

Press Release

Kogta Financial raises Series E investment from Ontario Teachers' Pension Plan

Mumbai, India, June 26, 2024: Kogta Financial (India) Limited (“Kogta” or “the Company”), a fast-growing retail focused NBFC specializing in the secured vehicle and MSME financing space, is pleased to announce that Ontario Teachers’ Pension Plan Board (“Ontario Teachers’”) has acquired a significant minority stake by investing INR 1,230 Cr (USD 148 million). Kogta has a strong track record of institutional backing with existing investments from funds managed by Creador IV LP (“Creador”), Morgan Stanley Private Equity Asia (“Morgan Stanley”) and Multiples Alternate Assets Private Ltd (“Multiples”). The funds raised will be used as primary capital to drive growth across its product offering and expand regional presence and will also provide partial exits to Kogta’s existing institutional investors Morgan Stanley and Creador.

Kogta focuses on the large and underserved vehicle finance and MSME loans market. Started in Rajasthan in 1996, Kogta has now expanded across 10 states in India with 225+ branches and 5000+ employees. The Company has assets under management of ~INR 4,800 Cr across commercial vehicles, passenger vehicles, tractors, construction equipment and MSME loans.

Since its first institutional investment in October 2016, Kogta has scaled rapidly with AUM growth at 40%+ CAGR with very strong asset quality, led by founders with strong on-ground operating experience and deep market knowledge. Over the years, the Company has brought in experienced professionals to scale the business, backed by a culture of “freedom to grow” and system-led meritocratic operations.

As part of the investment, Rahul Mukim, Director, Private Capital, India is slated to join the board of Kogta as the nominee of Ontario Teachers’ Pension Plan.

Kotak Investment Banking was the financial advisor for the transaction.

*Speaking on the occasion, **Arun Kogta, MD and CEO of Kogta**, said, “This is a significant milestone for the Company, and we are pleased to welcome aboard Ontario Teachers’. Their experience would help Kogta navigate the next phase of its growth journey, deepening its reach across chosen geographies and product segments. We believe the Investment by Ontario Teachers’ is a stamp of confidence for the underlying business model built over the years”*

***Varun Kogta, ED and CFO of Kogta**, said, “The investment from Ontario Teachers’ will help enhance our balance sheet strength and increase the conviction of credit rating agencies and lenders in the Company. We would also like to appreciate the inputs from our existing investors (Creador, Morgan Stanley, Multiples & CPP Investments) and look forward to their continuous support over the coming years”*

***Deepak Dara, Senior Managing Director and Head of India for Ontario Teachers’** said, “Our investment in Kogta underscores our commitment to identifying and backing high-growth opportunities in India’s vibrant financial services sector. The used vehicle and livelihood financing segment is significantly underpenetrated, and Arun and Varun have built a scalable business model with a strong focus on asset quality, deep technology orientation, and talent. We are excited to partner with them to further accelerate their growth trajectory.”*

Cindy Yan, Senior Managing Director, Private Capital, Asia-Pacific, for Ontario Teachers' added, "Financial services and non-banking lending financial services are global focus sectors where we have significant expertise. We are pleased to support Kogta Financial in its mission to provide financing solutions to the underserved vehicle and MSME sectors in India. This investment aligns with our strategy of supporting strong management teams in high-growth businesses with a clear competitive advantage."

Arjun Saigal, Managing Director and Co-Head of Morgan Stanley PE Asia, said, "We have been amongst the early investors in Kogta and have witnessed the Company's evolution into one of the leading lenders in the vehicle finance space. Addition of OTPP further strengthens the cap table and is reflective of investor confidence in Kogta's operations. While we are partially exiting our stake in the current round, we continue to be shareholders and look forward to continuing our successful partnership with Kogta in its next stage of growth."

About Kogta Financial (India) Limited

Kogta Financial (India) Ltd is one of the fastest growing NBFCs in the vehicle finance and MSME financing market. Founded in 1996, Kogta is currently steered by the next generation leaders along with its experienced and innovative Management Team. Based out of Jaipur, the Company has served over 3,25,000 customers through a network of 225+ branches. For more information, visit <https://www.kogta.in/>

About Ontario Teachers'

Ontario Teachers' Pension Plan Board (Ontario Teachers') is a global investor with net assets of CAD247.5 billion as at December 31, 2023. We invest in more than 50 countries in a broad array of assets including public and private equities, fixed income, credit, commodities, natural resources, infrastructure, real estate and venture growth to deliver retirement income for 340,000 working members and pensioners.

Our more than 450 investment professionals operate in key financial centres around the world and bring deep expertise in a broad range of sectors and industries. We are a fully funded defined benefit pension plan and have earned an annual total-fund net return of 9.3% since the plan's founding in 1990. At Ontario Teachers', we don't just invest to make a return, we invest to shape a better future for the teachers we serve, the businesses we back, and the world we live in. For more information, visit otpp.com and follow us on [LinkedIn](#).

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