

## INFORMATION MEMORANDUM

### KOGTA FINANCIAL (INDIA) LIMITED

A public company incorporated under the Companies Act, 1956

Date of Incorporation: January 15, 1996

Registered Office: 'Kogta House' Azad Mohalla, Near Rly. Station, Bijainagar - 305624, Rajasthan

Corporate Office: S-1, Gopal Bari, Near Ajmer Pulia, Opposite Metro Pillar No. 143, Jaipur – 302001, Rajasthan.

Telephone No.: +91 141 – 6767000; Fax: N.A.;

Contact Person: Mr. Rahul Agrawal; Email: rahul.agrawal@kogta.in;

Website: www.kogta.in

#### Information Memorandum for issue of Debentures on a Private Placement Basis

Date: September 02, 2020

*(Under Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time)*

**Issue of 300 (Three Hundred) Rated, Secured, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures denominated in INR ("Debentures" or "NCDs") of face value of INR 10,00,000 (Indian Rupees Ten lakhs) each, aggregating up to INR 30,00,00,000 (Indian Rupees Thirty Crore) on a private placement basis (the "Issue").**

#### Background

This Information Memorandum is related to the Debentures to be issued by Kogta Financial (India) Limited (the "Issuer" or "Company" or "Kogta") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum (as defined below) has been authorised by the Company through resolutions of the Board of Directors of the Issuer dated January 29, 2020 and read together with the resolution of the board dated July 10, 2020 and the Memorandum of Association and Articles of Association of the Company. Pursuant to the resolutions passed by the Company's shareholders dated August 27, 2018 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to borrow, upon such terms and conditions as the Board may think fit for amounts up to INR 20,00,00,00,000 (Indian Rupees Two Thousand Crore). The present issue of Debentures in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

#### Issue Schedule

Issue Opening on: September 02, 2020

Issue Closing on: September 02, 2020

Deemed Date of Allotment: September 03, 2020

The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.



The Debentures are proposed to be listed on the WDM of the BSE within 20 (Twenty) days from the Deemed Date of Allotment.

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**Sole Arranger**  
**Intellectcap Advisory Services**  
**Private Limited**  
11A, 6th Floor, Techniplex-II  
IT Park, Off Veer Savarkar  
Flyover, Goregaon West,  
Mumbai - 400062, India  
Tel: 022-6195 2764  
Email:  
ashim.ranu@intellectcap.com  
Website: www.intellectcap.com

**Registrar and Transfer**  
**Agent**  
**KFin Technologies Private**  
**Limited**  
(Formerly known as Karvy  
Fintech Private Limited)  
Karvy Selenium, Tower B,  
Plot No - 31 & 32, Financial  
District, Nanakramguda,  
Serilingampally, Hyderabad,  
Rangareddi, Telangana –  
500032.  
Tel: +91 40 6716 2222  
Email:  
compliance.kfpl@karvy.com

**Debenture Trustee**  
**Catalyst Trusteeship Limited**  
(Erstwhile GDA Trusteeship  
Limited)  
Windsor, 6th Floor, Office No  
604, C.S.T. Road, Kalina  
Santacruz (East), Mumbai -  
400098  
Tel: +91 22 4922 0501  
Email: [compliancectl-  
mumbai@ctltrustee.com](mailto:compliancectl-mumbai@ctltrustee.com)



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**SECTION 1: DEFINITIONS AND ABBREVIATIONS**

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum.

<b>Terms</b>	<b>Description</b>
<b>Act or Companies Act</b>	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
<b>Applicable Law(s)</b>	means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
<b>Applicant</b>	means a person who has submitted a completed Application Form to the Issuer.
<b>Application Form</b>	means the application form enclosed as Annexure IV
<b>Application Money</b>	means the subscription amounts paid by the Debenture Holders at the time of submitting the Application Form.
<b>Assets</b>	means, for any date of determination, the assets of the Company on such date as the same would be determined in accordance with Indian GAAP.
<b>Beneficial Owner(s)</b>	means the holder(s) of the Debentures in dematerialised form whose name is recorded as such with the Depository in the Register of Beneficial Owners.
<b>Board/Board of Directors</b>	means the Board of Directors of the Issuer.
<b>BSE</b>	means BSE Limited.
<b>Business Day</b>	means any day (other than a Sunday or a public holiday under Section 25 of the Negotiable Instruments Act, 1881) on which banks are open for general business in Mumbai, India.
<b>CDSL</b>	Means the Central Depository Services (India) Limited
<b>Capital Adequacy Ratio</b>	means the capital adequacy ratio as defined under the NBFC Directions.
<b>CERSAI</b>	Means Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
<b>Client Loan</b>	means each loan made by the Issuer as a lender.
<b>Change of Control</b>	means the shareholders of the Issuer (as on the Effective Date) ceasing to: <ul style="list-style-type: none"> <li>(a) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: <ul style="list-style-type: none"> <li>(i) cast, or control the casting of, more than 51% (fifty one percent) of the shareholding (on a fully diluted basis) of the Company; or</li> <li>(ii) appoint or remove all or majority of the directors or the "key managerial personnel" (as defined in the Act) of the Company,</li> </ul> </li> </ul>



	OR
	(b) hold at least 51% (fifty one percent) of the shareholding (on a fully diluted basis) of the Company.
<b>Change of Control Event</b>	means any event, including without limitation, the issuance of any shares (whether equity or convertible into equity), or any transfer, sale, creation of security interest (including pledge) or encumbrance over any shares (whether equity or convertible into equity), which by itself, or together with other actions (including the conversion of any convertible instruments into equity shares) may result in a Change of Control.
<b>Control</b>	has the meaning given to it in the Companies Act, 2013.
<b>Company/Issuer</b>	means Kogta Financial (India) Limited, a company incorporated under the Companies Act, 1956 with its registered office at 'Kogta House' Azad Mohalla, Near Rly. Station, Bijainagar - 305624, Rajasthan, India.
<b>Conditions Precedent</b>	means the conditions precedent set out in Section 5.22.
<b>Conditions Subsequent</b>	means the conditions subsequent set out in Section 5.22.
<b>Constitutional Documents</b>	means the certificate of incorporation of the Company, the memorandum of association and articles of association of the Company and the certificate of registration issued by the RBI to the Company.
<b>Crore</b>	means INR 1,00,00,000.
<b>Debentures/NCDs/Bonds</b>	300 (Three Hundred) rated, secured, senior, redeemable, taxable, transferable, listed, non-convertible debentures denominated in Indian Rupees ("INR") each having a face value of INR 10,00,000 (Indian Rupees Ten lakhs) aggregating to a face value of INR 30,00,00,000 (Indian Rupees Thirty Crore)
<b>Debenture Holders / Investors</b>	<p>means the Applicants whose names and addresses are set out in the Application Form and for any subsequent Debenture Holders, each person who is:</p> <p>(a) registered as a Beneficial Owner; and</p> <p>(b) registered as a debenture holder in the Register of Debenture Holders.</p> <p>Sub-paragraphs (a) and (b) shall be deemed to include transferees of the Debentures registered with the Issuer and the Depository from time to time, and in the event of any inconsistency between sub-paragraphs (a) and (b) above, sub-paragraph (a) shall prevail.</p>
<b>Debenture Trustee</b>	Catalyst Trusteeship Limited, a company incorporated under the Companies Act, 1956 with CIN U74999PN1997PLC110262, having its registered office at GDA House, Plot No. 85, Bhusari Colony, Paud Road, Pune, Maharashtra - 411038 and acting through its offices at Windsor, 6th Floor, Office No-604, C.S.T. Road, Kalina, Santacruz (East), Mumbai, Maharashtra - 400098, India.
<b>Debenture Trustee Agreement</b>	means the agreement executed/to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.



<b>Debenture Trustees Regulations</b>	means the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
<b>DTD/Debenture Trust Deed</b>	means the debenture trust deed executed/to be executed by and between the Debenture Trustee and the Issuer which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
<b>Deed of Hypothecation</b>	shall have the meaning ascribed to it under Section 5.22 of this Information Memorandum.
<b>Deemed Date of Allotment</b>	means the date on which the Debentures are deemed to be allotted to the Debenture Holders, being September 03, 2020.
<b>Debt Disclosure Documents</b>	means, collectively, the private placement offer letter cum application issued/to be issued by the Issuer and this Information Memorandum, and <b>Debt Disclosure Document</b> means any one of them.
<b>Demat</b>	means the dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
<b>Depositories Act</b>	means the Depositories Act, 1996, as amended from time to time.
<b>Depository</b>	means the depository with whom the Company has made arrangements for dematerialising the Debentures, being NSDL and/or CDSL.
<b>Depository Participant / DP</b>	means a depository participant as defined under the Depositories Act.
<b>Director(s)</b>	means the director(s) of the Issuer.
<b>Due Date</b>	means the date on which any interest or liquidated damages, any Redemption Payment or premature redemption amount and/or any other amounts payable, are due and payable.
<b>EBP Guidelines</b>	means the guidelines issued by SEBI with respect to electronic book mechanism pursuant to the SEBI circular dated January 5, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/05) on "Electronic book mechanism for issuance of securities on private placement basis" read with the SEBI Circular dated August 16, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/122) on "Electronic book mechanism for issuance of securities on private placement basis - Clarifications" and the operational guidelines issued by the relevant Electronic Book Provider, as may be restated, amended, modified or updated from time to time.
<b>Electronic Book Provider / EBP</b>	has the meaning given to it under the EBP Guidelines.
<b>EBP Platform</b>	has the meaning given to it under the EBP Guidelines.
<b>EFT</b>	means Electronic Fund Transfer.
<b>Early Redemption Event</b>	means the occurrence of any one of more of the following events:  the occurrence of any breach of any covenants set out in the DTD which, if capable of remedy, are not remedied to the satisfaction of the Debenture Holders within 30 (thirty) calendar days of occurrence.
<b>Eligible Investors</b>	Means domestic investors, including scheduled commercial bank, in accordance with the applicable law, and other directions and guidelines prescribed by the RBI.



<b>Effective Date</b>	means the date of execution of the DTD.
<b>Events of Default</b>	means the events of default specified in Section 5.22 below.
<b>Final Redemption Date or Redemption Date</b>	means March 03, 2022.
<b>Financial Indebtedness</b>	<p>means any indebtedness for or in respect of:</p> <ul style="list-style-type: none"> <li>(a) moneys borrowed;</li> <li>(b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;</li> <li>(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, loan stock or any similar instrument;</li> <li>(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Indian GAAP, be treated as a finance or capital lease;</li> <li>(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);</li> <li>(f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;</li> <li>(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);</li> <li>(h) shares which are expressed to be redeemable or shares which are the subject of a put option or any form of guarantee;</li> <li>(i) any obligation under any put option in respect of any securities;</li> <li>(j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;</li> <li>(k) any corporate/personal guarantee, a letter of comfort or any other similar contractual comfort issued or incurred in respect of a liability incurred by any other third person; and</li> <li>(l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.</li> </ul>



<b>Financial Year/ FY</b>	means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year.
<b>Final Settlement Date</b>	means the date on which all Secured Obligations have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders.
<b>Governmental Authority</b>	means any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organisation, established under any Applicable Law.
<b>Gross Loan Portfolio</b>	means the outstanding principal amount of all Client Loans originated by the Company on its own books and the Off Balance Sheet Portfolio.
<b>Hypothecated Assets</b>	Has the meaning given to it in Section 5.22 of this Information Memorandum.
<b>ICCL</b>	Means the Indian Clearing Corporation Limited.
<b>Increased Costs</b>	means: <ul style="list-style-type: none"> <li>(a) a reduction in the rate of return from the Debentures or in a Debenture Holder's overall capital (including as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by the Debenture Holder);</li> <li>(b) an additional or increased cost; or</li> <li>(c) a reduction of any amount due and payable under any Transaction Document,</li> </ul> <p>which is incurred or suffered by a Debenture Holder to the extent that it is attributable to the undertaking, funding or performance by the Debenture Trustee of any of its obligations under any Transaction Document or any subscription of the Debenture Holder of the Debentures.</p>
<b>Indian GAAP</b>	means the generally accepted accounting principles as prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Company, and includes, to the extent applicable, Ind-AS.
<b>Information Memorandum</b>	means this information memorandum issued by the Issuer in respect of the issuance of the Debentures.
<b>Interest Payment Date</b>	means the payment dates as specified in Annexure III below, unless such day is not a Business Day, in which case the payment date will be the next Business Day.
<b>Interest Rate</b>	means 9.50% (nine decimal five zero percent) per annum, and will be repaid at par in 2 tranches
<b>Issue</b>	means this issue of Debentures by the Issuer on a private placement basis.
<b>Issue Opening Date</b>	September 02, 2020 from 10.00 A.M.
<b>Issue Closing Date</b>	September 02, 2020 till 03.00 P.M.
<b>LODR Regulations</b>	means the SEBI (Listing Obligations and Disclosure Requirements)





	Regulations, 2015.
<b>Majority Debenture Holders</b>	means such number of Debenture Holders collectively holding more than 50% (fifty percent) of the value of the Outstanding Principal Amounts of the Debentures.
<b>Majority Resolution</b>	means a resolution approved by the Majority Debenture Holders who are present and voting or if a poll is demanded, by the Majority Debenture Holders who are present and voting in such poll.
<b>Material Adverse Effect</b>	means the effect or consequence of an event, circumstance, occurrence or condition which has caused or could reasonably be expected to cause, as of any date of determination, a material and adverse effect: <ul style="list-style-type: none"> <li>(a) on the financial condition, business or operations of the Company, environmental, social or otherwise or prospects of the Company; or</li> <li>(b) on the ability of the Company to perform its obligations under the Transaction Documents or in respect of the Secured Obligations; or</li> <li>(c) on the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).</li> </ul>
<b>Moratorium Directions (COVID-19)</b>	means, collectively, the RBI's circular no. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 on " <i>COVID-19 – Regulatory Package (Revised)</i> ", the RBI circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 on " <i>COVID19 Regulatory Package – Asset Classification and Provisioning</i> ", the RBI circular no. DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 on " <i>COVID-19 – Regulatory Package</i> ", and the RBI circular no. DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020 on " <i>COVID19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets</i> " (each as amended, modified or restated from time to time).
<b>NBFC Directions</b>	means the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 and/or the Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 (each as amended, modified or restated from time to time) as may be applicable.
<b>N.A</b>	Not Applicable.
<b>NBFC</b>	Means a Non-banking financial company.
<b>Net Worth</b>	has the meaning given to it in the Act.
<b>NSDL</b>	Means the National Securities Depository Limited.
<b>CDSL</b>	Means the Central Depository Services Limited
<b>Off Balance Sheet Portfolio</b>	means the outstanding principal balance of all Client Loans securitised, assigned, originated on behalf of other institutions otherwise sold off in respect of which the Company has provided credit enhancements in any form or manner whatsoever including Client Loans originated on behalf of other entities by entering into partnership agreements but not included on



	the Company's own book, excluding interest receivables and accrued interest.
<b>Outstanding Amounts</b>	means, at any date, the Outstanding Principal Amounts together with any interest, additional interest, costs, fees, charges, and other amounts payable by the Company in respect of the Debentures.
<b>Outstanding Principal Amounts</b>	means, at any date, the principal amounts outstanding under the Debentures.
<b>PAN</b>	Means the Permanent Account Number.
<b>Payment Default</b>	Means any event, act or condition which, with notice or lapse of time, or both, would constitute an Event of Default under paragraph (a) of the column titled "Events of Default" under Section 5.22.
<b>Portfolio At Risk Over 90 Days</b>	means, on the Company's entire assets under management at any point of time, the outstanding principal amounts of the relevant portfolio of the Company that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 (ninety) calendar days or more, including restructured Client Loans but excluding Client Loans that have been written off by the Company.
<b>Private Placement Offer Letter/PPOA</b>	Means the private placement offer cum application letter dated September 02, 2020 issued by the Issuer in respect of the Debentures.
<b>Promoters</b>	has the meaning given to it under the Act.
<b>Quarterly Date</b>	means each of March 31, June 30, September 30 and December 31 of a calendar year, and "Quarterly Dates" shall be construed accordingly.
<b>Rating</b>	Means the rating of "A-; Stable (pronounced as Single A Minus; Outlook: Stable)" assigned to the Debentures by the Rating Agency.
<b>Rating Agency</b>	means CARE Ratings Limited, having its registered office at 4 <sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai – 400 022.
<b>RBI</b>	means the Reserve Bank of India.
<b>Record Date</b>	Shall have meaning ascribed to it under Section 5.22
<b>Redemption Date</b>	means March 03, 2022.
<b>Redemption Payment</b>	means the payment of the Outstanding Principal Amounts of the Debentures on the Redemption Date, or on any other date due to early redemption in accordance with the DTD, or on any other date due to voluntary redemption in accordance with the DTD
<b>Register of Beneficial Owners</b>	means the register of beneficial owners of the Debentures maintained in the records of the Depository.
<b>Register of Debenture Holders</b>	means the register of debenture holders maintained by the Company in accordance with Section 88 of the Act.
<b>Registrar / R&amp;T Agent</b>	Means the registrar and transfer agent appointed for the Issue, being Kfin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited).
<b>Related Party</b>	has the meaning given to it in the Act.
<b>ROC</b>	means the jurisdictional registrar of companies.
<b>Rs. / INR</b>	means the Indian Rupee.
<b>RTGS</b>	means Real Time Gross Settlement.
<b>SEBI</b>	means the Securities and Exchange Board of India constituted under the



	Securities and Exchange Board of India Act, 1992 (as amended from time to time).
<b>SEBI Debt Listing Regulations</b>	means the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 issued by SEBI, as amended from time to time.
<b>Secured Obligations</b>	means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Company to the Debenture Holders or the Debenture Trustee under the Transaction Documents, including without limitation, the making of payment of any interest, redemption of principal amounts, default interest, additional interest, liquidated damages and all costs, charges, expenses and other amounts payable by the Company in respect of the Debentures.
<b>Security</b>	has the meaning given to it in Section 5.22 of this Information Memorandum.
<b>Security Cover</b>	has the meaning given to it in Section 5.22 of this Information Memorandum.
<b>Special Majority Debenture Holders</b>	means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures.
<b>Special Resolution</b>	means resolution approved by the Special Majority Debenture Holders who are present and voting or if a poll is demanded, by the Special Majority Debenture Holders who are present and voting in such poll.
<b>Tax</b>	means any present or future tax, levy, duty, charge, fees, deductions, withholdings, surcharges, cess, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter, imposed pursuant to any Applicable Law or by any Governmental Authority and as maybe applicable in relation to the payment obligations of the Company under the DTD.
<b>Tax Deduction</b>	means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
<b>Tier I Capital</b>	shall have the meaning given to it in the NBFC Directions.
<b>Tier II Capital</b>	shall have the meaning given to it in the NBFC Directions.
<b>Total Assets</b>	means, for any date of determination, the total Assets of the Company on such date.
<b>Transaction Documents</b>	means, collectively, the DTD, the Deed of Hypothecation, the Debenture Trustee Agreement, the Debt Disclosure Documents, each tripartite agreement between the Company, the Registrar and any Depository, the letters issued by, and each memorandum of understanding entered into with, the Rating Agency and the Registrar, and all other documents in relation to the issuance of the Debentures, and any other document designated as such by the Debenture Trustee (acting on the instructions of the Debenture Holders).
<b>WDM</b>	Wholesale Debt Market
<b>Wilful Defaulter</b>	shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.



## SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

### 2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE (upon request from Debenture Trustee) is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum to be filed or submitted to the SEBI for its review and/or approval.

This Information Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and applicable RBI regulations governing private placements of debentures by NBFCs. This Information Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum are adequate and in conformity with the SEBI Debt Listing Regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum are intended to be used only



By those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this Information Memorandum being issued have been sent. Any application by a person to whom the Information Memorandum has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Information Memorandum may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves of, and to observe, any such restrictions. The Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

## 2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Information Memorandum has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed within 20 (twenty) days from intimation by the Debenture Trustee or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

## 2.3 DISCLAIMER CLAUSE OF SEBI



As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

#### **2.4 DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is made in India to investors as specified under the paragraph titled "Eligible Investors" of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals as set out in the Transaction Documents. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

#### **2.5 DISCLAIMER IN RESPECT OF RATING AGENCIES**

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

#### **2.6 ISSUE OF DEBENTURES IN DEMATERIALISED FORM**

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

#### **2.7 DISCLAIMER OF THE RBI**

The Debentures have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the securities have been recommended for investment by the RBI. It does not take any responsibility either for the financial soundness of the Issuer, or the securities being issued by the Issuer or for the correctness of the statements made or opinions expressed in this document. Potential investors may make investment decision in the securities offered in terms of this Information Memorandum solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/ repayment of such investment.



### SECTION 3: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors stated in this Information Memorandum for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential Investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

#### 3.1 THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

#### 3.2 REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer including whereby the Investors may or may not recover all or part of the invested funds in case of default by the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

#### 3.3 CREDIT RISK & RATING DOWNGRADE RISK

The Rating Agency will assign credit rating to the Debentures prior to the Issue Opening Date. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

#### 3.4 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF DEBENTURES.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

#### 3.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS



Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

### **3.6 ACCOUNTING CONSIDERATIONS**

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

### **3.7 MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.**

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

### **3.8 LEGALITY OF PURCHASE**

Potential Investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

### **3.9 POLITICAL AND ECONOMIC RISK IN INDIA**

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

### **3.10 RETURNS ON DEBENTURES ARE SUBJECT TO MODEL RISK**

The returns on the Debentures are based on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

### **3.11 RISKS RELATED TO THE BUSINESS OF THE ISSUER**

*A. If the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.*

The client loans are secured against hypothecation of stock, receivables and other current assets and the clients of these loans are of the high-risk category. There is uncertainty on the client's





ability to fulfil its loan obligations. Such non-performing or low credit quality loans can negatively impact our results of operations.

As on 31<sup>st</sup> March 2020, the gross NPA was Rs. 32.18 Crore on a gross portfolio of Rs. 1071.58 Crore.

The Issuer cannot assure that the Issuer will be able to effectively control and reduce the level of NPAs in its total loan portfolio. The amount of the Issuer's reported non-performing loans may increase in the future as a result of growth in the total loan portfolio, and also due to factors beyond the Issuer's control. Failure to manage NPAs or effect recoveries will result in operations being adversely affected.

The Issuer's current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. As a result, if the quality of the Issuer's total loan portfolio deteriorates the Issuer may be required to increase the loan loss reserves, which will adversely affect the Issuer's financial condition and results of operations.

***B. The Issuer's business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud***

The Issuer is exposed to operational risks, including fraud, petty theft and embezzlement, as it handles a large amount of cash due to high volume of small transactions. This could harm its operations and its financial position.

As the Issuer handles a large amount of cash through a high volume of small transactions taking place in its network, the Issuer is exposed to the risk of fraud or other misconduct by its employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer's business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. In addition, the Issuer's dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

The Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a strong MIS system that has a wide range of data that can be used to monitor financial and operational performance.

To mitigate the above risk, the Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

***C. The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such



operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

***D. Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.***

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

***E. The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

***F. The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

***G. Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.***

NBFCs in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC pursuant to Section 45-IA of the RBI Act, 1934. Further, such



approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC that is subject to numerous conditions. Additionally, RBI has issued detailed directions on prudential norms *inter alia* prescribing guidelines on income recognition, asset classification and provisioning requirements applicable to NBFCs, exposure norms, disclosures in the balance sheet, requirement of capital adequacy, restrictions on investments in land and building and unquoted shares besides others. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled, and it shall not be able to carry on such activities. If the Issuer fails to comply with any directions issued applicable on NBFCs and fails to maintain the status of NBFC it may attract penal provisions under the RBI Act, 1934 for non-compliance. The penal action can also result in RBI cancelling the certificate of registration issued to the NBFC.



## SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the year ended 31.03.2018, 31.03.2019 and 31.03.2020 is provided below:

Kogta Financial India Limited  
Balance Sheet As at March 31, 2020  
(All amounts in lakhs, except as stated otherwise)

Particulars	Note	As at	As at	As at
		March 31, 2020	March 31, 2019	April 1, 2018
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	2	871.04	1,149.78	1,404.15
Bank Balances other than cash and cash equivalents	3	29,781.98	6,612.32	85,150
Loans	4	90,000.43	65,831.60	38,813.40
Other Financial Assets	5	3,308.84	809.88	438.48
Sub-total Financial assets		124,072.01	74,413.98	41,732.10
<b>Non-Financial Assets</b>				
Deferred Tax Assets (net)		177.71	338.28	216.31
Property, plant and equipment	6	638.74	431.06	231.21
Right of Use Assets	7	879.17	-	-
Other Intangible Assets	8	79.70	70.58	49.28
Other non-financial assets	9	1,724.31	678.26	422.71
Sub-total Non-financial assets		3,599.63	1,518.68	819.51
<b>Total - Assets</b>		127,671.58	75,932.66	42,551.61
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
Trade Payables	20	199.42	154.51	37.46
Debt securities	21	6,592.78	6,101.30	3,817.91
Borrowings (Other than debt securities)	22	39,463.96	44,881.30	30,145.00
Subordinated Liabilities	23	-	1,458.10	1,497.56
Lease Liability	24	920.02	-	-
Other financial liabilities	25	602.71	567.11	359.47
Sub-total Financial Liabilities		48,284.89	53,182.34	36,877.40
<b>Non-Financial Liabilities</b>				
Current tax liabilities (net)		855.47	140.56	328.02
Provisions	26	117.38	80.91	78.54
Other non-financial liabilities	27	977.85	221.47	207.61
Sub-total Non-financial liabilities		1,950.70	442.94	614.17
<b>Total - Liabilities</b>		49,835.59	53,625.28	37,491.57
<b>EQUITY</b>				
Equity share capital	28	7,652.94	6,357.71	1,344.01
Other equity	29	47,217.91	15,871.40	5,731.63
Sub-total - Equity		54,870.85	22,229.11	7,075.64
<b>Total - Liabilities and Equity</b>		127,671.58	75,932.66	42,551.61

Summary of significant accounting policies

1

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

For S.B. Bhatnagar & Co. LLP  
Chartered Accountants  
ICAI Firm Reg. No. : 301603P/C300002

*S. Bhatnagar*

per Shrikanth Jagan  
Partner  
Membership No. 307102



Place: Mumbai  
Date: 18.06.2020

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

*R. K. Katta*

R. K. Katta  
(Chairman)  
DIN 00197552

*Arun Kogta*  
Arun Kogta  
(Managing Director & CEO)  
DIN 05109722

*Varun Kogta*

Varun Kogta  
(Executive Director & CFO)  
DIN 00044307

*Behul Agrawal*

Behul Agrawal  
(Company Secretary)  
Membership No. AS14034

Place: Jaipur  
Date: 18.06.2020



Kegta Financial India Limited  
Statement of Profit or Loss for the period ended March 31, 2020  
(All amounts in lakhs, except per share data and as stated otherwise)

Particulars	Note	For the period ended March 31, 2020	For the period ended March 31, 2019
<b>Revenue from operations</b>			
Interest Income	20	15,879.32	5,819.07
Fee and Commission Income	21	966.50	1,062.94
Net gain on fair value changes	22	65.18	8.29
<b>Total Revenue from operations</b>		<b>16,911.00</b>	<b>10,891.00</b>
Other income	23	6.95	56.79
<b>Total Income</b>		<b>16,917.95</b>	<b>10,947.85</b>
<b>Expenses</b>			
Finance Costs	24	6,758.94	1,086.36
Impairment on financial instruments	25	834.87	1,047.25
Employee Benefits Expenses	26	4,271.00	2,407.22
Depreciation, amortization and impairment	27	470.73	139.86
Others expenses	28	1,425.73	976.90
<b>Total expenses</b>		<b>13,661.31</b>	<b>6,677.83</b>
<b>Profit before exceptional items and tax</b>		<b>3,256.64</b>	<b>1,270.02</b>
Exceptional items		-	-
<b>Profit before taxes</b>		<b>3,256.64</b>	<b>1,270.02</b>
Tax expenses			
- Current Taxes		910.06	543.58
- Deferred Taxes		(151.47)	(122.97)
<b>Profit for the period</b>		<b>2,494.09</b>	<b>610.21</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		(15.63)	2.38
(b) Income tax relating to items that will not be reclassified to profit or loss		(4.93)	0.70
Sub-total (A)		(11.70)	1.68
B (i) Items that will be reclassified to profit or loss		-	-
Sub-total (B)		-	-
<b>Other Comprehensive Income (A+B)</b>		<b>(11.70)</b>	<b>1.68</b>
<b>Total Comprehensive Income for the period</b>		<b>2,482.39</b>	<b>611.89</b>
<b>Earning per equity share</b>	29		
Basic		25.83	8.67
Diluted		10.44	5.26
Nominal value per share		20/-	10/-

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

For S.R. Bhatnagar & Co. LLP  
Chartered Accountants  
ICAI Firm Reg. No. 3010036/C300005

per Shriwan Jha  
Partner  
Membership No. 102102

Place: Mumbai  
Date: 18.06.2020

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

A. K. Kogta  
(Chairman)  
DIN 00137552

Arun Kogta  
(Managing Director & CEO)  
DIN 05109722

Veeru Kogta  
(Executive Director & CFO)  
DIN 06844307

Rahul Agrawal  
(Company Secretary)  
Membership No. A34024

Place: Jaipur  
Date: 18.06.2020



Koita Financial India Limited  
Cash flow statement for the year ended March 31, 2020  
(All amounts in lakhs, except as stated otherwise)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash flow from operating activities:</b>		
Net profit before tax as per statement of profit and loss	3,245.64	1,270.82
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation of PPE, ROU and other intangible assets	420.73	139.89
Loans & advances written off	514.03	259.96
Amortisation of auxiliary cost	124.05	103.84
Reversal of provision for expected credit loss (ECL)	(15.27)	562.47
EIS receivable on assignment transactions	26.44	(37.12)
Provision for employee benefits	16.70	(2.75)
Loss/(Profit) on sale of property, plant and equipment	(9.20)	(51.04)
Net (gain)/ loss on sale of current investments	(65.18)	(8.29)
ESOP Expenses	125.90	14.52
Interest expensed on vehicle loans	13.27	8.84
Rental income	(4.52)	(4.52)
Operating profit before working capital changes	4,399.60	2,252.72
Changes in working capital		
(Increase)/decrease in Loans	(32,811.88)	(27,794.67)
(Increase)/decrease in bank deposits	(15,204.37)	(5,752.33)
Increase in financial and other assets	(2,856.51)	(284.72)
Increase/(decrease) in financial and other liabilities	790.43	307.00
Total of changes in working capital	(49,212.41)	(33,474.72)
Direct taxes paid	904.01	547.85
Net cash flow used in operating activities (A)	(45,716.82)	(31,765.65)
<b>B. Cash flow from investing activities:</b>		
Inflow (out flow) on account of:		
Purchase of property, plant and equipment (including capital work-in-progress)/ intangible assets	(487.25)	(393.20)
Sale of Property, plant and equipment (including capital work-in-progress)	25.30	86.12
Purchase of current investments	(3,500.00)	(3,000.00)
Proceeds from sale/maturity of current investments	3,565.18	3,008.29
Rental income	4.32	4.52
Net cash flow used in investing activities (B)	(402.15)	(202.27)
<b>C. Cash flow from financing activities:</b>		
Issue of equity shares (including share premium)	30,100.00	15,425.28
Share / debenture issue expenses	(66.44)	(420.14)
Dividend paid on preference shares	(0.03)	(0.04)
Tax on preference dividend paid	(0.01)	(0.01)
Interest paid on vehicle loan	(13.27)	(8.84)
Proceeds from borrowings	38,495.30	22,587.38
Repayments of borrowings	(22,875.31)	(5,776.07)
Net Cash flow from financing activities (C)	45,640.24	31,807.55
Net decrease in cash and cash equivalents (A+B+C)	(478.74)	(254.37)



Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash and cash equivalents at the beginning of the year	1,149.78	1,404.15
Cash and cash equivalents at the end of the year	671.04	1,149.78
Components of cash and cash equivalents		
Cash on hand	89.65	511.63
Balance in franking machine*	-	-
Balance with banks		
in current accounts	84.31	626.15
in cash credit	-	-
in deposit account	500.07	-
Total cash and cash equivalents	671.04	1,149.78
Operational Cash Flow from Interest		
Interest Received	14,828.06	9,246.88
Interest Paid	6,728.19	5,016.80

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

For S.R. Bhatnagar & Co. LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 301003E/1300005

*Shrawan Jain*

per Shrawan Jain  
Partner  
Membership No. 107262



Place: Mumbai  
Date: 18.06.2020

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

*Ravi K. Kogta*

R. K. Kogta  
(Chairman)  
DIN 00197552

*Arun Kogta*

Arun Kogta  
(Managing Director & CEO)  
DIN 03109722

*Varun Kogta*

Varun Kogta  
(Executive Director & CFO)  
DIN 00844307

*Rajul Agrawal*

Rajul Agrawal  
(Company Secretary)  
Membership No. A34034

Place: Jaipur  
Date: 18.06.2020



# KOGTA FINANCIAL (INDIA) LIMITED

Balance sheet as at 31 March, 2019

	Notes	31 March 2019 (Amount in Rs.)	31 March 2018 (Amount in Rs.)
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	1	85,57,74,145	12,44,01,000
Reserves and surplus	2	155,85,02,950	84,74,18,824
		<b>229,82,37,102</b>	<b>89,18,19,824</b>
<b>Non-current liabilities</b>			
Long term borrowings	3	170,71,73,223	158,79,37,758
Long term provisions	4	4,24,87,553	2,29,85,935
		<b>180,96,40,776</b>	<b>159,09,19,951</b>
<b>Current liabilities</b>			
Short term borrowings	5	104,35,74,655	47,13,80,571
Trade payables	6	1,82,82,299	80,04,039
Other current liabilities	6	145,88,85,645	310,01,77,091
Short term provisions	4	1,87,10,390	1,43,21,162
		<b>257,85,49,330</b>	<b>186,74,83,470</b>
<b>TOTAL</b>		<b>667,90,87,214</b>	<b>313,62,32,245</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipments	7	3,68,21,852	2,31,22,449
Leasing liabilities	7	44,89,068	40,28,325
Capital work in progress	7	52,31,805	-
Intangible asset under development	7	28,52,743	-
Non-current investments	8	19,41,01,221	3,81,33,561
Deferred tax assets (net)	9	37,65,850	35,52,710
Loans and advances	10	253,46,78,216	214,95,82,340
Other non-current assets	11	9,26,58,551	8,26,76,798
		<b>329,52,74,091</b>	<b>210,36,14,621</b>
<b>Current assets</b>			
Cash and bank balances	12	89,73,83,330	76,03,44,831
Loans and advances	10	109,29,83,191	148,30,63,143
Other current assets	11	16,41,77,800	10,67,07,150
		<b>279,44,98,122</b>	<b>179,17,17,624</b>
<b>TOTAL</b>		<b>667,90,87,214</b>	<b>313,62,32,245</b>

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements

For S.R. Batilana & Co. LLP  
Chartered Accountants  
ICAI Firm Reg. No. F30103140300066

