(s) with Customers/service providers including but not limited to RTO, Seizer, Lawyer, Valuer, Parking yard, Etc./agents including but not limited to Direct Selling Agents, Direct Marketing Agents, Business Associate Agents, Etc. /Government and Non-Government departments and all other statutory bodies/authorities on behalf of the Company;
- To authorize any person to appear on behalf of the Company before any person(s), firm(s), body corporate(s), association of person(s), Registrar and Government and Non-Government departments and all other statutory bodies as may

be necessary in respect of all above mentioned matters;

- To engage counsels, execute power of attorney in favour of any person/employee/advocate / solicitors/consultants/accountants in relation to any matter related to court /tribunal and to submit vakalatnama, statements, documents, evidences, declarations, etc. before the appropriate Authorities/ Court/Forum/ tribunals, including Debt Recovery Tribunal/NCLT and/or the Police Authorities for and on behalf of the Company;
- To authorize any person/employee in any legal proceeding before the appropriate Authorities/ Court/ Forum/ Tribunal (including Debt Recovery Tribunal/ National Company Law Tribunal (“NCLT”) and/or the Police/Administrative Authorities for and on behalf of the Company;
- 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;
- To do all other acts, deeds or things as may be necessary to manage and administer such kind of activities.

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/](http://www.kogta.in/investor/policy/)

During the year, two (2) Management Committee meetings were held on May 23, 2023 and July 21, 2023. 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 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 shares held in the Company
				Held	Attended	
1.	Mr. Varun Kogta	20/12/2016	Whole Time Director & Chief Financial Officer as Chairman	2	2	694701
2.	Mr. Rahul Agrawal	20/12/2016	Chief Compliance Officer as Member	2	2	7500
3.	Mr. Manoj Sharda	20/12/2016	National Operation Manager as Member	2	2	5000
4.	Mr. Vijendra Singh	10/11/2017	Chief Manager CMS Banking as Member	2	2	0

The Company Secretary acts as the Secretary of the Committee.

**(m) INTERNAL COMPLAINTS COMMITTEE**

The Company has formed an “Internal Complaints Committee” (“ICC”) in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) for redressal of sexual harassment complaint and for ensuring time bound treatment of such complaints.

**The terms of reference of the ICC are in accordance with the provisions of POSH Act, which inter alia includes:**

- Investigating every formal written complaint of sexual harassment;
- Taking appropriate remedial measures to respond to any substantiated allegations of sexual harassment;

- Discouraging and preventing employment related sexual harassment;
- Initiate and conduct an inquiry as per the POSH policy of the Company;
- Maintain all records of all the inquiries conducted;
- Maintain strict confidentiality throughout the process of enquiry;
- Submit reports of POSH complaints on annual basis in the prescribed format; and
- To carry out any other function as is mandated by the Act 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/](http://www.kogta.in/investor/policy/).

**The details of the composition of the Committee as on March 31, 2024, are as follows:**

Sl. No.	Name of the Member	Member of Committee since	Capacity
1.	Ms. Khushboo Chotia	07/05/2021	Presiding Officer
2.	Ms. Asmita Chauhan	07/05/2021	Internal Member
3.	Mr. Karan Singh Chouhan	05/08/2022	Internal Member
4.	Ms. Nisha Gaur	05/08/2022	External Member

During the year, the Company has not received any complaint under this Act.

**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 a year in absence of Non-Independent Directors.

During the year under review, a meeting of Independent Directors was held on February 02, 2024 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.

**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/](http://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
2023-2024	July 07, 2023	12:00 P.M.	Kogta House, Azad Mohalla, Near Railway Station, Bijainagar, Ajmer – 305624, Rajasthan	<ul style="list-style-type: none"> <li>To review and approve remuneration to be paid to Executive Directors of the Company for Financial Year 2023-24 and thereafter;</li> <li>To consider and approve the compensation (Profit related commission) payable to Independent Directors of the Company.</li> <li>To consider &amp; approve the continuation of directorship of Mr. Pandithacholanaloor Ramaswamy Kalyanaraman (DIN: 01993027) as an Independent Director of the Company;</li> <li>To consider &amp; approve the amendments made in the Articles of Association of the Company;</li> <li>To consider &amp; approve the authority to accept borrowings upto an aggregate value not exceeding ₹ 5000 crores;</li> <li>To consider &amp; approve the authority to create mortgage, charge etc. to secure borrowings upto an aggregate value not exceeding ₹ 5000 crores;</li> <li>To consider and approve to increase the investment limit of the Company upto ₹ 1500 crores; and</li> <li>To consider and approve the power for issuances of Non-Convertible Debentures on Private Placement Basis;</li> </ul>
2022-2023	June 27, 2022	01:00 P.M.	Kogta House, Azad Mohalla, Near Railway Station, Bijainagar, Ajmer – 305624, Rajasthan	<ul style="list-style-type: none"> <li>To review and approve remuneration to be paid to Executive Directors of the Company for the Financial Year 2022-23;</li> <li>To approve the limit and power for issuances of Non-Convertible Debentures on Private Placement Basis; and</li> <li>To review and approve the compensation (Profit related commission) payable to Independent Directors of the Company.</li> </ul>
2021-2022	July 9, 2021	01:00 P.M.	Kogta House, Azad Mohalla, Near Railway Station, Bijainagar, Ajmer – 305624, Rajasthan	<ul style="list-style-type: none"> <li>Authority to accept borrowings upto an aggregate value not exceeding to ₹ 3000 Crores;</li> <li>Authority to create mortgage, charge etc. to secure borrowings upto an aggregate value not exceeding ₹ 3000 Crores;</li> <li>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;</li> <li>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</li> <li>To review and approve remuneration to be paid to executive directors of the Company for financial year 2021-22.</li> </ul>

- The details of the location and time of the extra ordinary general meeting held in Financial Year 2023-24 are given below: -

Financial Year	Date	Time	Venue	Special Resolution Passed
2023-24	September 11, 2023	11:00 A.M.	S-1, Gopal Bari, Near Ajmer Pulia, Opposite Metro Pillar No. 143, Jaipur – 302001, Rajasthan	• To approve alteration in object clause of the Memorandum of Association of the Company.
2023-24	March 01, 2024	11:00 A.M.	S-1, Gopal Bari, Near Ajmer Pulia, Opposite Metro Pillar No. 143, Jaipur – 302001, Rajasthan	NIL

- Postal Ballot**

During the year under review, no resolution was passed through Postal Ballot and no special resolution is proposed to be passed through postal ballot under the provisions of the Act, on or before the ensuing AGM.

## 8. ANNUAL GENERAL MEETING INFORMATION

AGM Date, Time And Venue	July 10, 2024 at 12:00 P.M. at “Kogta House”, Azad Mohalla, Bijainagar, Ajmer – 305624, Rajasthan
Financial Year	April 01, 2023 to March 31, 2024
Dividend Payment Date	Within 30 days from declaration of dividend
Registrar And Share Transfer Agent	KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) “Selenium, Tower-B”, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana
Debenture Trustees	<b>CATALYST TRUSTEESHIP LIMITED</b> (Erstwhile GDA Trusteeship Limited) Unit No- 901, 9 <sup>th</sup> Floor, Tower – B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013 <b>IDBI TRUSTEESHIP SERVICES LIMITED</b> Asian Building, 17, R Kamani Rd, Ballard Estate, Fort, Mumbai – 400001 <b>VARDHMAN TRUSTEESHIP PRIVATE LIMITED</b> The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
Address For Correspondences	The Company Secretary & Compliance Officer, Kogta Financial (India) Limited <b>Registered Office:</b> “Kogta House”, Azad Mohalla Near Railway Station, Bijainagar, Ajmer – 305 624, Rajasthan <b>Corporate Office:</b> S-1, Gopal Bari, Near Ajmer Pulia, Opposite Metro Pillar No. 143, Jaipur – 302001, Rajasthan Ph. +91 141 - 6767000   Email: compliance@kogta.in
Name and Address of the Stock Exchange(S)	BSE Limited P J Towers, Dalal Street, Fort, Mumbai – 400 001 Annual Listing Fees to the stock exchange have been paid for the financial year 2024-2025.
Scrip Code / ISIN [listed during FY 2023-24]	Scrip Code: 975463 ISIN: INE192U07343
<b>Share Transfer System</b>	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, 2024**

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

**a. Distribution of shareholding as on March 31, 2024**

Category (Number of Shares)	No. of Shareholders	% of total no. of shareholders	Total shares	% of total no. of shares
1 – 200000	138	86.79	644355	2.02
200001 - 500000	8	5.03	2967500	9.32
500001 - 1000000	8	5.03	5142603	16.16
1000001 - 5000000	3	1.89	9266699	29.12
5000001 & above	2	1.26	13804068	43.38
<b>Total</b>	<b>159</b>	<b>100</b>	<b>31825225</b>	<b>100</b>

**b. Categories of Shareholders as on March 31, 2024: -**

Category	No. of Shares	Percentage of Holding (%)
Promoters	9803103	30.80
Public	273355	0.86
Other Institutions / FI	4886619	15.35
Foreign Corporates / FI	16862148	52.98
<b>Total</b>	<b>31825225</b>	<b>100</b>

**c. Top ten shareholders of the Company as on March 31, 2024: -**

Sr. No.	Name	No. of Shares	% of holding*
<b>Promoter Group Shareholding</b>			
1	Mr. Bal Mukund Kogta	1322000	4.15
2	Mr. Arun Kogta	858701	2.70
3	Mr. Radha Krishan Kogta	729500	2.29
4	Mr. Varun Kogta	694701	2.18
5	Mr. Nayan Kogta	634701	1.99
6	Ms. Nidhi Kogta	580000	1.82
<b>Investor's Shareholding</b>			
7	NHPEA V Kiwi (BVI) Limited	7910834	24.86
8	Aditya (Mauritius) Limited	5893234	18.52
9	Multiples Private Equity Fund III	4886619	15.35
10	Javelin Investments Private Limited	3058080	9.61

**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:

- (a) Related Party Transactions were placed before the Audit Committee for review and approval. Annually omnibus approval was obtained for transactions which were of repetitive nature and / or entered in the ordinary course of business.

Further, loans and advances sanctioned to senior officers of the Company were also placed before the Audit Committee and Board for their review and consideration.

- (b) 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.

- (c) 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/](http://www.kogta.in/investor/policy/)

**2. Code of Conduct**

The Board has laid down Codes of Conduct for Board Members, Key managerial personnel's, 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/](http://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/](http://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 as prescribed under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

In accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code on 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/](http://www.kogta.in/investor/policy/)

The Audit Committee and the Board at its meetings held on May 12, 2023, 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.

Further, the Company has a Structured Digital Database in place and is maintained in house in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. In this regard the Company has filed the compliance certificate with the Stock Exchanges on a quarterly basis.

### 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) **Website Disclosure:** The Company's website contains a separate section namely "Investor Section" <https://kogta.in/investor-information/stock-exchange-disclosure/> at where Shareholders' related information is available and Members can access information as required to be disseminated on the website of the Company pursuant to Regulation 62 of the SEBI Listing Regulations.

The Company hosts Annual Reports, 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 2.0):** 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. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. Further, it is informed that your Company has not received any investor complaint in FY 2023-24.
- vi) **Online dispute resolution Portal ("ODR Portal"):** The Company has also enrolled itself on the Online dispute resolution Portal ("ODR Portal") to streamline the existing dispute resolution mechanism and for prompt resolution of investor's disputes in the Indian Securities Market. Further, it is informed that your Company has not received any investor complaint in FY 2023-24.

**8. Utilization of Funds**

The debt fund raised during the year, through private placement has been utilized 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.**

Other than below mentioned warrants and Compulsory Convertible Preference Shares (CCPS), there were no outstanding GDRs/ADRs/CCPS/warrants outstanding for conversion and which would have an impact on the equity of the Company.

Sr. No.	Name of Convertible Securities	No. of Securities	Redemption Date (on or before)
1	Series A Compulsory Convertible Preference Shares	3840000	23/10/2036
2	Series B Compulsory Convertible Preference Shares	10137308	27/11/2038
3	Series C Compulsory Convertible Preference Shares	1774544	27/11/2038
4	Series D1 Compulsory Convertible Preference Shares	9699216	30/09/2039
5	Series D2 Compulsory Convertible Preference Shares	3231240	30/09/2039
6	Series E Compulsory Convertible Preference Shares	8000442	04/05/2042
7	Convertible Warrants	1025806	10/11/2026

The above-mentioned warrants and CCPS shall be exercised/converted in accordance with the terms mentioned in the 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, strictures have been imposed on the Company by the RBI/Stock Exchange/SEBI or any other statutory authorities on matters relating to capital market during the last three years.

**13. Fraud Risk Management**

Fraud can cause significant financial losses and damage to the reputation of the Company, leading to loss of customer trust and confidence. The Company conduct regular internal audits, establish strong internal controls and promote ethical behaviour. By prioritizing proactive measures, we ensure the safety and trust of our stakeholders.

**14. 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 security holders.**

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 Exchange 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.

**e. Liquidity Risk Management Framework**

The Company has adopted a Liquidity Risk Management Framework and is in adherence to the Liquidity Risk Management guidelines stipulated by the RBI. Further, details of the same are separately disclosed in the notes to the Financial Statements forming part of this Annual Report.

The Company has in place a functional website and the details required to be uploaded on the website as per RBI Master Directions have been duly uploaded at [www.kogta.in/investor-information/financial-performance/](http://www.kogta.in/investor-information/financial-performance/)

**f. The Company has framed the policy to claim unclaimed amount of interest/redemption of the listed non-convertible securities for investors as per circular dated November 08, 2023 issued by Securities and Exchange Board of India ("SEBI") which is hosted on Company's website at [www.kogta.in/investor/policy/](http://www.kogta.in/investor/policy/).**

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

Sd/-

**RADHA KRISHAN KOGTA**

Chairman

DIN: 00197552

Date: May 15, 2024

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, 2024

[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, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2024 (**'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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 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. Insurance Regulatory and Development Authority of India Act, 1999;
- VI. 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 (Issue and Listing of Debt Securities) Regulations, 2008;
  - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
  - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**Not applicable on the Company during the Audit Period**)
  - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (**Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review**)
  - ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - x. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

VII. 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 – Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024;
- iv. Master Direction - Non-Banking Financial Company Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
- v. Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs - RBI Guidelines;
- vi. Master Circular – “Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015”;
- vii. Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023;
- viii. Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2016;
- ix. Master Direction-Information Technology Framework for NBFC Sector;
- x. Master Direction on Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023; and
- xi. Miscellaneous Non- Banking Companies (Reserve Bank) Directions, 2016.