Dr. Anandhan Shan  
Partner  
ICAI Reg. No. 100103

Place: Mumbai  
Date: 15.05.2019

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

R. K. Kogta  
Chairman  
DIN: 00163822

H. S. Agrawal  
Finance Secretary & CFO  
Membership No. 234034

Place: Mumbai  
Date: 16.05.2019

A. K. Kogta  
Managing Director & CEO  
DIN: 00165722

V. S. Kogta  
Finance Director & MD  
DIN: 0044187





**KOGTA FINANCIAL (INDIA) LIMITED**  
Statement of profit and loss for the year ended 31 March, 2016

	Notes	31 March 2016 (Amount in Rs.)	31 March 2015 (Amount in Rs.)
<b>Income</b>			
Revenue from operations	13	104,94,85,811	62,51,23,626
Other income	14	56,83,712	2,27,63,969
<b>Total revenue (I)</b>		<b>105,51,69,523</b>	<b>64,78,87,595</b>
<b>Expenses</b>			
Long term borrowings expense	15	24,32,74,929	11,92,23,349
Depreciation and amortisation expense	16	1,29,50,577	74,48,339
Finance costs	17	42,80,05,543	25,33,07,809
Other expenses	18	15,76,50,855	10,65,87,532
Provisions & write offs	19	4,65,17,974	2,14,33,202
<b>Total expenses (II)</b>		<b>88,04,47,588</b>	<b>50,17,62,361</b>
<b>III. Profit before tax (I-II)</b>		<b>18,47,21,935</b>	<b>14,61,25,234</b>
<b>IV. Tax expense</b>			
Current tax			
Pertaining to profit/(loss) for the current period		5,59,00,000	3,45,30,003
Adjustment of tax relating to earlier periods		4,27,596	4,052
Deferred tax		(236,130)	(2,014,303)
<b>Total Tax expense</b>		<b>5,81,87,466</b>	<b>3,38,39,782</b>
<b>V. Profit/(loss) for the year from continuing operations (III-IV)</b>		<b>11,23,44,214</b>	<b>8,22,85,452</b>
<b>Earning per equity share (Nominal value of share Rs. 10/-)</b>			
<b>[31 March 2016: Rs. 165/-]</b>			
<b>Basic</b>			
Computed on the basis of total profit for the year		11.72	8.41
Adjusted		7.61	6.15
Detached on the basis of net profit for the year			

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

For S.R. Dasgupta & Co. LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 301603E/30005

Sd/- Shriwas Jais  
Partner  
Membership No. 102101

Place: Mumbai  
Date: 16.04.2016

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

R. H. Kogta  
(Chairman)  
DIN: 01162552

Sd/-  
Rajiv K. Jais  
(Company Secretary)  
MCA 2010 No. A42224

Sd/-  
Vijay Kogta  
(Managing Director & CEO)  
DIN: 00441107

Place: Jaipur  
Date: 16.04.2016



**KOGTA FINANCIAL (INDIA) LIMITED**  
Cash flow statements for the year ended March 31, 2019

Particulars	31 March 2019 (Amount in Rs.)	31 March 2018 (Amount in Rs.)
<b>2. Cash flow from operating activities:</b>		
Profit before tax	18,97,35,660	11,71,39,273
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation	1,10,98,657	74,45,330
Impairment/other write off on tangible Intangible assets	2,50,93,749	1,76,00,000
Provision for standard and non performing assets	2,06,23,178	1,36,24,034
Provision for Debenture	7,89,579	18,62,000
Loss/(Profit) on sale of property, plant and equipment	(6,103,271)	(17,039,208)
Net gain/ loss on sale of current investments	(820,464)	(1,400,233)
Interest expenses on vehicle loans	8,84,200	9,76,872
Rental Income	(451,915)	(403,454)
Amortisation of intangible cost	5,10,81,561	1,60,72,127
Employee stock option expenses	3,94,022	-
<b>Operating profit before working capital changes</b>	<b>25,66,67,311</b>	<b>35,66,61,034</b>
<b>Movements in working capital:</b>		
(Decrease)/decrease in loans and advances	(2,009,667,298)	(1,606,943,801)
(Decrease)/increase in other current assets	(59,798,699)	(25,427,864)
(Increase)/decrease in other non-current assets	(977,316)	(912,858)
(Increase)/decrease in bank deposits	(668,310,473)	(30,388,261)
Increase/(decrease) in investments	(136,974,850)	(30,153,381)
Increase/(decrease) in long term borrowings	10,18,72,475	77,69,07,877
Increase/(decrease) in short term borrowings	57,21,84,064	(440,345)
Increase/(decrease) in other current liabilities	32,85,86,242	39,90,15,031
Increase/(decrease) in trade payables	70,00,500	32,16,002
<b>Cash generated from/used in operations</b>	<b>(1,462,486,085)</b>	<b>(178,526,556)</b>
Direct taxes paid/net of refunds	(43,431,064)	(28,200,000)
<b>Net Cash flow from/used in operating activities (A)</b>	<b>(1,505,917,173)</b>	<b>(191,926,556)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of fixed assets, including CWIP and capital advances	(36,320,467)	(14,800,100)
Proceeds from sale of fixed assets	84,78,250	1,44,94,700
Purchase of current investments	(90,600,000)	(60,000,000)
Proceeds from sale/maturity of current investments	90,90,25,494	62,14,00,235
Rental Income	4,51,844	4,08,454
<b>Net Cash Flow from/used in Investing Activities (B)</b>	<b>(29,226,700)</b>	<b>10,68,73,289</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from issuance of equity share capital	300	-
Proceeds from issuance of preference share capital	50,13,73,043	51,20,000
Equity Premium received on issue of Share Capital	89,91,46,144	8,46,32,000
Interest paid on vehicle loan	(294,200)	(378,072)
Proceeds from vehicle loans	1,12,30,100	6,167,800
Repayment of vehicle loans	(3,669,000)	(2,762,227)
Dividend paid on equity shares	-	(9,000,500)
Dividend paid on preference shares	(3,627)	(1,477)
Tax on equity dividend paid	-	(1,954,265)
Tax on preference dividend paid	(716)	(391)
<b>Net Cash Flow from/used in Financing Activities (C)</b>	<b>189,89,93,325</b>	<b>3,04,44,038</b>



Particulars	31 March 2019 (Amount in Rs.)	31 March 2018 (Amount in Rs.)
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	(28,162,617)	3,63,60,657
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	14,31,20,264	10,77,29,577
Cash and cash equivalents at the end of the year	11,49,67,647	14,31,20,264
<b>Components of cash and cash equivalents</b>		
Cash on hand		
With banks- on current account	5,11,63,447	2,33,30,038
+ on deposit account	6,38,04,200	8,75,43,228
		3,22,22,000
<b>Total Cash and cash equivalents</b>	<b>11,49,67,647</b>	<b>14,31,20,264</b>

Summary of significant accounting policies

The accompanying note form an integral part of the financial statements:

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Reg. No. : 3010031/E300005

Shroven Jalan  
Partner  
Membership No. 152102



Place: Mumbai  
Date: 16.05.2019

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

*R. K. Kogta*  
R. K. Kogta  
(Chairman)  
DIN 00157552

*Arun Kogta*  
Arun Kogta  
(Managing Director & CEO)  
DIN 05109722

*Rahul Agrawal*  
Rahul Agrawal  
(Company Secretary)  
Membership No. A34034

*Varun Kogta*  
Varun Kogta  
(Executive Director & CFO)  
DIN 05844307

Place: Jaipur  
Date: 16.05.2019



# KOGTA FINANCIAL (INDIA) LIMITED

Balance sheet as at 31 March, 2018.

	Notes	31 March 2018 (Amount in Rs.)	31 March 2017 (Amount in Rs.)
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	1	13,44,01,000	12,92,01,000
Reserves and surplus	2	54,74,18,024	44,08,72,622
		<u>66,18,19,024</u>	<u>57,01,33,622</u>
<b>Non-current liabilities</b>			
Long term borrowings	3	156,79,32,256	79,05,99,106
Long term provisions	4	2,29,06,695	89,04,712
		<u>159,09,18,951</u>	<u>79,95,03,818</u>
<b>Current liabilities</b>			
Short term borrowings	5	47,13,90,571	47,10,30,916
Trade payables	6	86,04,039	13,09,037
Other current liabilities	6	116,01,77,691	97,29,62,070
Short term provisions	4	1,43,21,169	89,45,262
		<u>164,24,93,470</u>	<u>165,17,27,285</u>
<b>TOTAL</b>		<u><b>393,52,32,249</b></u>	<u><b>242,14,44,930</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	2,36,22,449	2,01,59,482
Intangible assets	7	49,20,373	36,71,993
Non-current investments	8	3,81,33,361	-
Deferred tax assets (net)	9	35,32,730	6,37,681
Loans and advances	10	204,96,60,940	101,22,51,646
Other non-current assets	11	6,36,36,788	6,13,38,326
		<u>218,35,14,621</u>	<u>107,02,99,208</u>
<b>Current assets</b>			
Current investments	12	-	10,00,00,000
Cash and bank balances	13	16,03,44,931	10,00,81,877
Loans and advances	10	148,56,65,543	104,07,12,269
Other current assets	11	10,57,07,150	8,45,21,796
		<u>175,17,17,624</u>	<u>124,53,05,642</u>
<b>TOTAL</b>		<u><b>393,52,32,249</b></u>	<u><b>242,14,44,930</b></u>

Summary of significant accounting policies

I

The accompanying notes are an integral part of the financial statements.

II

For S.R. Batlibal & Co. LLP  
Chartered Accountants  
ICAI Firm Reg. No. : 301903F/E/300005

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

*Jitendra H. Ranawat*

Jitendra H. Ranawat  
Partner  
Membership No. 103380



*R. K. Kogta*

R. K. Kogta  
(Chairman)  
DIN 00197552

*Arun Kogta*

Arun Kogta  
(Managing Director & CEO)  
DIN 05109722

*Rahul Agrawal*

Rahul Agrawal  
(Company Secretary)  
Membership No. A34034

*Varun Kogta*

Varun Kogta  
(Executive Director & CFO)  
DIN 06544307

Place: Jaipur  
Date: 14.05.2018

Place: Jaipur  
Date: 14.05.2018



Statement of profit and loss for the year ended 31 March, 2018

	Notes	31 March 2018 (Amount in Rs.)	31 March 2017 (Amount in Rs.)
<b>Income</b>			
Revenue from operations	14	43,61,29,636	39,60,72,859
Other income	15	56,76,492	51,65,041
<b>Total revenue (I)</b>		<b>64,17,66,128</b>	<b>40,42,57,902</b>
<b>Expenses</b>			
Employee benefits expense	16	11,52,28,349	5,70,39,372
Depreciation and amortisation expense	17	74,45,339	49,06,546
Finance costs	18	26,30,67,869	20,39,63,840
Other expenses	19	10,05,67,602	7,45,42,176
Provisions & write offs	20	3,14,33,202	1,16,83,295
<b>Total expenses (II)</b>		<b>54,17,62,361</b>	<b>35,00,44,219</b>
<b>III. Profit before exceptional items and tax (I-II)</b>		<b>10,00,03,767</b>	<b>5,42,13,666</b>
<b>IV. Exceptional items: Profit on sale of land &amp; building (refer note no. B.11)</b>		<b>1,69,24,506</b>	<b>2,07,75,717</b>
<b>V. Profit before tax (III-IV)</b>		<b>11,72,28,273</b>	<b>7,49,89,383</b>
<b>VI. Tax expense:</b>			
Current tax			
Pertaining to profit/(loss) for the current period		2,65,50,000	2,20,00,000
Adjustment of tax relating to earlier periods		4,662	90,568
Deferred tax		(26,94,660)	(3,34,100)
<b>Total Tax expense</b>		<b>2,38,59,763</b>	<b>2,22,61,777</b>
<b>VII. Profit/(loss) for the year from continuing operations (V-VI)</b>		<b>9,32,68,490</b>	<b>4,27,27,606</b>
<b>Earning per equity share (Nominal value of shares Rs. 10/- 31 March 2017; Rs. 10/-)</b>			
<b>Basic</b>			
Computed on the basis of total profit for the year		8.41	5.18
<b>Diluted</b>			
Computed on the basis of total profit for the year		6.15	4.53

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

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

Jitendra H. Ranawat  
Partner  
Membership No. 103380



Place: Jaipur  
Date: 14.05.2018

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

R. K. Kogta  
(Chairman)  
DIN 00197552

Rahul Agrawal  
(Company Secretary)  
Membership No. A34034

Place: Jaipur  
Date: 14.05.2018

Arjun Kogta  
(Managing Director & CEO)  
DIN 05109722

Varun Kogta  
(Executive Director & CFO)  
DIN 06844307



KOGTA FINANCIAL (INDIA) LIMITED

Cash flow statements for the year ended March 31, 2018

Particulars	31 March 2018 (Amount in Rs.)	31 March 2017 (Amount in Rs.)
<b>A. Cash flow from operating activities</b>		
Profit before tax	11,71,26,273	7,19,89,304
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	74,45,330	49,06,544
Impairment/ other write off on tangible/intangible assets	1,78,08,568	72,81,910
Provision for standard and non performing assets	1,38,74,634	44,01,305
Provision for Gratuity	10,63,000	4,53,800
Loss/(Profit) on sale of property, plant and equipment	(1,70,29,206)	(2,09,53,158)
Net gain/ loss on sale of current investments	(14,00,210)	16,40,124
Interest expenses on vehicle loans	3,76,972	4,98,572
Rental income	(4,08,404)	(3,92,988)
Amortisation of intangible asset	1,65,72,127	1,13,18,391
Operating profit before working capital changes	15,58,83,024	7,07,83,417
Movements in working capital:		
Increase/decrease in loans and advances	(1,50,93,40,261)	(61,40,39,094)
Increase/decrease in other current assets	(2,54,27,904)	(5,33,10,792)
Increase/decrease in other non-current assets	(5,32,660)	(11,24,690)
Increase/decrease in bank deposits	(3,43,68,261)	(4,21,21,740)
Increase/decrease in investments	(3,81,33,361)	35,15,479
Increase/(decrease) in long term borrowings	77,49,07,077	22,04,30,062
Increase/(decrease) in short term borrowings	(4,40,340)	23,43,82,993
Increase/(decrease) in other current liabilities	39,56,15,621	16,60,75,072
Increase/(decrease) in trade payables	72,16,002	(7,64,112)
Cash generated from/(used in) operations	17,68,26,858	(8,70,55,609)
Direct taxes paid/(of refund)	(2,52,00,000)	(1,67,13,150)
<b>Net Cash flow from/(used in) operating activities (A)</b>	<b>(8,17,26,856)</b>	<b>(5,38,68,819)</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(1,46,38,150)	(1,18,58,375)
Proceeds from sale of fixed assets	1,94,94,700	2,14,46,780
Purchase of current investments	(52,08,00,000)	(55,00,00,000)
Proceeds from sale/maturity of current investments	62,14,00,236	45,06,40,124
Refrain income	4,96,659	3,92,988
<b>Net Cash flow from/(used in) Investing Activities (B)</b>	<b>10,66,72,200</b>	<b>(8,92,64,683)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from issuance of preference share capital	51,20,000	3,32,61,000
Securities Premium received on issue of Share Capital	3,48,32,000	21,35,84,647
Interest paid on vehicle loan	(4,76,572)	(4,98,572)
Proceeds from vehicle loans	51,67,500	-
Repayment of vehicle loans	(27,62,229)	(27,81,670)
Dividend paid on equity shares	(96,00,100)	(1,44,00,100)
Dividend paid on preference shares	(1,477)	-
Tax on equity dividend paid	(18,54,380)	(20,21,572)
Tax on preference dividend paid	(00)	-
<b>Net Cash flow from/(used in) Financing Activities (C)</b>	<b>3,04,44,038</b>	<b>22,62,53,733</b>



KOOTA FINANCIAL (INDIA) LIMITED  
Cash flow statements for the year ended March 31, 2018

Particulars	31 March 2018 (Amount in Rs.)	31 March 2017 (Amount in Rs.)
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	3,53,90,687	6,30,60,231
Cash and cash equivalents at the beginning of the year	10,77,29,577	2,49,69,346
Cash and cash equivalents at the end of the year	14,31,20,264	10,77,29,577
<b>Components of cash and cash equivalents</b>		
Cash on hand	2,33,56,039	1,24,70,710
Cheques / drafts on hand	-	-
With banks - on current account - in deposit account	9,75,42,325 3,77,27,600	9,53,08,867
<b>Total Cash and cash equivalents</b>	<b>14,31,20,264</b>	<b>10,77,29,577</b>

Summary of significant accounting policies

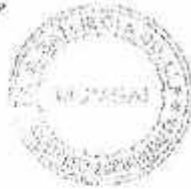
i

The accompanying note form an integral part of the financial statements

ii

For S.P. Dhillon & Co. LLP  
Chartered Accountants  
ICAI Firm Reg. No. : 301003C/E300099

Jitendra H. Ranawat  
Partner  
Membership No. 103380



Place: Jaipur  
Date: 14.05.2018

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

R. K. Kogta  
Chairman  
DIN 00197562

Vijay K. Kogta  
Managing Director & CEO  
DIN 00207722

Rohit Agrawal  
Company Secretary  
Membership No. 234034

Vijay K. Kogta  
Executive Director & CFO  
DIN 00204207

Place: Jaipur  
Date: 14.05.2018



## SECTION 5: REGULATORY DISCLOSURES

The Information Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule I of the SEBI Debt Listing Regulations.

### 5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the BSE:

- (i) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (ii) Copy of last 3 (Three) years audited Annual Reports;
- (iii) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (iv) Certified true copy of the board resolutions dated January 29, 2020 authorising the Company to issue non-convertible debt securities in one or more tranches up to an aggregate limit of INR 5,00,00,00,000/- (Indian Rupees Five Hundred Crore only), together with a list of authorised signatories read together with a certified true copy of the board resolution dated July 10, 2020 and certified true copy of the Loan & Investment Committee resolution dated August 26, 2020;
- (v) Certified true copies of the shareholders' resolutions passed by the Company at the Annual General Meeting held on August 27, 2018 authorizing the Company to borrow, upon such terms as the Board may think fit, upto an aggregate limit of INR 20,00,00,00,000/- (Indian Rupees Two Thousand Crore only);
- (vi) An undertaking from the Issuer stating that the necessary documents for creation of the charge, where applicable, including the DTD would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within five (5) working days of execution of the same;
- (vii) Where applicable, an undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, in favor of the trustees to the proposed issue has been obtained; and
- (viii) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

### 5.2 Documents Submitted to Debenture Trustee

The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

- (i) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (ii) Copy of last 3 (Three) years audited Annual Reports;
- (iii) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (iv) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications and Provisional financials, if any;
- (v) An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (iv) above to the Debenture Trustee within





the timelines as mentioned in the Simplified Listing Agreement issued by SEBI *vide* circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual results. Further, the Issuer shall within 180 (One Hundred and Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within 2 (Two) working days of their specific request.

**5.3 Name, Address and other details of the Issuer, Arranger, Auditors, Debenture Trustee, Registrar and Credit Rating Agency(ies)**

**Details of the Issuer:**

Name: Kogta Financial (India) Limited  
Registered Office of Issuer: 'Kogta House' Azad Mohalla, Near Rly. Station, Bijainagar- 305624, Rajasthan  
Corporate Office of Issuer: S-1, Gopal Bari, Near Ajmer Pulia, Opposite Metro Pillar No. 143, Jaipur – 302001, Rajasthan.  
Corporate Identification Number: U67120RJ1996PLC011406  
Phone No.: +91 141 – 6767000  
Website of Issuer: [www.kogta.in](http://www.kogta.in)  
Compliance Officer of Issuer: Mr. Rahul Agrawal  
Email: [rahul.agrawal@kogta.in](mailto:rahul.agrawal@kogta.in)  
CFO of the Issuer: Mr. Varun Kogta

**Details of the Arranger:**

Arrangers of the instrument: Intellecap Advisory Services Private Limited  
Address: 13A, 6th Floor, Techniplex-II IT Park, Off Veer Savarkar Flyover, Goregaon West, Mumbai - 400062, India  
Telephone: +022-6195 2764  
Email: [ashim.ranu@intellecap.com](mailto:ashim.ranu@intellecap.com)

**Details of the Auditors:**

Auditors of the Issuer: S.R. Batliboi & CO., LLP  
Address: 12<sup>th</sup> Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400028  
Tel: +91 22 6819 8000

**Details of the Debenture Trustee:**

Trustee to the Issue: Catalyst Trusteeship Limited  
Address: Windsor, 6<sup>th</sup> Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098  
Tel: +91 22 4922 0501  
Email: [compliancectl-mumbai@ctltrustee.com](mailto:compliancectl-mumbai@ctltrustee.com)

**Details of the Registrar:**

Registrar to the Issue: Kfin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited)



Address: Karvy Selenium, Tower B, Plot No – 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana – 500032.  
Phone No.: +91 40 6716 2222  
Email: [compliance.kfpl@karvy.com](mailto:compliance.kfpl@karvy.com)

**Details of the Credit Rating Agency(ies):**

Name: CARE Ratings Limited  
Address: Godrej Coliseum, 4<sup>th</sup> Floor, Somaiya Hosp Road, Off E Exp Highway Sion E Mumbai-400022, Maharashtra

**5.4 A brief summary of business / activities of the Issuer and its line of business:**

**(a) Overview**

Kogta Financial (India) Limited (the “KFL” or the “Company” or the “Issuer”) is a Systemically Important non – deposit-taking non-banking financial company registered with the Reserve Bank of India (“RBI”) as an asset finance Company, engaged in the business of vehicle financing, loan against property and MSME Financing. The Company does not have any subsidiaries. The Company is based in Jaipur (Rajasthan) and operates in the states of Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Delhi, Haryana, Uttar Pradesh, Chandigarh and Punjab.

Initially, the Company had its business network only in Bijainagar and Bhilwara, operating on a very small scale. In 2008, the Company started its corporate office at Jaipur and started expanding its marketing network in nearby districts and rural and urban areas.

The Company had started disbursements in Gujarat in 2011-12 by creating a base at Ahmedabad and in 2014-15, the company started disbursements in Maharashtra and Madhya Pradesh and National Capital Region (NCR) region in 2017-18. KFL has grown its portfolio over the past four to five years and plans to increase its AUM at a compounded annual growth rate of approximately 50% (fifty percent) over the next few years.

The Company has scaled up from INR 711.24 crores of AUM in 31<sup>st</sup> March 2019 to INR 1071.58 crores of AUM as on 31<sup>st</sup> March 2020. Though the growth has been aggressive, the Company has been able to manage the quality of the portfolio owing to experience of the promoters, well defined process and systems, experience of operating in Rajasthan, Gujarat, Maharashtra, Delhi, Uttar Pradesh, Madhya Pradesh, Haryana, Chandigarh and Punjab.

**MAIN OBJECTS AND BUSINESS OF THE ISSUER**

**i. Current Corporate Status:**

KFL was incorporated in 1996 and was registered with the RBI as an Asset Finance Company – Deposit taking (“AFC-D”) in December, 1998. Further the Company had applied for conversion of registration category from AFC-D to Asset Finance Company – Non Deposit taking (“AFC-ND”) and RBI has duly issued a new certificate of Registration No. B-10.00086 dated May 27, 2016 to carry on the business of AFC-ND. The Issuer derives the following benefits of being registered as an NBFC:

- **Access to Funds:** Commercial lenders have greater comfort lending to a regulated NBFC with transparent ownership. As an Issuer, Kogta can raise equity and offer commercial returns.



- **Diverse Funding Sources:** An NBFC can access commercial investors and international capital markets, diversifying away from donors or members as equity funders.
- **Commercialisation:** Classifying Kogta as an NBFC increases its commercial credibility and integrates it and its clients into the formal financial sector which ultimately increases its outreach potential.
- **Mainstream Resources:** As a for-profit commercial NBFC, Kogta will be more likely to attract mainstream capital resources which Societies or Trusts would find difficult to attract.
- **Regulatory Coverage:** As Kogta grows in size, operating as an NBFC within the regulatory framework mitigates risks from political and regulatory intervention.
- **Stakeholder Involvement:** As an NBFC, Kogta can bring a variety of stakeholders to the table, including clients, management, employees and investors.

ii. **Business Segments**

KFL's portfolio is a mix of light commercial vehicles (LCV), heavy commercial vehicles (HCV), multi utility vehicles (MUVs), two wheelers, loan against property and MSME business loan.

(b) **CORPORATE STRUCTURE**

**Board of Directors**

Board of Directors		
Name	Designation	Experience
Mr. Radha Krishan Kogta	Chairman	Overseas Corporate Planning and Risk Management activities of the company. Also the founding member of the Company, is a first generation entrepreneur with vast experience of 35+ yrs. In construction and other SME businesses apart from KFL.
Mr. Arun Kogta	Managing Director & CEO	Formulates business development strategies, responsible for expanding new geographies & new product segments, risk analysis of current areas of operations etc. His areas of expertise are marketing, credit, risk analysis and collection. MBA in Finance from Cardiff University, U.K. and also graduate in Civil Engineering from Pune University.
Mr. Varun Kogta	Whole-Time Director & CFO	Oversees financial, operational, IT, legal & administrative activities of the company. Monitors financial budgeting & management reporting system. Has previously worked with ICICI Bank in Treasury and with Ernst & Young in statutory audit department.



Board of Directors		
Name	Designation	Experience
Mr. P. R. Kalayanaraman	Independent Director	Commercial banker with 38+ years of experience. Ex-ED of Federal Bank and Ex- GM of Bank of India. Has had substantial exposure in both Large Industrial Credit and Foreign Exchange operations.
Mr. Amit Mehta	Investor Nominee Director	Responsible for Growth stage investments. Amit has made successful investment across Pharma, Industrials and Financials sectors. He has previously worked with Motilal Oswal Private Equity and Mayfield Fund.
Mr. Arjun Saigal	Non-Executive Director	Mr. Arjun Saigal is an Executive Director of Morgan Stanley. Mr. Saigal joined the Firm in 2012 and is the Co-Head of the Fund's India Investment Operations. Prior to joining Morgan Stanley, Mr. Saigal was with Baring Private Equity Partners India. Mr. Saigal is based in Mumbai. Mr. Saigal is a graduate of the London School of Economics and received his M.B.A. from Columbia Business School.
Mr. Kumar Sharadindu	Independent Director	Mr. Kumar Sharadindu has retired as Chief General Manager, State Bank of India with last stint as MD & CEO of SBI Pension Funds (P) Ltd. He played important role in introduction of policy by Pension Fund Regulatory and Development Authority (PFRDA) for transfer of self-managed Superannuation Funds of Central Public Sector Undertaking (CPSEs) to National Pension System (NPS). In 2015-16, he was Head – Private Equity, State Bank of India. He was member of Investment Committee (IC) for three Private Equity Funds, entrusted with the role of taking investment decisions and Monitoring investments in 21 Funds and 49 direct investments in Companies spanning across industries.
Mr. Robin Bhanwarlal Agarwal	Non-Executive Director	Mr. Robin Bhanwarlal Agarwal has obtained a B. Tech and M. Tech – Mechanical Engineering Degrees from Indian Institute of Technology, Bombay and at present he is Vice President at Creador Advisors India LLP.
Mrs. Shashikala Ramachandra	Independent Director	Mrs. Shashikala Ramachandra spent more than three decades in banking sector which spanned from managing Credit Policy Section to become Trainer in Risk Management. She was appointed as Senior Manager in Canara Bank then promoted to Divisional Manager, then Deputy General Manager, then General Manager and Chief Risk Officer. She has retired as General Manager and Group Chief Risk Officer from Canara Bank. She played major role in Implementing Enterprise Risk Management Risk solution of SAS modules of Risk solution, Model development and Model Validation, Credit Risk – Standardized and Advanced Approaches, Group Risk etc.

- (c) Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis (Rs. 'in lakhs')



Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Networth	54,870.85	22,952.77	6,818.20
Total Debt of which	68,056.74	40,841.73	31,122.97
- Non-Current Maturities of Long Term Borrowing	24,922.17	17,671.73	15,679.32
- Short Term Borrowing	43,134.57	10,435.75	4,713.91
- Current Maturities of Long-Term Borrowing	-	12,734.25	10,729.74
Net Fixed Assets	639.74	501.64	285.51
Non-Current Assets	70,245.37	2,605.67	1,053.31
Cash and Cash Equivalents	671.04	1,149.68	1,431.20
Current Investments	-	-	-
Current Assets	55,388.22	7,707.14	1,688.39
Current Liabilities	44,852.10	2,579.49	1,181.29
Assets Under Management	1,07,158.38	71,124.11	42,851.23
Off Balance Sheet Assets	7,079.97	16,289.57	7,957.31
Interest Income	15,879.32	8,243.11	5,275.54
Interest Expense	6,758.96	4,175.49	2,757.73
Provisioning & Write-offs	498.761	465.18	314.33
PAT	2,482.30	1,125.44	832.68
Gross NPA (Rs. In lacs)	3,217.78	1,858.73	1,078.26
Net NPA (Rs. In lacs)	2,568.64	1,604.53	941.21
Tier I Capital Adequacy Ratio (%)	58.42	38.18	17.73
Tier II Capital Adequacy Ratio (%)	0.00	1.05	2.92

#### Gross Debt: Equity Ratio of the Company:

Before the issue of debt securities	1.24
After the issue of debt securities	1.27

- (d) Project cost and means of financing, in case of funding new projects: Not Applicable in case of the Issuer as it is an NBFC engaged in the business of onward lending.

#### 5.5 Brief history of Issuer since its incorporation giving details of its following activities:

- (a) Details of Share Capital as on last quarter end, i.e., 30.06.2020

Share Capital	Rs.
Authorised	
Equity share capital	10,50,00,000
Preference share capital	68,06,90,226
<b>TOTAL</b>	<b>78,56,90,226</b>



Issued, Subscribed and Fully Paid- up	
Equity share capital	9,62,16,710.00
Preference Shares	66,90,77,603.04
<b>TOTAL</b>	<b>76,52,94,313.04</b>

(b) Changes in its capital structure as on last quarter end i.e., 30.06.2020 for the last five years:

Changes in its capital structure as on last quarter end i.e. June 30, 2020:	Change in Authorised Share Capital (Equity and Preference) (Rs.)		Particulars
	Existing	Revised	
Date of Change (AGM/ EGM)			Change in capital (Rs.)
AGM – 23/09/2016	10,00,00,000/-	15,00,00,000/-	5,00,00,000/-
EGM – 18/11/2018	15,00,00,000/-	65,23,85,666/-	50,23,85,666/-
EGM – 16/09/2019	65,23,85,666/-	78,56,90,226/-	13,33,04,560/-

(c) Equity Share Capital History of the Company as on last quarter end i.e. 30.06.2020 for the last five years:

Date of allotment	Name of equity shareholder	No. shares	Face Value (Rs.)	Issue price	Consideration (Cash other than cash, etc.) (Rs.)	Nature of Allotment	Cumulative paid-up capital (Rs.)			Remarks
							No. of equity shares	Equity share Capital (in Rs.)	Equity Share Premium (in Rs.)	
24/10/2016	IIFL Seed Ventures Fund I	100	10	78.125	Cash	Private Placement	96,00,100	9,60,01,000	6812.5	NIL
28/11/2018	NHPE A Rimo Holding B.V.	10	10	225.41	Cash	Private Placement	96,00,110	9,60,01,100	2154.10	NIL
01/10/2019	Aditya (Mauritius) Ltd.	10	10	464.02	Cash	Private Placement	96,00,120	9,60,01,200	4540.20	NIL
01/10/2019	Prakash Chand Jain	21,551	10	464.02	Cash	Private Placement	9,621,671	9,62,16,710	9,784,585.02	NIL



Notes (if any): NIL

(c) Details of any Acquisition or Amalgamation in the last 1 (one) year: N.A

(c) Details of any Reorganization or Reconstruction in the last 1 (one) year: N.A

5.6 Details of the shareholding of the Company as on the latest quarter end

(a) Shareholding pattern of the Company as on last quarter end, i.e. 30.06.2020 on fully diluted basis:

Sr. No.	Investor/Particulars	Face Value (in Rs.)	Total No. of Equity shares	% of the paid-up share capital on a fully diluted basis	Number of shares held in Demat Form
1	Arun Kogta	10	1058701	3.73%	791000
2	Radha Krishan Kogta	10	729500	2.57%	729500
3	Varun Kogta	10	894701	3.15%	627000
4	Nayan Kogta	10	834701	2.94%	567000
5	Banwari Lal Kogta	10	549000	1.93%	549000
6	Bal Mukund Kogta	10	1322000	4.66%	1322000
7	Durga Devi Kogta	10	349500	1.23%	349500
8	Madhu Kogta	10	391000	1.38%	391000
9	Manju Kogta	10	199000	0.70%	199000
10	Aayush Kogta	10	239000	0.84%	239000
11	Neha Suryaprakash Kalya	10	172000	0.61%	172000
12	Banwari Lal Kogta HUF	10	574500	2.02%	574500
13	Varun Kogta HUF	10	304500	1.07%	304500
14	Arun Kogta HUF	10	521500	1.84%	521500
15	Prem Lal Kogta HUF	10	426000	1.50%	426000
16	Bal Mukund Kogta HUF	10	400000	1.41%	400000



17	Radha Kishan Kogta HUF	10	454500	1.60%	454500
18	Nidhi Kogta	10	580000	2.04%	580000
19	Ritu Kogta	10	403000	1.42%	403000
20	IIFL Seed Ventures Fund I	10 & 225.41	5614644	19.79%	5614644
21	NHPEA Rimo Holding B. V.	10	6684284	23.56%	6684284
22	Aditya (Mauritius) Ltd.	10	4849618	17.09%	4849618
23	Prakash Chand Jain	10	21551	0.08%	21551
24	ESOP Pool	10	803103	2.83%	-
<b>Total</b>			<b>28376303</b>	<b>100.00%</b>	

Notes: - Shares pledged or encumbered by the promoters (if any): None

(b) List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. 30.06.2020:

S. No.	Name of the Shareholder / Particulars	Face Value (in Rs.)	Total Number of equity shares	Total shareholding as percentage (%) of total number of equity shares	Number of shares held in Demat Form
1	Bal Mukund Kogta	10	1322000	13.740%	1322000
2	Arun Kogta	10	791000	8.221%	791000
3	Radha Krishan Kogta	10	729500	7.582%	729500
4	Varun Kogta	10	627000	6.517%	627000
5	Nidhi Kogta	10	580000	6.028%	580000
6	Banwari Lal Kogta HUF	10	574500	5.971%	574500
7	Nayan Kogta	10	567000	5.893%	567000
8	Banwari Lal Kogta	10	549000	5.706%	549000
9	Arun Kogta HUF	10	521500	5.420%	521500
10	Radha Kishan Kogta HUF	10	454500	4.724%	454500

5.7 Following details regarding the directors of the Company\*:

(a) Details of the current directors of the Company:

This table sets out the details regarding the Company's Board of Directors as on date of the Information Memorandum:

S. No.	Name of the	Designation	Age	Address	DIN	PAN	Occupation	Director of the	Director in other company
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	Director s	n						company since	
1.	Radha Krishan Kogta	Chair man	56	H-22, C- Schem e Bhagat Singh Marg Jaipur 30200 1 Rajast han, India	001 975 52	ABFP K1041 B	Employ ment	15-01-1996	1. Kogta Housing Development Pvt. Ltd. 2. Alka Estates Pvt. Ltd. 3. Jaipur Promoters Pvt. Ltd.
2.	Arun Kogta	Mana ging Direct or &CE O	38	Shiv Bazar, Bijaina gar, Tehsil Masud a, Baral- 2, Bijaina gar, Masud a Ajmer- 30562 4, Rajast han, India	051 097 22	AGOP K0797J	Employ ment	18-01-2016	NIL
3.	Varun Kogta	Whol e- Time Direct or & CFO	36	H-22, C- Schem e, Bhagat Singh Marg, Jaipur- 30200 1, Rajast han, India	068 443 07	AJYPK 9108Q	Employ ment	25-04-2014	NIL
4.	Amit Mehta	Invest or	39	Flat No.	070 894	AHRP M7106	Employ ment	06-10-2016	1. Northern Arc Capital Limited



		Nominee Director		701 Tower No 3 Orchard Residency LBS Road, Behind R-City Mall, Ghatkopar West, Mumbai 400086 Maharashtra, India	27	R			
5.	P. R. Kalayaraman	Independent Director	72	B-41, Shriram Sadhana, M.S.R. Road, Behind Msr Kalyana Mantapa Gokula, Mathikere Post, Bangalore North, Msrit, Bangalore-560054	019 930 27	AFXPK7839P	Professional	08-03-2017	1. Chem Finance Ltd. 2. Centrum Infrastructure and Realty Limited 3. Coastal Corporation Limited 4. BRV Industries Private Limited 5. Ramaiah Capital Private Limited



6.	Arjun Saigal	Director	41	House No. 536, Lane W-8-C/12, Western Avenue, Sainik Farms, Deoli, South Delhi, Delhi - 110062	075 561 88	BMQP S5224 R	Employment	28/11/2018	1. Southern Health Foods Private Limited; 2. Sahajanand Medical Technologies Private Limited; 3. Five-Star Business Finance Limited. 4. Centrum Housing Finance Limited.
7.	Mr. Kumar Sharadindu	Independent Director	60	B-16, Floor 8, Sterling Apartment, Dr. Gopal Rao Deshmukh Marg, Cumballa Hill, Near Sof Mumbai - 400026, Maharashtra, India	073 414 55	AJLPS 7681K	Professional	08/08/2019	I. IIFL Asset Management Limited
8.	Mr. Robin Bhanwarlal Agarwal	Non-Executive Director	34	2B/73 Rustojee Regency, Jayawant Sawan	085 728 06	AFWP A2057 C	Employment	01/10/2019	NIL



				t Road, Dahisar West, Dahisar, Mumbai – 400068 Maharashtra India					
9.	Mrs. Shashikala Ramachandra	Independent Director	60	Aura C-201, Ozone Urban Township, Kannamangala, Bangalore Rural, Karnataka – 562110	080 874 60	AKLP S2063 A	Professional	12/12/2019	NIL

Note: Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: NIL

(b) Details of change in directors since last three years:

Name	Designation	DIN	Date of Appointment	Date of Resignation (in case of resignation)	Remarks
PR Kalyanaraman	Independent Director	01993027	08/03/2017	N/A	NIL
Ram Dayal Modi	Independent Director	03047117	16/06/2014	22/09/2018	NIL
Nayan Kogta	Whole Time Director	05268855	31/03/2012	17/01/2019	NIL
Arjun Saigal	Nominee Director	07556188	28/11/2018	N/A	NIL
Bhama Krishnamurthy	Independent Director	02196839	22/12/2018	06/08/2019	NIL
Kumar Sharadindu	Independent Director	07341455	08/08/2019	N/A	NIL



Robin Bhanwarlal Agarwal	Non-Executive Director	08572806	01/10/2019	N/A	NIL
Shashikala Ramachandra	Independent Director	08087460	12/12/2019	N/A	NIL

**5.8 Following details regarding the auditors of the Company:**

**(a) Details of the auditor of the Company:**

Name	Address	Auditor since	Remark
S.R. Batliboi & CO., LLP	12 <sup>th</sup> Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400028	25/08/2017	N.A.