VIII. We have also examined compliances with the applicable provisions of the following:

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

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

#### **We further report that**

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

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

All decisions of Board of Directors, Committees 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 areas under: -

- During the audit period under review, the Company has taken the approval for the offer, issue and allotment of non-convertible debentures upto aggregate amount of ₹ 1000 crore (Indian Rupees One Thousand Crore) in one or more tranches in the Board Meeting held on May 12, 2023 and subsequently approved by members in the Annual General Meeting held on July 07 2023.
- During the audit period under review, the Company has taken the approval to accept borrowings upto an aggregate value not exceeding ₹ 5000 Crore (Indian Rupees Five Thousand Crores) in the Annual General Meeting held on July 7, 2023.
- During the audit period under review, the Company has obtained the license of Insurance Corporate Agency for which approval has been taken from IRDAI and alteration made in object clause of the Memorandum of Association of the Company in the Extra-Ordinary General meeting held on September 11, 2023.

- During the audit period under review, Mr. Rahul Agrawal has been appointed as Chief Compliance Officer of the Company and Mr. Karan Singh Chouhan as a Company Secretary and Compliance Officer of the Company in the Board Meeting held on May 12, 2023.

- During the audit period under review, Mr. Rahul Agrawal and Mr. Nayan Kogta designated as Key Managerial Personnel (“KMP”) of the Company in the Board Meeting held on February 02, 2024.

During the period under review, the Company has made following allotments;

- 5875 (Five 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 ₹ 9, 98,750/- (Indian Rupees Nine Lakh Ninety Eight Thousand Seven Hundred Fifty Rupees Only) under the EMPLOYEE STOCK OPTION PLAN - 2019 on June 08, 2023.
- 450 (Four 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 ₹ 2,02,500/- (Indian Rupees Two Lakh Two Thousand Five Hundred Only) under the EMPLOYEE STOCK OPTION PLAN – 2020 on June 08, 2023.
- 2250 (Two Thousand Two 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 ₹ 3,82,500/- (Indian Rupees Three Lakh Eighty Two Thousand Five Hundred Only) under the EMPLOYEE STOCK OPTION PLAN - 2019 on August 04, 2023.
- 2800 (Two Thousand Eight 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 ₹ 12,60,000/- (Indian Rupees Twelve Lakh Sixty Thousand Only) under the EMPLOYEE STOCK OPTION PLAN - 2020 on August 04, 2023.
- 5000 (Five 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 ₹ 8,50,000/- (Indian Rupees Eight Lakh Fifty Thousand Only) under the EMPLOYEE STOCK OPTION PLAN - 2019 on September 30, 2023.
- 2700, (Two Thousand Seven 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 ₹ 12,15,000/- (Indian Rupees Twelve Lakh Fifteen Thousand Only) under the EMPLOYEE STOCK OPTION PLAN - 2020 on September 30, 2023.

- 1175 (One Thousand One 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 ₹ 1,99,750/- (Indian Rupees One Lakh Ninety Nine Thousand Seven Hundred Fifty Only) under the EMPLOYEE STOCK OPTION PLAN -2019 on November 27, 2023.
- 500 (Five 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 ₹ 2,25,000/- (Indian Rupees Two Lakh Twenty- Five Thousand Only) under the EMPLOYEE STOCK OPTION PLAN -2020 on November 27, 2023.
- 500 (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 ₹ 85,000/- (Indian Rupees Eighty Five Thousand Only) under the EMPLOYEE STOCK OPTION PLAN -2019 on December 28, 2023.
- 5,850 (Five 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 ₹ 26,32,500/- (Indian Rupees Twenty Six Lakh Thirty Two Thousand Five Hundred Only) under the EMPLOYEE STOCK OPTION PLAN -2020 on December 28, 2023.
- 11,750 (Eleven 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) each, aggregating to ₹ 19,97,500/- (Indian Rupees Nineteen Lakh Ninety Seven Thousand Five Hundred Only) under the EMPLOYEE STOCK OPTION PLAN -2019 on March 30, 2024.
- 20050 (Twenty Thousand And 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 ₹ 90,22,500/- (Indian Rupees Ninety lac Twenty Two Thousand Five Hundred only) under the EMPLOYEE STOCK OPTION PLAN -2020 on March 30, 2024.

- 1,200 (One Thousand Two 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 ₹ 5,40,000/- (Indian Rupees Five Lakh Forty Thousand Only) under the EMPLOYEE STOCK OPTION PLAN -2020 Series-2 on March 30, 2024.
- 501 (Five Hundred And One) Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) per share at a premium of ₹ 440/- (Indian Rupees Four Hundred And Forty Only) each, aggregating to ₹ 2, 25,450/- (Indian Rupees Two Lakh Twenty Five Thousand Four Hundred And Fifty Only) under the EMPLOYEE STOCK OPTION PLAN -2020-Series 3 on March 30, 2024.
- 10000 (Ten Thousand) rated listed, senior, secured, redeemable, taxable, non- convertible debentures having face value of ₹ 100,000 (Indian Rupees One Lakh Only) each and aggregate value of 100,00,00,000 (Indian Rupees One Hundred Crore Only) on private placement basis on March 05, 2024.

• **During the period under review, the Company has redeemed the following Non- Convertible Debentures: -**

S. No.	Date of Allotment	Number of Debentures	Face Value per Debenture (in ₹)	Total Amount (in ₹)	Date of Redemption	Remarks
1.	01.06.2020	1000	1,00,000/-	10,00,00,000/-	01-06-2023	Listed on BSE
2.	21-07-2020	50	1,00,00,000/-	50,00,00,000/-	21-04-2023	Listed on BSE
3.	24-12-2020	800	1,00,000/-	8,00,00,000/-	23-06-2023	Listed on BSE
4.	10-03-2021	3500	1,00,000/-	35,00,00,000/-	08-09-2023	Listed on BSE
5.	23-09-2021	250	10,00,000/-	25,00,00,000/-	22-09-2023	Listed on BSE
6.	27-09-2021	200	10,00,000/-	20,00,00,000/-	27-09-2023	Listed on BSE
7.	27-09-2021	400	10,00,000/-	40,00,00,000/	27-03-2024	Listed on BSE

• **During the audit period, the Company has obtained shareholder's approval in the General Meeting for the following items:**

- Approval has been taken to amend the Articles of Association of the Company in the Annual General Meeting held on July 07, 2023.
- During the audit period under review, the Company has taken the approval for the offer, issue and allotment of non-convertible debentures upto aggregate amount of ₹ 1000 crore (Indian Rupees One Thousand Crore) in one or more tranches in the Board Meeting held on May 12, 2023 and subsequently approved by members in the Annual General Meeting held on July 07 2023.
- Approval has been taken to approve the remuneration to be paid to executive directors of the Company for the financial year 2023-2024 and thereafter in the Annual General Meeting held on July 07, 2023.
- Approval has been secured for the continuation of directorship of Mr. Pandithacholanaloor Ramaswamy Kalyanaraman (DIN:01993027) as an Independent Director of the Company in the Annual General Meeting held on July 07, 2023.
- Approval has been taken to pay the Compensation (Profit Related Commission) Payable to Independent Directors of the Company in the Annual General Meeting held on July 07, 2023.
- During the audit period under review, the Company has taken the approval to accept borrowings upto an aggregate value not exceeding ₹ 5000 Crore (Indian Rupees Five Thousand Crores) in the Annual General Meeting held on July 7, 2023.
- Approval has been taken to give authority to create mortgage, charge etc. to secure borrowings upto an aggregate value not exceeding ₹ 5000 Crores in the Annual General Meeting held on July 07, 2023.
- Approval has been taken to increase the investment limit of the Company up to ₹ 1500 Crores in the Annual General Meeting held on July 07, 2023.
- Approval has been taken to alteration in the object clause of the Memorandum of Association (MOA) of the Company in the Extra-Ordinary General meeting held on September 11, 2023.

- Approval has been taken for the Re-appointment of Mr. Varun Kogta (DIN: 06844307) as the Whole-Time Director of the Company in the Extra-ordinary General Meeting held on March 01, 2024.
- Approval has been taken to increase in the authorized share capital of the Company and amendment of the Memorandum of Association (“MOA”) of the company in the Extra-ordinary General Meeting held on March 01, 2024.

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

Place: Jaipur  
Date: May 15, 2024

FCS No. 5104 ICOP No. 3641  
UDIN: F005104F000370634

## 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. Wherever 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 are 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.

Place: Jaipur  
Date: May 15, 2024

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

Sd/-  
**DEEPAK ARORA**  
Partner  
FCS No. 5104 | COP No. 3641  
UDIN: F005104F000370634

# Related Party Transaction Policy

## 1. INTRODUCTION

Kogta Financial (India) Limited (“the 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”) under NBFC Middle Layer – RBI (NBFC - Scale Based Regulation) Directions, 2023 with more than 25 years of experience in asset finance business.

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

## 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 Master Direction – Reserve Bank of India (“RBI”) (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023, Insurance Regulatory and Development Authority of India (IRDAI) guidelines to the extent applicable on Insurance Corporate Agents and other applicable laws/guidelines/circulars (hereinafter referred to as “Applicable 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 Applicable 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 provisions of Applicable Law.

## 5. DEFINITIONS

“**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 Section 2(27) 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 defined as a Related Party under the applicable law.

“**Relative**” means relative as defined under Section 2(77) of the Act and rules made there under.

“**Related party transaction**” or “**RPT**” shall have the same meaning as specified under the Applicable Law.

“**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 or having a common directorship amongst registered intermediaries or insurance intermediaries. 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 Applicable 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 shall 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 crores 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 ratified/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 Board or any Committee of Board.
- 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 Applicable 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 Applicable 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)

Particulars	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 2024, 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, 2024, 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, 2024. 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><b>(a) Impairment of financial instruments as on balance sheet date (expected credit losses)</b> 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"> <li>Defining Staging of loans (i.e. classification in ‘significant increase in credit risk’ (“SICR”) and ‘default’ categories);</li> <li>Grouping of borrowers based on homogeneity by using appropriate statistical techniques;</li> <li>Estimation of behavioral life;</li> <li>Estimation of losses for loan products with no/ minimal historical defaults; and</li> <li>Management overlay for macro-economic factors and estimation of their impact on the credit quality.</li> </ol> <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"> <li>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”).</li> <li>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.</li> <li>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.</li> <li>Assessed the additional considerations applied by the management for the staging of loans as SICR.</li> <li>Tested the ECL model, including assumptions and underlying computation.</li> <li>Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of account and records.</li> <li>Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</li> <li>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.</li> </ul>
<p><b>(b) IT systems and controls</b></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"> <li>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.</li> <li>Tested the Company’s periodic review of access rights.</li> <li>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</li> </ul>

### 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, 2024 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 2023-24 and has paid the final dividend for the financial year 2022-23 on the preference shares in compliance with Section 123 of the Act.
- vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

**(Rajesh Sethi)**  
Partner

Place : San Diego  
Date : May 15, 2024

Membership No. 085669  
UDIN: 24085669BKERYF5418

# 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, 2024.

- (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 favor 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;
- (d) 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 |
|-----------------|---|---------|
| 4,698           | 10,170.74                                   | -       |
- (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. 10,170.74 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
<b>Aggregate number of loans/ advances in nature of loans</b>			
Repayable on demand (A)	Nil	Nil	52.58
Agreement does not specify any terms or period of repayment (B)	Nil	Nil	Nil
Total (A+B)	Nil	Nil	52.58
Percentage of loans/ advances in nature of loans to the total loans	Not applicable	Not applicable	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 and other statutory dues were outstanding as at 31 March, 2024 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 and any other statutory dues 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 willful 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 utilized 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, the Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanation given by the Management and audit procedure performed by us, no material fraud by the company or on the company has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed 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 financial year;
- (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(xx) of the Order is not applicable to the Company.

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

**(Rajesh Sethi)**  
Partner

Place : San Diego  
Date : May 15, 2024

Membership No. 085669  
UDIN: 24085669BKERYF5418

# 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, 2024 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, 2024, 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 : San Diego  
Date : May 15, 2024

Membership No. 085669  
UDIN: 24085669BKERYF5418

# Balance Sheet

as at March 31, 2024

(All amounts in lakhs, except as stated otherwise)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	2	29,065.94	18,859.61
Bank Balances other than cash and cash equivalents	3	36,250.32	41,543.53
Loans	4	4,00,189.55	2,83,175.09
Investments	5	45,685.22	30,845.21
Other Financial Assets	6	9,543.99	5,745.31
<b>Sub-total-Financial assets</b>		<b>5,20,735.02</b>	<b>3,80,168.75</b>
<b>Non-Financial Assets</b>			
Deferred Tax Assets (net)		300.07	560.44
Property, plant and equipment	7	1,638.15	1,320.19
Right of Use Assets	8	1,625.83	1,496.47
Other Intangible Assets	9	1,020.05	338.49
Other non-financial assets	10	2,602.38	1,551.34
<b>Sub-total-Non-financial assets</b>		<b>7,186.48</b>	<b>5,266.93</b>
<b>Total - Assets</b>		<b>5,27,921.50</b>	<b>3,85,435.68</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Trade Payables	11	661.04	682.36
Debt securities	12	45,526.33	55,307.29
Borrowings (Other than debt securities)	13	3,44,930.24	2,09,361.35
Lease Liability	14	1,902.53	1,708.17
Other financial liabilities	15	5,267.20	3,945.22
<b>Sub-total-Financial liabilities</b>		<b>3,98,287.34</b>	<b>2,71,004.39</b>
<b>Non-Financial liabilities</b>			
Current tax liabilities (net)			
Provisions	16	810.11	534.89
Other non-financial liabilities	17	790.79	417.93
<b>Sub-total-Non-financial liabilities</b>		<b>1,600.90</b>	<b>952.82</b>
<b>EQUITY</b>			
Equity share capital	18	8,558.48	8,552.42
Other equity	19	1,19,474.78	1,04,926.05
<b>Sub total - Equity</b>		<b>1,28,033.26</b>	<b>1,13,478.47</b>
<b>Total - Liabilities and Equity</b>		<b>5,27,921.50</b>	<b>3,85,435.68</b>

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: San Diego  
 Date: May 15, 2024

**R. K. KOGTA**  
 (Chairman)  
 DIN 00197552  
**VARUN KOGTA**  
 (Executive Director & CFO)  
 DIN 06844307  
 Place: Jaipur  
 Date: May 15, 2024

**ARUN KOGTA**  
 (Managing Director & CEO)  
 DIN 05109722  
**KARAN SINGH CHOUHAN**  
 (Company Secretary)  
 Membership No. A45180