**(b) Details of change in auditors since last three years:**

Name	Address	Date of appointment/Resignation	Auditor since (in case of resignation)	Remark
M/s R K Osatwal & Co.	Inside Ajmeri gate, Opp. Banshi Bhanwan, Beawar, Rajasthan – 305901	Date of appointment: 20/01/1996 Date of resignation: 24/08/2017	20/01/1996	Resignation (Appointment term completed in accordance with the Companies Act, 2013)
M/s S.R. BATLIBOI & Co. LLP	14 <sup>th</sup> Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai- 400028 (Maharashtra)	Date of appointment: 25/08/2017	N/A	N/A

**5.9 Details of borrowings of the Company, as on latest quarter end 30.06.2020**

**(a) Details of Secured Loan Facilities (as on 30.06.2020):**

Rs. In Crores

Lender's Name	Type of Facility	Cumulative Amount Sanctioned (Rs. Crore)	Principal Amount Outstanding as on June 30, 2020 (Rs. Crore)	Repayment Date/Schedule	Security	
					Primary Security (book debt hypothecation)	Percentage of Cash Collateral
SIDBI	Term loan	45	45	Monthly	Hypothecation on Receivables	NIL
DCB Bank Limited	NCD	10	2.5	Monthly Interest	Hypothecation on Receivables	NIL
Catholic Syrian Bank	NCD	15	10	Monthly	Hypothecation on Receivables	NIL
State Bank of	Term	2.5	12.92	Bullet	Hypothecation on	NIL



India	loan			Repayment	Receivables	
Bajaj Finance Limited-2	Term loan	15	12.89	Monthly	Hypothecation on Receivables	NIL
HDFC Bank Limited	Term loan	25	23.7	Monthly	Hypothecation on Receivables	NIL
HDFC Bank Limited	Cash Credit	10	0	Repayable on demand	Hypothecation on Receivables	NIL
SBI -OD	Overdraft	27	27	Repayable on demand	Secured over Fixed Deposits	NIL
Unifi NCD	NCD	27	10.33	Monthly	Hypothecation on Receivables	NIL
DCB Bank	Term Loan	10	8.61	Monthly	Hypothecation on Receivables	NIL
Suryoday Small Finance Bank	Term Loan	10	7.92	Monthly	Hypothecation on Receivables	NIL
Sundaram Finance Limited TL-5	Term Loan	15	13.91	Monthly	Hypothecation on Receivables	NIL
State Bank of India	Term Loan	15	13.75	Monthly	Hypothecation on Receivables	NIL
IDFC First Bank Limited	Term Loan	40	35.98	Monthly	Hypothecation on Receivables	NIL
IDFC First Bank Limited	Cash Credit	10	0	Quarterly Interest	Hypothecation on Receivables	NIL
Federal Bank Ltd.	Term Loan	10	8.13	Monthly	Hypothecation on Receivables	NIL
RBL Bank Ltd.	Term Loan	10	7.78	Monthly	Hypothecation on Receivables	NIL
Nabkisan Finance Limited	Term Loan	15	12.5	Quarterly	Hypothecation on Receivables	Nil
Hinduja Leyland Finance Limited PCE	Term Loan	10	6.67	Monthly	Hypothecation on Receivables	Nil
Nabsamruddhi Finance Limited	Term Loan	10	8.33	Quarterly	Hypothecation on Receivables	Nil
AU Small Finance Bank Limited TL-7	Term Loan	16	10.67	Monthly	Hypothecation on Receivables	Nil
Ujjivan Small Finance Bank	Term Loan	20	12	Monthly	Hypothecation on Receivables	Nil
City Union Bank	Term Loan	5	3.33	Quarterly	Hypothecation on Receivables	Nil
Utkarsh Small	Term Loan	10	6.67	Monthly	Hypothecation on Receivables	Nil



Finance Bank						
Bajaj Finance Limited	Term Loan	15	8.5	Monthly	Hypothecation on Receivables	NIL
Vivriti Capital Private Limited	Term Loan	25	7.71	Monthly	Hypothecation on Receivables	NIL
Tata Capital Financial Services Limited TL-3	Term Loan	10	6.39	Monthly	Hypothecation on Receivables	NIL
Fedfina financial services Limited TL-2	Term Loan	6.5	4.53	Monthly	Hypothecation on Receivables	NIL
Indusind Bank Ltd. TL-2	Term Loan	10	7.55	Monthly	Hypothecation on Receivables	NIL
U Gro Capital	Term Loan	5	3.44	Monthly	Hypothecation on Receivables	NIL
AU Small Finance Bank Limited	Overdraft	67.5	3.87	Repayable on demand	Secured over Fixed Deposits	NIL
Volkswagen Finance Private Limited	Term Loan	7	5.2	Monthly	Hypothecation on Receivables	NIL
Manappuram Finance Limited-2	Term Loan	10	6.43	Monthly	Hypothecation on Receivables	NIL
AU Small Finance Bank Limited TL-6	Term Loan	20	6.67	Monthly	Hypothecation on Receivables	NIL
Sundaram Finance Limited TL-4	Term Loan	10	1.82	Monthly	Hypothecation on Receivables	NIL
Fedfina financial services Limited	Term Loan	10	4.24	Monthly	Hypothecation on Receivables	NIL
AK Capital Finance Private Limited	Term Loan	15	4	Quarterly	Hypothecation on Receivables	NIL
Hinduja Leyland Finance Limited TL-5	Term Loan	10	3.41	Monthly	Hypothecation on Receivables	NIL



Tata Capital Financial Services Limited TL-2	Term Loan	5	1.53	Monthly	Hypothecation on Receivables	NIL
Tata Capital Financial Services Limited	WCDL	5	5	Bullet Repayment	Hypothecation on Receivables	NIL
Hinduja Leyland Finance Limited TL-4	Term Loan	20	5.63	Monthly	Hypothecation on Receivables	NIL
AU Small Finance Bank Limited-5	Term Loan	20	2.67	Monthly	Hypothecation on Receivables	NIL
Magma PLI	Pooled Loan Issuance	15	3.78	Monthly	Hypothecation on Receivables	NIL
Indusind Bank Ltd.	Term Loan	10	3.2	Monthly	Hypothecation on Receivables	NIL
Hero Fincorp	Term Loan	5	1.27	Monthly	Hypothecation on Receivables	NIL
South Indian Bank	Term Loan	7	0.91	Quarterly	Hypothecation on Receivables	10%
Manappuram Finance Limited	Term Loan	10	2.5	Quarterly	Hypothecation on Receivables	NIL
Sundaram Finance Limited TL-3	Term Loan	10	1.61	Monthly	Hypothecation on Receivables	NIL
Au Small Finance Bank Limited	Cash Credit	10	0.48	Repayable on demand	Hypothecation on Receivables	NIL
State Bank of India	Cash Credit	25	19.25	Repayable on demand	Hypothecation on Receivables	NIL

(b) Details of Unsecured Loan Facilities (as on 30.06.2020):

Lender's Name	Type of Facility	Amount Sanctioned (Rs.in crore)	Principal Amount Outstanding (Rs. in crore)	Repayment Date/Schedule
Northern Arc Investments Ltd.	NCD_Senior Debt	15.00	15.00	Quarterly Interest
Northern Arc Capital Limited TL-10	Term Loan	25.00	16.83	Monthly
Sundaram Short Term Credit Risk Fund	NCD	25.00	4.49	Monthly
Northern Arc Capital Limited-9	Term Loan	20.00	9.82	Monthly





(c) Details of Non-Convertible Debentures: (as on 30.06.2020):

Debenture Series	Tenor/ Period of Maturity	Coupon (Rate of Interest)	Issued Amount (In Rs.)	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured	Security
Sundaram Short Term Credit Risk Fund	25 Months	11.25%	25,00,00,000/-	11-01-2019	17-05-2022	AA by ICRA	Unsecured	Unsecured and Collateral Security (registered mortgage over immoveable property)
IFMR FImpact long term multi asset class fund	32 Months	15.90%	15,00,00,000/-	22-08-2019	15-04-2022	A- by CARE	Unsecured	Unsecured and Collateral Security (registered mortgage over immoveable property)
UNIFI AIF & CSB Bank Limited	36 Months	12.36%	27,00,00,000/-	28-01-2020	27-01-2023	A- Stable by CARE	Secured	Hypothecation on Receivables and registered mortgage over immoveable property
DCB Bank Limited	36 Months	10.75%	10,00,00,000/-	01-06-2020	01-06-2023	A- Stable by CARE	Secured	A First Ranking Exclusive Charge Over The Hypothecated Assets Shall At All Times Be at Least 1.15 Times The Value Of The Outstanding Amount

(d) List of Top 10 Debenture Holder(s) (as on 25.08.2020):

S. No.	Name of Debenture Holders	Amount (Rs. in Crores)
1	IFMR FImpact Long Term Multi Asset Class Fund	15
2	Unifi AIF & CSB Bank Limited	27
3	DCB Bank Limited	10
4	Punjab & Sind Bank	15
5	State Bank of India	50
6	Bank of Maharashtra	25

(e) The amount of corporate guarantee issued by the Issuer along with the name of the counterparty (like name of the subsidiary, JV entity, group company, etc.) on behalf of whom it has been issued. (if any): NIL



- (f) Details of Commercial Paper: the total face value of commercial papers outstanding as on the latest quarter end i.e. 30.06.2020 – NIL
- (g) Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on 30.06.2020: NIL
- (h) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 5 years: NIL
- (i) Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option: NIL

#### 5.10 Details of Promoters of the Company

- (a) Details of Promoter Holding in Company as on latest quarter end, i.e., 30.06.2020:

S. No.	Name of the shareholders	Total No of Equity shares	No .of shares in Demat form	Total shareholding as % of total no of equity shares	No of shares Pledged	% of shares pledge d with respect to shares owned
1	Arun Kogta	791000	791000	8.221%	-	-
2	Radha Krishan Kogta	729500	729500	7.582%	-	-
3	Varun Kogta	627000	627000	6.517%	-	-
4	NayanKogta	567000	567000	5.893%	-	-
5	Banwari Lal Kogta	549000	549000	5.706%	-	-
6	Bal Mukund Kogta	1322000	1322000	13.740%	-	-
7	Durga Devi Kogta	349500	349500	3.632%	-	-
8	Madhu Kogta	391000	391000	4.064%	-	-
9	Manju Kogta	199000	199000	2.068%	-	-
10	Aayush Kogta	239000	239000	2.484%	-	-
11	Neha Suryaprakash Kalya	172000	172000	1.788%	-	-
12	Banwari Lal Kogta HUF	574500	574500	5.971%	-	-
13	Varun Kogta HUF	304500	304500	3.165%	-	-
14	Arun Kogta HUF	521500	521500	5.420%	-	-
15	Prem Lal Kogta HUF	426000	426000	4.428%	-	-
16	Bal Mukund Kogta HUF	400000	400000	4.157%	-	-
17	Radha Kishan Kogta HUF	454500	454500	4.724%	-	-



18	Nidhi Kogta	580000	580000	6.028%	-	-
19	Ritu Kogta	403000	403000	4.188%	-	-

**5.11 Abridged version of the Audited Consolidated and Standalone Financial Information (like Profit and Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any. (Amount in Rs.)**

Profit and Loss Statement (INR)	31.03.2018	31.03.2019	31.03.2020
	Audited	Audited	Audited
Interest Income	52,75,53,612	82,43,11,495	1,587,931,705
Less: Interest Expenses	27,57,73,134	41,75,49,321	675,895,944
Net Interest Income	25,17,80,478	40,67,62,174	912,035,761
Other Income	13,13,37,022	23,38,72,068	105863335.7
Total Income	38,31,17,500	64,06,34,242	1,017,899,097
Operating Expenses	22,71,10,686	41,13,82,121	601,385,818
Provisions & Write Offs	3,14,33,202	4,65,17,924	49,876,143
Operating Profit	12,45,73,612	18,27,34,197	366,637,136
Depreciation	74,45,339	1,39,98,537	42,073,394
Profit Before Tax	11,71,28,273	16,87,35,660	324,563,742
Provisions for tax	3,38,59,783	5,61,91,446	75163653.22
Other Comprehensive Income (As per IND AS)			-1,169,602
<b>Profit After Tax</b>	<b>8,32,68,490</b>	<b>11,25,44,214</b>	<b>248,230,486</b>

Balance Sheet (INR)	31.03.2018	31.03.2019	31.03.2020
Equity capital	13,44,01,000	63,57,74,143	765,294,313
Reserve & Surplus	54,74,18,824	1,65,95,02,959	4,721,790,973
TNW ( A )	68,18,19,824	2,29,52,77,102	5,487,085,286
Total Non-Current Liabilities	1,57,00,48,762	1,77,00,80,308	
Current Liabilities+ Provisions	1,65,76,58,078	2,56,78,82,048	
Total Financial Liabilities*			6,978,988,767
Total Non-Financial Liabilities including provisions *			97,285,047
Total Outside Liabilities ( B )	3,22,77,06,840	4,33,79,62,356	7,076,273,815
<b>Total Liabilities ( A + B )</b>	<b>3,90,95,26,664</b>	<b>6,63,32,39,458</b>	<b>12,563,359,101</b>
Fixed assets (Net)	2,36,22,449	4,31,06,478	63,974,391
Investments	3,81,33,361	16,41,08,221	-
Gross Advances	3,48,93,91,417	5,48,34,54,181	9,974,289,788
Less : Loan Loss Reserve	2,57,05,581	4,66,27,756	-168,744,286
Net Loan Outstanding	3,46,36,85,836	5,43,68,26,425	9,805,545,502
Cash / Liquid Investments	14,31,20,264	11,49,67,647	2,042,301,269
Other Financial assets*	16,88,38,662	77,07,14,290	330,853,751
Deferred Tax Assets	35,32,710	37,68,860	52,771,334
Intangible Assets	49,28,373	70,57,756	7,969,907
Right of use Assets*			87,512,311
Other Non-financial Assets*	6,36,65,009	9,26,89,782	172,430,640
<b>Total Assets</b>	<b>3,90,95,26,664</b>	<b>6,63,32,39,458</b>	<b>12,563,359,101</b>



\*As per IND AS, concept of Current & Non-Current is not there, there is new criteria of bifurcation of Assets and Liabilities that is Financial & Non-Financial Assets or Liabilities.

### Cash Flow:

Kogta Financial India Limited  
Cash flow statement for the year ended March 31, 2020  
(All amounts in lakhs, except as stated otherwise)

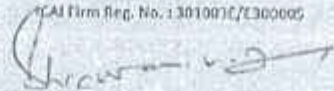
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A Cash flow from operating activities:</b>		
Net profit before tax as per statement of profit and loss	3,245.64	1,770.82
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation of PPE, ROU and other intangible assets	420.73	139.89
Loans & advances written off	514.03	255.96
Amortisation of ancillary cost	124.05	103.84
Reversal of provision for expected credit loss (ECL)	(15.27)	562.87
EIS receivable on assignment transactions	26.14	(37.12)
Provision for employee benefits	16.70	(1.75)
Loss/(Profit) on sale of property, plant and equipment	(0.20)	(51.04)
Net (gain)/ loss on sale of current investments	(65.18)	(8.29)
ESOP Expenses	125.90	14.12
Interest expenses on vehicle loans	19.27	8.84
Rental Income	(4.52)	(4.52)
Operating profit before working capital changes	4,399.60	2,252.72
Changes in working capital		
(Increase)/decrease in Loans	(31,911.98)	(27,784.67)
(Increase)/decrease in bank deposits	(15,204.37)	(5,752.33)
Increase in financial and other assets	(1,886.31)	(286.79)
Increase/(decrease) in financial and other liabilities	760.45	357.06
Total of changes in working capital	(40,212.41)	(33,474.73)
Direct taxes paid	904.01	517.64
Net cash flow used in operating activities (A)	(45,716.82)	(31,769.65)
<b>B Cash flow from Investing activities:</b>		
Inflow (outflow) on account of:		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(487.15)	(393.20)
Sale of Property, plant and equipment (including capital work-in-progress)	25.30	88.12
Purchase of current investments	(1,500.00)	(1,000.00)
Proceeds from sale/maturity of current investments	3,562.18	3,000.29
Rental Income	4.52	4.52
Net cash flow used in Investing activities (B)	(402.15)	(282.27)
<b>C Cash flow from financing activities:</b>		
Issue of equity shares (including share premium)	30,100.00	15,425.20
Share / debenture issue expenses	(65.44)	(420.14)
Dividend paid on preference shares	(0.00)	(0.04)
Tax on preference dividend paid	(0.01)	(0.01)
Interest paid on vehicle loan	(13.27)	(8.84)
Proceeds from borrowings	38,495.30	22,582.38
Repayments of borrowings	(21,875.31)	(5,776.07)
Net Cash flow from financing activities (C)	45,640.24	31,807.55
Net decrease in cash and cash equivalents (A+B+C)	(478.74)	(254.37)



Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash and cash equivalents as at the beginning of the year	1,145.78	1,404.32
Cash and cash equivalents at the end of the year	671.04	1,145.78
Components of cash and cash equivalents		
Cash on hand	86.68	511.61
Balance in franking machine*	-	-
Balance with banks	-	-
In current accounts	81.31	638.15
In cash credit	-	-
In deposit account	500.07	-
Total cash and cash equivalents	671.04	1,145.78
Operational Cash Flow from Interest		
Interest Received	14,828.00	9,746.98
Interest Paid	6,728.10	5,016.80

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

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
CAI Firm Reg. No. 1301001C/E300005

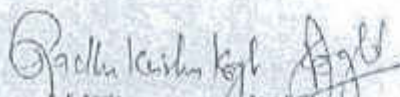


per Shrawan Jain  
Partner  
Membership No. 102182




Place: Mumbai  
Date: 18.06.2020

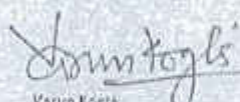
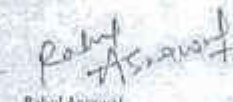
For and on behalf of the Board of Directors  
of Kogta Finance (India) Limited



A. K. Kogta  
(Chairman)  
DIN 00197552



Arun Kogta  
(Managing Director & CEO)  
DIN 05107722

Varun Kogta  
(Executive Director & CFO)  
DIN 06844307

Rahul Ajrawal  
(Company Secretary)  
Membership No. A34034

Place: Jaipur  
Date: 18.06.2020



**KOGTA FINANCIAL (INDIA) LIMITED**  
Cash flow statements for the year ended March 31, 2019

Particulars	31 March 2019 (Amount in ₹L)	31 March 2018 (Amount in ₹L)
<b>A. Cash flow from operating activities:</b>		
Profit before tax	16,87,35,660	11,71,28,273
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation	1,39,98,637	74,45,339
Impairment/other write off on tangible/ intangible assets	2,56,95,749	1,76,06,506
Provision for standard and non performing assets	2,06,22,176	1,36,24,634
Provision for Contingency	7,80,570	16,63,006
Loss/(Profit) on sale of property, plant and equipment	65,103,771	(17,028,208)
Net (gain)/ loss on sale of current investments	(829,464)	(1,400,235)
Interest expenses on vehicle loans	8,04,200	3,78,972
Rental income	(551,511)	(408,454)
Amortization of ancillary cost	3,10,01,561	1,80,72,127
Employee stock option expenses	4,04,022	-
<b>Operating profit before working capital changes</b>	<b>25,66,07,333</b>	<b>15,69,01,024</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in loans and advances	(2,009,567,250)	(1,503,043,201)
(Increase)/decrease in other current assets	(54,795,669)	(25,421,964)
(Increase)/decrease in other non current assets	(877,316)	(917,686)
(Increase)/decrease in bank deposits	663,310,473	(36,348,281)
(Increase)/decrease in investments	(126,074,850)	(39,133,381)
Increase/(decrease) in long term borrowings	19,18,72,478	77,49,07,677
Increase/(decrease) in short term borrowings	57,21,64,064	(444,340)
Increase/(decrease) in other current liabilities	32,90,66,242	59,56,15,021
Increase/(decrease) in trade payables	78,88,000	72,18,002
<b>Cash generated from/(used in) operations</b>	<b>(1,462,488,089)</b>	<b>(76,528,556)</b>
Direct taxes paid/(of refunds)	(10,431,084)	(25,200,000)
<b>Net Cash flow from/(used in) operating activities (A)</b>	<b>(1,505,919,173)</b>	<b>(101,728,556)</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of fixed assets, including GWIP and capital advances	(36,320,457)	(11,030,100)
Proceeds from sale of fixed assets	88,12,280	1,34,04,700
Purchase of current investments	(500,000,000)	(600,000,000)
Proceeds from sale/maturity of current investments	30,00,29,454	62,14,00,235
Rental income	4,51,844	4,08,454
<b>Net Cash Flow from/(used in) Investing Activities (B)</b>	<b>(79,228,789)</b>	<b>10,66,73,205</b>
<b>C. Cash Flow from Financing Activities :</b>		
Proceeds from issuance of equity share capital	100	-
Proceeds from issuance of preference share capital	50,13,73,043	81,20,000
Securities Premium received on issue of Share Capital	99,91,46,144	3,48,32,000
Interest paid on vehicle loan	(804,209)	(378,972)
Proceeds from vehicle loans	1,12,36,100	61,67,500
Repayment of vehicle loans	(3,899,000)	(2,742,237)
Dividend paid on equity shares	-	(9,000,100)
Dividend paid on preference shares	(3,527)	(1,477)
Tax on equity dividend paid	-	(1,904,230)
Tax on preference dividend paid	(718)	(301)
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>150,09,93,325</b>	<b>3,04,44,035</b>



Particulars	31 March 2019 (Amount in Rs.)	31 March 2018 (Amount in Rs.)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(28,162,617)	3,53,80,667
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	14,31,20,264	10,77,29,577
Cash and cash equivalents at the end of the year	11,49,57,647	14,31,20,264
<b>Components of cash and cash equivalents</b>		
Cash on hand	-	-
With banks- on current account	6,11,63,447	2,33,56,038
- on deposit account	6,36,04,200	6,70,42,228
	-	3,22,82,000
Total Cash and cash equivalents	11,49,57,647	14,31,20,264

Summary of significant accounting policies

I

The accompanying notes form an integral part of the financial statements

II

For S.R. Battibal & Co. LLP

Chartered Accountants

ICAI Firm Reg. No. : 301003E1E300005

Suresh Jafar  
Partner  
Membership No. 132102



Place: Mumbai  
Date: 16.05.2019

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

*Rajesh Kogta*  
R. K. Kogta  
(Chairman)  
DIN 001E7552

*Arun Kogta*  
Arun Kogta  
(Managing Director & CEO)  
DIN 05109722

*Rajni Agrawal*  
Rajni Agrawal  
(Company Secretary)  
Membership No. A34004

*Varun Kogta*  
Varun Kogta  
(Executive Director & CFO)  
DIN 08044307

Place: Jaipur  
Date: 16.05.2019



**RODIA FINANCIAL SERVICES LIMITED**

Cash flow statements for the year ended March 31, 2018

Particulars	31 March 2018 (Amount in Rs.)	31 March 2017 (Amount in Rs.)
<b>A. Cash flow from operating activities:</b>		
Profit before tax	11,71,28,273	7,15,89,894
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	74,45,339	48,06,544
Impairment/ other write off on tangible/ intangible assets	1,78,08,568	77,01,910
Provision for standard and non performing assets	1,36,24,634	44,01,385
Provision for Goodwill	16,63,000	4,53,300
Loss/(Profit) on sale of property, plant and equipment	(1,70,29,206)	(2,09,53,158)
Net gain/ loss on sale of current investments	(14,00,235)	(6,40,124)
Interest expenses on vehicle loans	3,76,972	4,98,572
Rental Income	(4,00,494)	(3,92,988)
Amortization of ancillary cost	1,65,72,127	1,13,18,391
Operating profit before working capital changes	15,50,01,024	7,07,63,417
Movements in working capitals		
(Increase)/decrease in loans and advances	(1,50,82,43,261)	(61,40,39,064)
(Increase)/decrease in other current assets	(2,54,27,904)	(3,30,10,792)
(Increase)/decrease in other non-current assets	(5,12,000)	(11,24,090)
(Increase)/decrease in bank deposits	(3,63,88,201)	(4,21,31,745)
(Increase)/decrease in investments	(3,81,33,561)	36,15,479
Increase/(decrease) in long term borrowings	77,49,07,877	22,04,00,002
Increase/(decrease) in short term borrowings	(4,40,3,480)	20,43,82,555
Increase/(decrease) in other current liabilities	59,56,15,621	14,65,95,072
Increase/(decrease) in trade payables	73,18,602	(7,64,112)
Cash generated from/(used in) operations	(7,65,26,556)	(3,70,95,669)
Direct taxes paid/net of refund	(2,62,00,000)	(1,87,13,150)
<b>Net Cash Flow from/(used in) operating activities (A)</b>	<b>(10,27,26,556)</b>	<b>(5,58,08,819)</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of fixed assets, including CWIP and capital advances	(1,45,30,180)	(1,18,58,575)
Proceeds from sale of fixed assets	1,94,94,203	2,14,40,700
Purchase of current investments	(52,00,00,000)	(55,00,00,000)
Proceeds from sale/maturity of current investments	62,14,09,235	45,05,46,124
Rental Income	4,00,454	3,92,988
<b>Net Cash Flow from/(used in) Investing Activities (B)</b>	<b>10,66,74,209</b>	<b>(8,03,84,683)</b>
<b>C. Cash Flow from Financing Activities :</b>		
Proceeds from issuance of preference share capital	51,20,000	3,32,01,000
Securities Premium received on issue of Share Capital	3,48,32,000	21,33,04,647
Interest paid on vehicle loan	(3,76,972)	(4,98,572)
Proceeds from vehicle loans	51,07,500	-
Repayment of vehicle loans	(27,62,227)	(27,01,670)
Dividend paid on equity shares	(96,00,100)	(1,44,00,100)
Dividend paid on preference shares	(3,477)	-
Tax on equity dividend paid	(19,54,380)	(25,31,592)
Tax on preference dividend paid	(303)	-
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>3,04,44,638</b>	<b>22,62,63,731</b>





**KOGTA FINANCIAL (INDIA) LIMITED**  
Cash flow statements for the year ended March 31, 2018

Particulars	31 March 2018 (Amount in Rs.)	31 March 2017 (Amount in Rs.)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	3,53,96,687	6,30,60,231
Cash and cash equivalents at the beginning of the year	10,77,29,577	2,65,69,346
Cash and cash equivalents at the end of the year	14,31,26,264	10,77,29,577
<b>Components of cash and cash equivalents</b>		
Cash on hand	2,33,36,038	1,24,20,710
Cheques / drafts on hand	-	-
With banks - on current account	9,76,42,226	9,53,09,887
- on deposit account	3,21,47,000	-
<b>Total Cash and cash equivalents</b>	<b>14,31,26,264</b>	<b>10,77,29,577</b>

Summary of significant accounting policies

I

Its accompanying note form an integral part of the financial statements

II

For S.R. Batlibal & Co. LLP  
Chartered Accountants  
ICAI Firm Reg. No. 1301003E/E300005

Atendra H. Banerjee  
Partner  
Membership No. 103380



Place: Jaipur  
Date: 14.05.2018

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

W. K. Kogta  
(Chairman)  
DIN 00197552

Arun Kogta  
(Managing Director & CEO)  
DIN 00187722

Rahul Agrawal  
(Company Secretary)  
Membership No. 434034

Vandit Kogta  
(Executive Director & CFO)  
DIN 06844537

Place: Jaipur  
Date: 14.05.2018



*Note: As per the SEBI Debt Listing Regulations, the audited financial information for the previous three years are disclosed.*

**5.12 Abridged version of Latest Audited/ Limited Review Half Yearly Consolidated and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditors' qualifications, if any:**

The Issuer shall provide latest Audited or Limited Review Financials in line with timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended or restated from time to time, for furnishing / publishing its half yearly/ annual result.

Profit and Loss Statement (INR)	31.03.2020
	Audited
Interest Income	1587931705.00



Less: Interest Expenses	675895944.00
Net Interest Income	912035761.00
Other Income	105863335.65
Total Income	1017899097
Operating Expenses	601,385,818
Provisions & Write Offs	49,876,143
Operating Profit	366,637,136
Depreciation	4,20,73,394
Profit Before Tax	342,563,742
Provisions for tax	75,163,653
Other Comprehensive Income (IND AS)	(1,169,602)
<b>Profit After Tax</b>	<b>248,230,486</b>

<b>Balance Sheet (INR)</b>	<b>31.03.2020</b>
Equity capital	765,294,313
Reserve & Surplus	4,721,790,973
TNW ( A )	5,487,085,286
Total Financial Liabilities	6978988767
Total Non-Financial Liabilities including provisions	97285047.11
Total Outside Liabilities ( B )	7,076,273,815
<b>Total Liabilities ( A + B )</b>	<b>12,563,359,101</b>
Fixed assets (Net)	63,974,391
Investments	-
Gross Advances	9,974,289,788
Less : Loan Loss Reserve (ECL Provision as per IND AS)	(168,744,286)
Net Loan Outstanding	9,805,545,502
Cash / Liquid Investments	2,042,301,269
Other Financial assets	330,853,751
Deferred Tax Assets	52,771,334
Intangible Assets	7,969,907
Right of use assets	87,512,311
Other Non-financial Assets	172,430,640
<b>Total Assets</b>	<b>12,563,359,101</b>

- 5.13 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

The Issuer hereby declares that there has been no material event, development or change at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

- 5.14 Names of the Debentures Trustees shall be mentioned with statement to the effect that debenture trustee(s) has given his consent to the Issuer for his appointment under regulation



4 (4) and in all the subsequent periodical communications sent to the holders of debt securities.

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited. Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure II** of this Information Memorandum.

**5.15** The detailed Rating Rationale(s) adopted (not older than one year on the date of opening of the Issue)/ credit rating letter issued (not older than one month on the date of opening of the Issue) by the rating agencies.

The rating letter from the Rating Agency is provided in **Annexure I**.

**5.16** If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

- (a) The Debentures are proposed to be guaranteed by the Guarantor by way of the GOI Guarantee. The GOI Guarantee will be issued in accordance with Rule 280 of the General Financial Rules as published by the Ministry of Finance (Department of Expenditure), Government of India from time to time (hereinafter referred to as "GFR") within the timelines that are agreed between the Guarantor and the Debenture Holders, in accordance with the terms of GOI Guidelines and other Applicable Law.
- (b) The GOI Guarantee may be invoked by the Debenture Holders upon occurrence of the any event for invocation set out under the GOI Guidelines (including the inability of the Issuer to repay/pay any part of the Outstanding Amounts in respect of the Debentures) in accordance with the procedure set out in the GOI Guidelines.
- (c) Subject to the terms of the GOI Guidelines, the GOI Guarantee is a continuing guarantee and may be reviewed on an annual basis in accordance with Rule 281 of the GFR.
- (d) Any claims under the GOI Guarantee and/or other reporting requirements in respect of the GOI Guarantee will be done in accordance with the GOI Guidelines.

**5.17** Copy of consent letter from the Debenture Trustee shall be disclosed.

The consent letter from Debenture Trustee is provided in **Annexure II** of this Information Memorandum.

**5.18** Names of all the recognized stock exchanges where the debt securities are proposed to be listed:

The Debentures are proposed to be listed on the WDM segment of the BSE within 20 days from the Deemed Date of Allotment. The Issuer shall comply with the requirements of the listing



agreement for debt securities to the extent applicable to it on a continuous basis.

**5.19 Other details:**

**(a) Debenture Redemption Reserve (“DRR”) Creation:**

- (i) As per Rule 18(7)(b)(iv)(A) of the Companies (Share Capital and Debentures) Rules, 2014, DRR is not required to be created for issue of privately placed debentures by Non-Banking Finance Companies registered with Reserve Bank of India under Section 45 IA of the RBI Act, 1934.
- (ii) The Company also undertakes that, if required under Applicable Law, it will create DRR in accordance with the provisions of the Act (and the rules and regulations made thereunder) and the guidelines issued by the relevant Governmental Authorities. In addition to the foregoing, to the extent required by Applicable Law, the Company shall invest or deposit amounts up to such thresholds, and in such form and manner and within the time periods, as may be prescribed by Applicable Law, in respect of any amounts of the Debentures maturing in any Financial Year.

**(b) Issue / instrument specific regulations:**

The Issue of Debentures shall be in conformity with, *inter alia*, the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, the LODR Regulations, and the applicable guidelines, notifications, circulars and directions issued by the RBI and SEBI in respect of private placement of listed debt securities by NBFCs.

**(c) Application process:**

The application process for the Issue is as provided in Section 7 of this Information Memorandum.

**5.20 A statement containing particulars of the dates of, and parties to all material contracts, agreements:**

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 am to 4.00 pm on Business Days.

S. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Certified true copies of the shareholders' resolutions passed by the Company at the Annual General Meeting held on August 27, 2018 authorizing the Company to borrow, upon such terms as the Board may think fit, up to an aggregate limit of INR 20,00,00,00,000/- (Indian Rupees Two Thousand Crore only)
3	Certified true copy of the board resolution dated January 29, 2020 authorising the Company to issue non-convertible debt securities in one or more tranches up to an aggregate limit of INR 5,00,00,00,000/- (Indian Rupees Five Hundred Crore only)
4	Certified true copy of the board resolution dated July 10, 2020 and Certified true copy of the Loan & Investment Committee resolution dated August 26, 2020
5	Copies of Annual Reports of the Company for the last 3 (three) financial years.



6	Credit rating letter as will be issued by the Rating Agency for the Debentures.
7	Letter from Catalyst Trusteeship Limited dated August 26, 2020 giving its consent to act as Debenture Trustee.
8	Letter for Register and Transfer Agent.
9	Certified true copy of the certificate of incorporation of the Company.
10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL.
11	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the CDSL.
12	Copy of application made to BSE for grant of in-principle approval for listing of Debentures.

### 5.21 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of INR 30,00,00,000 (Indian Rupees Thirty Crore) by issue of Rated, Secured, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures, on a private placement basis. For further details of the Debentures, please refer to the terms and conditions of the debentures set out Section 5.22 of this Information Memorandum.

### 5.22 Issue Details

SUMMARY TABLE		
S.No.	Particulars	Details
1.	Security Name	9.50% KFIL 2022
2.	Issuer or Company	Kogta Financial (India) Limited
3.	Type of Instrument	300 (Three hundred) rated, secured, senior, redeemable, taxable, transferable, listed, non-convertible debentures denominated in INR each having a face value of INR 10,00,000 (Indian Rupees Ten lakhs) aggregating to a face value of INR 30,00,00,000 (Indian Rupees Thirty Crore) at par, in dematerialized form on a private placement basis.
4.	Nature of Instrument	Secured
5.	Seniority	Senior
6.	Ranking	Each Debenture issued by the Issuer will constitute direct and secured obligations of the Issuer. The claims of the Debenture Holders shall be superior to the claims of investors / lenders of Tier I & Tier II Capital and all unsecured & subordinated debt and shall rank paripassu to all senior, secured indebtedness of the Issuer.  Each of the Debenture Holders shall inter-se rank paripassu in relation to their rights and benefits in relation to the Debentures, without any preference or privilege.
7.	Mode of Issue	Private Placement Dematerialized
8.	Eligible	Please refer to the definition of "Eligible Investors" provided in Section



	<b>Investors</b>	I above.
9.	<b>Listing</b> (including name of stock Exchange(s) where it will be listed and timeline for listing)	Debentures are to be listed on the WDM of the BSE within a maximum period of 20 calendar days from the Deemed Date of Allotment.
10.	<b>Rating of the Instrument</b>	A-; Stable (Single A Minus; Outlook: Stable) by CARE Ratings Limited
11.	<b>Issue Size</b>	Rs. 30,00,00,000/- (Indian Rupees Thirty Crore only)
12.	<b>Option to retain oversubscription (Amount)</b>	N.A.
13.	<b>Objects of the Issue</b>	To raise funds up to INR 30,00,00,000 (Indian Rupees Thirty Crore).  The Debentures are being issued by the Issuer with a view to raising debt for the purposes of general corporate purposes and for utilization in the ordinary course of business of the Issuer including repayment/re-financing of existing debt
14.	<b>Details of the utilization of the Proceeds</b>	The proceeds of the Issuance will be utilized for the following purposes: <ul style="list-style-type: none"> <li>• General corporate purposes</li> <li>• for the ordinary course of business of the Issuer including repayment/re-financing of existing debt</li> </ul> <p>The Issuer undertakes that no part of the monies received from the subscription of the Debentures shall be utilized by the Issuer directly or indirectly towards (A) any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities; or (B) any speculative purposes; or (C) investment in the real estate sector; or (D) any activity on the Exclusion List.</p> <p>The Issuer shall be entitled to temporarily invest the funds raised by the Issue in liquid mutual funds and deposits held with scheduled commercial banks for a period not exceeding 90 (ninety) calendar days from the Deemed Date of Allotment.</p> <p>The proceeds of the NCDS will not be used for any purpose, which may be in contravention of the Government / RBI / SEBI / Other regulatory guidelines.</p>
15.	<b>Coupon Rate</b>	9.50% p.a.
16.	<b>Coupon Payment Frequency</b>	As provided in the Annexure III (Repayment Schedule) attached hereto.



17.	<b>Coupon Payment Dates/Interest Payment Dates</b>	As provided in the <b>Annexure III</b> (Repayment Schedule) attached hereto.
18.	<b>Coupon Type</b>	Fixed Rate
19.	<b>Coupon Reset Process</b> (including rates, spread, effective date, interest rate cap and floor etc).	N.A.
20.	<b>Day Count Basis</b>	Actual/Actual
21.	<b>Interest on Application Money</b>	Interest at the rate of 15.00% p.a. (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961) will be paid on Application Money to the Applicants from the date of realization of the cheques / drafts or credit through RTGS / NEFT / direct credit upto one day prior to the Deemed Date of Allotment. This is applicable for all valid applications within 5 (five) Business Days from the Deemed Date of Allotment. Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refund orders or through RTGS / NEFT / direct credit to the bank account of the Applicant as described in the Application Form.
22.	<b>Default Interest Rate</b>	<ul style="list-style-type: none"> <li>• Security Creation: If the Company fails to execute the Debenture Trust Deed within 30 days of the issue closure, the Company shall pay penal interest at the rate of 2.00% p.a. over the Coupon Rate till these conditions are complied with or refund the subscription (ie. redemption at par) along with other monies/accrued interest due in respect thereof, at the option of the Bondholders;</li> <li>• Default in Payment: In case of default in payment of interest and/ or principal redemption on the due dates, the Company shall pay additional interest at the rate of 2.00% p.a. over the Coupon Rate for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid.</li> <li>• Delay in Listing: The Company shall make listing application to BSE and/ or NSE within 15 days from the Deemed Date of Allotment of the Bonds and obtain listing permission within 20 calendar days from the Deemed Date of Allotment of Bonds. In case of delay in listing of the Bonds beyond 20 calendar days from the Deemed Date of Allotment, the Company shall pay penal interest at the rate of 1% p.a. over the Coupon Rate from the expiry of 20 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s).</li> </ul> <p>The interest rates mentioned in above covenants shall be independent of each other.</p>



		In case any of the "Covenants" is breached and continues breached for a period of 30 days from such breach coming to notice, the Primary Bondholder would reserve the right to recall the outstanding principal amount on the NCDs (i.e. redemption at par) along with other monies/accrued interest due in respect thereof.
23.	<b>Prepayment and Prepayment Penalty</b>	The Issuer shall not redeem (or prematurely redeem) the Debentures in any manner other than in accordance with the terms of the Transaction Documents.
24.	<b>Tenor</b>	18 months from the Deemed Date of Allotment (in such a manner that the Redemption Date is March 03, 2022).
25.	<b>Maturity Date/ Redemption Date</b>	March 03, 2022
26.	<b>Principal repayment frequency</b>	As provided in the <b>Annexure III</b> (Repayment Schedule) attached hereto.
27.	<b>Redemption Amount</b>	Rs. 30,00,00,000/- (Indian Rupees Thirty Crore)
28.	<b>Redemption Premium / Discount</b>	None
29.	<b>Issue Price</b>	Rs. 10,00,000/- (Rupees Ten lakhs) per Debenture
30.	<b>Discount at which security is issued and the effective yield as a result of such discount</b>	N.A
31.	<b>Put Option</b>	N.A
32.	<b>Put option date</b>	N.A
33.	<b>Put option price</b>	N.A
34.	<b>Put notification time</b>	N.A
35.	<b>Call Option</b>	N.A
36.	<b>Call option date</b>	N.A
37.	<b>Call option price</b>	N.A
38.	<b>Call notification time</b>	N.A
39.	<b>Face Value</b>	Rs. 10,00,000/- (Indian Rupees Ten Lakhs) per Debenture.
40.	<b>Minimum Application size</b>	Minimum 300 (Three Hundred) Debentures of INR 10,00,000 (Indian Rupees Ten lakh) each, aggregating to INR 30,00,00,000 (Indian





	and in multiples of Debt securities thereafter	Rupees Thirty Crore)
41.	Issue Opening Date	September 02, 2020 from 10.00 A.M.
42.	Issue Closing Date	September 02, 2020 till 03.00 P.M.
43.	Pay-in Date	September 03, 2020
44.	Deemed Date of Allotment	September 03, 2020
45.	Issuance mode of the Instrument	Demat only
46.	Trading mode of the Instrument	Demat only
47.	Settlement mode of the Instrument	The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, details of which are set out in this Information Memorandum.
48.	Depositories	NSDL and CDSL
49.	Business Day Convention	<p>Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra and when the money market is functioning in Mumbai. If the date of payment of interest/redemption of principal does not fall on a Business Day, the payment of interest/principal shall be made in accordance with SEBI Circular CIR/IMD/DF-1/122/2016 dated November 11, 2016.</p> <p>If any of the Coupon Payment Date(s), other than the ones falling on the redemption date, falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day, which becomes the coupon payment date for that coupon. However, the future coupon payment date(s) would be as per the schedule originally stipulated at the time of issuing the debentures. In other words, the subsequent coupon payment date(s) would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non-Business Day.</p> <p>If the redemption date of the Bonds falls on a day that is not a Business Day, the redemption amount shall be paid by the Issuer on the immediately preceding Business Day which becomes the new redemption date, along with interest accrued on the debentures until but excluding the date of such payment.</p>
50.	Record Date	7 calendar days prior to the proposed date on which any payments are required to be made in respect of the Debentures to the Debenture Holders.



<p>51.</p>	<p><b>Security</b> (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document).</p>	<p>The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables ("<b>Hypothecated Receivables</b>") created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Issuer undertakes:</p> <ul style="list-style-type: none"> <li>• to maintain the value of security at all times equal to 1.10 (One decimal point one zero) time or 110% (One hundred and ten percent) the aggregate amount of principal outstanding of the NCDs where at least 1.10 (One decimal point one zero) time or 110% (One hundred and ten percent) of the security cover is from principal receivables ("<b>Security Cover</b>");</li> <li>• to create, register and perfect the security over the Hypothecated Assets as contemplated above no later than 30 (Thirty) calendar days after the Deemed Date of Allotment by executing a duly stamped deed of hypothecation ("<b>Deed of Hypothecation</b>") and filing CHG-9 within the time period applicable; The Company shall also provide such information sought by the Debenture Trustee for the purpose of filing the prescribed forms and particulars with the Central Registry and Information Utility in connection with the Debentures and the Security Interest over the Hypothecated Assets.</li> <li>• to pay a penal interest of 2% (Two Percent) p.a. over the Coupon Rate in case there is any delay in execution of debenture trust deed within 3 months of deemed date of allotment or any other extended period given by debenture trustee &amp; debenture holders.</li> <li>• Non-maintenance of security cover will attract penal interest of 1% p.a. over the coupon rate for the period of non-compliance.</li> <li>• to provide a list on a quarterly basis, of specific loan receivables/identified book debts to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("<b>Monthly Hypothecated Asset Report</b>")</li> <li>• to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.10 (One decimal point one zero) time or 110% (One hundred and ten percent) the aggregate amount of principal outstanding of the NCDs where at least 1.10 (One decimal point one zero) time or 110% (One hundred and ten percent) of the security cover is from principal receivables.</li> <li>• To replace Hypothecated Receivables that has been overdue for more than 90 days with current receivables. Such replacement shall be affected within 15 (Fifteen) Business Days of the Hypothecated Receivables becoming overdue (by more than 90 days)</li> </ul> <p><u>Eligibility Criteria for the Hypothecated Receivables:</u></p>
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		<p>Each asset provided as security must comply with the portfolio origination criteria below:</p> <ul style="list-style-type: none"> <li>• All applicable "know your customer" requirements prescribed by the RBI have be complied with;</li> <li>• The receivables are existing at the time of selection and have not been terminated or pre-paid;</li> <li>• Each client loan must be directly originated by the Issuer and not loans purchased from a third party;</li> <li>• All loans hypothecated under the deed of hypothecation comply with RBI norms and guidelines.</li> </ul>
52.	<p><b>Transaction Documents / Debenture Documents</b></p>	<p>The Issuer shall execute the documents including but not limited to the following, as required, in connection with the Issue as per latest SEBI guidelines / Companies Act, 2013 (as applicable) for issuance of NCDs through Private Placement:</p> <p>Letter appointing Trustees to the Debenture Holders</p> <ul style="list-style-type: none"> <li>• Private Placement Offer Letter / PAS 4</li> <li>• Information Memorandum</li> <li>• Debenture Trust Deed</li> <li>• Deed of Hypothecation</li> <li>• Debenture Trustee Agreement</li> <li>• Board Resolution authorizing this Issuance</li> <li>• Applicable Shareholder Resolutions under the Companies Act, 2013</li> <li>• Rating letter with the aforesaid Rating Agency(ies) with respect to this Issuance</li> <li>• In Principal approval from stock exchanges for listing of NCDs.</li> <li>• Any other document as may be agreed between the parties.</li> </ul> <p>All transaction documents will comply with the requirements prescribed by the RBI (if applicable), SEBI (if applicable) and under the Companies Act, 2013 for the issuance of non-convertible debentures.</p> <p>Disclosure Documents means collectively,</p> <p>(a) the debt disclosure document to be issued by the Issuer in terms of sub-regulation (1) of Regulation 21 (<i>Disclosures in respect of Private Placements of Debt Securities</i>) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (if applicable); and</p> <p>(b) private placement offer letter to be issued by the Issuer in terms of section 42 (<i>Offer or invitation for subscription of securities on private placement</i>) of the Companies Act, 2013.</p> <p>Resolutions means collectively,</p> <p>(a) special resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013;</p>



		<p>(b) special resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013;</p> <p>(c) board resolution of the board of directors of the Company under Section 42 and other applicable provisions of the Companies Act, 2013 and Rules thereunder;</p> <p>(d) special resolution of the shareholders of the Company under the applicable provisions of the Companies Act, 2013 and Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014.</p>
53.	<b>Conditions Precedent to Disbursement</b>	<p>The Issuer represents and warrants to the Investor or its successors or assigns, prior to and upon the execution of the Transaction Documents/Agreement and at the time of issuance of the Debentures and at all time during the currency of the Transaction Documents, that:</p> <ol style="list-style-type: none"> <li>1. All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs in accordance with Companies Act, 2013 and submit the same to Debenture Trustee and Debenture Holders;</li> <li>2. copies of the authorisations, approvals and licenses received by the Issuer from the RBI;</li> <li>3. (to the extent applicable) copies of the resolution of the shareholders of the Issuer under Section 42 of the Act, certified as correct, complete and in full force and effect by an appropriate officer of the Issuer;</li> <li>4. a copy of the resolution of the shareholders of the Issuer in accordance with Section 180(1)(c) of the Act approving the borrowing contemplated under the Transaction Documents OR a certificate of an authorised person of the Issuer confirming the non-applicability of Section 180(1)(c) of the Act;</li> <li>5. a copy of the resolution of the shareholders of the Issuer in accordance with Section 180(1)(a) of the Act approving the creation of Security over the Charged Receivables OR a certificate of an authorised person of the Issuer confirming the non-applicability of Section 180(1)(a) of the Act;</li> <li>6. a copy of the rating letter and the rating rationale issued by the Rating Agency in relation to the Debentures; Submitting to the Debenture Trustee and Debenture Holders, the rating letter issued by the Rating Agency;</li> <li>7. a copy of the consent from the Registrar to act as the registrar and transfer agent for the issue of Debentures;</li> <li>8. a copy of the consent from the Debenture Trustee to act as the debenture trustee for the issue of Debentures;</li> <li>9. Submitting to the Debenture Trustee and Debenture Holders, the rating letter issued by the Rating Agency;</li> <li>10. The Issuer shall have submitted to the Debenture Holders and Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements;</li> <li>11. The Issuer shall have submitted to the Debenture Trustee and Debenture Holders a certified true copy of the constitutional documents of the Issuer (the Memorandum and Articles of</li> </ol>



		<p>Association and the Certificate of Incorporation);</p> <p>12. The Issuer shall have submitted to the Debenture Trustee and Debenture Holders its audited account statements for the most recent financial year or audited financial half-year;</p> <p>13. Execution of Debenture Trustee Agreement, issuance of Letter appointing Trustees to the Debenture Holders and submitting to the Debenture Holder a copy of the consent letter received from the Debenture Trustee agreeing to act as Debenture Trustee for the Debenture Holders;</p> <p>14. The Issuer shall issue the Information Memorandum.</p>
54.	<b>Conditions Subsequent to Disbursement</b>	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:</p> <ol style="list-style-type: none"> <li>1. On or prior to the utilisation of the subscription monies by the Company in respect of the Debentures and in any case, within 15 (Fifteen) days from the Deemed Date of Allotment, the Company shall file of a return of allotment on the issue of the Debentures in Form PAS-3 specified pursuant to Rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, along with the requisite fee with the Registrar of Companies;</li> <li>2. Dematerialised credit of the Debentures in the demat account of Debenture Holder within 2 (Two) Business Days from the Deemed Date of Allotment.</li> <li>3. The Debentures to be listed on the Bombay Stock Exchange ("BSE") within 20 calendar days of the Deemed Date of Allotment.</li> <li>4. Creation and perfection of the Security within 30 (Thirty) days from the Deemed Date of Allotment;</li> <li>5. Filing of the relevant forms with the Registrar of Companies for the perfection of charge over the Hypothecated Assets within and no later 30 (Thirty) calendar days from the Deemed Date of Allotment; and</li> <li>6. Execution of the Debenture Trust Deed and Deed of Hypothecation in form and manner satisfactory to the Debenture Trustee;</li> </ol> <p>The Company shall ensure compliance with RBI Act including Master circulars and guidelines issued by RBI, SEBI Act, circular and Regulations, Companies Act, 2013 and other applicable laws for issuance of Debentures.</p>
55.	<b>Events of Default</b>	<p>Occurrence of any of the following events constitutes an event of default with respect to the Issuer:</p> <ol style="list-style-type: none"> <li>i. The Issuer fail to promptly pay any amount now or hereafter owing to the Investors under this agreement as and when the same shall become due and payable; or</li> <li>ii. If the Issuer fail to duly observe or perform any obligation under</li> </ol>



		<p>this agreement; or</p> <p>iii. Breach of any of the key covenants, as specified above, which are not remedied within such period of time, if any, as the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) may allow.</p> <p>iv. Breach of any of the covenants (other than those mentioned in the trust deed, representations and warranties (including any representation or warranty is held to be untrue, incomplete, incorrect or misleading in material ("material adverse changes") form contained in the Transaction Documents which are not remedied within 15 days from the date of such breach.</p> <p>v. the Issuer entering into any material arrangement or composition with his/her/its/their creditors or committing any act of insolvency, or any act the consequence of which may lead to the insolvency or winding up of the Issuer;</p> <p>vi. execution or distress or other process being enforced or levied upon or against the whole or any part of the Issuer's property whether secured to the Investor or not;</p> <p>vii. any order being made or a Resolution being passed for the winding up of the Issuer (except for the purpose of amalgamation or reconstruction with the prior approval of the Investor);</p> <p>viii. a Receiver being appointed in respect of the whole or any part of the property of the Issuer;</p> <p>ix. the Issuer being adjudicated insolvent or taking advantage of any law for the relief of insolvent debtors;</p> <p>x. the Issuer ceasing or threatening to cease to carry on business or giving or threatening to give notice of intention to do so;</p> <p>xi. Inability to pay debts, proceedings of winding up, or the Issuer's being declared or considered to be a sick company, or a relief undertaking or a protected company or a sick industrial company or a protected industrial company or otherwise, under any law, statute, rule, ordinance etc. which would have the effect of suspending or waiving all or any right against the Issuer or in respect of any contract or agreement concerning the Issuer,</p> <p>xii. The passing of any order of a court ordering, restraining or otherwise preventing the Issuer from conducting all or any material part of its business; or</p> <p>xiii. The cessation of business by or the dissolution, winding-up, insolvency or liquidation of the Issuer.</p> <p>xiv. Events of default considered appropriate for the transaction of this nature including:</p> <ul style="list-style-type: none"> <li>• Breach of any of the covenants, representations and warranties. Cure period for (a) any breach of key financial covenants to be given at the sole discretion of the Investor, and (b) breach of any other covenants, representation and warranties to be cured within 30 days.</li> <li>• Failure to file a Form CHG 9 with the Registrar of</li> </ul>
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		<p>Companies in form and substance required to perfect the Security within 30 days from the Date of Disbursement (or creation of security if creation is to happen later)</p> <ul style="list-style-type: none"> <li>• Security provided being invalid security or loss of lien on collateral</li> <li>• Unlawfulness or unenforceability of finance or security</li> <li>• Repudiation of any Transaction Document</li> <li>• Illegality for the Issuer to perform any of its obligations under the Transaction Document</li> <li>• The withdrawal, failure of renewal, or failure to obtain any statutory or regulatory approval in any relevant jurisdiction for the Debentures or any Security.</li> <li>• Representations or Warranties are found to be untrue or misleading when made or deemed to be made.</li> <li>• Cross default/ default with any other financial indebtedness of the Issuer.</li> </ul> <ul style="list-style-type: none"> <li>• The security cover falls below 1.10 times of the Outstanding Amount at any time during the currency of the Debentures and if the Issuer fails to reinstate to 1.10 times within 30 working days.</li> </ul> <p><b>On the question whether any of the acts, matters, events or circumstances mentioned in clauses (i) to (xi) and (xiii) above have happened, the opinion of the Trustee in concurrence with majority debenture holders shall be final and conclusive and be binding on the Issuer.</b></p> <p>Upon occurrence of any of the aforesaid event of default, the Debenture Trustee may by a notice in writing to the Company initiate actions as may be contemplated in the Transaction Documents including the following:</p> <p>(a) require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with this Deed and other Transaction Documents.</p> <p>(b) Declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable immediately.</p>
56.	Reporting Covenants	<p>The Company shall provide or cause to be provided to the Debenture Trustee and/or to the Debenture Holders (including on any online reporting platform notified by the Debenture Trustee or any Debenture Holder), in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:</p>



		<p>i). The Company shall provide CA certified ALM on monthly basis.</p> <p>ii). On a quarterly basis (and within such days from each Quarterly Date as may be prescribed by the Debenture Trustee), provide to the Debenture Trustee:</p> <p>(a) a certificate from the Company's director or the managing director certifying the value of the book debts/receivables; and</p> <p>(b) a certificate from an independent chartered accountant providing/confirming the value of the book debts/receivables.</p> <p>iii). On an annual basis, provide to the Debenture Trustee a certificate from the statutory auditor of the Company providing/confirming the value of the book debts/receivables;</p> <p>iv). Within such timelines as may be prescribed by the Debenture Trustee, provide a certificate from the Company's statutory auditor in respect of the utilisation of funds, containing such details and information as may be required by the Debenture Trustee.</p> <p>v). Such other information, documents and certificates as the Debenture Trustee may reasonably request.</p>
57.	<b>Financial Covenants</b>	Minimum CRAR shall be maintained as prescribed by the Reserve Bank of India.
58.	<b>Affirmative Covenants</b>	<p>(a) To utilise the proceeds of this issue in accordance with applicable laws and regulations</p> <p>(b) To promptly inform notice of winding up / other legal proceedings</p> <p>(c) To promptly inform Material adverse effect</p> <p>(d) To provide the investor with access to data / information / meetings with the management team for periodical portfolio monitoring</p> <p>(e) To comply with corporate governance, fair practices code prescribed by RBI</p> <p>And as set out in greater detail in the Debenture Trust Deed.</p> <p>The Issuer shall also undertake that it would rework the Asset liability structure within three months to have positive ALM in each bucket for the first three months and on cumulative basis for the remaining period.</p>
59.	<b>Negative Covenants</b>	<p>The issuer shall take the prior written permission from the Investor / Debenture Trustee for the following:</p> <p>(a) Any change in Promoter, or control.</p> <p>(b) Redeem, purchase, buyback, defease, retire, return or repay any of its equity share capital or resolve to do so.</p> <p>(c) Mergers, acquisitions, investment in associates, JVs and subsidiaries including disposal of any of the above</p> <p>(d) Change in nature of business of the Company</p>





		<p>(e) Change in its Memorandum or Articles of Association except for increasing the authorized share capital and for common seal clause</p> <p>(f) Loans exceeding 10% of net-worth to any single party and/or guarantees on behalf of third parties</p> <p>(g) Declare dividend on equity/preference shares when an Event of Default is subsisting</p> <p>(h) Material compromise or settlement</p> <p>a) And as set out in greater detail in the Debenture Trust Deed</p>
60.	<b>Representations and Warranties</b>	<ol style="list-style-type: none"> <li>1. The Company is registered with the RBI as an NBFC</li> <li>2. No Event of Default has occurred and is continuing on the date of this transaction</li> <li>3. Binding obligation of Transaction Documents</li> <li>4. No conflict with other obligations / constitutional documents</li> <li>5. No Material Adverse Change in business, condition or operations of the Issuer</li> <li>6. Company has the power and authority to issue Debentures and such Transactions Documents are valid and admissible in evidence</li> <li>7. Absence of any pending or threatened litigation, investigation or proceedings that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Issuer or that purports to affect the Facility Illegality.</li> </ol> <p>And as set out in greater detail in the Debenture Trust Deed.</p>
61.	<b>Indemnification</b>	The Issuer will indemnify, and hold harmless the Debenture Holders from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer or its Promoter/s.
62.	<b>Issuer's Undertaking</b>	The Issuer undertakes that it has executed/ shall execute the documents including but not limited to the following in connection with the Issue: <ol style="list-style-type: none"> <li>1. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form;</li> <li>2. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</li> <li>3. Letter appointing KFin Technologies Private Limited as Registrar;</li> </ol>
63.	<b>Payment Mechanism</b>	Payment of the Application Money will be made by the Applicants by way of electronic modes of transfer (including by way of RTGS).
64.	<b>Provisions related to Cross Default Clause</b>	The Issuer: <ol style="list-style-type: none"> <li>(a) defaults in any payment of any Financial Indebtedness beyond the period of grace (not to exceed 30 (thirty) days), if any, provided in the instrument or agreement under which such</li> </ol>



		<p>Financial Indebtedness was created;</p> <p>(b) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity; or</p> <p>(c) any Financial Indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.</p>
65.	<b>Role and Responsibilities of Debenture Trustee</b>	The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty
66.	<b>Governing Law and Jurisdiction</b>	The Transaction Documents are governed by and construed in accordance with the laws of India. All disputes in respect of the Transaction Documents shall be subject to the exclusive jurisdiction of the courts and tribunals of Rajasthan, India.
67.	<b>Other Expenses</b>	Any expenses that may be incurred towards executing of this transaction including NCD issuance, custodial services, payment of stamp duty, fees for legal, accounting, due diligence and others shall be borne by the Issuer.
68.	<b>Transaction Costs</b>	<p>The Issuer shall bear all transaction related costs incurred by the Debenture Holders with respect to legal counsel, valuers and auditors/consultants. Such costs include:</p> <ol style="list-style-type: none"> <li>1. Trustee fees</li> <li>2. Listing fees</li> <li>3. Rating</li> <li>4. Any other reasonable transaction related expense incurred by the Debenture Holders</li> </ol> <p>Stamping and registration in relation to all Transaction Documents.</p>
69.	<b>Taxes, Duties, Costs and Expenses</b>	<ol style="list-style-type: none"> <li>1. Relevant taxes, duties and levies are to be borne by the Issuer.</li> <li>2. The charges / fees and any amounts payable under this Debentures by the Issuer as mentioned herein do not include any applicable</li> </ol>



		taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.
70.	<b>Additional Disclosures (Security Creation (where applicable))</b>	Security Creation: If the Company fails to execute the Debenture Trust Deed and charge documents within 30 days of the issue closure, the Company shall pay penal interest at the rate of 2.00% p.a. over the Coupon Rate till these conditions are complied with or refund the subscription (ie. redemption at par) along with other monies/accrued interest due in respect thereof, at the option of the Bondholders.
71.	<b>Additional Disclosures (Default in Payment)</b>	Default in Payment: In case of default in payment of interest and/ or principal redemption on the due dates, the Company shall pay additional interest at the rate of 2.00% p.a. over the Coupon Rate for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid.
72.	<b>Additional Disclosures (Delay in Listing)</b>	Delay in Listing: The Company shall make listing application to BSE and/ or NSE within 15 days from the Deemed Date of Allotment of the Bonds and obtain listing permission within 20 calendar days from the Deemed Date of Allotment of Bonds. In case of delay in listing of the Bonds beyond 20 calendar days from the Deemed Date of Allotment, the Company shall pay penal interest at the rate of 1% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s).

*Note:*

1. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.

2. The penal interest rates mentioned above as payable by the Issuer are independent of each other.



## SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities made on private placement, the following disclosures are required to be made:

1. Name of the bank declaring the entity as a Wilful Defaulter: N.A
2. The year in which the entity is declared as a Wilful Defaulter: N.A
3. Outstanding amount when the entity is declared as a Wilful Defaulter: N.A
4. Name of the entity declared as a Wilful Defaulter: N.A
5. Steps taken, if any, for the removal from the list of wilful defaulters: N.A
6. Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: N.A
7. Any other disclosure as specified by the Board: N.A



## SECTION 7: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum and other terms and conditions as may be incorporated in the Transaction Documents.

### 7.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely and transmittable by the Debenture Holder(s) in whole or in part without the prior consent of the Issuer.

The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other Applicable Laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DP's of the transferor or transferee and any other Applicable Laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

The Debenture Holder(s) shall also have the right to novate, transfer or assign its rights and/or the benefits under the Transaction Documents upon such transfer/transmission of the Debentures. The Company shall not assign any of the rights, duties or obligations under the DTD or in relation to the Debentures without the prior written consent of the Debenture Trustee (acting on the instructions of all the Debenture Holder(s)).

### 7.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

### 7.3 Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/intend to enter into the Debenture Trustee Agreement and the DTD, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds,



matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion, subject to Applicable Law, deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the DTD, at the cost of the Issuer. The Debenture Trustee Agreement and the DTD shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

#### **7.4 Sharing of Information**

The Issuer may, upon obtaining a prior written consent of the Debenture Holders, but subject to Applicable Laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

#### **7.5 Debenture Holder not a Shareholder**

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

#### **7.6 Modification of Debentures**

The Debenture Trustee and the Issuer will agree to make any modifications in the Information Memorandum which, in the opinion of the Debenture Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders as set out below:

- (a) Creating of any additional security; and
- (b) Amendment to the terms and conditions of the Debentures or the Transaction Documents.

#### **7.7 Right to accept or reject Applications**

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

#### **7.8 Notices**

Any notice in respect of the Debentures may be served by the Issuer upon the Debenture Trustee/Debenture Holders in accordance with the terms of the Transaction Documents.



### 7.3 Issue Procedure

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the Applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the Applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The Applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account as per the details mentioned in the Application Form.

The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Guidelines by placing bids on the EBP Platform during the Issue period. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as an "investor" on the EBP Platform (as a onetime exercise) and also complete the mandatory "know your customer" verification process. The Eligible Investors should also refer to the operational guidelines of the relevant EBP in this respect. The disclosures required pursuant to the EBP Guidelines are set out hereinbelow:

<b>Details of size of issue including green shoe option, if any and a range within which green shoe may be retained (if applicable)</b>	300 (Three Hundred) rated, secured, senior, redeemable, taxable, transferable, listed, non-convertible debentures denominated in Indian Rupees ("INR") each having a face value of INR 10,00,000 (Indian Rupees Ten Lakhs) aggregating to a face value of INR 30,00,00,000 (Indian Rupees Thirty Crore)  Green Shoe Option: N.A.
<b>Bid opening and closing date</b>	Bid opening date: September 02, 2020 from 10.00 A.M.  Bid closing date: September 02, 2020 till 03.00 P.M.
<b>Minimum Bid Lot</b>	Minimum 300 (Three Hundred) Debentures of INR 10,00,000 (Indian Rupees Ten Lakhs) each, aggregating to INR 30,00,00,000 (Indian Rupees Thirty Crore)
<b>Manner of bidding in the Issue</b>	Closed bidding
<b>Manner of allotment in the Issue</b>	Uniform Yield Allotment
<b>Manner of settlement in the Issue</b>	Pay-in-of funds through ICCL.  The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below.



<b>Settlement Cycle</b>	T+1 Settlement of the Issue will be on September 03, 2020.
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**Process flow of settlement:**

Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Information Memorandum along with the PPOA have been issued by the Issuer and who have submitted/shall submit the application form ("Successful Bidders"), shall make the payments in respect of the Application Money in respect of the Debentures towards the allocation made to them, into the bank account of the ICCL, the details of which are as set out below, on the Deemed Date of Allotment:

	ICICI BANK	YES BANK	HDFC BANK
Beneficiary Name	INDIAN CLEARING CORPORATION LTD	INDIAN CLEARING CORPORATION LTD	INDIAN CLEARING CORPORATION LIMITED
Account Number	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060
Mode	NEFT/RTGS	NEFT/RTGS	NEFT/RTGS

The pay-in of the Application Money by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by them in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of ICCL and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the ICCL, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the relevant Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account, the details of which are as set out below:

Name	Kogta Financial (India) Limited- NCD A/c
Account No.	36735099009
IFS Code	SBIN0004080
Bank Name	State Bank of India
Branch	SME Branch & Second Floor, Anukampa Tower, Church Road, Jaipur – 302001, Rajasthan.
Account Type	Current Account

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable as specified by the EBP Guidelines and other Applicable Law.

**7.10 Application Procedure**





Eligible Investors will be invited to subscribe by way of the Application Form prescribed in the Information Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the Issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule and the procedure will be subject to the EBP Guidelines.

#### **7.11 Fictitious Applications**

All fictitious applications will be rejected.

#### **7.12 Basis of Allotment**

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. In case of over subscription, Allotment shall be made on a "yield time priority basis" in accordance with the EBP Guidelines. The investors will be required to remit the funds in the account of the ICCL as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

#### **7.13 Payment Instructions**

The Application Form should be submitted directly. The entire Application Money per Debenture is payable along with the making of an application in accordance with Section 7.9 above.

#### **7.14 Procedure for Applying for Dematerialised Facility**

- (a) The Applicant must have at least one beneficiary account with any of the DP's of NSDL prior to making the application.
- (b) The Applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- (c) Debentures allotted to an Applicant will be credited to the Applicant's respective beneficiary account(s) with the DP.
- (d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the Applicant by the Registrar and Transfer Agent to the Issue.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.



- (g) For allotment of Debentures, the address, nomination details and other details of the Applicant as registered with his/her DP shall be used for all correspondence with the Applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- (h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

#### **7.15 Depository Arrangements**

The Issuer shall make necessary arrangement with NSDL/CDSL for issue and holding of Debenture in dematerialised form.

#### **7.16 List of Beneficiaries**

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

#### **7.17 Application under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

#### **7.18 Procedure for application by Mutual Funds and Multiple Applications**

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The Application Forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:



- (a) SEBI registration certificate
- (b) Resolution authorizing investment and containing operating instructions
- (c) Specimen signature of authorized signatories

#### **7.19 Documents to be provided by potential Investors**

Investors need to submit the following documents, as applicable:

- (a) Memorandum and Articles of Association or other constitutional documents
- (b) Resolution authorising investment
- (c) Certified true copy of the Power of Attorney to custodian
- (d) Specimen signatures of the authorised signatories
- (e) SEBI registration certificate (for Mutual Funds)
- (f) Copy of PAN card
- (g) Application Form (including EFT/RTGS details)

#### **7.20 Applications to be accompanied with Bank Account Details**

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through cheque/EFT/RTGS.

#### **7.21 Succession**

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s).

#### **7.22 Mode of Payment**

All payments must be made through cheque(s) demand draft(s), NEFT/RTGS as set out in the Application Form.

#### **7.23 Effect of Holidays**

- (b) If any Due Date on which any interest or additional interest is payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the succeeding Business Day.
- (c) If any Due Date on which any Outstanding Principal Amounts are payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the preceding Business Day.
- (d) If the Redemption Date falls on a day which is not a Business Day, the payment of any amounts in respect of any interest and the Outstanding Principal Amounts to be made shall be made on the preceding Business Day

#### **7.24 Tax Deduction at Source**



- (a) All payments to be made by the Company to the Debenture Holders under the Transaction Documents shall be made free and clear of and without any Tax deduction unless the Company is required to make a Tax Deduction pursuant to Applicable Law.
- (b) The Company shall promptly upon becoming aware that it must make a Tax deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Debenture Trustee accordingly.
- (c) If the Company is required to make a Tax deduction, it shall make that Tax deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by Applicable Law.
- (d) Within the earlier of (i) 60 (sixty) calendar days of making either a Tax deduction or any payment required in connection with that Tax Deduction or (ii) 60 (sixty) calendar days of each Due Date, the Company shall deliver to the Debenture Trustee evidence reasonably satisfactory to the Debenture Trustee that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant Tax authority.