# Statement of Profit and Loss

for the year ended on March 31, 2024

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

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from operations</b>			
Interest Income	20	70,803.11	48,001.22
Fee and Commission Income	21	5,589.91	3,312.45
Net gain on fair value changes	22	601.01	840.44
<b>Total Revenue from operations</b>		<b>76,994.03</b>	<b>52,154.11</b>
Other Income	23	38.25	33.84
<b>Total income</b>		<b>77,032.28</b>	<b>52,187.95</b>
<b>Expenses</b>			
Finance Costs	24	29,397.84	19,018.47
Impairment on financial instruments	25	4,718.24	3,262.96
Employee Benefits Expenses	26	19,599.07	14,905.05
Depreciation, amortization and impairment	27	1,304.50	879.11
Others expenses	28	3,114.25	2,591.46
<b>Total expenses</b>		<b>58,133.90</b>	<b>40,657.05</b>
<b>Profit before taxes</b>		<b>18,898.38</b>	<b>11,530.90</b>
Tax expenses			
- Current Taxes		4,525.82	3,074.31
- Adjustment of tax relating to earlier periods		1.93	31.38
- Deferred Taxes		277.68	(122.40)
<b>Profit for the year</b>		<b>14,092.95</b>	<b>8,547.62</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
(a) Re-measurements of net defined benefit plans		(71.89)	(46.80)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(18.09)	(11.78)
<b>Sub-total (A)</b>		<b>(53.80)</b>	<b>(35.02)</b>
B (i) Items that will be reclassified to profit or loss		-	-
(a) Net gain / (loss) on debt instruments through OCI		3.11	-
(ii) Income tax relating to items that will be reclassified to profit or loss		0.78	-
<b>Sub-total (B)</b>		<b>2.33</b>	<b>-</b>
<b>Other Comprehensive Income (A+B)</b>		<b>(51.47)</b>	<b>(35.02)</b>
<b>Total Comprehensive Income for the year</b>		<b>14,041.48</b>	<b>8,512.60</b>
<b>Earning per equity share</b>			
Basic	29	132.57	81.46
Diluted		44.00	27.23
Nominal value per share		10/-	10/-

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: San Diego  
Date: May 15, 2024

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 15, 2024

**ARUN KOGTA**  
(Managing Director & CEO)  
DIN 05109722

**KARAN SINGH CHOUHAN**  
(Company Secretary)  
Membership No. A45180

# Cash Flow Statement

for the year ended March 31, 2024

(All amounts in lakhs, except as stated otherwise)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A Cash flow from operating activities:</b>		
<b>Net profit before tax as per statement of profit and loss</b>	<b>18,898.38</b>	<b>11,530.90</b>
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation of PPE, ROU and other intangible assets	1,304.50	879.11
Loans & advances written off	2,478.80	880.74
Amortization of ancillary cost	(798.99)	(652.24)
Provision for expected credit loss (ECL)	1,453.34	1,832.16
EIS receivable on assignment transactions	(3,428.52)	(1,362.69)
Provision for employee benefits	432.16	22.07
Loss/(Profit) on sale of property, plant and equipment	(11.95)	(14.39)
Net (gain)/ loss on sale of current investments	(1,351.08)	(1,893.77)
ESOP Expenses	186.82	(11.26)
Interest Expense on Lease	208.51	186.77
Interest expenses on vehicle loans	38.87	13.41
Rental income	(5.20)	(5.20)
<b>Operating profit before working capital changes</b>	<b>19,405.64</b>	<b>11,405.61</b>
<b>Changes in working capital</b>		
(Increase)/decrease in Loans	(1,20,641.85)	(1,02,349.97)
(Increase)/decrease in bank deposits	5,293.21	(14,629.45)
Increase in financial and other assets	(1,374.61)	160.82
Increase/(decrease) in financial and other liabilities	1,673.52	1,834.00
<b>Total of changes in working capital</b>	<b>1,15,049.73</b>	<b>(1,14,984.60)</b>
Direct taxes paid	4,756.58	2,513.41
<b>Net cash flow used in operating activities (A)</b>	<b>1,00,400.67</b>	<b>(1,06,092.40)</b>
<b>B Cash flow from investing activities:</b>		
<b>Inflow (outflow) on account of :</b>		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(1,868.37)	(1,255.37)
Sale of Property, plant and equipment (including capital work-in- progress)	33.32	16.74
Purchase of current investments	(79,544.14)	(94,744.59)
Proceeds from sale/maturity of current investments	66,058.33	96,982.98
Rental income	5.20	5.20
<b>Net cash flow used in investing activities (B)</b>	<b>15,315.66</b>	<b>1,004.96</b>
<b>C Cash flow from financing activities:</b>		
Issue of equity shares (including share premium)	326.51	40,322.49
Share / debenture issue expenses	-	(441.28)
Dividend paid on preference shares	(0.01)	(0.01)
Payment of lease liability	(600.54)	(521.87)
Interest paid on vehicle loan	(38.87)	(13.41)
Proceeds from borrowings	2,14,508.29	1,46,915.66
Repayments of borrowings	88,272.72	(69,700.19)
<b>Net Cash flow from financing activities (C)</b>	<b>1,25,922.66</b>	<b>1,16,561.39</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>10,206.33</b>	<b>11,473.95</b>

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash and cash equivalents as at the beginning of the year	18,859.61	7,385.65
Cash and cash equivalents at the end of the year	29,065.94	18,859.61
Components of cash and cash equivalents		
Cash on hand	364.68	275.92
Balance with banks		
In current accounts/collection accounts	6,046.02	2,257.37
In cash credit	20,153.88	9,820.90
In deposit account	2,501.36	6,505.42
<b>Total cash and cash equivalents</b>	<b>29,065.94</b>	<b>18,859.61</b>

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: San Diego  
Date: May 15, 2024

**R. K. KOGTA**  
(Chairman)  
DIN 00197552  
**VARUN KOGTA**  
(Executive Director & CFO)  
DIN 06844307  
Place: Jaipur  
Date: May 15, 2024

**ARUN KOGTA**  
(Managing Director & CEO)  
DIN 05109722  
**KARAN SINGH CHOUHAN**  
(Company Secretary)  
Membership No. A45180

# Significant Accounting Policies

for the year ended March 31, 2024

## A. CORPORATE INFORMATION

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

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

## B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### a) Basis of preparation

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

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

The regulatory disclosures as required by Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. issued by the RBI ('RBI Master Directions') to be included as a part of the Notes to Accounts are also prepared as per the Ind AS financial statements.

### b) Basis of measurement

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

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Use of estimates

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

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

#### 1.1.1 Business Model Assessment

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

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

# Significant Accounting Policies

for the year ended March 31, 2024

and the conditions that existed at that time as compared to current conditions.

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

## 1.1.2 Defined employee benefit assets and liabilities

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

## 1.1.3 Impairment losses on financial assets

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

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

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

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

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

## 1.1.4 Share-based payments

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

## 1.1.5 Fair value measurement

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

## 1.1.6 Effective Interest rate method

The Company's EIR methodology, recognises interest income using a internal rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and other characteristics of the product life cycle (including prepayments). This estimation, by nature, requires an element of judgement

# Significant Accounting Policies

for the year ended March 31, 2024

regarding the expected behaviour and life-cycle of the instruments, as well other fee income/expense that are integral parts of the instruments.

## 1.2 Cash and cash equivalents

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

## 1.3 Revenue recognition

### 1.3.1 Interest and similar income

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

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

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

Subvention income received from manufacturer / dealers at the inception of the loan contracts which

is directly attributable to individual loan contracts in respect of vehicles financed is recognised in the Statement of profit and loss using the effective interest method over the estimated tenor of such loan contracts measured at amortised cost.

### 1.3.2 Fee and commission income

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

Commission income/Other support service income is recognized when the services are rendered and amount of revenue is reliably measured.

### 1.3.3 Investment income

Investment income from bonds, debentures (other than market linked debentures where right to receive the interest is not established yet) and PTC (pass through certificate) is recognized as interest income at amortized cost.

Income on units from mutual funds and market linked debentures as mentioned above is recognized at fair value through P&L.

Income from Government securities is recognized at fair value through comprehensive income (FVOCI).

### 1.3.4 Other income

Rental income is recognized on accrual basis of accounting.

All other income is recognized on receipt basis

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

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

# Significant Accounting Policies

for the year ended March 31, 2024

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

## Intangible assets

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably.

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

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

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

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

## 1.5 Operating Leases

### 1.5.1 Company as a lessee

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

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

### Measurement and recognition

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

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

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

### Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of less than 12 months or where the lease security deposit is

# Significant Accounting Policies

for the year ended March 31, 2024

less than 1,00,000/-. The Company recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

## 1.5.2 Company as lessor

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

## 1.6 Depreciation and Amortization

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

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

## Amortization

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company

estimates the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds five years, the Company amortizes the intangible asset over the best estimate of its useful life.

## 1.7 Impairment of non-financial assets

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

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

## 1.8 Provisions

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

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

## 1.9 Contingent liabilities and assets

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

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation.

# Significant Accounting Policies

for the year ended March 31, 2024

- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

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

## 1.10 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

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

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

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

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

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

## 1.11 Taxes

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

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

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

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

# Significant Accounting Policies

for the year ended March 31, 2024

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

## 1.12 Earning per share

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

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

## 1.13 Share based payments

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

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

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

## 1.14 Financial instruments

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

### 1.14 Financial Assets

#### 1.14.1 Initial recognition and measurement

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

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

Accordingly, the Company measures Bank balances, Loans & advances, Trade receivables, investments (other than mutual funds, market linked debentures and government securities) and other financial instruments at amortised cost.

#### 1.14.2 Classification and Subsequent measurement

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

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)

# Significant Accounting Policies

for the year ended March 31, 2024

- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

## 1.14.21 Debt instruments at amortised costs

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

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

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

## 1.14.22 Debt instruments at FVTOCI

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

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

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

## 1.14.23 Debt instruments at FVTPL

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

## 1.15 Financial Liabilities

### 1.15.1 Initial recognition and measurement

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

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

### 1.15.2 Loans and borrowings

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

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

# Significant Accounting Policies

for the year ended March 31, 2024

## 1.15.3 Reclassification of financial assets and liabilities

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

## 1.16 De-recognition of financial assets and liabilities

### 1.16.1 Financial Assets

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

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

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

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

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

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

A transfer only qualifies for derecognition if either:

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

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

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

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

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

# Significant Accounting Policies

for the year ended March 31, 2024

the lower of the fair value of the transferred asset and the option exercise price.

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

## 1.16.2 Financial Liabilities

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

## 1.17 Impairment of financial assets

### 1.17.1 Overview of the ECL principles

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

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

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

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

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

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

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

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

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

### 1.17.2 The calculation of ECLs

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

The key elements of the ECL calculations are as follows:

- **PD** - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised

# Significant Accounting Policies

for the year ended March 31, 2024

and is still in the portfolio.

- EAD - The Exposure at Default is the current exposure as on the reporting date.
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on actual cash flows received from the financial asset, including from the realisation of any collateral and discounted by EIR. It is usually expressed as a percentage of the EAD.

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

The mechanics of the ECL method are summarised below:

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

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

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

## 1.173 Definition of Default

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

## 1.174 Significant increase in credit risk

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

## 1.175 Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Consumer Price Index, Unemployment rates, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

## 1.176 Collateral repossessed

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

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

## 1.177 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount

# Significant Accounting Policies

for the year ended March 31, 2024

to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

## 1.18 Fair value measurement

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

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

In the principal market for the asset or liability, or

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and

best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

# Statement of Changes in Equity

for the year ended March 31, 2024

## A. EQUITY SHARE CAPITAL

Particulars	Amount
Balance as at April 01, 2022	7,662.56
Shares issued during the year ended March 31, 2023	889.86
<b>Balance as at March 31, 2023</b>	<b>8,552.42</b>
Changes in equity share capital due to prior period errors	-
<b>Restated balance as at April 01, 2023</b>	<b>8,552.42</b>
Shares issued during the year ended March 31, 2024	6.06
<b>Balance as at March 31, 2024</b>	<b>8,558.48</b>

## B. OTHER EQUITY

Particulars	Reserves and surplus						Share Application Money Pending Allotment	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, 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	-	-	-	-	-	-	-	-
<b>Restated balance as at April 01, 2022</b>	<b>3,223.79</b>	<b>40.00</b>	<b>41,881.68</b>	<b>1,210.10</b>	<b>610.41</b>	<b>10,467.38</b>	<b>-</b>	<b>57,433.36</b>
Profit for the year (A)	-	-	-	-	-	8,547.62	-	8,547.62
Other comprehensive loss for the year (B)	-	-	-	-	-	(35.02)	-	(35.02)
<b>Total comprehensive income for the year (A+B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,512.60</b>	<b>-</b>	<b>8,512.60</b>
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)
<b>Balance as at March 31, 2023</b>	<b>4,926.31</b>	<b>40.00</b>	<b>80,861.08</b>	<b>1,322.06</b>	<b>599.14</b>	<b>17,177.45</b>	<b>-</b>	<b>1,04,926.05</b>
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
<b>Restated balance as at April 01, 2023</b>	<b>4,926.31</b>	<b>40.00</b>	<b>80,861.08</b>	<b>1,322.06</b>	<b>599.14</b>	<b>17,177.45</b>	<b>-</b>	<b>1,04,926.05</b>
Profit for the year (C)	-	-	-	-	-	14,092.95	-	14,092.95
Other comprehensive loss for the year (D)	-	-	-	-	-	(51.47)	-	(51.47)
<b>Total comprehensive income for the year (C+D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,041.48</b>	<b>-</b>	<b>14,041.48</b>
Additions during the year	2,808.30	-	-	102.29	314.11	-	0.85	3,225.55
Transfer to reserve from retained earnings during the year	-	-	-	-	(2.29)	(2,908.30)	-	(2,910.59)
Issue of share capital	-	-	-	-	-	-	-	-
Share options exercised during the year	-	-	317.32	-	(125.00)	-	-	192.32
Share issue expenses	-	-	-	-	-	-	-	-
Dividend paid (including DDT)	-	-	-	-	-	(0.01)	-	(0.01)
<b>Balance as at March 31, 2024</b>	<b>7,734.61</b>	<b>40.00</b>	<b>81,178.39</b>	<b>1,424.35</b>	<b>785.96</b>	<b>28,310.62</b>	<b>0.85</b>	<b>1,19,474.78</b>

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: San Diego  
 Date: May 15, 2024

**R. K. KOGTA**  
 (Chairman)  
 DIN 00197552

**VARUN KOGTA**  
 (Executive Director & CFO)  
 DIN 06844307

Place: Jaipur  
 Date: May 15, 2024

**ARUN KOGTA**  
 (Managing Director & CEO)  
 DIN 05109722

**KARAN SINGH CHOUHAN**  
 (Company Secretary)  
 Membership No. A45180

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 2. CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	364.68	275.92
<b>Balances with banks</b>		
(a) In current accounts/collection accounts	6,046.02	2,257.37
(b) In cash credit or overdraft accounts	20,153.88	9,820.90
(c) In deposits where original maturity is upto three months	2,501.36	6,505.42
<b>Total</b>	<b>29,065.94</b>	<b>18,859.61</b>

## 3. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks		
- Unclaimed Debentures account	0.35	-
<b>In deposits where original maturity is more than three months</b>		
- Free	30,787.77	34,813.81
- Under Lien	5,462.20	6,729.72
<b>Total</b>	<b>36,250.32</b>	<b>41,543.53</b>

## 4. LOANS (AT AMORTISED COST)

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Term loans	4,07,330.62	2,88,917.77
<b>Total Gross</b>	<b>4,07,330.62</b>	<b>2,88,917.77</b>
Less: Impairment loss allowances	7,141.07	5,742.68
<b>Total Net</b>	<b>4,00,189.55</b>	<b>2,83,175.09</b>
Secured by tangible assets (Vehicles, PPE including land & building)	4,07,132.00	2,88,736.21
Unsecured	198.62	181.56
<b>Total Gross</b>	<b>4,07,330.62</b>	<b>2,88,917.77</b>
Less: Impairment loss allowances	7,141.07	5,742.68
<b>Total Net</b>	<b>4,00,189.55</b>	<b>2,83,175.09</b>
<b>Loans in India</b>		
Public sector	-	-
Others	4,07,330.62	2,88,917.77
<b>Total Gross</b>	<b>4,07,330.62</b>	<b>2,88,917.77</b>
Less: Impairment loss allowances	7,141.07	5,742.68
<b>Total Net</b>	<b>4,00,189.55</b>	<b>2,83,175.09</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

- 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 aggregating to ₹ 137.66 lakhs (P.Y. 104.64 lakhs).
- 4.3** Impairment loss allowance includes ₹ 1,200 lakhs (P.Y. 1,700.00 lakhs) on account of management overlay.
- 4.4** The Company has assigned a pool of certain loans having outstanding amount of ₹ 72,498.32 lakhs (P.Y. ₹ 50,810.58 lakhs) by way of a direct assignment/co-lending 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/co-lender. In terms of the assignment/co-lending agreement, the Company pays to assignee/co-lender, on a monthly basis, the pro-rata collection amounts.
- 4.5** The Company has given impairment assessment and measurement approach in note no. 1.17 of the Summary of significant accounting policies.
- 4.6** The Company has defined risk assessment model in note no. 38.

## 4.7 Grouping financial assets measured on a collective basis

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

- 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:

### 4.7.1 Vehicle

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

	(₹ in lakhs)			
Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at April 01, 2022</b>	<b>136,232.69</b>	<b>10,748.85</b>	<b>4,435.66</b>	<b>151,417.21</b>
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)
<b>As at March 31, 2023</b>	<b>220,911.19</b>	<b>7,495.50</b>	<b>5,952.60</b>	<b>234,359.29</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at April 01, 2023</b>	<b>2,20,911.19</b>	<b>7,495.50</b>	<b>5,952.60</b>	<b>2,34,359.29</b>
New assets originated	2,32,983.75	-	-	2,32,983.75
increase in existing assets	(3,138.03)	-	-	(3,138.03)
Assets derecognised or repaid	(1,16,917.30)	(3,341.65)	(1,025.40)	(1,21,284.35)
Transfers from Stage 1	(15,112.17)	9,774.60	5,337.57	-
Transfers from Stage 2	650.32	(2,237.33)	1,587.01	-
Transfers from Stage 3	75.77	18.40	(94.17)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	(1.55)	-	(3,964.79)	(3,966.34)
<b>As at March 31, 2024</b>	<b>3,19,451.98</b>	<b>11,709.53</b>	<b>7,792.82</b>	<b>3,38,954.32</b>

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance as at April 01, 2022</b>	<b>967.19</b>	<b>513.16</b>	<b>1,373.11</b>	<b>2,853.47</b>
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)
<b>As at March 31, 2023</b>	<b>1,395.17</b>	<b>212.53</b>	<b>2,381.28</b>	<b>3,988.98</b>

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance as at April 01, 2023</b>	<b>1,395.17</b>	<b>212.53</b>	<b>2,381.28</b>	<b>3,988.98</b>
New assets originated	1,356.16	-	-	1,356.16
increase in existing assets	139.02	-	-	139.02
Assets derecognised or repaid	(491.77)	(100.97)	(375.86)	(968.60)
Transfers from Stage 1	(321.14)	125.77	195.37	0.00
Transfers from Stage 2	35.04	(95.54)	60.50	(0.00)
Transfers from Stage 3	47.85	11.93	(59.78)	-
Net remeasurement of ECL arising from transfer of stage	(70.70)	331.19	2,211.69	2,472.18
Write offs	(0.01)	-	(1,634.86)	(1,634.87)
<b>As at March 31, 2024</b>	<b>2,089.62</b>	<b>484.92</b>	<b>2,778.33</b>	<b>5,352.87</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 4.7.2 MSME

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

(₹ in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at April 01, 2022</b>	<b>29,525.83</b>	<b>4,217.96</b>	<b>2,341.19</b>	<b>36,084.97</b>
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)
<b>As at March 31, 2023</b>	<b>49,208.74</b>	<b>2,304.84</b>	<b>3,044.90</b>	<b>54,558.48</b>

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at April 01, 2023</b>	<b>49,208.74</b>	<b>2,304.84</b>	<b>3,044.90</b>	<b>54,558.48</b>
New assets originated	41,849.41	-	-	41,849.41
increase in existing assets	1,063.15	-	-	1,063.15
Assets derecognised or repaid	(26,318.55)	(334.69)	(215.85)	(26,869.09)
Transfers from Stage 1	(3,633.84)	1,908.42	1,725.42	-
Transfers from Stage 2	463.08	(1,209.18)	746.10	-
Transfers from Stage 3	110.60	38.14	(148.74)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	-	-	(2,225.66)	(2,225.66)
<b>As at March 31, 2024</b>	<b>62,742.59</b>	<b>2,707.53</b>	<b>2,926.17</b>	<b>68,376.29</b>

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance as at April 01, 2022</b>	<b>296.13</b>	<b>368.06</b>	<b>728.94</b>	<b>1,393.13</b>
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)	(226.47)
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)
<b>As at March 31, 2023</b>	<b>394.23</b>	<b>114.13</b>	<b>1,245.35</b>	<b>1,753.70</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance as at April 01, 2023</b>	<b>394.23</b>	<b>114.13</b>	<b>1,245.35</b>	<b>1,753.70</b>
New assets originated	270.47	-	-	270.47
increase in existing assets	66.24	-	-	66.24
Assets derecognised or repaid	(114.97)	(16.24)	(78.42)	(209.63)
Transfers from Stage 1	(106.09)	29.43	76.66	-
Transfers from Stage 2	27.51	(68.67)	41.17	-
Transfers from Stage 3	54.41	17.68	(72.09)	-
Net remeasurement of ECL arising from transfer of stage	(65.61)	129.92	771.36	835.67
Write offs	-	-	(928.26)	(928.26)
<b>As at March 31, 2024</b>	<b>526.18</b>	<b>206.24</b>	<b>1,055.77</b>	<b>1,788.20</b>

## 5. INVESTMENTS

As at March 31, 2024

(₹ in lakhs)

Particulars	Fair Value			Total (4=1+2+3)
	Amortised Cost	Through profit and loss account	Through other comprehensive income	
	1	2	3	
<b>Quoted</b>				
Mutual fund	-	1,058.09	-	1,058.09
Government Securities	-	-	5,106.87	5,106.87
Treasury Bill	-	-	1,451.76	1,451.76
Debt instruments	24,293.03	12,507.02	-	36,800.05
Pass through certificate (PTC)	311.30	-	-	311.30
<b>Unquoted</b>				
Mutual fund	-	-	-	-
Pass through certificate (PTC)	957.15	-	-	957.15
<b>Total – Gross (A)</b>	<b>25,561.48</b>	<b>13,565.11</b>	<b>6,558.63</b>	<b>45,685.22</b>
Less: Allowance for impairment loss (B)	-	-	-	-
<b>Total – Net (A-B)</b>	<b>25,561.48</b>	<b>13,565.11</b>	<b>6,558.63</b>	<b>45,685.22</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

As at March 31, 2023

Particulars	Fair Value			Total (4=1+2+3)
	Amortised Cost	Through profit and loss account	Through other comprehensive income	
	1	2	3	
(₹ in lakhs)				
<b>Quoted</b>				
Mutual fund	-	505.45	-	505.45
Government Securities	-	-	-	-
Treasury Bill	-	-	-	-
Debt instruments	10,817.19	17,309.54	-	28,126.73
Pass through certificate (PTC)	1,149.95	-	-	1,149.95
<b>Unquoted</b>				
Mutual fund	-	-	-	-
Pass through certificate (PTC)	1,063.08	-	-	1,063.08
<b>Total – Gross (A)</b>	<b>13,030.22</b>	<b>17,814.99</b>	-	<b>30,845.21</b>
Less: Allowance for impairment loss (B)	-	-	-	-
<b>Total – Net (A-B)</b>	<b>13,030.22</b>	<b>17,814.99</b>	-	<b>30,845.21</b>

5.1 All Investments represented above are made in India.

## 6. OTHER FINANCIAL ASSETS

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Security Deposit	213.60	194.84
Advance Recoverable in cash or value to be received	1,051.58	700.18
EIS Receivable	8,278.81	4,850.29
<b>Total</b>	<b>9,543.99</b>	<b>5,745.31</b>

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, 2024

Particulars	(₹ in lakhs)					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,049.28	1.86	0.44	-	-	1,051.58
(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, 2024

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	-	-	-	-	-	-

## 7 PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Computers	Air conditioner & DG set	Office equipment	Furniture & fixtures	Leasehold Improvements	Vehicles	Land and Building	Total
As at April 01, 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
Additions	155.29	38.38	130.02	183.05	58.61	503.22	-	1,068.58
Disposals	20.71	1.80	3.38	12.64	-	93.24	-	131.77
As at March 31, 2024	743.53	161.89	427.13	942.70	140.20	1,012.04	32.50	3,460.01

### Depreciation and impairment:

As at April 01, 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
Disposals	19.51	1.45	3.19	9.44	-	68.57	-	102.17
Charge for the period	181.81	20.61	115.19	135.43	32.26	234.65	1.04	721.01
As at March 31, 2024	548.43	56.55	240.88	442.27	37.39	489.12	7.21	1,821.85

### Capital work-in-progress

As at March 31, 2023	-	-	-	-	-	-	-	-
As at March 31, 2024	-	-	-	-	-	-	-	-
<b>Net book value:</b>								
As at March 31, 2023	222.82	87.92	171.60	456.02	76.45	279.03	26.34	1,320.19
As at March 31, 2024	195.10	105.34	186.25	500.43	102.81	522.91	25.29	1,638.15

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, 2024

## 8. RIGHT OF USE ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Right of Use Assets	1,625.83	1,496.47
<b>Total</b>	<b>1,625.83</b>	<b>1,496.47</b>

## 9 OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Trademark	Software	Total
<b>Cost:</b>			
<b>As at April 1, 2022</b>	<b>3.39</b>	<b>224.91</b>	<b>228.30</b>
Additions	-	261.10	261.10
Disposals	-	-	-
<b>As at March 31, 2023</b>	<b>3.39</b>	<b>486.01</b>	<b>489.40</b>
Additions	-	799.80	799.80
Disposals	-	-	-
<b>As at March 31, 2024</b>	<b>3.39</b>	<b>1,285.80</b>	<b>1,289.19</b>
<b>Accumulative amortisation and impairment:</b>			
<b>As at April 1, 2022</b>	<b>2.29</b>	<b>98.63</b>	<b>100.92</b>
Disposals	-	-	-
Amortisation charge for the year	0.67	49.32	49.99
<b>As at March 31, 2023</b>	<b>2.96</b>	<b>147.95</b>	<b>150.91</b>
Disposals	-	-	-
Amortisation charge for the period	0.43	117.81	118.24
<b>As at March 31, 2024</b>	<b>3.39</b>	<b>265.76</b>	<b>269.14</b>
<b>Other intangible assets under development</b>			
As at March 31, 2023	-	-	-
<b>As at March 31, 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>			
As at March 31, 2023	0.43	338.06	338.49
<b>As at March 31, 2024</b>	<b>0.00</b>	<b>1,020.05</b>	<b>1,020.05</b>

## 10 OTHER NON-FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Reposessed Assets (net of impairment allowance)	2,439.52	1,436.70
Prepaid expenses	104.88	58.28
Deferred lease expense	44.57	42.95
Income tax refund receivable	13.41	13.41
<b>Total</b>	<b>2,602.38</b>	<b>1,551.34</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 11. TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	651.91	681.18
Total outstanding dues of Micro enterprises and Small enterprises	9.13	1.18
<b>Total</b>	<b>661.04</b>	<b>682.36</b>

### 11.1. Trade Payables aging schedule

As at March 31, 2024

(₹ 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	9.13	-	-	-	9.13
(ii) Others	650.04	1.87	-	-	651.91
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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	-	-	-	-	-

## 12. DEBT SECURITIES (AT AMORTISED COST)

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>		
Non Convertible Debentures	41,506.99	51,747.69
<b>Unsecured</b>		
Non Convertible Debentures	4,019.34	3,559.60
<b>Total</b>	<b>45,526.33</b>	<b>55,307.29</b>
Debt securities in India	45,526.33	55,307.29
<b>Total</b>	<b>45,526.33</b>	<b>55,307.29</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 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, 2024	As at March 31, 2023	Secured/ Unsecured
1	INE192U07046	01-Jun-20	01-Jun-23	1,000	10.75%	-	-	999.34	Secured
2	INE192U07061	21-Jul-20	21-Apr-23	50	10.50%	-	-	5,097.88	Secured
3	INE192U07137	24-Dec-20	24-Jun-23	800	12.60%	-	-	1,021.18	Secured
4	INE192U07160	25-Feb-21	25-Feb-25	250	11.45%	2,50,000	630.19	1,259.89	Secured
5	INE192U07186	10-Mar-21	10-Sep-23	3,500	11.00%	-	-	703.17	Secured
6	INE192U07194	17-Mar-21	31-Dec-24	250	11.40%	3,33,333	831.72	1,660.98	Secured
7	INE192U07202	08-Jul-21	22-Jun-24	300	9.65%	2,724	8.18	736.18	Secured
8	INE192U07210	20-Sep-21	20-Mar-25	250	12.70%	2,85,700	715.81	1,428.95	Secured
9	INE192U07228	23-Sep-21	23-Sep-23	250	12.45%	-	-	2,503.40	Secured
10	INE192U07236	23-Sep-21	23-Sep-25	200	11.95%	10,00,000	2,001.48	1,998.37	Secured
11	INE192U07244	27-Sep-21	27-Sep-23	200	9.80%	-	-	2,286.88	Secured
12	INE192U07251	27-Sep-21	27-Mar-24	400	10.15%	-	-	4,584.10	Secured
13	INE192U07269	27-Sep-21	27-Aug-24	150	10.45%	10,00,000	1,918.27	1,723.52	Secured
14	INE192U08051	27-Sep-21	31-Oct-24	300	12.40%	10,00,000	4,019.34	3,559.60	Unsecured
15	INE192U07285	20-Dec-21	20-Jun-24	300	9.50%	10,00,000	3,653.97	3,315.78	Secured
16	INE192U07293	30-Mar-22	30-Sep-24	1,00,000	8.71%	200	198.57	593.96	Secured
17	INE192U07301	09-May-22	09-May-25	300	10.60%	3,88,889	1,174.46	2,179.91	Secured
18	INE192U07319	29-Sep-22	31-Oct-25	350	10.35%	10,00,000	4,068.27	3,679.32	Secured
19	INE192U07327	21-Oct-22	21-Apr-25	350	9.25%	10,00,000	3,957.62	3,629.38	Secured
20	INE192U07335	24-Mar-23	23-Dec-25	12,500	9.74%	1,00,000	12,404.08	12,345.49	Secured
21	INE192U07343	05-Mar-24	05-Mar-26	10,000	9.75%	1,00,000	9,944.37	-	Secured
<b>Total</b>							<b>45,526.33</b>	<b>55,307.29</b>	

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, 2024	As at March 31, 2023
<b>Secured</b>		
<b>Term loans</b>		
From Banks	2,57,206.67	1,47,501.75
From Others	37,736.79	27,231.76
<b>Others</b>		
Cash Credit from Banks	17,086.81	7,273.57
Overdraft Credit from Banks	16,330.79	12,199.31
Securitization	12,737.72	8,230.27
<b>Unsecured</b>		
<b>Term loans</b>		
From Others	3,831.46	6,786.71
Inter Corporate Deposits	-	137.98
<b>Total</b>	<b>3,44,930.24</b>	<b>2,09,361.35</b>
Borrowings in India	3,44,930.24	2,09,361.35
<b>Total</b>	<b>3,44,930.24</b>	<b>2,09,361.35</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

- 13.1** Secured term loans from banks amounting to ₹ 2,57,206.67 lakhs carry rate of interest in the range of 7.45% to 12.00% p.a. The loans are having tenure of 3 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 ₹ 37,736.79 lakhs carry rate of interest in the range of 9.00% to 11.50% 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 and term deposits given by the company, are repayable on demand and carry interest rates ranging from 9.40% to 11.40%.
- 13.4** Overdraft borrowings from bank are secured against term deposits placed by the company, are repayable on demand and carry interest rates ranging from 7.75% 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 ₹ 3,831.46 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** The company has not defaulted in the repayment of dues to its lenders.
- 13.8** Periodical returns or statements of loan receivables filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- 13.9** The company has not breached any covenant of loan availed or debt securities issued.