#### **7.25 Letters of Allotment/Credit of Allotment**

The letter of allotment, indicating allotment of the Debentures or the actual credit of the Debentures, will be credited in dematerialised form within 2 (two) Business Days from the Deemed Date of Allotment.

#### **7.26 Deemed Date of Allotment**

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is September 03, 2020 by which date the Investors would be intimated of allotment.

#### **7.27 Record Date**

The Record Date will be 7 (seven) calendar days prior to the proposed date on which any payments are required to be made in respect of the Debentures to the Debenture Holders.

#### **7.28 Refunds**

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

#### **7.29 PAN**

Every applicant should mention its PAN allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

#### **7.30 Payment on Redemption**



All interest, principal repayments, penal interest and other amounts, if any, payable by the Company to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders' inform the Company in writing and which details are available with the Registrar. Credit for all payments will be given only on realisation.

**Disclaimer:** Please note that only those persons to whom this Information Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Provisions in respect of investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.



## SECTION 8: DECLARATION

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other Applicable Laws have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.


- A. The Company has complied with the provisions of the Companies Act, 2013 and the rules made hereunder;
- B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government;
- C. The monies received under the offer shall be used only for the purposes and objects indicated in this Information Memorandum;

I am authorized by the Board of Directors of the Issuer vide resolution number 13 dated January 29, 2020, read together with the resolution dated July 10, 2020 of the board of directors and resolution dated August 26, 2020 of the Loan & Investment Committee of the Company, to sign this Information Memorandum and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with.

Whatever is stated in this Information Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Information Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Information Memorandum.

For KOGTA FINANCIAL (INDIA) LIMITED

  
\_\_\_\_\_

Authorised Signatory  
Name: Rahul Agrawal  
Title: Company Secretary & Compliance Officer  
Date: 02/09/2020



## ANNEXURE I: COPY OF THE RATING



CARE/JRO/RL/2020-21/1289

Mr. Varun Kogta  
Director  
Kogta Financial (India) Limited  
206, Ganpati Plaza, M. I. Road,  
Jaipur - 302001

August 28, 2020

Confidential

Dear Sir,

**Credit rating for proposed Non-Convertible Debenture issue**

Please refer to your request for rating of proposed long-term non-convertible debenture (NCD) issue aggregating to Rs.30.00 crore of your company. The proposed NCDs would have tenure of 18 months with bullet repayment at maturity.

2. The following ratings have been assigned by our Rating Committee:

Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Proposed Non-Convertible Debenture	30.00	CARE A-; Stable (Single A Minus; Outlook: Stable)	Assigned
Total Instruments	30.00 (Rupees Thirty crore only)		

3. Please refer Annexure I for details of the rated instrument.
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is August 28, 2020).
5. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
6. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument	ISIN	Issue	Coupon	Coupon	Terms	of	Redemption	Name	and	Details of
------------	------	-------	--------	--------	-------	----	------------	------	-----	------------

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

Page 1 of 11  
CARE Ratings Ltd,

CORPORATE OFFICE: 4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.  
Tel.: +91-22-6754 3456 • Fax: +91-22- 022 6754 3457  
Email: [care@careratings.com](mailto:care@careratings.com) • [www.careratings.com](http://www.careratings.com)  
CIN: L67100MH1999PLC071601

301 & 304, Pashupati Akshat Heights, Plot No. D-91 Madho Singh Road, Near Collectorate Circle Bani Park, Jaipur - 302 016  
Tel: +91-141-4020213 / 14



type		Size (Rs cr)	Rate	Payment Dates	Redemption	date	contact details of Debenture Trustee	top 10 Investors
------	--	--------------------	------	------------------	------------	------	---	---------------------

7. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
8. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure II. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by August 31, 2020, we will proceed on the basis that you have no any comments to offer.
9. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
10. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.
11. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
12. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.





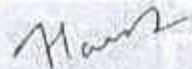
13. CARE ratings are not recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,  
Yours faithfully,



[Yateesh Juneja]  
Deputy Manager  
[yateesh.juneja@careratings.com](mailto:yateesh.juneja@careratings.com)  
Encl.: As above



[Harshraj Sankhla]  
Senior Manager  
[harshraj.sankhla@careratings.com](mailto:harshraj.sankhla@careratings.com)

**Disclaimer**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.



ANNEXURE II: COPY OF THE CONSENT LETTER FROM THE DEBENTURE TRUSTEE

**CATALYST**

Believe in yourself... Trust Us!



CL/MUM/28-21/DEB/303

August 26, 2020

To,  
**Kogta Financial (India) Ltd**  
Kogta House, Azad Mohalla  
Near Rly.Station, Bijainagar,  
Rajasthan-305624

Kind Attn: Mr. Rahul Agarwal

Dear Sir,

Consent to act as Trustee for Rated, Listed, Secured Redeemable Non-Convertible Debentures (NCDs) aggregating upto INR 30 crores to be issued by your Company on private placement basis

This is with reference to the discussion we had in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the captioned NCDs on a private placement basis.

In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary Debenture documents for the aforesaid issue of NCDs also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, the RBI Circular No.RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013, the Companies (Share Capital and Debenture) Rules, 2014 and any other applicable statutes, regulations and provisions as amended from time to time.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ any other document to be filed with the statutory authority or any other authority as required.

For Catalyst Trusteeship Limited

For CATALYST TRUSTEESHIP LIMITED

Authorized Signatory

We accept the above terms  
For Kogta Financial (India) Ltd

Authorized Signatory



CATALYST TRUSTEESHIP LIMITED, 7th Floor, Office No. 804, 259, Bopal, Bopal, Sarvodaya (East), Mumbai 400 050. Tel: +91 22 2754 0223 0555. Fax: +91 22 2754 0223 4525

Mumbai Office: 7th Floor, Office No. 804, 259, Bopal, Bopal, Sarvodaya (East), Mumbai 400 050. Tel: +91 22 2754 0223 0555. Fax: +91 22 2754 0223 4525

Bangalore Office: 6th Floor, 815, 9th Phase, Indira Nagar, Bangalore. Tel: +91 80 2611 2200 001. Fax: +91 80 2611 2200 002

Delhi Office: 6th Floor, 815, 9th Phase, Indira Nagar, Bangalore. Tel: +91 80 2611 2200 001. Fax: +91 80 2611 2200 002

Chennai Office: 6th Floor, 815, 9th Phase, Indira Nagar, Bangalore. Tel: +91 80 2611 2200 001. Fax: +91 80 2611 2200 002

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**ANNEXURE III: REPAYMENT SCHEDULE**

<b>Face Value – Rs. 10,00,000 per NCD</b>						
<b>Amount Invested – Rs. 30,00,00,000/-</b>						
<b>Coupon Rate - 9.50%</b>						
<b>Months</b>	<b>Date</b>	<b>Net Cash Flow</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal O/S</b>	<b>Days</b>
	03 <sup>rd</sup> September, 2020	(30,00,00,000)			(30,00,00,000)	
12 <sup>th</sup>	03 <sup>rd</sup> September, 2021		10,00,00,000.00	2,85,00,000.00	(20,00,00,000)	365
15 <sup>th</sup>	03 <sup>rd</sup> December, 2021		10,00,00,000.00		(10,00,00,000)	91
18 <sup>th</sup>	03 <sup>rd</sup> March, 2022		10,00,00,000.00	70,79,452.05	--	90



ANNEXURE IV: APPLICATION FORM

APPLICATION FORM  
KOGTA FINANCIAL (INDIA) LIMITED  
CIN: U67120RJ1996PLC011406

A public unlisted limited company incorporated under the Companies Act, 1956

Date of Incorporation: January 15, 1996

Registered Office: 'Kogta House' Azad Mohalla, Near Rly. Station, Bijainagar - 305624, Rajasthan  
Corporate Office: S-1, Gopal Bari, Near Ajmer Pulia, Opposite Metro Pillar No. 143, Jaipur - 302001,  
Rajasthan.

Telephone No.: +91 141 - 6767000

Website: www.kogta.in

APPLICATION FORM SERIAL NO.				
-----------------------------	--	--	--	--

300 (Three Hundred) Rated, Secured, Senior, Redeemable, Taxable, Transferable, Listed, INR denominated Non-Convertible Debentures (NCDs) of face value of Rs. 10,00,000/- (Indian Rupees Ten lakhs) each, aggregating up to Rs. 30,00,00,000/- (Indian Rupees Thirty Crore) on a private placement basis (the "Issue").

Debentures applied for:

Number of Debentures: \_\_\_\_\_ In words \_\_\_\_\_

Amount Rs. \_\_\_\_\_ /-in words (Rupees \_\_\_\_\_ Only)

DETAILS OF PAYMENT:

NEFT/ RTGS

No. \_\_\_\_\_ Drawn on \_\_\_\_\_ Bank

Funds transferred to Kogta Financial (India) Limited

Dated \_\_\_\_\_

Total Amount Enclosed

(In Figures) Rs. \_\_\_\_\_ /- (In words) Indian Rupees \_\_\_\_\_  
Only



APPLICANT'S NAME IN FULL (CAPITALS)

SPECIMEN SIGNATURE

--	--

APPLICANT'S ADDRESS:

ADDRESS					
STREET					
CITY					
PIN		PHONE		FAX	

APPLICANT'S PAN/GIR NO. \_\_\_\_\_ IT CIRCLE/WARD/DISTRICT \_\_\_\_\_

I AM / WE ARE  COMPANY  OTHERS  SPECIFY \_\_\_\_\_

We have read and understood the terms and conditions of the issue of Debentures and have considered the risk factors in making our decision to apply. We bind ourselves to these terms and conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the register of holders.

Name of the Authorised Signatory(ies)	Designation	Signature

\_\_\_\_\_  
Applicant's Signature

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

<b>DEPOSITORY</b>	NSDL ( ) CDSL ( )
Depository Participant Name	
DP-Id	



Beneficiary Account Number	
Name of the Applicant(s)	

<b>Applicant Bank Account:</b> <b>NEFT/ RTGS</b> (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	
--	--

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

*(Note: Cheque and Drafts are subject to realisation)*

We understand and confirm that the information provided in the information memorandum dated September 02, 2020 is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have, for the purpose of investing in these Debentures, carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

\_\_\_\_\_  
Applicant's Signature

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

*(Note: Cheque and Drafts are subject to realisation)*

------(TEAR HERE)-----



**- ACKNOWLEDGMENT SLIP -**

(To be filled in by Applicant) SERIAL NO. 

--	--	--	--	--	--

Received from \_\_\_\_\_

Address _____	
Cheque/Draft/UTR # _____	Drawn on _____ for Rs. _____
_____ on account of application of Debenture	

\_\_\_\_\_  
\_\_\_\_\_

Initial of the Officer of Kogta Financial (India) Limited designated to keep the record

**INSTRUCTIONS**

1. Application form must be completed in full, IN ENGLISH.
2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.
3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. The payment is required to be made to the following account of ICCL by way of an electronic transfer, in accordance with the terms of the EBP Guidelines:

	ICICI BANK	YES BANK	HDFC BANK
Beneficiary Name	INDIAN CLEARING CORPORATION LTD	INDIAN CLEARING CORPORATION LTD	INDIAN CLEARING CORPORATION LIMITED
Account Number	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060
Mode	NEFT/RTGS	NEFT/RTGS	NEFT/RTGS

4. The Company undertakes that the application money deposited in the above-mentioned bank account shall not be utilized for any purpose other than
  - (a) for adjustment against allotment of securities; or
  - (b) for the repayment of monies where the company is unable to allot securities.



5. Receipt of applicants will be acknowledged by the Company in the "Acknowledgement Slip" appearing below the application form. No separate receipt will be issued.
6. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest including interest payable on application money.
7. The application would be accepted as per the terms of the Scheme outlined in the transaction documents for the private placement





**ANNEXURE V: SHAREHOLDERS RESOLUTIONS AND BOARD RESOLUTIONS**

(Enclosed Herewith)



**ANNEXURE VI: AUDITED FINANCIAL STATEMENTS OF LAST 3 YEARS ALONG WITH  
AUDIT REPORTS**

(Enclosed Herewith)



**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF KOGTA FINANCIAL (INDIA) LIMITED HELD ON MONDAY ON 27TH DAY OF AUGUST, 2018 AT 1:00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT "KOGTA HOUSE", AZAD MOHALLA BIJAINAGAR - 305624, RAJASTHAN**

**AUTHORITY TO CREATE MORTGAGE, CHARGE ETC. TO SECURE BORROWINGS UPTO AN AGGREGATE VALUE NOT EXCEEDING RS. 2000 CRORES.**

**\*RESOLVED THAT** in supersession of the special resolution passed by the Members of the Company at the Twenty First Annual General Meeting held on 25th August, 2017 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, the consent of the Members be and is hereby accorded to authorise the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company including deferred sales tax loans availed / to be availed by various Units of the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act (i.e. Rs. 20,00,00,00,000/- Rupees Two Thousand crores only) together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans / borrowings / debentures / securities / deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed

**Kogta Financial (India) Limited**

CIN - U67120RJ2011PLC011400

S-1, Gopalbati, Near Anand Puri, Opp. Metro Pkwy No. 144, Jaipur-302017, Rajasthan, India | Tel No. : +91-141-6267000

Registered Office : Kogta House, Azad Mohalla, Bijainagar - 305624, Rajasthan, India | Email : info@kogta.in | www.kogta.in



to between the Board and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies), etc.

**FURTHER RESOLVED THAT** the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, the Board or committee of the board thereof be and is hereby authorised to finalise, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid."

For **KOGTA FINANCIAL (INDIA) LIMITED**



**RAHUL AGRAWAL**  
**COMPANY SECRETARY &**  
**COMPLIANCE OFFICER**  
**MEM. NO. :- A34034**



Date: 09/06/2020  
Place: Jaipur



**Kogta Financial (India) Limited**

CIN : U67120RJ2009PLC011409

8-1, Canalbank, Near Ajmer Pula, Cop. Metro Pkcar No. 140, Jaipur-302004, Rajasthan, India | Tel No. :- +91-141-6767000

Registered Office : Kogta House, Azad Mahalla, Bikaner - 309004, Rajasthan, India | Email : info@kogta.in | www.kogta.in

**CERTIFIED TRUE COPY OF THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANY ACT 2013**

Since the provisions of section 180(1)(a) of the Companies Act, 2013, every company is required to obtain approval of the members in general meeting by way of special resolution to authorize the Board of directors and/or Committee of the Board to sell, lease or otherwise dispose of the immovable property(ies) or undertaking(s) of the Company.

Further, while borrowing money or monies from any Bank(s), Financial Institution(s) Person(s), Firm(s), Bodies Corporate or others, the company has to mortgage or create charge on its properties including immovable properties of the company. So, it is proposed to authorise the Board and/or committee of Board to create charge, mortgage, sell, lease or dispose of the property and undertaking(s) of the company in respect of the borrowings of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, except to the extent of their shareholding, if any, in the Company.

For **KOGTA FINANCIAL (INDIA) LIMITED**



**RAHUL AGRAWAL**  
**COMPANY SECRETARY &**  
**COMPLIANCE OFFICER**  
**MEM. NO.: A34034**



**Kogta Financial (India) Limited**

CIN - U07120BJ2005PLC011400

S-1, Capitalist, Near Ajmer Park, Opp. Metro Pillar No. 143, Jaipur-302002, Rajasthan, India | Tel No. : +91-141-6767000

Registered Office : Kogta House, Azad Memorial, Bijnor - 205024, Rajasthan, India | Email : info@kogta.in | www.kogta.in


**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF KOGTA FINANCIAL (INDIA) LIMITED HELD ON MONDAY ON 27TH DAY OF AUGUST, 2018 AT 1:00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT "KOGTA HOUSE", AZAD MOHALLA BAJAINAGAR - 305624, RAJASTHAN**

**AUTHORITY TO ACCEPT BORROWINGS UPTO AN AGGREGATE VALUE NOT EXCEEDING TO RS. 2000 CRORES.**

**"RESOLVED THAT** in supersession of the special resolution passed by the Members of the Company at the Twenty First Annual General Meeting held on 25th August, 2017 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to authorise the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided however that the sums so borrowed and remaining outstanding on account of principal shall not, at any time, exceed Rs. 20,00,00,00,000/- (Rupees Two Thousand crores only) and that the Board or committee of the Board thereof be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, Mr. Varun Kogta and Mr. Radha Krishan Kogta, Directors of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

**For KOGTA FINANCIAL (INDIA) LIMITED**

  
**RAHUL AGRAWAL**  
**COMPANY SECRETARY &**  
**COMPLIANCE OFFICER**  
**MEM. NO.: - A34034**



Date: 09/06/2020  
Place: Jaipur

**Kogta Financial (India) Limited**

CIN - U67129RJ1998PLC011406

S-1, Sindhori, Near Ayaz Palla, Opp. Metro Park, No. 143, Jaipur-302001, Rajasthan, India | Tel No. : +91-141-6797000

Registered Office : Kogta House, Azad Mohalla, Bajainagar - 305624, Rajasthan, India | Email : info@kogta.in | www.kogta.in

**CERTIFIED TRUE COPY OF THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANY ACT 2013**

Since the provisions of section 180(1)(c) of the Companies Act, 2013 states that the Board of directors of a company could borrow money together with the moneys already borrowed by the Company in the ordinary course of business, to the extent of paid up share capital and free reserves of the company and for borrowing monies in excess of the Paid up share capital and Free reserves, the consent and approval of the members of the company in General Meeting by way of Special resolution has to be obtained.

Further, as you know that for business and operational purpose, the Company borrow money/moneys from time to time. So, in this regard authority is proposed to be given to the Board of directors and/or Committee of the Board to borrow monies to the limit of Rs. 2000 Crores and such approval of the members of the company is sought in this annual general meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution, except to the extent of their shareholding, if any, in the Company.

For **KOGTA FINANCIAL (INDIA) LIMITED**



**RAHUL AGRAWAL**  
**COMPANY SECRETARY &**  
**COMPLIANCE OFFICER**  
**MEM. NO.: A34034**



**Kogta Financial (India) Limited**

CIN - UBT12WJ1026910011408

6-1, Gopibor, Near Ajmer P.O., Opp. Metro P.O. No. 143, Jaipur-302001, Rajasthan, India | Tel No. : +91-141-3707609

Registered Office : Kogta House, Acid Wokhla, Bikaner - 301024, Rajasthan, India | Email : info@kogta.in | www.kogta.in

**CERTIFIED TRUE COPY OF THE RESOLUTION NUMBER 13 PASSED AT THE SIXTH MEETING OF THE BOARD OF DIRECTORS OF KOGTA FINANCIAL (INDIA) LIMITED OF THE FINANCIAL YEAR 2019-2020 HELD ON WEDNESDAY, 29<sup>th</sup> DAY OF JANUARY, 2020 AT S-1, GOPAL BARI, NEAR AJMER PULIA, OPPOSITE METRO PILLAR NO. 143, JAIPUR - 302001, RAJASTHAN, INDIA AT 03:30 P.M.**

**TO CONSIDER, REVIEW AND APPROVE THE LIMIT TO ISSUE NON-CONVERTIBLE DEBENTURES/BONDS/COMMERCIAL PAPER(S) AND OTHER DEBT SECURITIES, THROUGH PRIVATE PLACEMENT ISSUE TO THE POTENTIAL INVESTORS OF THE COMPANY.**

**"RESOLVED THAT** in suppression of the earlier Board Resolution passed in Board Meeting held on January 17, 2019 and pursuant to the provisions of Section 179(3) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) other applicable provisions of the Companies Act 2013, as amended (the "Companies Act") and in accordance with the provisions of SEBI (Issue & Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI Regulations") and with enabling provisions of Memorandum of Association and Articles of Association of the Company, the Board of Directors (hereinafter referred to as the "Board") of the Company be and hereby accorded to issue of redeemable non-convertible debt securities in the form of secured/unsecured and senior/or subordinate debts (hereinafter referred to as the "NCDs") / bonds / commercial paper(s) and other debt securities, through "private placement issue" in one of or more series /tranches to debenture holder(s)/Investor(s) (the "Identified persons") as may be decided by the Board, upon such terms and conditions may be agreed with the eligible persons, subject to due compliance with Reserve Bank of India Directions to the extent applicable and also any other law, rules, directions issued by any other regulatory authorities, in this regard, provided that the outstanding amount at any time during the period shall not exceed INR 5,00,00,00,000 (Indian Rupees Five Hundred Crores).

**RESOLVED FURTHER THAT** for the purpose to give effect to this resolution Mr. Varun Kogta, Whole Time Director & Chief Financial Officer and Mr. Radha Krishan Kogta, Chairman of the Company be and are hereby severally authorized on behalf of the Company to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary e-forms with the Registrar of Companies."

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

*Rahul Agrawal*  
**RAHUL AGRAWAL  
COMPANY SECRETARY &  
COMPLIANCE OFFICER  
MEM. NO.:- A34034**



**Date: 17/02/2020  
Place: Jaipur**



**Kogta Financial (India) Limited**

GN - 0971209/1903PLCO/1400

S-1, Goodline, Near Ajmer Pulia, Opp. Metro Pillar No. 143, Jaipur - 302001, Rajasthan, India | Tel No. : +91-141-0267000

Registered Office : Xajga House, Kold Malaha, Bikaner - 330026, Rajasthan, India | Email : info@kogta.in | www.kogta.in



**CERTIFIED TRUE COPY OF THE CIRCULAR RESOLUTION NUMBER 07 FOR THE FINANCIAL YEAR 2020-21 PASSED BY THE BOARD OF DIRECTORS OF KOGTA FINANCIAL (INDIA) LIMITED (THE "COMPANY") THROUGH PASSING OF RESOLUTION BY CIRCULATION ON FRIDAY ON THE 10<sup>th</sup> DAY OF JULY, 2020.**

**TO CONSIDER AND APPROVE MATTERS RELATED TO ISSUE NON-CONVERTIBLE DEBENTURE(S) THROUGH PRIVATE PLACEMENT BASIS IN DEMATERIALIZED FORM.**

**"RESOLVED THAT** In accordance with the resolution passed in the Board Meeting held on January 29, 2020 and pursuant to the provisions of the Memorandum and Articles of Association of the Company, Section 42, 71, 179, 180(1)(a), 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and in accordance with Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, all other applicable provisions of the Act, the Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008, Listing Agreement to be entered into by the Company with BSE Limited ("BSE"), in accordance with the RBI's (as defined below) master direction on "Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016", and RBI's master directions on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 and/or the Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, the issuance of private placement of NCDs is proposed with minimum subscription of Rs. 1,00,00,000 (Indian Rupees One Crore) per investor and having no limit on the number of subscribers, and in accordance with other circular(s) and clarification(s) issued by the Reserve Bank of India ("RBI") as applicable to non-banking financial companies, from time to time and other applicable laws, if any, and pursuant to the approval of the shareholders of the Company in their meeting held on August 27, 2018 pursuant to Sections 180(1)(a) and 180(1)(c) of the Act, the consent of the Board be and is hereby accorded for the issue, offer and allotment of Non-Convertible Debentures, of aggregating amount of Rs. 1,90,00,00,000/- (Indian Rupees One Hundred Ninety Crores) ("Debentures") on a private placement basis to Public Sector Undertaking Banks ("Eligible Investors") (as mentioned below and being the Identified person(s) for the purposes of Section 42 of the Act) on a face value, no. of NCDs and aggregate amount as mutually decide with the eligible investors till September 30, 2020 and get the said Debentures listed in the Wholesale Debt Market segment of BSE Limited.

Name of Public Sector Undertaking Banks ("eligible Investors")	
State Bank of India	Indian Bank
Bank of Baroda	Bank of Maharashtra
Union Bank of India	Bank of India
Punjab National Bank	Central Bank of India
Canara Bank	Indian Overseas Bank
Punjab & Sind Bank	UCO Bank

**Kogta Financial (India) Limited**

CIN - U67120RJ1999PLC011406

S-1, Gopalbadi, Near Ajmer Pulia, Opp. Metro Pillar No. 143, Jaipur-302001, Rajasthan, India | Tel No. : +91-141-6767000

Registered Office : Kogta House, Azad Mohalla, Bikaner - 305624, Rajasthan, India | Email : info@kogta.in | www.kogta.in



**RESOLVED FURTHER THAT** the Loan & Investment Committee (as constituting of Mr. Varun Kogta, Whole Time Director & Chief Financial Officer as Chairman, Mr. Arun Kogta, Managing Director & Chief Executive Officer as Member, Mr. Amit Mehta, Nominee Director as Member, Mr. Nayan Kogta, Chief Operating Officer as Member & Mr. Shobhit Nawal, Finance Controller as Member) of the Company be and is hereby authorized and empowered to offer and allot the said Debentures to the eligible Investors, as identified by the Board, in one or more tranches.

**RESOLVED FURTHER THAT** Loan & Investment Committee ("**Committee**") be and is hereby authorized to:

- (i) negotiate, approve of and decide the terms and conditions of the offer & allotment of Debentures and execute the term sheet subject to the below terms and conditions:
  - a) Coupon Rate: Not more than 10% p.a.
  - b) Tenor & Maturity: Not more than 18 months
  - c) Security Coverage: Not more than 1.20 times or 120% of the aggregate amount of principal outstanding at any time
- (ii) finalize terms and conditions of the appointment of an arranger (if any), a debenture trustee, a registrar and transfer agent, a credit rating agency, a depository and such other intermediaries as may be required to be appointed, including their successors and their agents;
- (iii) make offer, issue the private placement offer letter for each series of Debentures and accept the funding of the subscription amounts for each series of Debentures in accordance with the offer schedule prescribed in the Transaction Documents;
- (iv) execute, file and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the Issue and deal with regulatory authorities in connection with the Issue including but not limited to Securities and Exchange Board of India, Registrar of Companies, Ministry of Corporate Affairs, Central Registry of Securitisation Asset Reconstruction and Security Interest of India and such other authorities as may be required;
- (v) approve, negotiate, sign, execute the debenture trust deed, debenture trustee agreement, deed of hypothecation, any other requisite documents for the creation and perfection of the Collateral/Security (including any powers of attorney in connection thereto) and any other document in relation thereto (collectively, the **Transaction Documents**);
- (vi) create and perfect the Collateral/Security in accordance with the terms of the Transaction Documents (if any);



**Kogta Financial (India) Limited**

CIN - 167120PL1000PLC011406

S-1, Dopebat, Near Ajmer Road, Opp. Metro Pillar No. 143, Jaipur-302001, Rajasthan, India | Tel No. : +91-141-6767000

Registered Office : Kogta House, Azad Mohalla, Bikaner - 306024, Rajasthan, India | Email : info@kogta.in | www.kogta.in

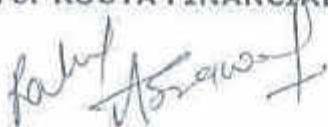
- (vii) authorize the maintenance of a register of holders of the Debentures and issue Jumbo certificate for the Debentures to pay stamp duty on the debentures;
- (viii) direct any officer(s) of the Company to do such things and to take such actions as the Company is entitled to do or take (as the case may be) in terms of this resolution;
- (ix) take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein.

**RESOLVED FURTHER THAT** the Board be and is hereby authorizes the bank account of the Company bearing account No. 36735099009 maintained with the State Bank of India, SME Branch, Church Road, Jaipur in the name of "Kogta Financial (India) Limited - NCD A/c" ("**Bank Account**") as a separate bank account for the current issue of Debentures and the application money will be kept in the Bank Account. Mr. Varun Kogta, Whole Time Director & Chief Financial Officer and Mr. Radha Krishan Kogta, Chairman of the Company, be and are hereby severally authorized to sign and execute all necessary documents with the Bank Account in relation to all cheques and other negotiable instruments drawn, accepted or endorsed and all other incidental acts, thing and deeds, as may be deemed fit, on behalf of the Company.

**RESOLVED FURTHER THAT** the seal/stamp of the Company be affixed to such documents, deeds, evidences, writings and undertakings and/or other related papers executed in furtherance of the aforesaid resolutions, wherever necessary.

**RESOLVED FURTHER THAT** the aforesaid resolutions shall come into effect immediately and a copy of the foregoing resolutions certified to be a true copy by any of the Director or Mr. Rahul Agrawal, Company Secretary & Compliance Officer of the Company be furnished to such parties concerned with respect to the issue, offer and allotment of the Debentures."

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



**RAHUL AGRAWAL  
COMPANY SECRETARY &  
COMPLIANCE OFFICER  
M. NO.: A34034**



**Date:** 10/07/2020  
**Place:** Jaipur



**Kogta Financial (India) Limited**

CIN - U07120RU1896PLC011466

S-1, Gopalbari, Near Ajmer Pulia, Opp. Metro Pillar No. 143, Jaipur-302001, Rajasthan, India | Tel No. : +91-141-6767000

Registered Office : Kogta House, Azad Mohalla, Bikaner - 305624, Rajasthan, India | Email : info@kogta.in | www.kogta.in

**CERTIFIED TRUE COPY OF THE RESOLUTION NUMBER 01 PASSED AT THE 12<sup>th</sup> MEETING OF THE MEMBERS OF LOAN & INVESTMENT COMMITTEE OF KOGTA FINANCIAL (INDIA) LIMITED ("COMPANY") OF THE FINANCIAL YEAR 2020-21 HELD ON WEDNESDAY ON THE 26<sup>th</sup> DAY OF AUGUST, 2020 AT 04:30 P.M. AT OFFICE OF THE COMPANY AT S-1, GOPAL BARI, NEAR AJMER PULIA, OPPOSITE METRO PILLAR NO. 143, JAIPUR - 302001, RAJASTHAN, INDIA.**

**CONSIDERED AND APPROVED MATTERS RELATED TO THE PRIVATE PLACEMENT OF 300 (THREE HUNDRED) RATED, SECURED, SENIOR, REDEEMABLE, TAXABLE, TRANSFERABLE, LISTED, NON-CONVERTIBLE DEBENTURES IN DEMATERIALIZED FORM EACH HAVING A FACE VALUE OF INR 10,00,000 (INDIAN RUPEES TEN LAKH) AGGREGATING UPTO INR 30,00,00,000/- (INDIAN RUPEES THIRTY CRORES ONLY).**

**"RESOLVED THAT** in accordance with the resolution passed in the Board Meeting held on January 29, 2020 and the Board resolution passed by circulation on July 10, 2020, and pursuant to the provisions of the Memorandum and Articles of Association of the Company, Section 42, 71, 180(1)(a), 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and in accordance with Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, all other applicable provisions of the Act, the Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008, Listing Agreement to be entered into by the Company with BSE Limited ("BSE"), in accordance with the RBI's (as defined below) master direction on "Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016", and RBI's master directions on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 and/or the Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, the issuance of private placement of NCDs is proposed with minimum subscription of INR 1,00,00,000 (Indian Rupees One Crore) per investor and having no limit on the number of subscribers, and in accordance with other circular(s) and clarification(s) issued by the Reserve Bank of India ("RBI") as applicable to non-banking financial companies, from time to time and other applicable laws, if any, and pursuant to the approval of the shareholders of the Company in their meeting held on August 27, 2018 pursuant to Sections 180(1)(a) and 180(1)(c) of the Act, the consent of the members of the Loan and Investment Committee ("**Committee**") be and is hereby accorded for the offer and allotment of 300 (Three Hundred) Rated, Secured, Senior, Redeemable, Taxable, Transferable and Listed Non-Convertible Debentures in dematerialised form each having a face value of INR 10,00,000/- (Indian Rupees Ten Lakhs) aggregating upto INR 30,00,00,000/- (Indian Rupees Thirty Crores only) (the "**Debentures**") on a private placement basis to eligible participant who shall be identified through the electronic bidding platform, (the "**Investors**"), which shall be subject to identified persons as identified by the Board in the resolution passed by circulation on July 10, 2020, (being the identified person(s) for the purposes of Section 42 of the Act) and get the said Debentures listed in the Wholesale Debt Market segment of BSE Limited.

**RESOLVED FURTHER THAT** the consent of the members of the Committee be and is hereby accorded to appoint Catalyst Trusteeship Limited, as the debenture trustee (the "**Debenture Trustee**") for the issue of the Debentures.

**RESOLVED FURTHER THAT** Mr. Varun Kogta, Whole Time Director & Chief Financial Officer and Mr. Surendra Singh, Manager Taxation & Compliance and Mr. Rahul Agrawal, Company Secretary & Compliance Officer of the Company ("**Authorised Signatories**") be and are

**Kogta Financial (India) Limited**

CIN - L67120RJ1896PLC011406

S-1, Gopalbari, Near Ajmer Pulia, Opp. Metro Pillar No. 143, Jaipur-302001, Rajasthan, India | Tel No. : +91-141-6767000

Registered Office : Kogta House, Azad Mohalla, Bijnagar - 305624, Rajasthan, India | Email : info@kogta.in | www.kogta.in



hereby severally authorized to negotiate, finalise, approve, execute, sign and deliver the necessary or requisite agreement(s) with, and provide other relevant documents to, the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for the issue of the Debentures in the dematerialised form.

**RESOLVED FURTHER THAT** the consent of the Committee be and is hereby accorded to appoint KFin Technologies Private Limited as the Registrar & Share Transfer Agent for transfer and dematerialisation of Debentures of the Company with NSDL and CDSL.

**RESOLVED FURTHER THAT** the Authorised Signatories of the Company, be and are hereby severally authorised to apply for and obtain credit rating for the issuance of the Debentures from CARE Ratings and obtain any ratification subsequently thereof as may be required for and on behalf of the Company.

**RESOLVED FURTHER THAT** the Authorised Signatories of the Company, be and are hereby severally authorised to prepare, negotiate, finalise, approve, execute, sign and deliver the private placement offer cum application letter in Form PAS-4 ("Offer Letter") and the information memorandum/other debt disclosure document (collectively, the "Debt Disclosure Documents") to the Investors for the issuance of the Debentures on a private placement basis.

**RESOLVED FURTHER THAT** the consent of the Committee be and is hereby accorded to (a) create a first ranking, exclusive and continuing charge on Identified receivables (up to such limits and security cover as may be agreed and within such timelines as may be agreed in the term sheet), in favour of Debenture Trustee for the benefit of holders of Debentures. (b) such other security or contractual comfort (including personal and/or corporate guarantees) as may be required in terms of the issuance of the Debentures.

**RESOLVED FURTHER THAT** the Authorised Signatories of the Company, be and are hereby severally authorised on behalf of the Company, to negotiate, approve, finalise, sign, deliver and execute the necessary definitive documents including, the term sheet, the debenture trust deed, the debenture trustee agreement, the deed of hypothecation, the Debt Disclosure Documents, the debenture certificate and other agreements, documents, instruments, certificates, papers, writings and any amendments or modifications thereof, on behalf of the Company with respect to the Debentures and as may be required to create and perfect a valid security over the Hypothecated Receivables and other relevant property of the Company (if so required) in favour of the Debentures Trustee (for the benefit of the holders of Debentures) and to take such steps as may be necessary for filing of the said documents with the respective authority(ies) and to obtain approvals, statutory, contractual or otherwise, in relation to the above if required and to settle all matters arising out of and incidental thereto, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the offer and allotment of the Debentures (including their listing on BSE Limited).

**RESOLVED FURTHER THAT** the Authorised Signatories of the Company, be and are hereby severally authorised to pay stamp duty required to be paid for the offer and allotment of the Debentures in accordance with the laws of India.

**RESOLVED FURTHER THAT** the Authorised Signatories of the Company, be and are hereby severally authorised to record the name of holders of the Debenture in the register of debenture holders and to undertake such other acts, deeds and things as may be required to give effect to the offer and allotment of the Debentures.