## 13.10 Changes in liabilities arising from financing activities

(₹ in lakhs)

Particulars	As at March 31, 2023	Cash flows	Other*	As at March 31, 2024
Debt securities	55,307.29	(9,843.20)	62.24	45,526.33
Borrowings	2,09,361.35	1,36,078.77	(509.89)	3,44,930.24
Subordinated liabilities	-	-	-	-
<b>Total</b>	<b>2,64,668.64</b>	<b>1,26,235.57</b>	<b>(447.64)</b>	<b>3,90,456.57</b>

Particulars	As at March 31, 2022	Cash flows	Other*	As at March 31, 2023
Debt securities	47,936.87	7,360.97	9.45	55,307.29
Borrowings	1,39,895.40	69,854.48	(388.53)	2,09,361.35
Subordinate liabilities	-	-	-	-
<b>Total</b>	<b>1,87,832.27</b>	<b>77,215.45</b>	<b>(379.08)</b>	<b>2,64,668.64</b>

\*Other column includes amortisation of transaction cost.

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 13.11 Terms of repayment of long term borrowings outstanding as at March 31, 2024

(₹ in lakhs, except as stated otherwise)

Particulars	Interest rate range	No. of instalments	As at March 31, 2024	As at March 31, 2023
<b>Monthly repayment</b>				
Less than 1 Year	Less than 10%	1174	60,402.72	35,392.60
	10% - 12%	378	24,198.72	15,609.76
	12% - 14%	36	1,090.72	2,097.94
1 - 3 Year	Less than 10%	1982	95,259.90	53,426.90
	10% - 12%	406	27,959.98	11,252.32
	12% - 14%	33	1,398.91	2,911.14
3 - 5 Year	Less than 10%	471	23,756.53	17,006.77
	10% - 12%	41	3,565.76	3,346.61
	12% - 14%	-	-	271.66
Over 5 Years	Less than 10%	-	-	-
	10% - 12%	-	-	-
	12% - 14%	-	-	-
<b>Quarterly repayment</b>				
Less than 1 Year	Less than 10%	63	16,191.55	9,449.39
	10% - 12%	49	7,962.83	3,449.95
	12% - 14%	4	595.67	-
1 - 3 Year	Less than 10%	107	25,897.15	22,805.12
	10% - 12%	68	9,920.54	3,669.36
	12% - 14%	6	896.18	-
3 - 5 Year	Less than 10%	42	9,362.98	8,363.59
	10% - 12%	18	3,018.28	627.45
	12% - 14%	-	-	-
Over 5 Years	Less than 10%	1	34.22	-
	10% - 12%	-	-	69.93
	12% - 14%	-	-	-
<b>Total</b>		<b>4,879</b>	<b>3,11,512.64</b>	<b>1,89,750.48</b>

## 14. LEASE LIABILITY

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liability	1,902.53	1,708.17
<b>Total</b>	<b>1,902.53</b>	<b>1,708.17</b>

## 15 OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Commission Payable	735.63	637.83
Employee Incentive Payable	73.73	78.10
Due to assignee towards collections in derecognised assets	4,409.16	3,197.28
Security deposits	48.33	32.01
Others	0.35	-
<b>Total</b>	<b>5,267.20</b>	<b>3,945.22</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 16 PROVISIONS

(₹ in lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Provision for employee benefits</b>		
Provision for gratuity	393.26	264.21
Provision for other employee benefits	375.00	-
<b>Other provisions</b>		
Provision for Income tax	41.85	270.68
<b>Total</b>	<b>810.11</b>	<b>534.89</b>

## 17 OTHER NON-FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
Statutory dues	790.79	417.93
<b>Total</b>	<b>790.79</b>	<b>417.93</b>

## 18. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Authorised Capital</b>		
3,42,48,647 (31 March 2023: 1,31,00,000) equity shares of ₹ 10/- each	3,424.86	1,310.00
3,60,77,764 (31 March 2023: 3,60,77,764) preference shares of ₹ 10/- each	3,607.78	3,607.78
17,74,600 (31 March 2023: 17,74,600) Preference shares of ₹ 225.41/- each	4,000.13	4,000.13
	<b>11,032.77</b>	<b>8,917.91</b>
<b>Issued, subscribed and fully paid-up:</b>		
1,06,76,578 (31 March 2023: 1,06,15,977) equity shares of ₹ 10/- each	1,067.66	1,061.60
3,49,08,206 (31 March 2023: 3,49,08,206) Preference shares of ₹ 10/- each	3,490.83	3,490.83
17,74,544 (31 March 2023: 17,74,544) Preference shares of ₹ 225.41/- each	3,999.99	3,999.99
	<b>8,558.48</b>	<b>8,552.42</b>

### 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, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity Share at the beginning of the year	1,06,15,977	1,061.60	97,17,861	971.79
Add:				
<b>Equity Share Allotted during the year</b>				
Shares issued during the year of ₹ 10/- each	-	-	8,03,103	80.31
Shares issued under ESOP	60,601	6.06	95,013	9.50
	<b>1,06,76,578</b>	<b>1,067.66</b>	<b>1,06,15,977</b>	<b>1,061.60</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## Preference share

(₹ in lakhs, except as stated otherwise)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Preference Share at the beginning of the year	3,66,82,750	7,490.82	2,86,82,308	6,690.78
Add:				
<b>Preference Share Allotted during the year</b>				
Shares issued during the year of ₹ 10/- each	-	-	80,00,442	800.04
	<b>3,66,82,750</b>	<b>7,490.82</b>	<b>3,66,82,750</b>	<b>7,490.82</b>

## 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.

#### 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.

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 18.4 Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of Holding	No. of shares	% of Holding
<b>Equity shares</b>				
Bal Mukund Kogta	13,22,000	12.38%	13,22,000	12.45%
Arun Kogta, Director	8,58,701	8.04%	8,58,701	8.09%
Radha Krishan Kogta, Director	7,29,500	6.83%	7,29,500	6.87%
Varun Kogta, Director	6,94,701	6.51%	6,94,701	6.54%
Nayan Kogta	6,34,701	5.94%	6,34,701	5.46%
Nidhi Kogta	5,80,000	5.43%	5,80,000	5.41%
Banwari Lal Kogta HUF	5,74,500	5.38%	5,74,500	5.98%
Banwari Lal Kogta	5,49,000	5.14%	5,49,000	5.17%
<b>Preference shares</b>				
NHPEA Rimo Holding B.V.	-	0.00%	1,53,60,849	41.87%
NHPEA V Kiwi (BVI) Ltd.	1,53,60,849	41.87%	-	0.00%
Aditya (Mauritius) Ltd.	1,13,94,375	31.06%	1,13,94,375	31.06%
Multiples Private Equity Fund III	61,06,213	16.65%	61,06,213	16.65%
Javelin Investments Private Limited	38,21,313	10.42%	38,21,313	10.42%

“NHPEA Rimo Holding B.V.” has transferred its entire shareholding to “NHPEA V Kiwi (BVI) Limited” w.e.f. November 24, 2023. This transfer doesn't lead to any change in the rights of the respective shareholder and beneficial ownership thereof.

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## 18.5 SHAREHOLDING OF PROMOTERS

Shares held by promoters at the end of the year	As at March 31, 2024			As at March 31, 2023		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Bal Mukund Kogta	13,22,000	12.38%	-0.16%	13,22,000	12.45%	-1.06%
Arun Kogta	8,58,701	8.04%	-0.04%	8,58,701	8.09%	-0.05%
Radha Krishan Kogta	7,29,500	6.83%	-0.09%	7,29,500	6.87%	-0.58%
Varun Kogta	6,94,701	6.51%	-0.02%	6,94,701	6.54%	0.08%
Nayan Kogta	6,34,701	5.94%	-0.02%	6,34,701	5.98%	0.13%
Nidhi Kogta	5,80,000	5.43%	-0.07%	5,80,000	5.46%	-0.46%
Banwari Lal Kogta HUF	5,74,500	5.38%	-0.07%	5,74,500	5.41%	-0.46%
Banwari Lal Kogta	5,49,000	5.14%	-0.07%	5,49,000	5.17%	-0.44%
Arun Kogta HUF	5,21,500	4.88%	-0.06%	5,21,500	4.91%	-0.42%
Radha Kishan Kogta HUF	4,54,500	4.26%	-0.06%	4,54,500	4.28%	-0.36%
Prem Lal Kogta HUF	4,26,000	3.99%	-0.05%	4,26,000	4.01%	-0.34%
Ritu Kogta	4,03,000	3.77%	-0.05%	4,03,000	3.80%	-0.32%
Bal Mukund Kogta HUF	4,00,000	3.75%	-0.05%	4,00,000	3.77%	-0.32%
Madhu Kogta	3,91,000	3.66%	-0.05%	3,91,000	3.68%	-0.31%
Durga Devi Kogta	3,49,500	3.27%	-0.04%	3,49,500	3.29%	-0.28%
Varun Kogta HUF	3,04,500	2.85%	-0.04%	3,04,500	2.87%	-0.24%
Ayush Kogta	2,39,000	2.24%	-0.03%	2,39,000	2.25%	-0.19%
Manju Kogta	1,99,000	1.86%	-0.02%	1,99,000	1.87%	-0.16%
Neha Suryaprakash Kalya	1,72,000	1.61%	-0.02%	1,72,000	1.62%	-0.14%
<b>Total</b>	<b>98,03,103</b>	<b>91.82%</b>	<b>-1.02%</b>	<b>98,03,103</b>	<b>92.34%</b>	<b>-5.93%</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 19 OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>General Reserve</b>		
Balance at the beginning of the year	1,322.06	1,210.10
Add:- Addition during the year	102.29	111.96
Balance at the end of the year	<b>1,424.35</b>	<b>1,322.06</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	80,861.08	41,881.69
Add:- Addition during the year	317.31	39,420.67
Less:- Utilization during the year against share issue expense	-	(441.28)
Balance at the end of the year	<b>81,178.39</b>	<b>80,861.08</b>
<b>Statutory reserve u/s 45-IC of RBI Act</b>		
Balance at the beginning of the year	4,926.31	3,223.79
Add:- Addition during the year	2,808.30	1,702.52
Balance at the end of the year	<b>7,734.61</b>	<b>4,926.31</b>
<b>Capital reserve</b>	40.00	40.00
	<b>40.00</b>	<b>40.00</b>
<b>Share based payment reserve</b>		
Balance at the beginning of the year	599.14	610.40
Add:- Addition during the year	314.11	140.31
Less:- Transfer to share capital on account of options exercised during the year	(125.00)	(139.61)
Less:- Transfer to reserve	(2.29)	(11.96)
Balance at the end of the year	<b>785.96</b>	<b>599.14</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	17,177.45	10,467.38
Profit for the year	14,041.48	8,512.60
Less:- Preference share Dividend	(0.01)	(0.01)
Less:- Transfer to statutory reserve	(2,808.30)	(1,702.52)
Less:- Transfer to general reserve	(100.00)	(100.00)
Balance at the end of the year	<b>28,310.62</b>	<b>17,177.45</b>
<b>Share application money pending allotment</b>	0.85	-
	<b>0.85</b>	<b>-</b>
<b>Total</b>	<b>1,19,474.78</b>	<b>1,04,926.05</b>

### 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.

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## Statutory reserve u/s 45-IC of RBI Act

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

## Capital reserve

Capital reserve represents the reserve created on account of forfeiture of the shares.

## Share based payment reserve

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at the grant date fair value on stock options vested but not exercised by employees in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the company.

## Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

## 20 INTEREST INCOME

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	On Financial Assets measured at Amortised Cost	
Interest on Loans	59,306.14	40,477.75
Net gain on derecognition of financial instruments under amortised cost category	6,585.75	4,185.78
Interest income from fixed deposits	3,090.68	1,796.92
Interest income from other investments	1,820.54	1,540.77
<b>Total</b>	<b>70,803.11</b>	<b>48,001.22</b>

Loan origination income included in Interest income on Loan is disclosed net of the direct incremental costs of ₹ (318.24) lakhs for year ended March 31, 2024 (P.Y. ₹ (72.30) lakhs) associated with the origination of the underlying loans.