**Kogta Financial (India) Limited**

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**RESOLVED FURTHER THAT** the Authorised Signatories of the Company, be and are hereby severally authorised to do all such acts, deeds, things and execute or ratify all such documents whatsoever as may be required in connection with the offer and allotment of the Debentures including without limitation the opening of demat accounts, listing of the Debentures on BSE Limited, appointment of legal counsel, arranger(s), the Registrar to the issue, credit rating Company and other advisors as may be required and making payment of their fees.


**RESOLVED FURTHER THAT** the Committee be and is hereby authorized the bank account of the Company bearing account No. 36735099009 maintained with the State Bank of India, SME Branch, Church Road, Jaipur in the name of "Kogta Financial (India) Limited - NCD A/c" ("Bank Account") as a separate bank account for the current issue of Debentures and the application money will be kept in the Bank Account. Mr. Varun Kogta, Whole Time Director & Chief Financial Officer and Mr. Radha Krishan Kogta, Chairman & Whole Time Director of the Company, be and are hereby severally authorized to sign and execute all necessary documents with the Bank Account in relation to all cheques and other negotiable Instruments drawn, accepted or endorsed and all other incidental acts, thing and deeds, as may be deemed fit, on behalf of the Company.

**RESOLVED FURTHER THAT** the Authorised Signatories of the Company, be and are hereby severally authorised to do all such acts, deeds and things as are necessary for registering any of the documents, being executed by the Company, with the relevant sub-registrar of assurances, the relevant registrar of companies, Central Registry of Securitisation Asset Reconstruction and Security Interest, the relevant registrar of companies, the Ministry of Corporate Affairs or any other authority and for filing of the charges being created thereunder, and for filing of necessary forms, returns and such other documents pertaining to the aforesaid issuance of Debentures with the relevant registrar of companies, Securities and Exchange Board of India ("SEBI"), or any other authority.

**RESOLVED FURTHER THAT** the seal/stamp of the Company be affixed to such documents, deeds, evidences, writings and undertakings and/or other related papers executed in furtherance of the aforesaid resolutions, wherever necessary.

**RESOLVED FURTHER THAT** the aforesaid resolutions shall come into effect immediately and a copy of the foregoing resolutions certified to be a true copy by any of the Director or Mr. Rahul Agrawal, Company Secretary & Compliance Officer of the Company be furnished to such parties concerned with respect to the offer and allotment of the Debentures."

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

  
**RAHUL AGRAWAL  
COMPANY SECRETARY &  
COMPLIANCE OFFICER  
M. NO.: - A34034**



**Date: 28/08/2020  
Place: Jaipur**



**Kogta Financial (India) Limited**

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## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Kogta Financial (India) Limited**

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

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



**Report on Other Legal and Regulatory Requirements**

6. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 statement on the matters specified in paragraphs 3 and 4 of the Order.
7. As required by section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of these books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
8. The financial statements for the year ended March 31, 2017 were audited by another auditor who expressed an unmodified opinion on these financial statements on May, 25 2017.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Jitendra H. Ranawat  
Partner

Membership Number: 103380

Place of Signature: Mumbai

Date: May 14, 2018





Annexure 1 referred to under the heading "Report on other legal and regulatory requirements" of our Report of even date

**Re: Kogta Financial (India) Limited ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company.
- (ii) The Company is a service provider and primarily rendering asset financing services and does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- a) In our opinion, the rate of interest and other terms and conditions of the grant of such loans are, prima facie not prejudicial to the Company's interest.
- b) The repayments of receipts of loans so granted are regular and as per stipulated.
- c) There is no overdue amount in payment of principal and interest in respect of such loans
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, employee's state insurance, goods and service tax, service tax, cess and other statutory dues applicable to it. The provision relating to sales tax, custom duty, excise duty and value added tax are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, employee's state insurance, goods and service tax, service tax, and other statutory dues applicable to it were outstanding, at the year end, for a period of more than six months from the date they became payable. The provision relating to sales tax, custom duty, excise duty and value added tax are currently not applicable to the Company.



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

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

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

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

- (vii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of non-convertible debentures and term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or fully or partly convertible debentures during the year under review. However, the Company has made private placement of 0.01% Compulsory Convertible Preference Shares. The requirements of Section 42 of the Companies Act, 2013 have been complied with and the amount raised has been used for the purpose for which the fund was raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



# S.R. BATLIBOI & CO. LLP

Chartered Accountants

Koita Financial (India) Limited  
Auditor's report for the year ended March 31, 2018

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

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

*Jitendra H. Ranawat*



per Jitendra H. Ranawat  
Partner  
Membership Number: 103380  
Place of Signature: Mumbai  
Date: May 14, 2018



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KOGTA FINANCIAL (INDIA) LIMITED**

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

To the Members of Kogta Financial (India) Limited

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

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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



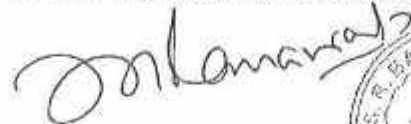
**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

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

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



per Jitendra H. Ranawat  
Partner  
Membership Number: 103380  
Place of Signature: Mumbai  
Date: May 14, 2018



# KOGTA FINANCIAL (INDIA) LIMITED

Balance sheet as at 31 March, 2018

	Notes	31 March 2018 (Amount in Rs.)	31 March 2017 (Amount in Rs.)
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	1	13,44,01,000	12,92,81,000
Reserves and surplus	2	54,74,18,824	44,08,72,822
		<u>68,18,19,824</u>	<u>57,01,53,822</u>
<b>Non-current liabilities</b>			
Long term borrowings	3	156,79,32,256	79,05,99,106
Long term provisions	4	2,29,86,695	89,64,717
		<u>159,09,18,951</u>	<u>79,95,63,823</u>
<b>Current liabilities</b>			
Short term borrowings	5	47,13,90,571	47,18,30,916
Trade payables	6	86,04,039	13,89,037
Other current liabilities	6	116,81,77,691	57,25,62,070
Short term provisions	4	1,43,21,169	59,45,262
		<u>166,24,93,470</u>	<u>105,17,27,285</u>
<b>TOTAL</b>		<u><u>393,52,32,245</u></u>	<u><u>242,14,44,930</u></u>

<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	2,36,22,449	2,01,59,482
Intangible assets	7	49,28,373	36,71,993
Non-current investments	8	3,81,33,361	-
Deferred tax assets (net)	9	35,32,710	8,37,841
Loans and advances	10	204,96,60,940	101,22,51,646
Other non-current assets	11	6,36,36,788	4,13,30,326
		<u>218,35,14,621</u>	<u>107,82,59,288</u>
<b>Current assets</b>			
Current investments	12	-	10,00,00,000
Cash and bank balances	13	16,03,44,931	10,99,51,577
Loans and advances	10	148,56,65,543	104,87,12,269
Other current assets	11	10,57,07,150	8,45,21,796
		<u>175,17,17,624</u>	<u>134,31,85,642</u>
<b>TOTAL</b>		<u><u>393,52,32,245</u></u>	<u><u>242,14,44,930</u></u>

Summary of significant accounting policies

i

The accompanying notes are an integral part of the financial statements.

ii

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

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

*Jitendra H. Ranawat*

Jitendra H. Ranawat  
Partner  
Membership No. 103380



*R. K. Kogta*

R. K. Kogta  
(Chairman)  
DIN 00197552

*Arun Kogta*

Arun Kogta  
(Managing Director & CEO)  
DIN 05109722

*Rahul Agrawal*

Rahul Agrawal  
(Company Secretary)  
Membership No. A34034

*Varun Kogta*

Varun Kogta  
(Executive Director & CFO)  
DIN 06844307

Place: Jaipur  
Date: 14.05.2018

Place: Jaipur  
Date: 14.05.2018



Statement of profit and loss for the year ended 31 March, 2018

	Notes	31 March 2018 (Amount in Rs.)	31 March 2017 (Amount in Rs.)
<b>Income</b>			
Revenue from operations	14	63,61,39,636	39,60,72,859
Other Income	15	58,26,492	51,85,043
<b>Total revenue (I)</b>		<b>64,19,66,128</b>	<b>40,12,57,902</b>
<b>Expenses</b>			
Employee benefits expense	16	11,92,28,349	5,70,39,372
Depreciation and amortization expense	17	74,45,339	49,06,544
Finance costs	18	28,30,67,869	20,19,52,848
Other expenses	19	10,05,87,602	7,45,42,176
Provisions & write offs	20	3,14,33,202	1,16,03,295
<b>Total expenses (II)</b>		<b>54,17,62,361</b>	<b>38,00,44,235</b>
<b>III. Profit before exceptional items and tax (I-II)</b>		<b>10,02,03,767</b>	<b>5,12,13,666</b>
<b>IV. Exceptional items : Profit on sale of land &amp; building (refer note no. 8.1)</b>		<b>1,69,24,506</b>	<b>2,07,75,717</b>
<b>V. Profit before tax (III-IV)</b>		<b>11,71,28,273</b>	<b>7,19,89,383</b>
<b>VI. Tax expense:</b>			
Current tax			
Pertaining to profit/(loss) for the current period		3,65,50,000	2,25,00,000
Adjustment of tax relating to earlier periods		4,652	95,965
Deferred tax		(26,94,869)	(3,34,188)
<b>Total Tax expense</b>		<b>3,38,59,783</b>	<b>2,22,61,777</b>
<b>VII. Profit/(loss) for the year from continuing operations (V-VI)</b>		<b>8,32,68,490</b>	<b>4,97,27,606</b>
<b>Earning per equity share [Nominal value of shares Rs. 10/- Q1 March 2017: Rs. 10/-:]</b>			
<b>Basic</b>			
Computed on the basis of total profit for the year		8.41	5.18
<b>Diluted</b>			
Computed on the basis of total profit for the year		6.15	4.53

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

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

Jitendra H. Ranawat  
Partner  
Membership No. 103380



Place: Jaipur  
Date: 14.05.2018

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

R. K. Kogta  
(Chairman)  
DIN 00197552

Arun Kogta  
(Managing Director & CEO)  
DIN 05109722

Rahul Agrawal  
(Company Secretary)  
Membership No. A34034

Vaun Kogta  
(Executive Director & CFO)  
DIN 06844307

Place: Jaipur  
Date: 14.05.2018



ROGTA FINANCIAL (INDIA) LIMITED  
Cash flow statements for the year ended March 31, 2018

Particulars	31 March 2018 (Amount in Rs.)	31 March 2017 (Amount in Rs.)
<b>A. Cash flow from operating activities:</b>		
Profit before tax	11,71,28,273	7,19,89,384
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization	74,45,339	49,06,544
Impairment/ other write off on tangible/ intangible assets	1,78,08,568	72,01,910
Provision for standard and non performing assets	1,36,24,634	44,01,265
Provision for Gratuity	16,63,006	4,53,500
Loss/(Profit) on sale of property, plant and equipment	(1,70,29,206)	(2,09,53,150)
Net (gain)/ loss on sale of current investments	(14,00,235)	(6,40,124)
Interest expenses on vehicle loans	3,75,972	4,98,572
Rental Income	(4,08,454)	(3,92,988)
Amortization of ancillary cost	1,66,72,127	1,13,18,391
Operating profit before working capital changes	15,58,81,024	7,87,83,417
Movements in working capital:		
(Increase)/decrease in loans and advances	(1,50,58,43,261)	(61,40,39,084)
(Increase)/decrease in other current assets	(2,54,27,984)	(5,33,10,792)
(Increase)/decrease in other non current assets	(9,12,868)	(11,24,898)
(Increase)/decrease in bank deposits	(3,63,88,261)	(4,21,31,745)
(Increase)/decrease in investments	(3,81,33,361)	36,15,479
Increase/(decrease) in long term borrowings	77,49,07,877	22,04,98,002
Increase/(decrease) in short term borrowings	(4,40,345)	20,43,82,993
Increase/(decrease) in other current liabilities	59,56,15,621	16,69,95,072
Increase/(decrease) in trade payables	72,15,002	(7,64,112)
Cash generated from/(used in) operations	(7,65,26,556)	(3,70,95,669)
Direct taxes paid/net of refunds	(2,52,00,000)	(1,67,13,150)
<b>Net Cash flow from/(used in) operating activities (A)</b>	<b>(10,17,26,556)</b>	<b>(5,38,08,819)</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of fixed assets, including CWIP and capital advances	(1,46,30,180)	(1,18,56,575)
Proceeds from sale of fixed assets	1,94,94,700	2,14,40,780
Purchase of current investments	(52,00,00,000)	(55,00,00,000)
Proceeds from sale/maturity of current investments	62,14,00,235	45,06,40,124
Rental Income	4,08,454	3,92,988
<b>Net Cash Flow from/(used in) Investing Activities (B)</b>	<b>10,66,73,209</b>	<b>(8,93,84,683)</b>
<b>C. Cash Flow from Financing Activities :</b>		
Proceeds from issuance of preference share capital	51,20,000	3,32,81,000
Securities Premium received on issue of Share Capital	3,48,32,000	21,35,94,647
Interest paid on vehicle loan	(3,76,972)	(4,98,572)
Proceeds from vehicle loans	51,67,500	-
Repayment of vehicle loans	(27,42,227)	(27,81,670)
Dividend paid on equity shares	(96,00,100)	(1,44,00,100)
Dividend paid on preference shares	(1,477)	-
Tax on equity dividend paid	(19,54,388)	(29,11,572)
Tax on preference dividend paid	(301)	-
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>3,04,44,035</b>	<b>22,62,53,733</b>





**KOGTA FINANCIAL (INDIA) LIMITED**  
**Cash flow statements for the year ended March 31, 2018**

Particulars	31 March 2018 (Amount in Rs.)	31 March 2017 (Amount in Rs.)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	3,53,90,687	8,30,60,231
Cash and cash equivalents at the beginning of the year	10,77,29,577	2,46,69,346
Cash and cash equivalents at the end of the year	14,31,20,264	10,77,29,577
<b>Components of cash and cash equivalents</b>		
Cash on hand	2,33,56,038	1,24,20,710
Cheques / drafts on hand		
With banks- on current account	8,75,42,226	9,53,08,867
- on deposit account	3,22,22,000	-
<b>Total Cash and cash equivalents</b>	<b>14,31,20,264</b>	<b>10,77,29,577</b>

Summary of significant accounting policies

The accompanying note form an integral part of the financial statements

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

Jiendra H. Ranawat  
 Partner  
 Membership No. 103380



Place: Jaipur  
 Date: 14.05.2018

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

R. K. Kogta  
 (Chairman)  
 DIN 00197552

Arun Kogta  
 (Managing Director & CEO)  
 DIN 05109722

Rahul Agrawal  
 (Company Secretary)  
 Membership No. A34034

Vardh Kogta  
 (Executive Director & CFO)  
 DIN 06844307

Place: Jaipur  
 Date: 14.05.2018



**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, 2019, the Statement of Profit and Loss and the Cash Flow Statement 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, 2019, its profit and its cash flows 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 ("ICAI") 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 judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2019. 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 matter described below to be the key audit matter 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 matter below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Identification Non-Performing Advances and provisioning for Advances (as described in note 2.1 (b) of the financial statements)</b> Loans and advances constitute a major portion of the Company's assets and the quality of the Company's loan portfolio is measured in terms of the proportion of non-performing assets (NPAs) to the total loans and advances. As at March 31, 2019, the Company has reported total gross loans and advances of Rs. 54,834.54 lakhs (March 31, 2018: Rs. 34,893.91 lakhs), gross non-performing advances of Rs. 1,858.73 lakhs (March 31, 2018: Rs. 1,078.26 lakhs) and a corresponding provision for non-performing advances of Rs. 254.20 lakhs (March 31, 2018: Rs. 137.05 lakhs).	Our key audit procedures included: <ul style="list-style-type: none"> <li>Assessed the design, implementation and operating effectiveness of key internal controls over monitoring process of loans, Identification of NPA accounts, measurement of provision and assessing the reliability of management information, including overdue reports.</li> <li>Tested of management's controls over identification of NPA's and measurement of provisions and disclosures in financial statements.</li> </ul>



Key audit matters	How our audit addressed the key audit matter
<p>Identification and provisioning of NPAs is governed by the prudential norms prescribed by the Reserve Bank of India (RBI Directions). These norms prescribe several criteria for a loan to be classified as a NPA including overdue aging.</p> <p>Given the volume of loans, judgement is involved in the application of RBI norms for classification of loans as NPA and in view of the significance of this area to the overall audit of financial statements, it has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>Read accounting policies adopted by the management and tested data used in the identification of NPAs and measurement of provision amounts.</li> <li>Traced calculation of NPA provision as at 31 March 2019 calculated by the management and assessed compliance with the minimum RBI guidelines and Company's accounting policy as described in note 2.1 (b) to the financial statements. Understood the judgements applied by the Company in respect of areas where the accounting treatment adopted or the disclosures made under the accounting framework from the extant RBI Directions.</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 annual 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 identified above 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, on the other information that we have obtained prior to the date of this auditor's report, 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 the Board of Directors 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 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 judgment and maintain professional skepticism throughout the audit. We also:

1. 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.
2. 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)(f) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. 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.

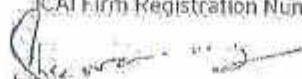
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 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; and
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. R. Batliboi & Co. LLP  
Chartered Accountants  
[CA] Firm Registration Number: 301003E/E300005



per Shrawan Jagan  
Partner  
Membership Number: 102102

Place: Mumbai  
Date: May 16, 2019



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

Re: Koqta Financial (India) Limited (the Company)

- (D)(a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.
- (D)(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (D)(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(i) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- a) In our opinion, the rate of interest and other terms and conditions of the grant of such loans are, prima facie not prejudicial to the Company's interest.
- b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
- c) There is no overdue amount in payment of principal and interest in respect of such loans.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been delays in few cases. The provisions relating to duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and services tax, employees' state insurance and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (vii)(c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.



# S.R. BATLIBOI & Co. LLP

Chartered Accountants

Kogta Financial (India) Limited  
Independent Auditor's Report for the year ended March 31, 2019

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- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.
- Further, money raised by the Company by way of non-convertible debentures and term loans were applied for the purpose for which those were raised, though idle/ surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.
- (x) Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanation given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xl) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or fully or partly convertible debentures during the year under review. However, the Company has made private placement of 0.0001% Compulsory Convertible Preference Shares. The requirements of Section 42 of the Companies Act, 2013 have been complied with and the amount raised has been used for the purpose for which the fund was raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-1A of the Reserve Bank of India Act, 1934.

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

Shri: w  
per Shrawan Jalan  
Partner  
Membership Number: 102102

Place: Mumbai  
Date: May 16, 2019



**ANNEXURE 2 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 over financial reporting of Kogta Financial (India) Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting 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 internal financial controls over financial reporting 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 control 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 control over financial reporting 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.





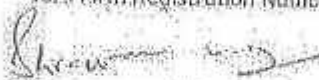
**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



per Shrawan Jalan  
Partner  
Membership Number: 102102

Place: Mumbai  
Date: May 16, 2019



# Kogta Financial (India) Limited

Indian GAAP financial statements for the year ended 31  
March 2019



# KOGTA FINANCIAL (INDIA) LIMITED

Balance sheet as at 31 March, 2019

	Notes	31 March 2019 (Amount in Rs.)	31 March 2018 (Amount in Rs.)
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	1	83,57,74,143	13,44,01,000
Reserves and surplus	2	165,95,02,860	54,74,18,624
		<u>229,52,77,102</u>	<u>68,18,19,624</u>
<b>Non-current liabilities</b>			
Long term borrowings	3	176,71,73,223	156,78,32,256
Long term provisions	4	4,24,07,653	2,29,86,695
		<u>180,96,40,776</u>	<u>159,08,18,951</u>
<b>Current liabilities</b>			
Short term borrowings	5	104,35,74,085	47,13,99,571
Trade payables	6	1,62,02,988	96,04,036
Other current liabilities	6	148,66,95,933	110,81,77,691
Short term provisions	4	1,82,16,339	1,43,21,169
		<u>267,48,49,336</u>	<u>186,24,53,476</u>
<b>TOTAL</b>		<u>667,98,67,214</u>	<u>393,62,32,245</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	3,68,71,652	2,38,22,440
Intangible assets	7	44,89,008	49,28,373
Capital work in progress	7	82,34,826	-
Intangible asset under development	7	25,68,748	-
Non-current investments	8	10,41,00,221	3,81,33,361
Deferred tax assets (net)	9	87,66,600	35,32,710
Loans and advances	10	358,46,76,216	204,95,60,940
Other non-current assets	11	8,26,66,661	6,36,36,769
		<u>588,63,74,091</u>	<u>218,36,14,621</u>
<b>Current assets</b>			
Cash and bank balances	12	65,73,00,330	18,03,44,931
Loans and advances	10	193,29,60,191	148,58,65,543
Other current assets	11	15,41,72,602	10,57,07,180
		<u>278,44,93,123</u>	<u>176,17,17,524</u>
<b>TOTAL</b>		<u>667,98,67,214</u>	<u>393,62,32,245</u>

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

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

per Shrawan Jatin  
Partner  
Membership No. 102102



Place: Mumbai  
Date: 16.05.2019

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

R. K. Kogta  
(Chairman)  
DIN 00197662

Rahul Agrawal  
(Company Secretary)  
Membership No. A34034

Arun Kogta  
(Managing Director & CEO)  
DIN 05109722

Vaun Kogta  
(Executive Director & CFO)  
DIN 06044307

Place: Jaipur  
Date: 16.05.2019



# KOGTA FINANCIAL (INDIA) LIMITED

Statement of profit and loss for the year ended 31 March, 2019

	Notes	31 March 2019 (Amount in Rs.)	31 March 2018 (Amount in Rs.)
<b>Income</b>			
Revenue from operations	13	104,94,80,851	63,61,30,530
Other income		95,63,712	2,27,30,090
<b>Total revenue (I)</b>	14	<b>105,91,43,563</b>	<b>65,88,60,620</b>
<b>Expenses</b>			
Employee benefits expense			
Depreciation and amortization expense	15	24,32,74,039	11,92,28,345
Finance costs	16	1,30,90,637	74,46,330
Other expenses	17	42,80,05,548	20,30,67,889
Provisions & write offs	18	15,76,50,055	10,05,97,802
<b>Total expenses (II)</b>	19	<b>84,20,26,079</b>	<b>52,33,70,373</b>
<b>III. Profit before tax (I-II)</b>		<b>21,71,17,484</b>	<b>13,54,90,247</b>
<b>IV. Tax expense:</b>			
Current tax:			
Pertaining to profit/(loss) for the current period		5,50,00,000	3,65,50,000
Adjustment of tax relating to earlier periods		14,27,506	4,052
Deferred tax		(230,150)	(2,694,809)
<b>Total tax expense</b>		<b>5,41,97,356</b>	<b>3,38,89,763</b>
<b>V. Profit/(loss) for the year from continuing operations (III-IV)</b>		<b>16,30,20,128</b>	<b>10,16,00,484</b>
<b>Earnings per equity share [Nominal value of shares Rs. 10/- (31 March 2018: Rs. 10/-)]</b>			
<b>Basic</b>			
Computed on the basis of total profit for the year		11.72	8.41
<b>Diluted</b>			
Computed on the basis of total profit for the year		7.13	6.18
Summary of significant accounting policies	i		
The accompanying notes are an integral part of the financial statements.	ii		

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
KVA Firm Reg. No. : 301003E/E300006

per Shrawan Jain  
Partner  
Membership No. 102102



Place: Mumbai  
Date: 16.05.2019

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

R. K. Kogta  
(Chairman)  
DIN 00197552

Rahul Agrawal  
(Company Secretary)  
Membership No. A34034

Place: Jaipur  
Date: 16.05.2019

Anil Kogta  
(Managing Director & CEO)  
DIN 05100722

Vaish Kogta  
(Executive Director & CFO)  
DIN 06844307



# KOGTA FINANCIAL (INDIA) LIMITED

Cash flow statements for the year ended March 31, 2019

Particulars	31 March 2019 (Amount in Rs.)	31 March 2018 (Amount in Rs.)
<b>A. Cash flow from operating activities:</b>		
Profit before tax	16,87,35,860	11,71,28,273
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation and amortization	1,39,98,537	74,45,339
Impairment/other write off on tangible/intangible assets	2,55,95,748	1,78,08,566
Provision for standard and non performing assets	2,09,22,175	1,36,24,634
Provision for Gratuity	7,90,579	10,03,006
Loss/(Profit) on sale of property, plant and equipment	(5,103,771)	(17,029,206)
Net (gain)/loss on sale of current investments	(629,464)	(1,400,235)
Interest expenses on vehicle loans	8,84,209	3,76,972
Rental Income	(451,944)	(408,454)
Amortization of ancillary cost	3,16,91,681	1,66,72,127
Employee stock option expenses	4,04,022	-
Operating profit before working capital changes	25,66,07,333	16,58,91,024
<b>Movements in working capital:</b>		
(Increase)/decrease in loans and advances	(2,069,607,266)	(1,600,948,261)
(Increase)/decrease in other current assets	(59,798,689)	(26,427,884)
(Increase)/decrease in other non current assets	(877,316)	(912,868)
(Increase)/decrease in bank deposits	(682,310,479)	(39,399,261)
(Increase)/decrease in investments	(125,974,800)	(39,133,361)
Increase/(decrease) in long term borrowings	19,16,72,475	77,49,07,877
Increase/(decrease) in short term borrowings	57,21,84,084	(440,345)
Increase/(decrease) in other current liabilities	32,86,86,242	59,96,15,621
Increase/(decrease) in trade payables	76,68,360	72,16,002
Cash generated from/(used in) operations	(1,482,488,088)	(78,526,556)
Direct taxes paid/(net of refund)	(43,451,004)	(25,200,000)
<b>Net Cash flow from/(used in) operating activities (A)</b>	<b>(1,505,949,173)</b>	<b>(101,726,556)</b>
<b>B. Cash Flow from investing Activities:</b>		
Purchase of fixed assets, including CWIP and capital advances	(39,326,457)	(14,630,180)
Proceeds from sale of fixed assets	69,12,290	1,64,94,700
Purchase of current investments	(300,000,000)	(520,000,000)
Proceeds from sale/maturity of current investments	30,08,20,464	62,14,00,235
Rental Income	4,51,944	4,08,454
<b>Net Cash Flow from/(used in) Investing Activities (B)</b>	<b>(29,226,769)</b>	<b>40,66,73,209</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from issuance of equity share capital	300	-
Proceeds from issuance of preference share capital	60,13,73,013	61,20,000
Securities Premium received on issue of Share Capital	99,91,40,144	3,48,32,000
Interest paid on vehicle loan	(804,209)	(376,972)
Proceeds from vehicle loans	1,12,58,100	61,67,500
Repayment of vehicle loans	(3,968,608)	(2,742,227)
Dividend paid on equity shares	-	(9,600,100)
Dividend paid on preference shares	(3,827)	(1,477)
Tax on equity dividend paid	-	(1,954,368)
Tax on preference dividend paid	(718)	(801)
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>166,89,93,325</b>	<b>3,04,44,035</b>



Particulars	31 March 2019 (Amount in Rs.)	31 March 2018 (Amount in Rs.)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(26,152,617)	3,53,90,667
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	14,31,20,264	10,77,20,577
Cash and cash equivalents at the end of the year	11,40,87,647	14,31,20,264
<b>Components of cash and cash equivalents</b>		
Cash on hand	5,11,63,447	2,33,56,030
With banks- on current account	6,38,04,200	8,75,42,226
- on deposit account	-	3,22,22,000
<b>Total Cash and cash equivalents</b>	<b>11,49,87,647</b>	<b>14,31,20,264</b>

Summary of significant accounting policies

The accompanying note form an integral part of the financial statements

G. S. R. Batliboi & Co. LLP

Chartered Accountants

CA Firm Reg. No. : 301003E/E300005

Srawan Jalan

Partner

Membership No. 102102



Place: Mumbai

Date: 16.06.2019

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

*R. K. Kogta*

R. K. Kogta  
(Chairman)  
DIN 00107652

*Arun Kogta*  
Arun Kogta  
(Managing Director & CEO)  
DIN 05108722

*Rahul Agrawal*

Rahul Agrawal  
(Company Secretary)  
Membership No. A34034

*Varun Kogta*

Varun Kogta  
(Executive Director & CFO)  
DIN 05944307

Place: Jaipur

Date: 16.06.2019



## INDEPENDENT AUDITOR'S REPORT

To the Members of Kogta Financial (India) Limited

Report on the Audit of the Indian Accounting Standard ("Ind AS") Financial Statements

### Opinion

We have audited the accompanying Ind AS financial statements of Kogta Financial (India) Limited ("the Company"), which comprises the Balance sheet as at March 31, 2020, 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 Ind AS 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 Ind AS 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, 2020, 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

### Emphasis of Matter - Assessment of COVID 19 Impact

We draw attention to Note 40.1 (G) to the financial statements, which describes the uncertainties arising from COVID 19 pandemic and impacting the Company's operations and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>(a) Transition to Ind AS accounting framework</b> <i>(as described in note 33 of the Ind AS financial statements)</i></p> <p>In accordance with the roadmap for implementation of Ind AS for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018 for such transition. For periods up to and including the year ended March 31, 2019, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). In order to give effect of the transition to Ind AS these financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and the transition date balance sheet as at April 1, 2018 have been prepared under Ind AS.</p> <p>The transition has involved significant change in the Company's policies and processes relating to financial reporting, including generation of reliable and supportable information. Further, the management has exercised significant judgement for giving an appropriate effect of principles of First-time Adoption of Indian Accounting Standards (Ind AS 101), as at transition date and to determine the impact of the new accounting framework on certain accounting and disclosure requirements prescribed under extant Reserve Bank of India ('RBI') directions.</p>	<ul style="list-style-type: none"> <li>• Read the Ind AS impact assessment performed by the management to identify areas impacted on account of Ind AS transition and the resultant changes made to the accounting policies considering the requirements of the new framework.</li> <li>• Understood the financial statement closure process (including disclosures in notes to accounts) and the additional controls established by the Company for transition to Ind AS. We tested the design and operating effectiveness of key controls for processes identified by the Company for impact assessment.</li> <li>• Assessed the judgement applied by the management in applying the first-time adoption principles of Ind AS 101.</li> <li>• Performed test of details on the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.</li> <li>• Assessed the disclosures prescribed under Ind AS.</li> </ul>
<p><b>(b) Impairment of financial instruments (expected credit losses)</b> <i>(as described in 1.17 of the standalone Ind AS financial statements)</i></p>	<p>Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loans &amp; Advances ("Financial Instruments") using the Expected Credit Losses ("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</p> <ul style="list-style-type: none"> <li>• Our audit procedures included considering the Company's accounting policies for impairment of Financial Instruments and assessing compliance with the policies in terms of Ind AS 109: Financial Instruments.</li> <li>• Read the Company's policy with respect to moratorium pursuant to the RBI Circular</li> </ul>





conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for:

- a) Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'.
- b) Determining effect of less frequent past events on future probability of default.
- c) Grouping of borrowers based on homogeneity by using appropriate statistical techniques;
- d) Determining macro-economic factors impacting credit quality of receivables;

**Additional consideration on account of COVID-19**

The spread of COVID-19 has severely impacted many economies around the globe. Businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown and economic uncertainties. Measures have also been taken by the Government and the Reserve Bank to ease the burden on businesses from hardship.

Pursuant to the Reserve Bank of India circular dated March 27, 2020 and May 23, 2020 ("RBI Circulars") allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy as described in Note 40.1 (G).

In management's view and considering the guidance provided by the Institute of Chartered Accountants of India ('ICAI'), providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, its timing being close to the year-end, and no reliable data being available regarding the impact of various

and tested the implementation of such policy on a sample basis.

- Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.
- Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3.
- Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of Company's policy on moratorium.
- Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records.
- Tested the arithmetical accuracy of computation of ECL provision performed by the Company.
- Performed inquiries with the Company's management and its risk management function to assess the impact of lock-down on the business activities of the Company.
- Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic) pursuant to Reserve Bank of India guidelines issued on March 13, 2020.
- Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109. Reviewed specific disclosures made in the Ind AS financial statements with regards to the impact of COVID-19 on ECL estimation.



regulatory packages, the macroeconomic overlay estimate is based on various highly uncertain and unobservable factors. In accordance with the guidance in Ind AS 109, the macroeconomic overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government.

In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is a key audit matter.

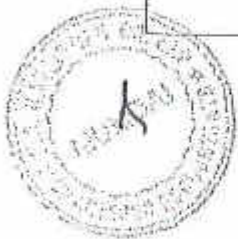
**(c) IT systems and controls**

The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.

Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.

We performed the following procedures, assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting:

- Tested the design and operating effectiveness of IT access controls over the information systems that are critical to financial reporting.
- Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.
- Tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization.
- In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting.
- Where deficiencies were identified, we tested compensating controls or performed alternate procedures.



### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS 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 for the Ind AS 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 standalone Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks,



and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper as required by law have been kept by the Company so far as it appears from our examination of those books;



# S.R. BATLIBOI & Co. LLP

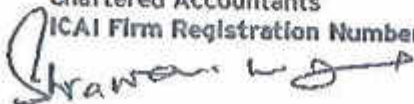
Chartered Accountants

- (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 Ind AS 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 20102102AAAAGK5863

Place of Signature: Mumbai

Date: June 18, 2020



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

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

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.
- (i)(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (i)(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(ii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, goods and service tax, cess and other statutory dues applicable to it, have generally been regularly deposited with the appropriate authorities though there have been delays in few cases. The provisions relating to duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (vii)(c) According to the information and explanations given to us, there are no dues of income-tax, employee's state insurance, goods and service tax, service tax, value added tax and cess which have not been deposited on account of dispute. The provision relating to sales tax, custom duty, excise duty and value added tax are currently not applicable to the Company.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.



# S.R. BATLIBOI & Co. LLP

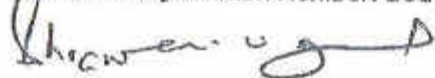
Chartered Accountants

- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. Further, money raised by the Company by way of non-convertible debentures and term loans were applied for the purpose for which those were raised, though idle/ surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.
- (x) Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanation given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or fully or partly convertible debentures during the year under review. However, the Company has made private placement of 0.0001% Compulsory Convertible Preference Shares. The requirements of Section 42 of the Companies Act, 2013 have been complied with and the amount raised has been used for the purpose for which the fund was raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-1A of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 20102102AAAAGK5863

Place: Mumbai

Date: June 18, 2020



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF KOGTA FINANCIAL (INDIA) LIMITED**

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

We have audited the internal financial controls over financial reporting of Kogta Financial (India) Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone 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 internal financial controls over financial reporting with reference to these standalone financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone 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 control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and





# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

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 Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone 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 standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Co. LLP

Chartered Accountants

CAI Firm Registration Number: 301003E/E300005

  
per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 20102102AAAAGK5863

Place of Signature: Mumbai

Date: June 18, 2020



Kogta Financial India Limited  
 Balance Sheet as at March 31, 2020  
 (All amounts in Lakhs, except as stated otherwise)

Particulars	Note	As at		As at
		March 31, 2020	March 31, 2019	April 1, 2018
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	2	671.04	1,149.78	1,404.15
Bank Balances other than cash and cash equivalents	3	39,751.98	6,612.32	859.99
Loans	4	98,055.45	65,851.60	39,043.48
Other Financial Assets	5	3,308.54	503.66	424.48
Sub-total-Financial assets		<u>121,787.01</u>	<u>74,117.36</u>	<u>41,732.10</u>
<b>Non-Financial Assets</b>				
Deferred Tax Assets (net)		527.71	339.28	216.33
Property, plant and equipment	6	639.74	431.05	236.23
Right of Use Assets	7	875.12	-	-
Other Intangible Assets	8	79.70	70.58	49.28
Other non-financial assets	9	1,724.31	674.76	428.71
Sub-total-Non-financial assets		<u>3,846.58</u>	<u>1,515.68</u>	<u>930.55</u>
<b>Total - Assets</b>		<u><b>125,633.59</b></u>	<u><b>75,633.04</b></u>	<u><b>42,662.65</b></u>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
Trade Payables				
Debt securities	10	195.42	354.51	37.46
Borrowings (Other than debt securities)	11	8,592.78	6,301.36	3,837.91
Subordinated Liabilities	12	59,463.96	44,881.30	30,345.00
Lease Liability	13	-	1,498.16	1,497.56
Other financial liabilities	14	928.02	-	-
Sub-total-Financial liabilities	15	<u>609.73</u>	<u>547.11</u>	<u>359.47</u>
<b>Non-Financial Liabilities</b>				
Current tax liabilities (net)		69,789.89	53,182.44	36,077.49
Provisions				
Other non-financial liabilities	16	855.47	140.56	129.07
Sub-total-Non-financial liabilities	17	<u>117.38</u>	<u>80.91</u>	<u>78.54</u>
		<u>972.85</u>	<u>221.47</u>	<u>207.61</u>
<b>EQUITY</b>				
Equity share capital	18	7,652.94	6,357.74	1,344.01
Other equity	19	47,217.91	15,871.39	5,033.63
Sub total - Equity		<u>54,870.85</u>	<u>22,229.13</u>	<u>6,377.64</u>
<b>Total - Liabilities and Equity</b>		<u><b>125,633.59</b></u>	<u><b>75,633.04</b></u>	<u><b>42,662.65</b></u>

Summary of significant accounting policies

1

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

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

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

*Shrawan Jalan*

*Rajesh Kumar Kogta*



K. K. Kogta  
 (Chairman)  
 DIN 00197552

Arun Kogta  
 (Managing Director & CEO)  
 DIN 05169722

*Varun Kogta*

*Rahul Agrawal*

Varun Kogta  
 (Executive Director & CFO)  
 DIN 06844307

Rahul Agrawal  
 (Company Secretary)  
 Membership No. A34034

Place: Mumbai  
 Date: 18.06.2020

Place: Jaipur  
 Date: 18.06.2020



Kogta Financial India Limited  
 Statement of Profit or Loss for the period ended March 31, 2020  
 (All amounts in lakhs, except per share data and as stated otherwise)

Particulars	Note	For the period ended March 31, 2020	For the period ended March 31, 2019
<b>Revenue from operations</b>			
Interest Income			
Fee and Commission Income	20	15,879.32	9,819.67
Net gain on fair value changes	21	986.50	1,063.94
Total Revenue from operations	22	65.18	6.29
Other Income		16,931.00	10,891.90
Total Income	23	6.95	56.75
		<u>16,937.95</u>	<u>10,948.65</u>
<b>Expenses</b>			
Finance Costs			
Impairment on financial instruments	24	6,758.96	5,086.36
Employee Benefits Expenses	25	814.87	1,047.35
Depreciation, amortization and impairment	26	4,271.00	2,407.23
Others expenses	27	420.73	139.99
Total expenses	28	1,426.75	996.90
		<u>13,692.31</u>	<u>9,677.83</u>
<b>Profit before exceptional items and tax</b>		<b>3,245.64</b>	<b>1,270.82</b>
Exceptional Items		-	-
<b>Profit before taxes</b>		<b>3,245.64</b>	<b>1,270.82</b>
Tax expenses			
- Current Taxes		940.06	563.58
- Deferred Taxes		(188.42)	(122.97)
<b>Profit for the period</b>		<b>2,494.00</b>	<b>830.21</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		(15.63)	2.38
(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.93)	0.70
Sub-total (A)		(11.70)	1.68
B (i) Items that will be reclassified to profit or loss		-	-
Sub-total (B)		-	-
<b>Other Comprehensive Income (A+B)</b>		<b>(11.70)</b>	<b>1.68</b>
<b>Total Comprehensive Income for the period</b>		<b>2,482.30</b>	<b>831.89</b>
<b>Earning per equity share</b>	29		
Basic		25.83	8.67
Diluted		10.44	5.26
Nominal value per share		10/-	10/-

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

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

per Shrawan Jalan  
 Partner  
 Membership No. 302102

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

Radhakrishna Kogta  
 K. K. Kogta  
 (Chairman)  
 DIN 00197552

Arun Kogta  
 Arun Kogta  
 (Managing Director & CEO)  
 DIN 05109722

Varun Kogta  
 Varun Kogta  
 (Executive Director & CFO)  
 DIN 06844307

Rahul Agrawal  
 Rahul Agrawal  
 (Company Secretary)  
 Membership No. A34034

Place: Mumbai  
 Date: 18.06.2020

Place: Jaipur  
 Date: 18.06.2020



KORA Financial India Limited  
 Cash flow statement for the year ended March 31, 2020  
 (All amounts in lakhs, except as stated otherwise)

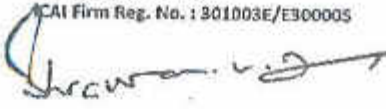
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A Cash flow from operating activities:</b>		
Net profit before tax as per statement of profit and loss	3,245.64	1,270.82
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation of PPE, ROU and other intangible assets	420.73	139.99
Loans & advances written off	514.03	255.96
Amortization of ancillary cost	124.05	103.64
Reversal of provision for expected credit loss (ECL)	(15.27)	562.47
ES receivable on assignment transactions	24.44	(37.12)
Provision for employee benefits	16.70	(2.75)
Loss/(Profit) on sale of property, plant and equipment	(0.20)	(51.04)
Net (gain)/ loss on sale of current investments	(65.16)	(8.29)
ESOP Expenses	125.90	14.52
Interest expenses on vehicle loans	13.27	8.84
Rental income	(4.52)	(4.52)
Operating profit before working capital changes	4,399.60	2,252.72
Changes in working capital		
(Increase)/decrease in Loans	(32,911.98)	(27,794.67)
(Increase)/decrease in bank deposits	(15,204.37)	(5,752.33)
Increase in financial and other assets	(1,886.51)	(234.79)
Increase/(decrease) in financial and other liabilities	790.45	307.06
Total of changes in working capital	(49,212.41)	(33,474.73)
Direct taxes paid	904.01	547.64
Net cash flow used in operating activities (A)	(45,716.82)	(31,769.65)
<b>B Cash flow from investing activities:</b>		
Inflow (outflow) on account of:		
Purchase of Property, plant and equipment (including capital work-in-progress)/ Intangible assets	(497.15)	(393.20)
Sale of Property, plant and equipment (including capital work-in-progress)	25.30	88.12
Purchase of current investments	(3,500.00)	(3,000.00)
Proceeds from sale/maturity of current investments	3,565.18	3,008.29
Rental income	4.52	4.52
Net cash flow used in investing activities (B)	(402.15)	(292.27)
<b>C Cash flow from financing activities:</b>		
Issue of equity shares (including share premium)	30,100.00	15,425.28
Share / debenture issue expenses	(66.44)	(420.14)
Dividend paid on preference shares	(0.03)	(0.04)
Tax on preference dividend paid	(0.01)	(0.01)
Interest paid on vehicle loan	(13.27)	(8.84)
Proceeds from borrowings	38,495.90	22,587.38
Repayments of borrowings	(22,875.31)	(5,776.07)
Net Cash flow from financing activities (C)	45,640.24	31,807.55
Net decrease in cash and cash equivalents (A+B+C)	(478.74)	(254.37)



Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash and cash equivalents as at the beginning of the year	1,149.78	1,404.15
Cash and cash equivalents at the end of the year	671.04	1,149.78
Components of cash and cash equivalents		
Cash on hand		
Balance in franking machine*	89.66	511.63
Balance with banks	-	-
In current accounts	-	-
In cash credit	81.31	638.15
In deposit account	-	-
Total cash and cash equivalents	500.07	-
Operational Cash Flow from Interest	671.04	1,149.78
Interest Received	14,828.06	9,246.98
Interest Paid	6,728.19	5,016.80

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

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

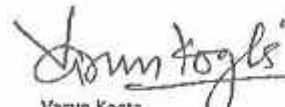




Place: Mumbai  
Date: 18.06.2020

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

  
R. K. Kogta  
(Chairman)  
DIN 00197552

  
Arun Kogta  
(Managing Director & CEO)  
DIN 05109722

  
Varun Kogta  
(Executive Director & CFO)  
DIN 06844307

  
Rahul Agrawal  
(Company Secretary)  
Membership No. A34034

Place: Jalpur  
Date: 18.06.2020



a. Equity Share Capital

Particulars	(₹ In lakhs)
Balance as at April 01, 2018	Amount
Share issued during the year ended March 31, 2019	1,344.01
Balance as at March 31, 2019	5,013.73
Share issued during the year ended March 31, 2020	6,357.24
Balance as at March 31, 2020	1,295.20
	7,657.94

b. Other Equity

Equity Component of compounded financial instruments	Reserves and surplus					Retained earnings	Total
	Statutory reserves as per Section 45-4C of the RBI Act, 1934	Capital reserves	Securities premium	General Reserves	Stock option outstanding account		
Balance as at April 01, 2018							
Profit for the year (A)	564.72	40.00	3,104.17	800.00	-	524.75	5,033.63
Other comprehensive income for the year (B)	-	-	-	-	-	830.21	830.21
Total comprehensive income for the year (A+B)	-	-	-	-	-	1.68	1.68
Additions during the year						831.08	831.88
Transfer to reserve from retained earnings during the period	225.09	-	-	100.00	14.52	-	339.61
Issue of share capital	-	-	10,411.54	-	-	(325.09)	(325.09)
Transaction cost	-	-	(420.34)	-	-	-	10,411.54
Dividend paid (including DDT)	-	-	-	-	-	-	(420.34)
Balance as at March 31, 2019	789.81	40.00	13,095.57	900.00	14.52	(0.04)	(0.04)
Profit for the year (C)	-	-	-	-	-	2,494.01	2,494.01
Other comprehensive income for the year (D)	-	-	-	-	-	(11.70)	(11.70)
Total comprehensive income for the year (C+D)	-	-	-	-	-	2,482.31	2,482.31
Additions during the year	496.46	-	-	100.00	125.90	-	722.36
Transfer to reserve from retained earnings during the period	-	-	-	-	-	(596.46)	(596.46)
Issue of share capital	-	-	28,804.79	-	-	-	28,804.79
Transaction cost	-	-	(66.44)	-	-	-	(66.44)
Dividend paid (including DDT)	-	-	-	-	-	-	(0.03)
Balance as at March 31, 2020	1,286.27	40.00	41,833.92	1,000.00	140.42	2,917.32	47,217.91

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

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

*Shrawan Jain*

per Shrawan Jain  
Partner  
Membership No. 102302



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

*R. K. Kogia*  
R. K. Kogia  
(Chairman)  
CIN 00197552

*Arun Kogta*  
Arun Kogta  
(Managing Director & CEO)  
DIN 05100722

*Varun Kogia*  
Varun Kogia  
(Executive Director & CFO)  
CIN 05844307

*Rahul Agrawal*  
Rahul Agrawal  
(Company Secretary)  
Membership No. A34054

Place: Jaipur  
Date: 18.06.2020



#### A. Corporate Information

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

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

#### B. Basis of preparation of financial statements

##### a) Basis of preparation

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

The Company uses accrual basis of accounting except in case of significant uncertainties. For all periods up to and including the year ended 31 March 2019, 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'). These financial statements for the year ended 31 March 2020 are the first the Company has prepared in accordance with Ind AS. The Company has applied Ind AS 101 'First-time Adoption of Indian Accounting Standards', for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note no. 33.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the lakhs, except when otherwise indicated.

The regulatory disclosures as required by Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company Directions, 2016 issued by the RBI ('RBI Master Directions') to be included as a part of the Notes to Accounts are also prepared as per the Ind AS financial statements."

##### b) Basis of measurement

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

#### 1 Summary of significant accounting policies

##### 1.1 Use of estimates

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

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

##### 1.1.1 Business Model Assessment

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

The Company considers the frequency, volume and timing of disbursements in prior years, the reason for such disbursement, and its expectations about future business activity. However, information about business activity is not considered in isolation, but as part of 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, 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 an internal rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and other characteristics of the product life cycle (including prepayments). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well other fee income/expense that are integral parts of the instruments.

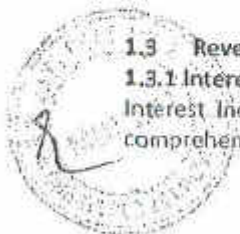
#### 1.2 Cash and cash equivalents

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

#### 1.3 Revenue recognition

##### 1.3.1 Interest and similar income

Interest income, for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the





estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation of the effective interest rate takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes transaction costs and fees that are an integral part of the contract but not future credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

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

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

### 1.3.2 Fee and commission income

All other financial charges pertaining to loan agreement are recognized only on receipt basis. The Company has changed its accounting policy for accounting of cheque bounce charges from accrual basis to realization basis. As a result of such change in the recognition of cheque bounce charges and reimbursement of expenses, the profit for the current period is lower by Rs. 486.70 Lacs.

Commission income is booked on accrual basis.

### 1.3.3 Other income

Rental income is recognized on accrual basis of accounting.

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

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

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

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

#### Intangible assets

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

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

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

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

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

### 1.5 Operating Leases

#### 1.5.1 Company as a lessee



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

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

#### Measurement and recognition

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

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

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

#### Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of less than 12 months or where the lease security deposit is less than 50,000/-. The Company recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

Under Ind AS 17: In the comparative period, as a lessee the Company classified leases that transfer substantially all the risk and reward of ownership as finance leases. Assets held under other leases are classified as operating lease and were not recognised in Company Balance sheet. Payment made under operating lease were recognised in profit and loss on a straight-line basis over the term of lease."

#### 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.

#### Transition

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all long-term lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability and the right of use assets at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported as per accounting policies included as part of our financial statement for the year ended March 31, 2019.

The Company has given impact analysis of Lease on financial results in note no 37 "Transition to Ind AS 116 on Lease".

#### 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
Computer & data processing units	
a) Server & networks	6
b) End user device	3
Office equipment	5
Air conditioner & DG set	15
Vehicles	
a) Two wheelers	10
b) Four wheelers	8
c) Four wheelers (given under car policy to specified employees)	4

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

#### Amortization

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company estimates the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the effect 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.
- 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.

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.

#### Financial Assets

##### 1.14.1 Initial recognition and measurement

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

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

Accordingly, the Company measures Bank balances, Loans & advances, Trade receivables and other financial instruments at amortised cost."

##### 1.14.2 Classification and Subsequent measurement

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

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

- Debt Instruments at amortised cost
- Debt Instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

##### 1.14.2.1 Debt instruments at amortised costs

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

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

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

##### 1.14.2.2 Debt instruments at FVTOCI

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

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



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

#### 1.14.2.3 Debt instruments at FVTPL

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

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

### 1.15 Financial Liabilities

#### 1.15.1 Initial recognition and measurement

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

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

#### 1.15.2 Loans and borrowings

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

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

#### 1.15.3 Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2019-20 and 2018-19.

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

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

The mechanics of the ECL method are summarised below:

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

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

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

#### 1.17.3 Definition of Default

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

#### 1.17.4 Significant increase in credit risk

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

#### 1.17.5 Forward looking information

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

#### 1.17.6 Collateral repossessed

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

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

#### 1.17.7 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

#### 1.18 Fair value measurement





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

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

In the principal market for the asset or liability, or

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use."

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

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

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

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

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

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



2 Cash and cash equivalents

Particulars	₹ in lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Cash on hand			
Balances with banks	89.66	511.63	233.56
(a) In current accounts			
(b) In cash credit or overdraft accounts	81.31	638.15	869.41
(c) In deposits where original maturity is less than three months	-	-	0.83
<b>Total</b>	<b>500.07</b>	<b>-</b>	<b>300.35</b>
	671.04	1,149.78	1,404.15

3 Bank balances other than cash and cash equivalents

Particulars	₹ in lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
In deposits where original maturity is more than three months but less than twelve months	17,681.70	5,386.47	72.22
In deposits where original maturity is more than twelve months	1,670.28	1,225.85	787.77
<b>Total</b>	<b>19,751.98</b>	<b>6,612.32</b>	<b>859.99</b>

Other bank balance in deposit accounts include deposits under lien aggregating to Rs. 1,733.93 lakhs (P.Y. Rs. 1,030.10 lakhs) towards the credit enhancement provided by the company under the securitization agreements.

4 Loans (at amortised cost)

Particulars	₹ in lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Term loans			
<b>Total Gross</b>	<b>99,742.90</b>	<b>67,580.14</b>	<b>40,222.98</b>
Less: Impairment loss allowances	99,742.90	67,580.14	40,222.98
<b>Total Net</b>	<b>1,687.45</b>	<b>1,728.54</b>	<b>1,179.50</b>
	98,055.45	65,851.60	39,043.48
Secured by tangible assets (Vehicles, PPE including land & building)	99,419.00	67,162.01	39,235.89
Unsecured	323.90	418.13	987.09
<b>Total Gross</b>	<b>99,742.90</b>	<b>67,580.14</b>	<b>40,222.98</b>
Less: Impairment loss allowances	99,742.90	67,580.14	40,222.98
<b>Total Net</b>	<b>1,687.45</b>	<b>1,728.54</b>	<b>1,179.50</b>
	98,055.45	65,851.60	39,043.48
Loans in India			
Public sector			
Others			
<b>Total Gross</b>	<b>99,742.90</b>	<b>67,580.14</b>	<b>40,222.98</b>
Less: Impairment loss allowances	99,742.90	67,580.14	40,222.98
<b>Total Net</b>	<b>1,687.45</b>	<b>1,728.54</b>	<b>1,179.50</b>
	98,055.45	65,851.60	39,043.48

4.1 Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and hypothecation of vehicles.

4.2 Loans includes unsecured loans to employees and related parties aggregating to Rs. 100.57 lakhs (P.Y. 44.13 lakhs).

4.3 Impairment loss allowance includes Rs. 160.74 lakhs on account of COVID-19 collective provision overlay.

4.4 The Company has assigned a pool of certain loans amounting to Rs. 7,079.97 lakhs (P.Y. Rs. 4,400.48 lakhs) by way of a direct assignment transaction. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreement, the Company pays to assignee, on a monthly basis, the pro-rata collection amounts.

4.5 The Company has given Impairment assessment and measurement approach in note no. 1.17 of the Summary of significant accounting policies.

4.6 The Company has defined risk assessment model in note no. 40.

4.7 Grouping financial assets measured on a collective basis

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

- Vehicle
- LAP & MSME

The purpose of this bifurcation is to estimate some of the risk parameters specifically for each of these sub-categories, so that better risk differentiation can be achieved and appropriate ECL calculation can be undertaken.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances with respect to all asset classes have been explained below:



4.7.1 Vehicle

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

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01 April 2018	29,734.62	4,747.95	1,419.14	35,901.70
New assets originated	38,949.33	-	-	38,949.33
Increase in existing assets	1,240.94	-	-	1,240.94
Assets derecognised or repaid	(12,456.05)	(2,731.00)	(527.61)	(15,714.67)
Transfers from Stage 1	(7,160.57)	6,196.70	963.87	-
Transfers from Stage 2	376.56	(1,002.59)	626.04	-
Transfers from Stage 3	19.48	17.06	(36.54)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	(12.28)	-	-	-
As at March 31, 2019	50,692.02	7,228.11	1,826.91	59,747.04

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01 April 2019	50,692.02	7,228.11	1,826.91	59,747.04
New assets originated	48,907.79	-	-	48,907.79
Increase in existing assets	(1,005.55)	-	-	(1,005.55)
Assets derecognised or repaid	(22,874.99)	(3,112.87)	(495.12)	(26,482.98)
Transfers from Stage 1	(6,371.34)	4,996.95	1,374.39	-
Transfers from Stage 2	682.41	(1,751.56)	1,069.17	-
Transfers from Stage 3	15.06	23.39	(38.45)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	(11.49)	(2.97)	(891.07)	(1,005.52)
As at March 31, 2020	70,039.91	7,381.03	2,745.83	80,166.77

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 01 April 2018	666.22	160.86	281.19	1,108.27
New assets originated	714.81	-	-	714.81
Increase in existing assets	2.58	-	-	2.58
Assets derecognised or repaid	(324.14)	(83.27)	(94.96)	(502.36)
Transfers from Stage 1	(136.83)	117.19	19.63	-
Transfers from Stage 2	28.33	(52.14)	23.81	-
Transfers from Stage 3	13.64	6.46	(20.10)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	(34.72)	65.58	273.04	303.89
As at March 31, 2019	930.02	214.68	362.99	1,507.70

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 01 April 2019	930.02	214.68	362.99	1,507.70
New assets originated	400.19	-	-	400.19
Increase in existing assets	(0.48)	-	-	(0.48)
Assets derecognised or repaid	(570.17)	(104.60)	(101.14)	(775.91)
Transfers from Stage 1	(136.92)	109.95	26.97	-
Transfers from Stage 2	43.40	(85.76)	42.36	-
Transfers from Stage 3	12.54	9.33	(21.86)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	(41.89)	80.71	438.42	477.25
As at March 31, 2020	636.48	224.25	555.92	1,416.65



4.7.2 MSME

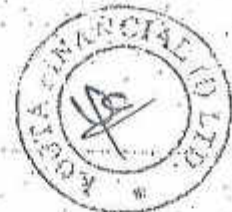
Analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to the MSME loans is, as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01 April 2018	4,100.77	153.69	66.82	4,321.28
New assets originated	5,359.81	-	-	5,359.81
Increase in existing assets	129.64	-	-	129.64
Assets derecognised or repaid	(1,855.26)	(107.69)	(7.36)	(1,970.31)
Transfers from Stage 1	(793.03)	708.47	84.57	-
Transfers from Stage 2	2.47	(37.71)	35.23	-
Transfers from Stage 3	-	-	-	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	-	-	-	-
As at March 31, 2019	6,944.40	716.77	171.94	7,833.10

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01 April 2019	6,944.40	716.77	171.94	7,833.10
New assets originated	13,600.93	-	-	13,600.93
Increase in existing assets	338.65	-	-	338.65
Assets derecognised or repaid	(2,089.07)	(75.14)	(10.25)	(2,174.45)
Transfers from Stage 1	(629.18)	430.02	199.16	-
Transfers from Stage 2	138.34	(356.85)	218.50	-
Transfers from Stage 3	5.12	16.00	(21.12)	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-
Write offs	(15.92)	-	(90.19)	(106.11)
As at March 31, 2020	18,383.27	730.81	468.05	19,582.12

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 01 April 2018	54.43	3.47	13.83	71.23
New assets originated	127.19	-	-	127.19
Increase in existing assets	3.59	-	-	3.59
Assets derecognised or repaid	(16.10)	(2.00)	(1.31)	(19.41)
Transfers from Stage 1	(14.45)	12.64	1.81	-
Transfers from Stage 2	0.18	(1.12)	0.94	-
Transfers from Stage 3	-	-	-	-
Net remeasurement of ECL arising from transfer of stage	(0.12)	17.16	22.60	39.64
Write offs	-	-	(1.38)	(1.38)
As at March 31, 2019	154.72	30.15	35.98	220.85

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 01 April 2019	154.72	30.15	35.98	220.85
New assets originated	89.78	-	-	89.78
Increase in existing assets	(5.41)	-	-	(5.41)
Assets derecognised or repaid	(101.87)	2.84	(2.27)	(101.30)
Transfers from Stage 1	(15.11)	10.79	4.32	-
Transfers from Stage 2	10.04	(19.72)	9.68	-
Transfers from Stage 3	0.98	4.01	(4.98)	-
Net remeasurement of ECL arising from transfer of stage	(8.45)	25.20	69.20	85.96
Write offs	(0.37)	-	(18.71)	(19.08)
As at March 31, 2020	124.31	53.27	93.22	270.79



5 Other financial assets

Particulars	₹ in lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Security Deposit	91.04	71.49	44.66
Advance Receivable in cash or value to be received	85.42	85.79	19.37
EIS Receivable	306.70	346.38	360.45
Fixed deposit with financial institution	2,064.71	-	-
Other receivables	760.67	-	-
<b>Total</b>	<b>3,308.54</b>	<b>503.66</b>	<b>424.48</b>

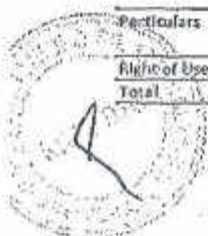
Under Ind AS, with respect to Assignment deals, the Company has created an Excess Interest Spread (EIS) receivable, with corresponding credit to Statement of Profit and loss for the year, which has been computed by discounting EIS to present value.

6 Property, Plant and Equipment

Particulars	₹ in lakhs						Total
	Computers	Air conditioner & DG set	Office equipment	Furniture & fixtures	Vehicles	Land and Building	
<b>Cost:</b>							
As at 1 April 2018	22.68	5.10	11.09	41.44	183.65	52.25	296.21
Additions	66.01	3.22	9.63	59.83	151.64	5.94	296.33
Disposals	-	-	-	-	11.58	25.70	37.09
As at 31 March 2019	88.69	8.32	20.77	101.27	243.91	82.50	495.47
Additions	92.37	47.02	66.68	225.96	88.79	-	520.82
Disposals	-	0.83	0.52	4.77	13.35	-	19.47
As at 31 March 2020	181.06	84.51	86.93	322.46	319.36	82.50	896.81
<b>Depreciation and Impairment:</b>							
As at 1 April 2018	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Charge for the year	32.67	1.28	8.54	19.37	63.57	1.35	126.75
As at 31 March 2019	32.67	1.28	8.54	19.37	63.57	1.35	126.75
Disposals	-	-	-	-	-	-	-
Charge for the year	55.01	7.12	23.35	57.81	85.71	1.31	230.32
As at 31 March 2020	87.68	8.40	31.89	77.18	149.28	2.66	357.07
<b>Capital working progress:</b>							
At 1st April, 2018	-	-	-	-	-	-	-
At 31st March, 2019	-	-	-	-	-	-	62.35
As at 31 March 2020	-	-	-	-	-	-	-
<b>Net book value:</b>							
At 1st April, 2018	22.68	5.10	11.09	41.44	183.65	52.25	236.21
At 31st March, 2019	56.07	7.05	12.23	81.80	180.34	81.12	431.06
As at 31 March 2020	93.43	46.12	55.03	245.27	170.08	79.84	639.74

7 Right of Use Assets

Particulars	₹ in lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Right of Use Assets	875.12	-	-
<b>Total</b>	<b>875.12</b>	<b>-</b>	<b>-</b>



8 Other Intangible Assets

Particulars	[₹ in lakhs]		
	Trademark	Software	Total
<b>Cost:</b>			
As at 1 April 2018	-	49.28	49.28
Additions	-	-	-
Disposals	3.39	5.45	8.84
As at 31 March 2019	-	-	-
Additions	3.39	54.73	58.12
Disposals	-	58.74	58.74
As at 31 March 2020	3.39	113.47	116.86
<b>Accumulative amortisation and impairment:</b>			
As at 1 April 2018	-	-	-
Disposals	-	-	-
Amortisation charge for the year	0.25	12.99	13.24
As at 31 March 2019	0.25	12.99	13.24
Disposals	-	-	-
Amortisation charge for the year	0.66	23.25	23.91
As at 31 March 2020	0.91	36.24	37.15
<b>Net Book value Software:</b>			
As at 1 April 2018	-	49.28	49.28
As at 31 March 2019	3.14	41.75	44.89
As at 31 March 2020	2.46	77.23	79.70
<b>Other intangible assets under development:</b>			
As at 1 April 2018	-	-	-
As at 31 March 2019	-	25.69	25.69
As at 31 March 2020	-	-	-
<b>Other intangible assets:</b>			
As at 1 April 2018	-	49.28	49.28
As at 31 March 2019	3.14	67.43	70.57
As at 31 March 2020	2.40	77.23	79.70

The company has elected to continue with the carrying value for all of its intangible assets as recognized in the financial statements as at the date of transition to Ind AS i.e. April 01, 2018 measured as per the previous IGAAP and use that as its deemed cost at the date of transition.

9 Other non-financial assets

Particulars	[₹ in lakhs]		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Repossessed Assets (net of impairment allowance)	1,571.71	566.46	397.13
Prepaid expenses	126.13	84.00	31.57
Deferred lease expense	26.47	21.38	-
<b>Total</b>	<b>1,724.31</b>	<b>671.84</b>	<b>428.70</b>



10 Trade Payables

Particulars*	₹ In lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	155.42	154.51	37.45
Total outstanding dues of Micro enterprises and Small enterprises	-	-	-
<b>Total</b>	<b>155.42</b>	<b>154.51</b>	<b>37.45</b>

11 Debt Securities (at amortised cost)

Particulars*	₹ In lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>Secured</b>			
Non Convertible Debentures - Unsecured	7,003.36	6,301.36	3,837.81
Non Convertible Debentures*	2,499.60	-	-
<b>Total</b>	<b>9,502.96</b>	<b>6,301.36</b>	<b>3,837.81</b>
Debt securities in India	8,592.78	6,301.36	3,837.81
Debt securities in outside India	910.18	-	-
<b>Total</b>	<b>9,502.96</b>	<b>6,301.36</b>	<b>3,837.81</b>

\* Non Convertible Debentures are partially secured by way of part part charge and equitable mortgage of the immovable property (land) owned by the company amounting to ₹. 9.46 lakhs.

11.1 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, 2020	As at March 31, 2019	Secured/Unsecured
1	IN01312U30010	21-01-2018	23-08-2019	150	15.90%	30,00,000	-	1,498.36	Unsecured
2	IN01312U30012	13-06-2017	13-04-2020	3,807	12.23%	57,270	1,951.97	1,951.94	Secured
3	IN01312U30010	02-06-2017	30-06-2020	3,807	12.23%	50,192	1,910.61	1,898.96	Secured
4	IN01312U30014	22-08-2018	15-01-2021	150	15.90%	8,95,720	1,430.60	-	Unsecured
5	IN01312U30016	11-01-2019	17-05-2021	500	11.25%	1,40,957	704.78	2,251.67	Secured
6	IN01312U30016	22-01-2020	27-01-2023	1,700	12.86%	93,543	3,515.61	-	Secured
<b>Total</b>							<b>8,393.78</b>	<b>7,320.33</b>	

11.2 Non convertible debentures are redeemable as per:

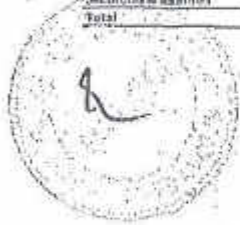
12 Borrowings other than debt securities (at amortised cost)

Particulars	₹ In lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>Secured</b>			
<b>Term loans</b>			
From Banks	12,861.65	4,934.22	8,848.13
From Others	14,302.96	15,927.50	15,032.85
<b>Others</b>			
Cash Credit from Banks	4,067.28	3,221.39	3,150.52
Overdraft Credit from Banks	8,242.28	821.40	-
Working capital demand loan facility	504.40	2,494.27	1,612.29
Securitisation	11,481.85	11,794.54	4,742.09
<b>Unsecured</b>			
<b>Term loans</b>			
From Banks	-	-	-
From Others	2,907.83	1,710.03	-
Inter Corporate Deposits	15.73	27.96	59.23
<b>Total</b>	<b>50,463.86</b>	<b>44,883.30</b>	<b>30,545.00</b>
Borrowings in India	50,463.86	44,883.30	30,545.00
Borrowings outside India	-	-	-

- 12.1 Secured term loans from banks amounting to ₹. 17,861.85 lakhs carry rate of interest in the range of 8.50% to 12.75% p.a. The loans are having tenure of 2 to 5 years from the date of disbursement and are repayable in both monthly & quarterly instalments. These loans are secured by hypothecation (exclusive charge) of the loans given by the Company.
- 12.2 Secured term loans from financial institutions amounting to ₹. 14,807.36 lakhs carry rate of interest in the range of 9.75% to 12.50% 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. Loans from financial institutions to the extent of ₹. 1,422.64 lakhs (D.V. ₹. 1,655.03 lakhs) have been guaranteed by corporate guarantee of HBFAM Arc Capital Limited.
- 12.3 Cash credit borrowings from bank are secured against hypothecation of receivables given by the company, are repayable on demand and carry interest rates ranging from 10.00% to 12.75%.
- 12.4 Overdraft borrowings from bank are secured against fixed deposits placed by the company, are repayable on demand and carry interest rates ranging from 8.25% to 8.50%.
- 12.5 Other borrowings include associated liabilities to securitised asset that has been re-recognized due to non fulfillment of derecognition criteria as per Ind AS.
- 12.6 Unsecured term loans from financial institutions amounting to ₹. 2,981.83 lakhs carry rate of interest in the range of 12.25% to 14.80% p.a. The loans are having tenure of 2 to 3 years from the date of disbursement and are repayable in both monthly & quarterly instalments.
- 12.7 Inter corporate deposits from companies are unsecured and repayable within one year and carries interest rate ranging from 12.00% to 15.00%.
- 12.8 The company has not defaulted in the repayment of dues to its lenders.

12.9 Changes in liabilities arising from financing activities

Particulars	₹ In lakhs			
	As at March 31, 2019	Cash flows	Other*	As at March 31, 2020
Debt securities	6,301.36	2,501.43	(5.70)	8,592.70
Borrowings	44,883.50	14,218.80	(36.13)	59,463.86
Subordinate liabilities	1,499.16	(2,000.00)	1.61	(500.23)
<b>Total</b>	<b>52,684.02</b>	<b>14,719.23</b>	<b>(40.22)</b>	<b>67,363.03</b>



Particulars	As at March 31, 2020	Cash Bases	Other*	As at March 31, 2019
Debt securities	1,437.91	2,302.35	1.30	5,101.20
Borrowings	30,345.00	14,748.93	(12.65)	41,893.30
Subordinated liabilities	1,497.56	-	0.60	1,466.10
Total	33,280.47	17,051.28	(10.95)	48,460.60

\*Other\* which includes amortisation of transaction cost.