## 21. FEE AND COMMISSION INCOME

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Fee income	4,285.04
Other support services	1,304.87	415.35
<b>Total</b>	<b>5,589.91</b>	<b>3,312.45</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 22. NET GAIN ON FAIR VALUE CHANGES

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Net gain on financial instruments at fair value through profit and loss - Realised</b>		
Income from sale of Mutual funds	135.78	521.40
Income from Debentures	-	279.37
<b>Net gain on financial instruments at fair value through profit and loss - Unrealised</b>		
Income from Mutual funds	8.14	5.47
Income from Debentures	457.09	34.20
<b>Total</b>	<b>601.01</b>	<b>840.44</b>

## 23. OTHER INCOME

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain on derecognition of Property, plant and equipment	11.95	14.39
Rental Income	17.37	15.81
Other income	8.93	3.64
<b>Total</b>	<b>38.25</b>	<b>33.84</b>

## 24. FINANCE COSTS

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	<b>On Financial liabilities measured at Amortised Cost</b>	
<b>Interest on financial liabilities</b>		
Borrowings other than debt securities	23,008.32	13,264.35
Debt securities	4,857.26	4,667.35
Lease liability	208.51	186.77
<b>Others</b>		
Bank charges	79.32	40.73
Other finance cost	1,244.43	859.27
<b>Total</b>	<b>29,397.84</b>	<b>19,018.47</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 25. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in lakhs)

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
<b>On Financial instruments measured at Amortised Cost</b>		
Loan assets	1,453.34	1,832.16
Loan assets written off (net of recoveries)	2,478.80	880.74
Loss on disposal of repossessed assets	786.10	550.06
<b>Total</b>	<b>4,718.24</b>	<b>3,262.96</b>

## 26. EMPLOYEE BENEFITS

(₹ in lakhs)

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Salaries and wages	18,018.87	13,828.21
Share based payments to employees	314.11	140.31
Contribution to provident and other funds	1,019.29	841.02
Gratuity expense	69.83	31.37
Staff welfare expenses	176.97	64.14
<b>Total</b>	<b>19,599.07</b>	<b>14,905.05</b>

### 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, 2024	March 31, 2023
<b>Details of Actuarial Valuation:</b>		
<b>Present value of the obligation at the beginning of the year</b>	<b>264.21</b>	<b>195.34</b>
Current service cost	51.41	22.41
Interest cost on benefit obligation	18.41	8.96
Benefits paid (if any)	(12.68)	(9.29)
Net actuarial (gain)/loss recognized in the year	71.89	46.80
<b>Present value of the obligation at the end of the year</b>	<b>393.26</b>	<b>264.21</b>
<b>Balance sheet</b>		
Present value of defined benefit obligation	393.26	264.21
Fair value of plan assets	-	-
<b>Plan assets/(liabilities)</b>	<b>393.26</b>	<b>264.21</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

Particulars	(₹ in lakhs)	
	March 31, 2024	March 31, 2023
<b>Amount recognized in the statement of P&amp;L</b>		
Interest cost	18.41	8.96
Current service cost	51.41	22.41
<b>Expenses to be recognized in P&amp;L</b>	<b>69.83</b>	<b>31.37</b>
<b>Remeasurement (gains)/loss recognized in other comprehensive income</b>		
Remeasurement (gains)/loss on obligations arising from changes in experience adjustments	73.84	36.89
Remeasurement (gains)/loss on obligations arising from changes in financial assumptions	2.39	(25.32)
Remeasurement (gains)/loss on obligations arising from changes in demographic assumptions	(4.34)	35.23
<b>Total</b>	<b>71.89</b>	<b>46.80</b>
<b>Principal assumptions used in determining gratuity obligations</b>		
Discount rate	6.960% p.a.	7.139% 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 64% p.a.	19% to 61% p.a.
-Executive	64.00% p.a.	61.00% p.a.
-Manager	19.00% p.a.	19.00% p.a.

## Maturity Profile - Future Expected Payments

Particulars	(₹ in lakhs)	
	March 31, 2024	March 31, 2023
1 Year	114.69	66.09
2 to 5 Years	219.16	157.47
More than 6 Years	113.29	79.13
<b>Total</b>	<b>447.14</b>	<b>302.70</b>
<b>Liability duration in years (Weighted by discounted cashflows)</b>	<b>4.15</b>	<b>4.29</b>

## Sensitivity Analysis

Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 1%)	380.34	407.26	255.22	273.96
Salary Growth rate (+/- 1%)	405.46	381.76	273.19	255.65
Withdrawal Rate (+/- 25%)	369.11	420.31	244.50	286.13

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 27. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Property, plant and equipment	721.01	420.48
Other Intangible Assets	118.24	49.99
Right of Use Assets	465.25	408.64
<b>Total</b>	<b>1,304.50</b>	<b>879.11</b>

## 28. OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent	344.19	260.82
Electricity expenses	162.84	139.22
Repairs and maintenance	56.59	66.52
Printing and stationery	262.92	231.59
Travelling and conveyance	126.12	97.30
Professional fees	562.09	352.50
CSR expenditure	163.98	108.74
Director sitting fees	17.15	7.80
Commission to directors	24.00	15.00
Auditor Remuneration	28.20	28.50
Telephone and internet expenses	118.48	104.95
Business promotion	18.38	7.20
Rates & taxes	578.51	439.93
Office expenses	416.15	379.39
Share issue expenses	20.09	10.08
Donation	0.42	2.10
Collection & recovery expenses	65.06	104.82
Insurance expenses	16.33	12.91
Legal expenses	132.75	222.09
<b>Total</b>	<b>3,114.25</b>	<b>2,591.46</b>

### 28.1 Auditor Remuneration

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit fees	20.00	21.00
Limited review	8.20	7.50
Other services (Certification fee)	-	-
<b>Total</b>	<b>28.20</b>	<b>28.50</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 28.2 Amount Spent towards Corporate Social Responsibility (CSR)

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Amount unspent for the last year	-	-
(b) Amount required to be spent by the company during the year	163.98	108.74
(c) Amount of expenditure incurred		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	163.98	108.74
(d) Shortfall at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Net shortfall	-	-
(g) Reason for shortfall	NA	NA
(h) Nature of CSR activities	Animal welfare, Making available safe drinking water, Promoting education, Promoting health care including preventive health care, reducing inequalities of backward groups	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	160.11	107.32
(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, 2024	For the year ended March 31, 2023
<b>Profit/(loss) after tax</b>	<b>14,092.95</b>	<b>8,547.62</b>
Less: dividends on convertible preference shares & tax thereon	0.01	0.01
Net profit/ (loss) for calculation of basic EPS	14,092.94	8,547.61
Net profit as above	14,092.94	8,547.61
Add: dividends on convertible preference shares & tax thereon	0.01	0.01
<b>Net profit/ (loss) for calculation of diluted EPS</b>	<b>14,092.95</b>	<b>8,547.62</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Weighted average number of equity shares in calculating basic EPS</b>		
<b>Effect of dilution:</b>		
Equity shares (in lakhs)	106.31	104.93
Weighted average no. of equity shares for Diluted EPS (in lakhs)	320.30	313.91
<b>Earning per equity share</b>		
Basic	132.57	81.46
Diluted	44.00	27.23

## 30. INCOME TAX

The major components of income tax expense for the year ended March 31, 2024 are:

(₹ in lakhs)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Current income tax:</b>		
Current income tax charge	4,525.82	3,074.31
Adjustment of tax relating to earlier periods	1.93	31.38
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	277.68	(122.40)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>4,805.43</b>	<b>2,983.28</b>
<b>Deferred tax relating to OCI</b>		
Net loss/(gain) on re-measurements of defined benefit plans	(17.31)	(11.78)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before tax from continuing operations	18,898.38	11,530.90
Profit/(loss) before tax from a discontinued operation	-	-
<b>Accounting profit before income tax</b>	<b>18,898.38</b>	<b>11,530.90</b>
Tax at statutory Income Tax rate of 25.17%	4,756.34	2,902.10
Expenses Disallowed in Income tax Act	(17.02)	27.29
Expenses Disallowed u/s 43B of the Income tax Act	155.78	17.51
Incremental deferred tax liabilities /(assets)	(91.60)	(28.05)
Tax on Long term capital gain @ 11.96%	-	33.05
Adjustment relating to earlier periods	1.93	31.38
Tax at effective Income Tax rate of 25.43% (P.Y. 25.87%) (a)	<b>4,805.43</b>	<b>2,983.28</b>
Tax on Other comprehensive income (b)	(17.31)	(11.78)
<b>Total Tax expenses at effective tax rate of 25.34% (P.Y. 25.77%) (a+b)</b>	<b>4,788.12</b>	<b>2,971.50</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 31. DEFERRED TAX ASSET

Deferred tax liabilities/(assets)	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax asset</b>		
Impact of EIR adjustments on financial assets	141.68	194.86
Impairment on Loans	1,931.36	1,534.37
Provision for gratuity and Leave availment	97.49	65.01
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	146.48	103.56
Employee stock options outstanding	198.22	151.20
Other adjustments	165.41	54.36
<b>Gross deferred tax asset</b>	<b>2,680.65</b>	<b>2,103.37</b>
<b>Deferred tax liability</b>		
Impact of EIR adjustments on financial liabilities	2.97	2.97
Gain on De-recognition of Loans	(171.89)	(303.63)
Upfront interest income on assignment transaction	(2,093.79)	(1,232.28)
Other adjustments	(117.87)	(9.99)
<b>Gross deferred tax liability</b>	<b>(2,380.57)</b>	<b>(1,542.93)</b>
<b>Net Deferred Tax Liability</b>	<b>300.07</b>	<b>560.44</b>

Deferred Tax charged to statement of profit and loss account	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Income statement	OCI	Income statement	OCI
<b>Deferred tax asset</b>				
Impact of EIR adjustments on financial assets	53.18	-	(1.79)	-
Impairment on Loans	(396.99)	-	(470.57)	-
Provision for gratuity and Leave availment	(26.17)	(6.31)	(26.47)	(2.64)
Employee stock options outstanding	(47.02)	-	2.84	-
Other adjustments	(111.05)	-	(15.71)	-
<b>Deferred tax liability</b>				
Impact of EIR adjustments on financial liabilities	0.00	-	(0.00)	-
Gain on De-recognition of Loans	(131.74)	-	49.83	-
Upfront interest income on assignment transaction	861.51	-	343.89	-
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	64.96	-	(13.55)	-
<b>Deferred Tax charged to statement of profit and loss account</b>	<b>266.68</b>	<b>(6.31)</b>	<b>(131.54)</b>	<b>(2.64)</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 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, 2024 are as given below:

Particulars	ESOP 2023 (Series 1)	ESOP 2020 (Series 3)	ESOP 2020 (Series 2)	ESOP 2020 (Series 1)	ESOP 2019	ESOP 2018
Date of Grant for employee stock options outstanding	30-09-2023	17-08-2021	30-03-2021	13-11-2020	16-05-2019	12-05-2018
<b>Vesting Period:</b>						
2 years from the date of grant	30%	NA	NA	NA	NA	40%
Expiry of 1 year from 1st vesting	30%	NA	NA	NA	NA	30%
Expiry of 2 year from 1st vesting	40%	NA	NA	NA	NA	30%
3 years from the date of grant	NA	NA	NA	NA	50%	NA
Expiry of 2 year from 1st vesting	NA	NA	NA	NA	50%	NA
1 years from the date of grant	NA	40%	40%	40%	NA	NA
Expiry of 1 year from 1st vesting	NA	30%	30%	30%	NA	NA
Expiry of 2 year from 1st vesting	NA	30%	30%	30%	NA	NA
Exercise period	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	Equity
Vesting condition	Continuous service					
Maximum term of Options	7 Years 1 Month	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)	5.69 Years	2.32 Years	1.98 Years	1.65 Years	1.25 Years	0.00 Years
Weighted average exercise price per option	₹ 1,000.00	₹ 450.00	₹ 450.00	₹ 450.00	₹ 170.00	₹ 90.00
<b>Year ended March 31, 2024</b>						
Number of options outstanding at the beginning of the year	-	8,667	24,000	1,43,310	1,52,950	-
Number of options granted during the year	3,13,900	-	-	-	-	-
Number of options forfeited during the year	4,100	-	600	600	4,250	-
Number of options exercised during the year	-	501	1,200	32,350	26,550	-
Number of options expired during the year	-	-	400	-	750	-
Number of options outstanding at the end of the year	3,09,800	8,166	21,800	1,10,360	1,21,400	-
Number of options exercisable at the end of the year	-	-	-	-	-	-
Weighted average fair values of the outstanding options	₹ 466.16	₹ 457.34	₹ 215.45	₹ 215.45	₹ 189.94	₹ 39.27

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

Particulars	ESOP 2023 (Series 1)	ESOP 2020 (Series 3)	ESOP 2020 (Series 2)	ESOP 2020 (Series 1)	ESOP 2019	ESOP 2018
<b>Year ended March 31, 2023</b>						
Number of options outstanding at the beginning of the year	-	10,000	24,000	1,70,180	2,16,550	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	31,560
Number of options expired during the year	-	-	-	3,800	3,000	600
Number of options outstanding at the end of the year	-	8,667	24,000	1,43,310	1,52,950	-
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

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 2023

Particulars	Tranche 1	Tranche 2	Tranche 3
Weighted average share price	₹ 1037.77	₹ 1037.77	₹ 1037.77
Exercise price	₹ 1000	₹ 1000	₹ 1000
Weighted average fair value of stock option	₹ 418.72	₹ 462.68	₹ 504.36
Risk free interest rate	7.10%	7.12%	7.12%
Expected Life of Options	3.59 Years	4.59 Years	5.59 Years
Expected volatility	40.19%	38.17%	36.99%
Expected dividend rate	0.00%	0.00%	0.00%

## ESOP 2021

Particulars	Tranche 1	Tranche 2	Tranche 3
Weighted average share price	₹ 765.85	₹ 765.85	₹ 765.85
Exercise price	₹ 450.00	₹ 450.00	₹ 450.00
Weighted average fair value of stock option	₹ 430.76	₹ 458.93	₹ 491.18
Risk free interest rate	4.76%	5.24%	5.62%
Expected Life of Options	2.54 years	3.54 years	4.54 years
Expected volatility	56.19%	52.28%	52.08%
Expected dividend rate	0.00%	0.00%	0.00%

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 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, 2024	As at March 31, 2023
Expense charged for the year	314.11	140.31
Employee stock options outstanding balance	785.96	599.14

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 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, 2024		As at March 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Loans (Fixed rate)	4,00,189.55	3,99,601.41	2,83,175.09	2,82,704.15
Borrowings (Fixed rate)	3,90,456.57	3,90,517.14	2,64,668.64	2,64,994.27

#### 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, 2024

(₹ in lakhs)

Particulars	Fair value			
	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Loans (Fixed rate)	-	-	3,99,601.41	<b>3,99,601.41</b>
<b>Financial Liabilities</b>				
Borrowings (Fixed rate)	-	-	3,90,517.14	<b>3,90,517.14</b>

Quantitative disclosure fair value measurement hierarchy of assets & liabilities as at March 31, 2023

Particulars	Fair value			
	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Loans (Fixed rate)	-	-	2,82,704.15	<b>2,82,704.15</b>
<b>Financial Liabilities</b>				
Borrowings (Fixed rate)	-	-	2,64,994.27	<b>2,64,994.27</b>

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2024 and March 31, 2023.

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

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

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Financial Assets</b>		
Cash & Cash Equivalents	29,065.94	18,859.61
Bank Balances Other than Cash & Cash Equivalents	36,250.32	41,543.53
Loans (Fixed rate)	4,00,189.55	2,83,175.09
Investments	25,561.48	13,030.22
Other Financial Assets	9,543.99	5,745.31
<b>Total Financial Assets</b>	<b>5,00,611.28</b>	<b>3,62,353.76</b>
<b>Financial liabilities</b>		
Trade Payables	661.04	682.36
Debt Securities	45,526.33	55,307.29
Borrowings (Other than debt securities)	3,44,930.24	2,09,361.35
Lease Liability	1,902.53	1,708.17
Other financial liabilities	5,267.20	3,945.22
<b>Total Financial liabilities</b>	<b>3,98,287.34</b>	<b>2,71,004.39</b>

## 35. IND AS 116 ON LEASE

The changes in the carrying value of ROU assets for the year ended March 31, 2024 are as follows

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying value		
Opening Balance	2,290.98	1,756.81
Addition	627.14	724.10
Translation adjustments	-	-
Adjustment/Deletion	(102.67)	(189.93)
<b>Closing Balance</b>	<b>2,815.45</b>	<b>2,290.98</b>
Accumulative amortisation		
Opening Balance	794.51	513.02
Depreciation	465.25	408.64
Translation adjustments	-	-
Adjustment/Deletion	(70.13)	(127.15)
Closing Balance	1,189.62	794.51
<b>Net carrying value</b>	<b>1,625.83</b>	<b>1,496.47</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

The following is the movement in lease liabilities during the year ended March 31, 2024.

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Lease liabilities</b>		
Opening Balance	1,708.17	1,394.41
Additions	627.14	724.10
Adjustment/Deletion	(40.76)	(75.25)
Translation adjustments	-	-
Finance expense	208.51	186.77
Payment of lease liabilities	(600.54)	(521.87)
<b>Closing Balance</b>	<b>1,902.52</b>	<b>1,708.17</b>

Amounts recognised in profit & loss during the year ended March 31, 2024

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense of right-of-use assets	465.25	408.64
Interest expense on lease liabilities	208.51	186.77
<b>Total</b>	<b>673.76</b>	<b>595.41</b>

Total cash outflow for leases:

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total cash outflow for leases	600.54	521.87
<b>Total</b>	<b>600.54</b>	<b>521.87</b>

Classification of current and non current liabilities of the lease liabilities

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current liabilities	411.24	360.99
Non Current Liabilities	1,491.29	1,347.18
<b>Total</b>	<b>1,902.53</b>	<b>1,708.17</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024, on an undiscounted basis

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Tenure		
Less than 1 year	590.54	528.36
1-3 years	1,129.19	925.69
3-5 years	432.13	580.85
More than 5 years	251.96	155.67
<b>Closing balance</b>	<b>2,403.81</b>	<b>2,190.57</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

**The company has paid following rent on account of short term leases and where the lease security deposit is less than 100,000 (PY 50,000):**

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short Term and Low value Lease	350.58	248.51
<b>Total</b>	<b>350.58</b>	<b>248.51</b>

## 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, 2024	As at March 31, 2023
Gross carrying amount of transferred assets measured at amortised cost	12,372.88	8,104.93
Carrying amount of associated liabilities	12,737.72	8,230.27

### Assignment/Co-lending Deal:

During the year ended March 31, 2024, the Company has sold some loans and advances measured at amortised cost as per assignment/co-lending deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.

The management has evaluated the impact of assignment/co-lending 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, 2024	As at March 31, 2023
Carrying amount of derecognised financial assets	72,498.32	50,810.58
Gain from derecognition	6,485.07	4,041.27

The Company has assigned a pool of certain loans having outstanding amount of ₹ 72,498.32 lakhs (P.Y. ₹ 50,810.58 lakhs) by way of a direct assignment/co-lending 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/co-lender. In terms of the assignment/co-lending agreement, the Company pays to assignee/co-lender, on a monthly basis, the pro-rata collection amounts.

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 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	As at
	March 31, 2024	March 31, 2023
Debt	3,90,456.57	2,64,668.64
Equity & Reserves	1,28,033.26	1,13,478.47
<b>Debt to Equity (in times)</b>	<b>3.05</b>	<b>2.33</b>

## 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. The Company has implemented risk based internal audit (RBIA) framework to cater inherent & control 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.

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

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, 2024		
	Borrowings	Payables	Other Financial liabilities
0 day to 7 days	2,913.66	-	0.35
8 days to 14 days	332.50	-	-
15 days to 30/31 days (One month)	8,945.72	34.05	4,482.89
Over 1 month to 2 month	10,053.03	33.95	-
Over 2 month to 3 month	14,127.11	34.89	-
Over 3 month to 6 month	30,784.88	761.96	735.63
Over 6 month to 1 year	98,148.09	207.43	48.33
Over 1 year to 3 years	1,85,413.81	910.52	-
Over 3 year to 5 years	39,703.55	361.44	-
Over 5 years	34.22	219.33	-
<b>Total</b>	<b>3,90,456.58</b>	<b>2,563.57</b>	<b>5,267.20</b>

## (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 82.79% of the loan book of the Company as of March 31, 2024 (81.12% as of March 31, 2023). Portfolio is reasonably well diversified across 8 states of the country. Similarly, sub segments within Vehicle Finance like all kind of Commercial Vehicles, Car and Multi Utility Vehicles, Tractors and Construction Equipment have portfolio share between 12.40% to 36.60% leading to well diversified product mix. MSME & Loan against Property segment is mortgage loan against security of immovable property (primarily self-occupied

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

residential property) to self employed non-professional category of borrowers and contributes to 17.21% of the lending book of the company as of March 31, 2024 (18.88% as of March 31, 2023).

Portfolio is diversified and distributed between 8.10% to 34.20% across 8 states i.e. Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Punjab, Haryana, Delhi NCR & Uttar Pradesh.

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, 2024.

## (D) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market variables. Such changes in the values of financial instruments may result from changes in the interest rates, credit, and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk and liquidity risk.

## (E) Interest Rate Risk

The Company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Change in interest rate affects Company's earnings (measured by NII or NIM) and corresponding net worth, Hence it is essential for the Company to not only quantify the interest rate risk but also to manage it proactively. The Company mitigates its interest rate risk by keeping a balanced mix of borrowings. The Company lends at fixed rate of interest thus, the company is not exposed to interest rate risk on loans.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

(₹ in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
<b>Borrowings (Floating)</b>				
Increase in basis points (+/- 1%)	(2,199.08)	(2,199.08)	(1,078.19)	(1,078.19)
Decrease in basis points (+/- 1%)	2,199.08	2,199.08	1,078.19	1,078.19

## (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.

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

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.

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, 2024 AND MARCH 31, 2023

(₹ in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Amount	Within 12 Months	After 12 Months	Amount	Within 12 Months	After 12 Months
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	29,065.94	29,065.94	-	18,859.61	18,859.61	-
Bank balance other than cash and cash equivalents	36,250.31	23,183.85	13,066.47	41,543.53	22,520.24	19,023.29
Loans	4,00,189.55	1,25,200.40	2,74,989.15	2,83,175.09	85,681.19	1,97,493.89
Investments	45,685.22	44,356.23	1,328.99	30,845.21	26,794.94	4,050.28
Other financial assets	9,543.99	5,174.31	4,369.68	5,745.31	2,849.87	2,895.44
<b>Non-financial assets</b>						
Deferred tax assets (Net)	300.07	-	300.07	560.44	-	560.44
Property, plant and equipment	1,638.15	-	1,638.15	1,320.19	-	1,320.19
Right of use assets	1,625.83	445.76	1,180.07	1,496.47	404.97	1,091.50
Other intangible assets	1,020.05	-	1,020.05	338.49	-	338.49
Other non-financial assets	2,602.38	2,558.52	43.86	1,551.34	1,509.10	42.24
<b>Total - Assets</b>	<b>5,27,921.50</b>	<b>2,29,985.02</b>	<b>2,97,936.48</b>	<b>3,85,435.68</b>	<b>1,58,619.93</b>	<b>2,26,815.75</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Amount	Within 12 Months	After 12 Months	Amount	Within 12 Months	After 12 Months
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Trade Payables	661.04	661.04	-	682.36	682.36	-
Debt securities	45,526.33	21,445.18	24,081.15	55,307.29	24,198.72	31,108.57
Borrowings (other than debt securities)	3,44,930.24	1,43,859.80	2,01,070.44	2,09,361.35	85,610.49	1,23,750.86
Lease Liability	1,902.53	411.24	1,491.29	1,708.17	361.00	1,347.17
Other financial liabilities	5,267.20	5,267.20	-	3,945.22	3,945.22	-
<b>Non-financial liabilities</b>						
Provisions	810.11	531.54	278.57	534.89	270.68	264.21
Other non-financial liabilities	790.79	790.79	-	417.93	417.93	-
<b>Equity</b>						
Equity share capital	8,558.48	-	8,558.48	8,552.42	-	8,552.42
Other equity	1,19,474.78	-	1,19,474.78	1,04,926.05	-	1,04,926.05
<b>Total - Liabilities and Equity</b>	<b>5,27,921.50</b>	<b>1,72,966.79</b>	<b>3,54,954.71</b>	<b>3,85,435.68</b>	<b>1,15,486.40</b>	<b>2,69,949.28</b>

## 40 RELATED PARTY DISCLOSURE

### 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. Nayan Kogta (Chief Operating Officer considered as KMP w.e.f 02 <sup>nd</sup> Feb 2024)
	5. Rahul Agrawal (Chief Compliance Officer) (Company Secretary & Compliance Officer upto 12 <sup>th</sup> May 2023 and considered as KMP w.e.f 02 <sup>nd</sup> Feb 2024)
	6. Karan Singh Chouhan (Company Secretary & Compliance Officer w.e.f 13 <sup>th</sup> May 2023.)
Relatives of Key Managerial Personnel & other parties	1. Madhu Kogta
	2. Manju Kogta
	3. Ritu Kogta
	4. Nayan Kogta ( upto 1 <sup>st</sup> Feb 2024)
	5. Easy Recovery Solutions
	6. Matangi Stonex LLP
	7. Kogta Foundation
	8. Kogta Housing Development Private Limited
	9. Jaipur Promotors Private Limited

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)

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	-	-	-	-	-	-	-	5.09
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	9.59	13.23	-	-	-	-	-	-	9.59	13.23
Interest received	-	-	0.24	0.87	-	-	-	-	-	-	0.24	0.87
<b>Others</b>	<b>368.62</b>	<b>235.59</b>	<b>333.24</b>	<b>253.70</b>	<b>39.33</b>	<b>21.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>741.19</b>	<b>510.49</b>
Remuneration Paid	341.00	225.00	100.00	75.00	39.33	21.20	-	-	-	-	480.33	321.20
Rent Paid	27.62	10.59	61.59	38.52	-	-	-	-	-	-	89.21	49.11
Commission Paid	-	-	11.55	32.85	-	-	-	-	-	-	11.55	32.85
Donation Paid	-	-	160.11	107.32	-	-	-	-	-	-	160.11	107.32
Servicing Income	-	-	-	-	-	-	-	-	-	-	-	-
<b>Maximum Outstanding During the Year (Borrowings)</b>	-	-	187.98	198.36	-	-	-	-	-	-	187.98	198.36
<b>Maximum Outstanding During the Year (Advances)</b>	-	-	51.59	49.75	-	-	-	-	-	-	51.59	49.75
<b>Share based payments</b>	-	-	-	-	-	-	-	-	-	-	-	-
Number of outstanding stock options granted under ESOP 2018	-	-	-	-	-	-	-	-	-	-	-	-
Number of outstanding stock options granted under ESOP 2019	-	-	-	-	3,750	5,000	-	-	-	-	-	-
Number of outstanding stock options granted under ESOP 2020	-	-	-	-	3,930	3,400	-	-	-	-	-	-
Number of outstanding stock options granted under ESOP 2023	-	-	-	-	4,500	-	-	-	-	-	-	-
<b>Issuance of Equity Shares of the Company</b>	-	-	-	-	-	-	-	-	-	-	-	-
Number of shares issued under ESOP 2018	-	-	-	-	3,000	3,000	-	-	-	-	-	-
Number of shares issued under ESOP 2019	-	-	-	-	3,750	2,000	-	-	-	-	-	-
Number of shares issued under ESOP 2020	-	-	-	-	3,070	600	-	-	-	-	-	-
Number of shares issued under ESOP 2023	-	-	-	-	-	-	-	-	-	-	-	-

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 41. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Contingent Liabilities:</b>		
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)	-	-
<b>Capital commitments:</b>		
Estimated amount of the contract to be executed on capital account	-	-

## 42. CAPITAL

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2024	As at March 31, 2023
i)	CRAR (%)	27.10	34.09
ii)	CRAR-Tier I Capital (%)	26.65	33.91
iii)	CRAR-Tier II Capital (%)	0.45	0.18
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, 2024 (P.Y. March 31, 2023) 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 and RBI/2023-24/85 DOR.STR.REC.57/21.06.001/2023-24 dated November 16, 2023 on Regulatory measures towards consumer credit and bank credit to NBFCs.

## 43. INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>1 Value of Investments</b>		
(i) Gross Value of Investments		
(a) In India	45,685.22	30,845.21
(a) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	45,685.22	30,845.21
(a) Outside India	-	-
<b>2 Movement of provisions held towards depreciation on Investments</b>		
(i) Opening Balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/ write-back of excess provisions	-	-
(iv) Closing balance	-	-

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 44 DERIVATIVES

### a Forward Rate Agreement/Interest Rate Swap

The Company has no transactions/exposure in forward rate agreement/interest rate swap during 2023-24 and 2022-23.

### b Exchange Traded Interest Rate (IR) Derivatives

The Company has no transactions/exposure in exchange traded interest rate (IR) derivatives during 2023-24 and 2022-23.

### c Currency derivatives and interest rate derivatives

The Company has no transactions/exposure in currency or interest rate derivatives during 2023-24 and 2022-23.

## 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 2023-24 and 2022-23.

## 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 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, 2024	As at March 31, 2023
1	No of SPVs sponsored by the NBFC for securitization transactions	2	5
2	Total amount of securitized assets as per books of the SPVs sponsored	15,093.77	12,580.50
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss (in the form of fixed deposit)	1,290.92	2,341.08
	Others	900.02	1,409.39
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	-	-

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)

S. No.	Particulars	No./ Amount	
		As at March 31, 2024	As at March 31, 2023
	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	21,239.48	29,217.07
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	15,093.77	12,580.50
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	32.73%	70.30%
	(b) Repayment received	36.39%	73.88%
	(c) Outstanding amount	3.66%	3.58%
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	NIL	NIL
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	NIL	NIL
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	NIL	NIL

\*Others include second loss credit enhancement.

## 50 DISCLOSURE OF LOAN TRANSFER THROUGH ASSIGNMENT

The company has undertaken 9 assignment transactions during the year ended March 31, 2024 (P.Y. 7 transactions). Details are given below:

(₹ in lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
(i) No. of accounts	20230	18044
(ii) Aggregate value (net of provisions) of accounts sold (₹)	60243.14	45400.76
(iii) Aggregate consideration (₹)	60243.14	45400.76
(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)	3.43 Years	2.88 Years
(vii) Weighted Average Holding (After Origination)	10 Months	9.4 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

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 51 DISCLOSURE OF LOAN TRANSFER THROUGH CO-LENDING

The company has undertaken 1 Co-lending transactions during the year ended March 31, 2024 (P.Y. Nil). Details are given below:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) No. of accounts	1563	-
(ii) Aggregate value (net of provisions) of accounts acquired (₹)	3884.69	-
(iii) Aggregate consideration (₹)	3884.69	-
(iv) Additional consideration realized in respect of accounts co-lend in earlier years (₹)	-	-
(v) Aggregate gain/(loss) over net book value (₹)	-	-
(vi) Weighted Average Maturity (Remaining)	2.95 Years	-
(vii) Weighted Average Holding (After Origination)	1.70 Months	-
(viii) Retention of Beneficial Economic Interest (Average)	20%	-
(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	-

## 52 DISCLOSURE OF LOAN ACQUIRED THROUGH ASSIGNMENT

The company has undertaken 3 assignment transactions during the year ended March 31, 2024 (P.Y. 1 transactions). Details are given below:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) No. of accounts	1441	228
(ii) Aggregate value (net of provisions) of accounts acquired (₹)	4709.71	287.16
(iii) Aggregate consideration (₹)	4709.71	287.16
(iv) Additional consideration realized in respect of accounts acquired in earlier years (₹)	-	-
(v) Aggregate gain/(loss) over net book value (₹)	-	-
(vi) Weighted Average Maturity (Remaining)	2.09 Years	1.35 Years
(vii) Weighted Average Holding (After Origination)	8.89 Months	9.65 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

## 53 DETAILS OF NON-PERFORMING FINANCIAL ASSETS PURCHASED/SOLD

The Company has neither purchased nor sold any non performing financial asset during 2023-24 and 2022-23.

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 54 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

(₹ in lakhs)

For the year 2023-24	Deposits	Advances*	Investments	Borrowings	Foreign Currency assets	Foreign Currency liabilities
1 to 7 days	-	10,293.58	866.55	2,913.66	-	-
8 to 14 days	-	8.22	2,049.83	332.50	-	-
15 to 30/31 days	-	5,219.43	10,216.99	8,945.72	-	-
Over 1 month up to 2 month	-	10,511.55	6,026.92	10,053.03	-	-
Over 2 months up to 3 months	-	9,886.89	5,365.98	14,127.11	-	-
Over 3 month & up to 6 month	-	26,991.90	9,173.44	30,784.88	-	-
Over 6 month & up to 1 year	-	62,288.83	10,656.52	98,148.09	-	-
Over 1 year & up to 3 years	-	1,87,047.34	1,322.65	1,85,413.81	-	-
Over 3 years & up to 5 years	-	52,575.10	6.34	39,703.55	-	-
Over 5 years	-	35,366.72	-	34.22	-	-
<b>Total</b>	-	<b>4,00,189.55</b>	<b>45,685.22</b>	<b>3,90,456.58</b>	-	-

(₹ 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	-	1,29,495.78	3,904.41	1,25,173.41	-	-
Over 3 years & up to 5 years	-	38,028.80	145.87	29,616.08	-	-
Over 5 years	-	29,969.32	-	69.94	-	-
<b>Total</b>	-	<b>2,83,175.09</b>	<b>30,845.22</b>	<b>2,64,668.64</b>	-	-

\*Advances are net of ECL provision.

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI.

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 55 EXPOSURE TO REAL ESTATE SECTOR

The Company has exposure to real estate sector as on March 31, 2024 and March 31, 2023 which is given herein below:

(₹ in lakhs)

Category	As at March 31, 2024	As at March 31, 2023
<b>A Direct Exposure (Fund and Non Fund Based)</b>		
(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>B Indirect Exposure (Fund and Non Fund Based)</b>	<b>585.29</b>	<b>545.70</b>
<b>Total Exposure to Real Estate Sector</b>	<b>585.29</b>	<b>545.70</b>

## 56 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 2023-24 and 2022-23.

## 57 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 2023-24 and 2022-23.

## 58 PROVISIONS AND CONTINGENCIES

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss</b>		
Provisions for depreciation on Investment	-	-
Provision towards NPA	1,086.34	1,860.65
Provision made towards Income tax (Net of Deferred Tax)	4,786.19	2,940.13
Other Provision and Contingencies	504.05	68.87
Provision for standard Assets	367.00	(28.49)

## 59 DRAW DOWN FROM RESERVES

No reserves have been draw down during the financial year 2023-24 and 2022-23 except as disclosed in the part (b) of statement of changes in equity.

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 60 CONCENTRATION OF ADVANCES

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Advances to twenty largest borrowers	3,101.59	2,130.19
Percentage of Advances to twenty largest borrowers to total advances of the NBFC	0.76%	0.74%

## 61 CONCENTRATION OF EXPOSURES

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Exposure to twenty largest borrowers/customers	3,101.59	2,130.19
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	0.76%	0.74%

## 62 CONCENTRATION OF NPAS

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Exposure to top four NPA accounts	137.82	174.39

## 63 SECTORAL EXPOSURE

(₹ in lakhs)

Sectors	As at March 31, 2024			As at March 31, 2023		
	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	58,226.82	1,387.33	2.38%	40,249.29	738.33	1.83%
2. Commercial Real Estate	585.29	60.07	10.26%	545.70	4.98	0.91%
3. Retail Loans	3,48,518.51	9,271.59	2.66%	2,48,122.79	8,853.70	3.57%
Vehicle/Auto Loans	2,80,727.50	6,405.48	2.28%	1,94,108.91	5,497.68	2.83%
LAP & MSME Loans	67,791.00	2,866.10	4.23%	54,013.88	3,356.02	6.21%
<b>Total</b>	<b>4,07,330.61</b>	<b>10,718.99</b>	<b>2.63%</b>	<b>2,88,917.78</b>	<b>9,597.00</b>	<b>3.32%</b>

## 64 DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING

RBI has not observed any divergence in asset classification and provisioning for the company.

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 65 MOVEMENT OF NPAS

(₹ in lakhs, except as stated otherwise)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Net NPAs to Net Advances (%)	1.30%	1.81%
(ii) Movement of NPAs(Gross)		
(a) Opening balance	9,597.00	6,776.85
(b) Additions during the year	9,282.76	7,699.06
(c) Reductions during the year	8,160.77	4,878.91
(d) Closing balance	10,718.99	9,597.00
(iii) Movement of Net NPAs		
(a) Opening balance	5,137.83	4,674.80
(b) Additions during the year	4,418.95	3,883.59
(c) Reductions during the year	4,328.35	3,420.56
(d) Closing balance	5,228.43	5,137.83
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	4,459.17	2,102.05
(b) Provisions made during the year	4,863.81	3,815.47
(c) Write-off/write-back of excess provisions	3,832.42	1,458.35
(d) Closing balance	5,490.56	4,459.17

## 66 OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Company does not have any joint venture or subsidiary overseas.

## 67 OFF-BALANCE SHEET SPVs SPONSORED

The Company does not have any off balance sheet SPV sponsored either domestic or overseas.

## 68 DISCLOSURE OF CUSTOMER COMPLAINTS

S. No.	Particulars	As at March 31, 2024	As at March 31, 2023
Complaints received by the NBFC from its customers			
1	No. of complaints pending at the beginning of the year	3	1
2	No. of complaints received during the year	128	166
3	No. of complaints disposed during the year of which, number of complaints rejected by the NBFC	131 0	164 0
4	No. of complaints pending at the end of the year	0	3
<b>Maintainable complaints received by the NBFC from Office of Ombudsman</b>			
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman*	35	25
	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	35	25
	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

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

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
<b>March 31, 2024</b>					
1 CIBIL related query	1.00	53.00	-23%	-	-
2 Misbehave/Abuse	-	30.00	58%	-	-
3 Documents related concern	-	19.00	-60%	-	-
4 Loan amount/Charges related	-	12.00	100%	-	-
5 Fraud Related	-	4.00	0%	-	-
6 Others	2.00	10.00	25%	-	-
<b>Total</b>	<b>3.00</b>	<b>128.00</b>	<b>-23%</b>	<b>-</b>	<b>-</b>
<b>March 31, 2023</b>					
1 CIBIL related query	-	69.00	1280%	1.00	-
2 Documents related concern	-	47.00	4600%	-	-
3 Misbehave/Abuse	-	19.00	100%	-	-
4 Integrity issue	-	17.00	100%	2.00	-
5 Loan amount/Charges related	1.00	6.00	100%	-	-
6 Others	-	8.00	300%	-	-
<b>Total</b>	<b>1.00</b>	<b>166.00</b>	<b>1409%</b>	<b>3.00</b>	<b>-</b>

\*This includes pending complaint at the end of previous year also.

## 69 TRANSACTION WITH NON-EXECUTIVE DIRECTORS

(₹ in lakhs)

S. No.	Name of Non-Executive Director	Transaction Type	As at March 31, 2024	As at March 31, 2023
1	Mr. P R Kalyanaraman	Payment of sitting fees	6.00	3.00
2	Mr. Kumar Sharadindu	Payment of sitting fees	5.85	2.45
3	Mrs. Shashikala Ramachandra	Payment of sitting fees	5.30	2.35
4	Mr. P R Kalyanaraman	Payment of commission	7.00	5.00
5	Mr. Kumar Sharadindu	Payment of commission	7.00	5.00
6	Mrs. Shashikala Ramachandra	Payment of commission	10.00	5.00

## 70 DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

There is no parent Company to finance any product.

## 71 POSTPONEMENT OF REVENUE RECOGNITION

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

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 72 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, 2024 is ₹ 9.13 Lakhs (as on March 31, 2023 is ₹ 1.18 Lakhs).

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

## 73 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, 2024

S. No.	Instrument	Rating agency	Date of rating assigned/ reviewed	Rating valid up to	Rating assigned	
					2022-24	2021-23
1	Bank Loan Rating	CARE	13-Mar-24	12-Mar-25	A+ /Stable	A /Stable
2	Non-Convertible Debentures	CARE	13-Mar-24	12-Mar-25	A+ /Stable	A /Stable
3	Non-Convertible Debentures (MLD)	CARE	13-Mar-24	12-Mar-25	PP MLD A+ / Stable	PP MLD A /Stable
4	Non-Convertible Debentures	ICRA	13-Mar-24	12-Mar-25	A+ /Stable	A /Stable
5	Term Loan rating	ICRA	13-Mar-24	12-Mar-25	A+ /Stable	A /Stable
6	Non-Convertible Debentures (MLD)	ICRA	13-Mar-24	12-Mar-25	PP MLD A+ / Stable	PP MLD A /Stable

## 74 DETAILS OF IMPAIRMENT LOSS ALLOWANCE RESERVE

(₹ in lakhs)						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms*
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	3,82,194.57	2,615.81	3,79,578.77	1,572.82	1,042.99
	Stage 2	14,417.06	691.16	13,725.90	77.69	613.47
<b>Subtotal</b>		<b>3,96,611.63</b>	<b>3,306.97</b>	<b>3,93,304.66</b>	<b>1,650.51</b>	<b>1,656.46</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	9,535.98	3,190.87	6,345.11	986.35	2,204.51
<b>Doubtful</b>						
Up to 1 year	Stage 1	-	-	-	-	-
	Stage 3	1,183.01	643.24	539.78	249.92	393.31
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		<b>1,183.01</b>	<b>643.24</b>	<b>539.78</b>	<b>249.92</b>	<b>393.31</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>10,718.99</b>	<b>3,834.10</b>	<b>6,884.89</b>	<b>1,236.28</b>	<b>2,597.83</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

(₹ in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms*
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
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	-	-	-	-	-
<b>Subtotal</b>		-	-	-	-	-
<b>Total</b>	Stage 1	3,82,194.57	2,615.81	3,79,578.77	1,572.82	1,042.99
	Stage 2	14,417.06	691.16	13,725.90	77.69	613.47
	Stage 3	10,718.99	3,834.10	6,884.89	1,236.28	2,597.83
<b>Grand Total</b>		<b>4,07,330.62</b>	<b>7,141.07</b>	<b>4,00,189.55</b>	<b>2,886.79</b>	<b>4,254.28</b>

\*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.

## 75 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, 2024 is as follows:

### A. Funding Concentration based on Significant Counterparty

(₹ in lakhs)

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
38	2,26,780.84	-	56.71%

### 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	1,05,352.60
% of Total Borrowings	26.98%

### D. Funding Concentration based on Significant Instrument/Product

S. No.	Name of the Instrument/Product	Amount	% of Total Liabilities
1	Term Loans	3,11,512.64	77.90%
2	Working Capital / Line of Credit /Overdraft facilities	33,417.60	8.36%
3	Commercial Papers	-	0.00%
4	Non-Convertible Debentures	45,526.33	11.38%
5	Inter corporate deposits	-	0.00%
<b>Total</b>		<b>3,90,456.58</b>	<b>97.64%</b>

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## E. Stock Ratios

Sr. No.	Name of the Instrument/Product	%
1)	a Commercial Papers as a % of Total Public Funds	0.00%
	b Commercial Papers as a % of Total Liabilities	0.00%
	c Commercial Papers as a % of Total Assets	0.00%
2)	a Non-Convertible Debentures (original maturity of less than one year) as a % of Total Public Funds	0.00%
	b Non-Convertible Debentures (original maturity of less than one year) as a % of Total Liabilities	0.00%
	c Non-Convertible Debentures (original maturity of less than one year) as a % of Total Assets	0.00%
3)	a Other Short-Term Liabilities as a % of Total Public Funds	8.56%
	b Other Short-Term Liabilities as a % of Total Liabilities	8.36%
	c Other Short-Term Liabilities as a % of Total Assets	6.33%

## 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:-

1. Significant Counterparty and Significant Instrument/Product is defined in RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC No. 102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies.
2. Total borrowing is on Principal Outstanding basis
3. Public funds, for the company is same as Total Borrowings.
4. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figures) less Equities and Reserves/Surplus
5. Other short term liabilities is Total Short term liabilities less short term borrowings.

**76** 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.

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 77 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	91.79	-	-	27.25	64.54
Corporate persons of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>91.79</b>	<b>-</b>	<b>-</b>	<b>27.25</b>	<b>64.54</b>

There were 15 borrower accounts having an aggregate exposure of ₹ 50.74 Lacs, where resolution plan had been implemented under RBI's resolution framework 1.0 dated August 06, 2020 and 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	198.44	15.86	-	66.42	116.16
Corporate persons of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>198.44</b>	<b>15.86</b>	<b>-</b>	<b>66.42</b>	<b>116.16</b>

## 78 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.

79 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.

# Notes Forming Part of the Financial Statements

for the year ended March 31, 2024

## 80 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, 2024 (March 31, 2023: 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 **J.C. BHALLA & CO.**  
Chartered Accountants  
ICAI Firm Reg. No. : 001111N  
per **RAJESH SETHI**  
Partner  
Membership No. 085669  
Place: San Diego  
Date: May 15, 2024

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 15, 2024

**ARUN KOGTA**  
(Managing Director & CEO)  
DIN 05109722  
**KARAN SINGH CHOUHAN**  
(Company Secretary)  
Membership No. A45180



**Kogta Financial (India) Limited**

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