12.10 Terms of payment of long term borrowings outstanding as at March 31, 2020

Particulars	Interest rate range	No. of Installments	March 31, 2020	March 31, 2019
<b>Monthly Payment</b>				
<b>Less than 1 Year</b>				
	8% - 10%	303	\$92.36	677.15
	10% - 12%	309	15,194.65	15,513.02
	12% - 14%	320	4,645.87	2,968.11
	Above 14%	55	1,541.23	191.46
<b>1 - 5 Year</b>				
	8% - 10%	831	1,928.59	330.66
	10% - 12%	938	11,815.59	6,057.33
	12% - 14%	107	4,740.51	3,652.39
	Above 14%	41	1,079.26	700.04
<b>3 - 5 Year</b>				
	8% - 10%	87	735.05	8.20
	10% - 12%	21	523.77	137.56
	12% - 14%	0	-	(0.22)
	Above 14%	0	-	-
<b>Quarterly Payment</b>				
<b>Less than 1 Year</b>				
	8% - 10%	0	-	-
	10% - 12%	14	1,034.65	1,007.57
	12% - 14%	8	432.72	546.79
	Above 14%	0	-	-
<b>1 - 3 Year</b>				
	8% - 10%	0	-	-
	10% - 12%	2	207.85	662.91
	12% - 14%	13	1,304.32	-
	Above 14%	0	-	-
<b>3 - 5 Year</b>				
	8% - 10%	0	-	-
	10% - 12%	0	-	-
	12% - 14%	0	-	-
	Above 14%	0	-	-
Total		1,696	46,450.33	34,876.79

13 Subordinated liabilities (at amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured	-	-	-
Non convertible debentures	-	1,497.56	1,497.56
Total	-	1,497.56	1,497.56
Subordinated liabilities in India	-	1,497.56	1,497.56
Subordinated liabilities in outside India	-	-	-
Total	-	1,497.56	1,497.56

13.1 Terms for repayment of subordinated liabilities are given under note no 10.1

14 Lease Liability

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Lease Liability	928.02	-	-
Total	928.02	-	-

15 Other financial liabilities

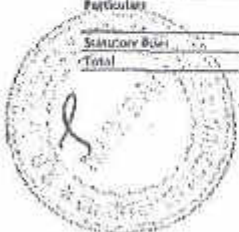
Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Commission Payable	145.55	174.20	198.70
Employee benefits Payable	25.14	12.67	-
Due to assignees towards collections in derecognized assets	392.80	350.55	385.10
Security deposits	6.35	7.67	14.67
Total	669.84	645.11	708.57

16 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>Provision for employee benefits</b>			
Provision for gratuity	61.40	25.07	21.57
Bonus Payable	-	-	33.04
<b>Other provisions</b>			
Provision for income tax	145.80	121.49	84.00
Provision for charges income booked on accrual basis	690.47	-	-
Total	897.67	246.56	138.61

17 Other non-financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Statutory Dues	117.38	80.91	78.54
Total	117.38	80.91	78.54





15. Equity Share Capital

Particulars	[₹ in lakhs]		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>Authorized Capital</b>			
1,00,00,000 (31 March 2019: 1,01,00,000, 1 April 2018: 1,00,00,000) equity shares of ₹10/- each	1,000.00	1,010.00	1,000.00
2,60,6764 (31 March 2019: 1,51,37,308, 1 April 2018: 50,00,000) preference shares of ₹10/- each	2,606.76	1,513.73	500.00
17,74,544 (31 March 2019: 17,74,544, 1 April 2018: NIL) Preference shares of ₹225.41/- each	4,000.13	4,000.13	-
	<b>7,856.90</b>	<b>6,523.86</b>	<b>1,500.00</b>
<b>Issue, subscribed and fully paid-up:</b>			
96,21,71 (31 March 2019: 96,00,110, 1 April 2018: 96,00,100) equity shares of ₹10/- each	962.17	960.01	900.01
2,60,6764 (31 March 2019: 1,59,77,308, 1 April 2018: 35,40,000) Preference shares of ₹10/- each	2,606.76	1,397.74	384.00
17,74,544 (31 March 2019: 17,74,544, 1 April 2018: NIL) Preference shares of ₹225.41/- each	3,999.80	3,999.80	-
	<b>7,652.54</b>	<b>6,357.54</b>	<b>1,344.01</b>

16.1 Reconciliation of the shares outstanding at the beginning and at the end of year

Particulars	[₹ in lakhs]					
	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>						
Equity share at the beginning of year	96,00,110	960.01	96,00,100	960.01	96,00,100	960.01
Add:						
Equity Share Allotted during year						
Share issued during the year of Rs. 10/- each	21,561	2.16	10	0.00	-	-
Share issued under ESOP	-	-	-	-	-	-
	<b>96,21,671</b>	<b>962.17</b>	<b>96,00,110</b>	<b>960.01</b>	<b>96,00,100</b>	<b>960.01</b>
<b>Preference share</b>						
Preference Share at the beginning of year						
Add:						
Preference Share Allotted during year						
Share issued during the year of Rs. 10/- each	3,20,90,450	3,203.05	1,01,97,305	1,013.73	5,12,000	51.20
Share issued during the year of Rs. 225.41/- each	-	-	17,74,544	4,000.00	-	-
Share issued under ESOP	-	-	-	-	-	-
	<b>2,86,82,300</b>	<b>6,606.78</b>	<b>1,57,51,812</b>	<b>5,397.73</b>	<b>88,40,000</b>	<b>884.00</b>

16.2 Terms/right attached to shares

**Equity shares**

The company has only one class of the equity shares having par value of Rs.10/- per share. Each shareholder is eligible for vote in proportion to his share of the paid up equity capital of the company. The company declares and pays dividends in Indian rupees.

**Preference shares**

The company has five class of compulsory convertible preference shares (CCPS). All the preference shareholders are entitled to receive preference dividend of 0.0001% in priority to equity shareholders of the company, in each financial year. The company declares and pays dividends in Indian rupees. Each class of preference shares are eligible for conversion into equity shares at following terms within twenty years at the option of the investor.

**Series A:**

The company has 30,40,000 compulsory convertible preference shares (CCPS) issued at par value of Rs. 10/- per share. The preference shares are eligible for conversion into equivalent number of equity shares.

**Series B:**

The company has issued 1,01,37,303 compulsory convertible preference shares having face value of Rs. 10/-. The preference shares are eligible for conversion into one equity share against every two preference shares.

**Series C:**

The company has issued 17,74,544 compulsory convertible preference shares having face value of Rs. 225.41/-. The preference shares are eligible for conversion into equivalent number of equity shares.

**Series D1:**

During the year, the company has issued 96,99,216 compulsory convertible preference shares having face value of Rs. 10/-. The preference shares are eligible for conversion into one equity share against every two preference shares.

**Series D2:**

During the year, the company has issued 32,31,240 compulsory convertible preference shares having face value of Rs. 10/-. The preference shares are eligible for conversion into one equity share against every two preference shares.

16.3 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.



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

Name of Shareholder	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No. of shares	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding
<b>Equity shares</b>						
Bal Kogta	13,22,000	13.74%	13,22,000	13.77%	13,22,000	13.77%
Arum Kogta, Director	7,91,900	8.22%	7,91,900	8.24%	79,18,000	8.24%
Radhikhan Kogta, Director	7,29,500	7.58%	7,29,500	7.60%	71,95,000	7.60%
Varun Kogta, Director	6,27,000	6.52%	6,27,000	6.53%	62,70,000	6.53%
Ridhi Kogta	5,80,000	6.03%	5,80,000	6.04%	58,00,000	6.04%
Bal Lal Kogta HUF	5,74,500	5.97%	5,74,500	5.98%	57,45,000	5.98%
Kavya Kogta	5,67,000	5.89%	5,67,000	5.91%	56,70,000	5.91%
Bal Lal Kogta	5,49,000	5.71%	5,49,000	5.72%	54,90,000	5.72%
Arum Kogta HUF	5,21,500	5.42%	5,21,500	5.43%	52,15,000	5.43%
<b>Preference shares</b>						
KHPE Pamo Holding B.V.	1,33,68,548	46.03%	1,01,37,300	64.36%	-	0.00%
Aditya (Mauritius) Ltd.	96,99,216	33.82%	-	0.00%	-	0.00%
IFL Seed Ventures Fund I	56,14,544	19.57%	56,14,544	35.64%	38,40,000	100.00%

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

15 Other Equity

Particulars	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2019	April 1, 2018
(₹ in lakhs)				
<b>General Reserve</b>				
Balance at the beginning of the year	900.00	800.00	800.00	700.00
Add: Addition during the year	100.00	100.00	100.00	100.00
Less: Utilization during the year against share issue expense	-	-	-	-
Balance at the end of the year	1,000.00	900.00	900.00	800.00
<b>Securities Premium</b>				
Balance at the beginning of the year	13,095.57	3,104.17	3,104.17	2,755.85
Add: Addition during the year	28,604.70	10,411.54	10,411.54	949.80
Less: Utilization during the year against share issue expense	(56.44)	(420.14)	(420.14)	(0.48)
Balance at the end of the year	41,633.83	33,095.57	33,095.57	3,705.17
<b>Statutory reserve u/s 45-IC of RBI Act</b>				
Balance at the beginning of the year	789.81	564.72	564.72	398.18
Add: Addition during the year	405.46	225.09	225.09	166.54
Balance at the end of the year	1,295.27	789.81	789.81	564.72
<b>Capital reserve</b>				
	40.00	40.00	40.00	40.00
	40.00	40.00	40.00	40.00
<b>Share based payment reserve</b>				
	140.42	14.52	14.52	-
	140.42	14.52	14.52	-
<b>Retained Earnings</b>				
Balance at the beginning of the year	1,031.50	524.75	524.75	514.71
Profit for the year	2,482.31	833.88	833.88	392.13
Less: Interim Dividend	-	-	-	(96.00)
Less: Dividend distribution tax on interim dividend	-	-	-	(19.54)
Less: Preference share Dividend	(0.03)	(0.04)	(0.04)	-
Less: Dividend distribution tax on preference share dividend	(0.01)	(0.01)	(0.01)	-
Less: Transfer to statutory reserve	(496.48)	(225.09)	(225.09)	(106.54)
Less: Transfer to general reserve	(100.00)	(100.00)	(100.00)	(100.00)
Balance at the end of the year	2,917.32	1,031.59	1,031.59	514.75
<b>Total</b>	<b>47,317.91</b>	<b>35,871.39</b>	<b>35,871.39</b>	<b>5,033.63</b>

19.1 Nature and purpose of reserve

**General Reserve**

General reserve is a free reserve, retained from group'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 utilized in accordance with provisions of the Companies Act, 2013.

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

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

**Capital reserve**

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

**Share based payment reserve**

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

**Retained earnings**

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



20 Interest Income

Particulars	₹ in lakhs	
	For the period ended March 31, 2020	For the period ended March 31, 2019
	On Financial Assets measured at Amortised Cost	
Interest on Loans		
Net gain on derecognition of financial instruments under amortised cost category	14,517.54	9,237.10
Interest income from fixed deposits	302.97	297.07
Total	15,879.83	9,819.67

Loan origination income included in Interest Income on Loans is disclosed net of the direct incremental costs of ₹. 427.96 lakhs for year ended March 31, 2020 (P.Y. ₹. 318.51 lakhs) associated with the origination of the underlying loans.

21 Fee and Commission Income

Particulars	₹ in lakhs	
	For the period ended March 31, 2020	For the period ended March 31, 2019
Fee Income		
Commission Income	917.63	1,090.95
Total	917.63	1,090.95

22 Net gain on fair value changes

Particulars	₹ in lakhs	
	For the period ended March 31, 2020	For the period ended March 31, 2019
On Trading Portfolio		
Net gain on financial instruments at fair value through profit and loss (income from sale of Mutual funds - realised)	65.18	8.29
On Other Portfolio		
Total	65.18	8.29

23 Other Income

Particulars	₹ in lakhs	
	For the period ended March 31, 2020	For the period ended March 31, 2019
Net gain on derecognition of Property, plant and equipment		
Rental Income	0.20	51.04
Total	0.20	51.04

24 Finance Costs

Particulars	₹ in lakhs	
	For the period ended March 31, 2020	For the period ended March 31, 2019
	On Financial Liabilities measured at Amortised Cost	
Interest on financial liabilities		
Borrowings	4,295.77	3,404.43
Debt securities	963.22	552.19
Subordinated liabilities	95.97	241.67
Securitized pool	1,293.74	783.51
Lease liability	87.63	
Others		
Bank charges	33.77	17.25
Processing fees	149.46	87.31
Total	6,759.96	5,086.36

25 Impairment on financial instruments

Particulars	₹ in lakhs	
	For the period ended March 31, 2020	For the period ended March 31, 2019
	On Financial Instruments measured at Amortised Cost	
Loan assets		
Loan assets written off (net of recoveries)	(15.27)	502.47
Loss on disposal of repossessed assets	114.03	255.96
Total	98.76	758.43

26 Employee benefits

Particulars	₹ in lakhs	
	For the period ended March 31, 2020	For the period ended March 31, 2019
Salaries and wages	3,882.72	2,252.73
Share based payments to employees	125.00	14.52
Contribution to provident and other funds	226.73	106.00
Gratuity expense	17.79	10.59
Staff welfare expenses	15.06	21.39
Total	4,271.00	2,407.23



#### 16.1 Gratuity and other post-employment benefits 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 summarise the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Particulars	[₹ in lakhs]	
	March 31, 2020	March 31, 2019
<b>Details of Actuarial Valuations</b>		
Present value of the obligation at the beginning of the year		
Current service cost	29.08	21.17
Interest cost on benefit obligation	15.81	8.94
Past Service Cost	1.98	1.65
Benefits paid (if any)	-	-
Net actuarial (gain)/loss recognized in the year	(1.09)	(0.30)
Present value of the obligation at the end of the year	15.63	(2.30)
	<u>61.40</u>	<u>29.08</u>
<b>Balance sheet</b>		
Present value of defined benefit obligation		
Fair value of plan assets	61.40	29.08
Plan assets/(liabilities)	-	-
	<u>61.40</u>	<u>29.08</u>
<b>Amount recognized in the statement of P&amp;L</b>		
Interest cost		
Current service cost	1.98	1.65
Past Service Cost	15.81	8.94
Expected returns on Plan asset	-	-
Net actuarial (gain)/loss recognized in the year	-	-
Expenses to be recognized in P&L	15.63	(2.30)
	<u>53.02</u>	<u>8.21</u>
<b>Remeasurement (gains)/loss recognized in other comprehensive income</b>		
Remeasurement (gains)/loss on obligations arising from changes in experience adjustments	15.63	(2.30)
Remeasurement (gains)/loss on obligations arising from changes in financial assumptions	-	-
Total	<u>15.63</u>	<u>(2.30)</u>
<b>Principal assumptions used in determining gratuity obligations</b>		
Discount rate	6.80% p.a.	7.78% p.a.
Salary Growth Rate	10.00% p.a.	10.00% p.a.
Mortality	ILM 2012-14	ILM 2006-08 Ultimate
Expected rate of return		
Withdrawal rate	45.00% p.a.	34.00% p.a.

#### Sensitivity Analysis

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 1%)	60.12	62.73	25.28	29.91
Salary Growth rate (+/- 1%)	62.60	60.14	29.89	28.29
Withdrawal Rate (+/- 1%)	60.46	62.37	28.55	29.61

#### 17 Depreciation and amortisation expenses

Particulars	[₹ in lakhs]	
	For the period ended March 31, 2020	For the period ended March 31, 2019
Property, plant and equipment	230.32	126.75
Other Intangible Assets	23.93	15.24
Right of Use Assets	196.48	-
Total	<u>420.73</u>	<u>139.99</u>

#### 18 Other expenses

Particulars	[₹ in lakhs]	
	For the period ended March 31, 2020	For the period ended March 31, 2019
Rent	153.94	194.67
Electricity expenses	59.72	34.01
Repairs and maintenance	18.20	15.43
Printing and stationery	95.48	63.57
Traveling and conveyance	66.59	53.86
Professional fees	282.58	209.43
CSR expenditure	11.47	4.03
Director sitting fees	3.88	1.11
Auditor Remuneration	24.00	12.60
Telephone and Internet expenses	45.87	40.23
Business promotion	3.63	1.84
Rates & taxes	126.71	73.28
Office expenses	154.12	86.26
Share issue expenses	12.66	37.68
Donation	1.69	0.93
Collection & recovery expenses	-	79.44
Insurance expenses	91.47	92.02
Legal expenses	192.20	46.21
Total	<u>1,426.79</u>	<u>996.99</u>



28.1 Auditor Remuneration

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
Statutory audit fees, Certification & Limited review	24.00	12.00
Total	24.00	12.00

28.2 Amount Spent towards Corporate Social Responsibility (CSR)

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
a) Amount unpaid for the last year	9.48	1.12
b) Gross amount required to be spent by the company during the year	20.97	13.29
c) Amount spent during the year ending on 31st March:		
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above	13.47	4.93

29 Earnings per share (EPS)

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Continuing operations for the year		
Profit/(loss) after tax	2,402.30	831.89
Less: dividends on convertible preference shares & tax thereon	0.01	0.03
Net profit/(loss) for calculation of basic EPS	2,402.30	831.86
Net profit as above	2,402.30	831.86
Add: dividends on convertible preference shares & tax thereon	0.01	0.03
Net profit/(loss) for calculation of diluted EPS	2,402.30	831.89
Weighted average number of equity shares in calculating basic EPS		
Effect of dilution:		
Equity shares (in lakhs)	95.13	95.00
Weighted average no. of equity shares for Diluted EPS (in lakhs)	237.71	158.29
Earning per equity share:		
Basic	25.88	8.67
Diluted	10.44	5.26

30 Income Tax

The major components of income tax expense for the year ended March 31, 2020 are:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current income tax:		
Current income tax charge	940.06	563.58
Deferred tax:		
Relating to origination and reversal of temporary differences	(188.42)	(122.97)
Income tax expense reported in the statement of profit or loss	751.64	440.61

Deferred tax relating to OCI

Net loss/(gain) on re-measurements of defined benefit plans	(3.53)	0.70
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Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax from continuing operations	2,245.64	1,270.62
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	2,245.64	1,270.62
Tax at statutory income tax rate of 25.17% (P.Y. 20.12%)	566.80	319.06
Expenses Disallowed in Income tax Act	69.60	89.72
Deduction allowed u/s 80GAA of the Income tax act	(40.94)	(41.33)
Expenses Disallowed u/s 43B of the Income tax Act	35.83	2.39
Incremental deferred tax liabilities/(assets)	(143.19)	(2.36)
Decrease in deferred tax liabilities/(assets) on account of change in tax rate	13.41	-
Tax on Long term capital gain @23.30%	-	(7.35)
Other adjustments	-	29.45
Tax at effective income tax rate of 23.16% (P.Y. 24.67%) (a)	751.64	440.61
Tax on Other comprehensive income (b)	(3.93)	0.70
Total Tax expenses at effective tax rate of 23.04% (P.Y. 24.73%) (a+b)	747.70	441.31

31 Deferred tax asset

Deferred tax liabilities/(assets)	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Deferred tax asset			
Impact of EIR adjustments on financial assets	179.20	121.02	63.57
Impairment on Loans	440.88	301.03	256.04
Provision for gratuity and leave equivalent	35.45	8.47	6.12
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	31.98	-	3.90
Employee stock options outstanding	25.81	8.05	-
Other adjustments	13.61	0.10	-
Gross deferred tax asset	706.93	439.67	360.43



<b>Deferred tax liability</b>			
Impact of EIR adjustments on financial liabilities			
Gain on De-recognition of Loans	21.02	21.52	15.03
Upright interest income on assignment transaction	(110.27)	(75.25)	(74.82)
Difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	(69.97)	(96.11)	(85.31)
	-	(4.89)	-
<b>Gross deferred tax liability</b>	<b>(159.21)</b>	<b>(154.80)</b>	<b>(144.10)</b>
<b>Net Deferred Tax Liability</b>	<b>527.71</b>	<b>839.29</b>	<b>216.32</b>
<b>Deferred Tax charged to statement of profit and loss account</b>	<b>Year ended March 31, 2020</b>		<b>Year ended March 31, 2019</b>
	<b>Income statement</b>	<b>OCI</b>	<b>Income statement</b>
Impact of EIR adjustments on financial assets	(58.18)	-	(57.45)
Impairment on Loans	(79.85)	-	(74.19)
Provision for gratuity and Leave equivalent	(6.95)	-	(2.34)
Employee stock options outstanding	(22.76)	-	(1.05)
Impact of EIR adjustments on financial liabilities	0.89	-	(5.85)
Gain on De-recognition of Loans	34.98	-	0.49
Upright interest income on assignment transaction	(6.15)	-	10.61
Difference between tax depreciation and depreciation/ amortisation	(36.87)	-	8.79
Other adjustments	(13.51)	-	(0.30)
<b>Deferred Tax charged to statement of profit and loss account</b>	<b>(180.42)</b>	<b>-</b>	<b>(122.97)</b>

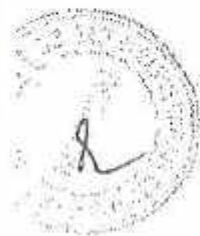
### 31 Stock options

The Company has formulated share based payment schemes for its employees (Plan I & II). Details of all grants in operation during the year ended March 31, 2020 are as given below:

Particulars	ESOP 2018	ESOP 2018
Date of approval for employee stock options outstanding	16-05-2018	12-05-2018
Vesting Period:		
2 years from the date of grant	NA	40%
Expiry of 1 year from 1st vesting	NA	30%
Expiry of 2 year from 1st vesting	NA	30%
3 years from the date of grant	50%	NA
Expiry of 2 year from 1st vesting	50%	NA
Exercise period	2 Years from the date of Vesting	3 months from the date of vesting
Method of settlement	Equity	Equity
Vesting condition	Continuous service	Continuous service
Maximum term of Options	7 Years 1 Month	4 Years 4 Months
Weighted average remaining contractual life (years)	6.25 Years	1.83 Years
Weighted average exercise price per option	Rs. 170.00	Rs. 90.00
<b>Year ended March 31, 2020</b>		
Number of options outstanding at the beginning of the year	-	1,20,000
Number of options granted during the year	3,04,800	-
Number of options forfeited during the year	29,000	2,600
Number of options exercised during the year	-	-
Number of options expired during the year	-	-
Number of options outstanding at the end of the year	2,55,800	1,17,200
Number of options exercisable at the end of the year	-	-
Weighted average fair values of the outstanding options	Rs. 189.94	Rs. 39.27
<b>Year ended March 31, 2019</b>		
Number of options outstanding at the beginning of the year	-	-
Number of options granted during the year	-	1,27,000
Number of options forfeited during the year	-	7,000
Number of options exercised during the year	-	-
Number of options expired during the year	-	-
Number of options outstanding at the end of the year	-	1,20,000
Number of options exercisable at the end of the year	-	-
Weighted average fair values of the outstanding options	-	Rs. 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 2019	Tranche 1	Tranche 2
Particulars		
Weighted average share price	Rs. 224.17	Rs. 224.17
Exercise price	Rs. 170.00	Rs. 170.00
Weighted average fair value of stock option	Rs. 182.25	Rs. 197.63
Risk free interest rate	6.98%	7.21%
Expected Life of Options	4.13 years	6.13 years
Expected volatility	46.38%	46.39%
Expected dividend rate	0.95%	0.95%
<b>ESOP 2018</b>	<b>Tranche 1</b>	<b>Tranche 2</b>
Particulars		
Weighted average share price	Rs. 100.51	Rs. 100.51
Exercise price	Rs. 90.00	Rs. 90.00
Weighted average fair value of stock option	Rs. 34.15	Rs. 45.37
Risk free interest rate	7.43%	7.78%
Expected Life of Options	2.26 years	4.26 years
Expected volatility	41.45%	41.45%

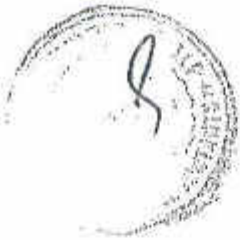


Expected dividend rate	0.00%	0.00%	0.00%
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Particulars	[In lakhs]	
	As at March 31, 2020	As at March 31, 2019
Expense charged for the year	125.90	14.52
Employee stock options outstanding balance	140.42	14.52

\* Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure volatility is used in the Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rate of the return of the stock over a period of time. The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements and the movement due to abnormal events if any gets evened out. There is no research that demonstrates conclusively how long the historical period used to estimate expected long-term future volatility should be. However, informal tests and preliminary research tends to confirm that estimates of expected future long term volatility should be based on historical volatility for a period that approximates the expected life of the options being valued. In the present case, since equity shares are not listed hence for the purpose of calculating volatility, we have considered the volatility of listed peer companies based on the expected life.

Particulars	Standard Deviation		Volatility	
	May 16, 2019	May 17, 2018	March 31, 2020	March 31, 2019
Reliance Capital	0.039	0.025	0.63	0.45
Muthoot Finance	0.024	0.022	0.37	0.35
Mohinda & Mohindra Financial Services	0.028	0.021	0.40	0.34
V.S Finance Ltd	0.029	0.031	0.46	0.52
Average:			40.38%	41.45%



**Key Accounting Policies**  
**Accounting part of the financial statements**

**32.1 Initial adoption of Ind AS**

The financial statements for the year ended March 31, 2020, are the first financial statements the Company has prepared in accordance with Ind AS. For years up to and including the year ended March 31, 2019, the Company 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 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for years ending on March 31, 2020, together with the comparative year data as at and for the year ended March 31, 2019, as disclosed in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2018 and the financial statements as at and for the year ended March 31, 2018.

**Exemptions applied**

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemption(s)/option(s):

**1) Classification and measurement of financial assets**

The company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**2) Impairment of financial assets**

The company has applied the exception related to impairment of financial assets given in Ind AS 109. It has used economic and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognized and compared that to the credit risk as at April 1, 2018.

**3) Deemed cost for property, plant and equipment and other intangible assets**

The company has elected to continue with the carrying value of all of its plant and equipment, capital work-in-progress and intangible assets (recognized as of April 1, 2018 (transition date) measured as per the previous GAAP and where the carrying value as its deemed cost as of the transition date.

**4) Recognition of financial assets and financial liabilities**

The company has applied the derecognition requirements to Ind AS 109 retroactively for assignment transactions to the information needed to apply Ind AS 109 to those financial assets derecognized as a result of post-transition sales available at the time of initially recognizing those transactions in the respective years.

**Use of Estimates**

The estimates at April 1, 2018, March 31, 2018 and March 31, 2020 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following adjustments, where application of Indian GAAP did not require estimation:

- Revaluation of financial instruments carried at FVTPL
- Impairment of financial assets based on Expected Credit Loss (ECL) model
- Determination of discounted value for financial instruments carried at amortized cost.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2018 (the date of transition to Ind AS), and as of March 31, 2018.

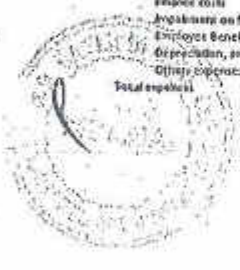
**32.2 Reconciliation of Equity and Profit & Loss account**

**32.2.1 Reconciliation of Equity as at April 01, 2018 & March 31, 2018**

Particulars	Notes	March 31, 2018				April 01, 2018	
		Indian GAAP		Ind AS	Indian GAAP		Ind AS
		Indian GAAP	Ind AS Adjustments		Indian GAAP	Ind AS Adjustments	
<b>(IN Lakhs)</b>							
<b>ASSETS</b>							
<b>Financial assets</b>							
Cash and cash equivalents	10	1,145.78	-	1,145.78	-	-	1,145.78
Bank balances other than cash and cash equivalents	11	4,613.32	-	4,613.32	109.99	-	4,723.31
Loans	1	53,304.17	13,320.68	66,624.85	54,400.00	4,623.28	69,023.28
Investments	12	1,641.08	(1,641.08)	-	101.33	(351.33)	-
Other financial assets	1	217.70	388.94	606.64	100.67	(115.51)	491.16
<b>Non-financial assets</b>							
Deferred tax assets (net)	8	37.03	80.40	117.43	85.18	-	202.61
Property, plant and equipment	13	431.06	-	431.06	338.32	381.00	819.32
Other intangible assets	14	70.58	-	70.58	46.24	-	116.82
Other non-financial assets	15	1,024.21	(948.44)	775.77	832.07	(304.37)	471.40
<b>Total - Assets</b>		<b>40,749.56</b>	<b>13,115.68</b>	<b>53,865.24</b>	<b>51,574.44</b>	<b>4,386.19</b>	<b>47,652.83</b>
<b>LIABILITIES AND EQUITY</b>							
<b>LIABILITIES</b>							
<b>Financial liabilities</b>							
<b>Trade Payables</b>							
Total outstanding dues of micro enterprises and small enterprises							
Total outstanding dues of creditors other than micro enterprises and small enterprises							
Debt securities	17	854.71	-	854.71	87.43	-	942.14
Borrowings (other than debt securities)	4	6,116.67	(77.31)	6,039.36	3,055.32	(16.41)	9,078.27
Derivatives and liabilities	18	1,500.00	11,677.40	13,177.40	23,745.11	4,318.27	17,463.11
Other financial liabilities	19	1,500.00	(1.84)	1,498.16	1,500.00	(1.44)	1,496.56
Other non-financial liabilities	19	308.78	88.66	397.44	109.77	158.70	556.17
<b>Non-financial liabilities</b>							
Provisions	20	140.56	-	140.56	123.08	-	263.64
Other non-financial liabilities	21	80.91	-	80.91	79.24	-	160.15
<b>Equity</b>							
Equity share capital	22	4,167.78	-	4,167.78	3,844.01	-	8,011.79
Other equity	23	16,395.03	(728.64)	15,666.39	5,474.39	(448.53)	15,217.86
<b>Total - Liabilities and Equity</b>		<b>40,749.56</b>	<b>13,115.68</b>	<b>53,865.24</b>	<b>51,574.44</b>	<b>4,299.87</b>	<b>47,652.83</b>

**32.2.2 Reconciliation of profit or loss for the Year ended March 31, 2020**

Particulars	Notes	March 31, 2020	
		Indian GAAP	Ind AS Adjustments
<b>(IN Lakhs)</b>			
<b>Revenue from operations</b>			
Interest Income	24	9,114.11	705.57
Tax and Commission Income	25	1,062.04	-
Net gain on fair value changes	26	8.29	-
<b>Total revenue from operations</b>		<b>10,184.54</b>	<b>705.57</b>
Other Income	27	87.54	1.19
<b>Total Income</b>		<b>10,272.08</b>	<b>706.76</b>
<b>Expenses</b>			
Finance costs	28	4,200.06	806.31
Impairment on financial instruments	29	706.38	140.67
Employee benefits expenses	30	1,432.75	(15.30)
Depreciation, amortisation and impairment	31	139.29	-
Other expenses	32	897.37	1.26
<b>Total expenses</b>		<b>6,355.85</b>	<b>1,033.25</b>





Profit before exceptional items and tax	3,857.36	(116.54)	3,740.82
Exceptional items	-	-	-
Profit before taxes	3,857.36	(116.54)	3,740.82
Tax expenses	-	-	-
- Current Taxes	850.00	(6.68)	843.32
- Deferred Taxes	(3.30)	(120.40)	(123.70)
Short / (Excess) Provision of Current Year	14.23	-	14.23
Profit for the period	3,123.42	(143.74)	2,979.68
Year Comprehensive Income	-	-	-
A (I) Items that will not be reclassified to profit or loss	-	-	-
(a) Re-measurements of net defined benefit plans	-	2.31	2.31
A (II) Items that will be reclassified to profit or loss	-	0.62	0.62
B (I) Items that will be reclassified to profit or loss	-	-	-
Year Comprehensive Income (I+II)	-	2.93	2.93
Year Comprehensive Income for the period	3,123.42	(140.81)	2,982.61

pg-2 Annexure to the reconciliation of equity as at April 01, 2014 and March 31, 2019 and profit or loss for the Year ended March 31, 2020

1. Loans and advances

Under Indian GAAP, the Company has created provision for loans and advances based on the guidelines on prudential norms issued by Reserve Bank of India (RBI). Under Ind AS, impairment allowance has been measured based on Expected Loss model (ECL). The difference/impact has been adjusted in statement of Profit and Loss/Retained earnings during the year.

Under Indian GAAP, NPA provision along with classified asset provision has been disclosed under Provisions. Under Ind AS the ECL provision has been adjusted against loan balances.

Under Indian GAAP, transaction costs incurred in connection with loans and advances are amortised upfront and charged to profit or loss for the year. Under Ind AS, transaction costs are included in the initial recognition amount of financial asset measured at amortised cost and charged to profit or loss using the effective interest method.

The Company has securitised certain assets and under Indian GAAP, it has derecognised these assets in the books, upon satisfaction of the "true sale" criteria laid down by the RBI. However, as per Ind AS, the Company is not transferred substantially all the risks and rewards, the asset has been re-recognized on a basis that reflects the rights and obligations that the Company has retained. Related liabilities has been recognized in borrowings other than debt securities & related interest income and expense has been re-recognized.

Under Indian GAAP, income from securitisation transaction recognized as Interest Interest Spread where as under Ind AS, the Company has recognized the interest on the loans which has been re-recognized as interest income using Effective interest rate. Interest proceeds received from securitisation recognized as Finance cost.

Under Indian GAAP, the Company has reversed the Interest on NPA accounts based on the prudential norms on income recognition, Asset Classification and Provisioning issued by RBI. Under Ind AS, Interest income for NPA receivables are recognized on the amortised cost of such receivables (Gross carrying value less impairment provision) and the same is also tested for impairment.

2. Other financial assets

Under Ind AS, with respect to assignment deals, the Company has recognized an interest only strip receivable as at March 31, 2019 and as on April 01, 2018, with corresponding credit to retained earnings/ statement of profit and loss for the year, which has been computed by discounting excess interest spread (EIS) to present value. Necessary adjustments to credit risk has also been made.

3. Share based payments

Under Indian GAAP, the Company recognized only the intrinsic value for the share based payment plan as an expense. Ind AS required the fair value of the share option to be determined using an appropriate pricing model recognized over the vesting period. An additional expense has been recognized in the statement of profit and loss for the year ended March 31, 2018.

4. Debt securities, borrowings (other than debt securities) and subordinated liabilities

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised over the period and charged to statement of profit and loss for the year ended. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to statement of profit and loss using the effective interest method.

The Company has securitised certain assets and under Indian GAAP, it has derecognised these assets in the books, upon satisfaction of the "true sale" criteria laid down by the RBI. However, as per Ind AS, the Company is not transferred substantially all the risks and rewards, the asset has been re-recognized on a basis that reflects the rights and obligations that the Company has retained. The proceeds from such transferred assets recognized as securitisation under the category "Borrowings (Other than debt securities)".

Under Indian GAAP, investment in pass-through certificates (PTCs) made by the Company pursuant to the securitisation transactions entered have been included in the carrying amount of investments computation. Under Ind AS such PTC investments have been noted off against the securities/borrowings.

5. Deferred tax

Under Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profit and accounting profit for the year. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on some temporary differences which was not required under Indian GAAP.

Further, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

6. Re-measurements of post employment benefit plans

Under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

7. Other comprehensive income

Under Indian GAAP, the Company did not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

8. Statement of cash flows

The transition from Indian GAAP to Ind AS does not had a material impact on the statement of cash flows.

9. Items under previous GAAP have been re-audited/ re-validated for Ind AS purpose wherever applicable.



35.1 Fair value of financial instruments

35.1.1 Fair value of financial instruments not measured at fair value  
 Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, that are not carried at fair value in the balance sheet. This table does not include the fair values of non-financial assets and non-financial liabilities:

Particulars	March 31, 2020		March 31, 2019		April 01, 2018		₹ In lakhs
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value	
Loans (Fixed rate)	86,035.45	87,849.95	65,851.60	65,758.29	39,043.48	39,090.65	

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 are measured at 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.

35.2 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, 2020

Particulars	Fair value			Total	₹ In lakhs
	Level 1	Level 2	Level 3		
Financial Assets					
Loans (Fixed rate)			87,849.95	87,849.95	

Quantitative disclosure fair value measurement hierarchy of assets & liabilities as at March 31, 2019

Particulars	Fair value			Total	₹ In lakhs
	Level 1	Level 2	Level 3		
Financial Assets					
Loans (Fixed rate)			65,758.29	65,758.29	

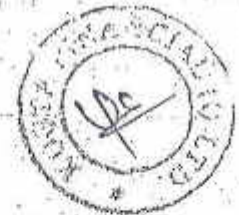
Quantitative disclosure fair value measurement hierarchy of assets & liabilities as at April 1, 2018

Particulars	Fair value			Total	₹ In lakhs
	Level 1	Level 2	Level 3		
Financial Assets					
Loans (Fixed rate)			39,090.65	39,090.65	

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2020, March 31, 2019 and April 1, 2018.

35. Summary of financial assets and liabilities which are recognized at amortised cost

Particulars	March 31, 2020	March 31, 2019	April 1, 2018	₹ In lakhs
<b>Financial Assets</b>				
Cash & Cash Equivalents	671.04	1,149.78	1,404.15	
Bank Balances Other than Cash & Cash Equivalents	19,751.88	6,612.32	859.99	
Loans (Fixed rate)	86,035.45	65,851.60	39,043.48	
Other Financial Assets	3,208.54	803.86	424.40	
<b>Total Financial Assets</b>	<b>99,676.91</b>	<b>74,417.56</b>	<b>41,732.10</b>	
<b>Financial Liabilities</b>				
Trade Payables	395.42	254.51	27.00	
Debt Securities	6,882.78	6,101.36	8,837.91	
Borrowings (Other than debt securities)	50,463.88	44,881.30	30,345.00	
Subordinated liabilities		1,496.26	1,497.56	
Lease Liability	928.62			
Other Financial Liabilities	600.71	547.21	350.47	
<b>Total Financial Liabilities</b>	<b>60,417.63</b>	<b>53,180.44</b>	<b>39,077.94</b>	



37 Transition to Ind AS 116 on Lease

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows

Particulars	(₹ in lakhs)
	Amount
Gross carrying value	
Balances at April 1, 2019 (On adoption of Ind AS 116)	565.61
Additions	476.00
Transition adjustments	-
Balances at March 31, 2020	<u>1,041.61</u>
Accumulative amortisation	
Balances at April 1, 2019	-
Depreciation	166.49
Transition adjustments	-
Balances at March 31, 2020	<u>166.49</u>
Net carrying value as at March 31, 2020	<u>875.12</u>

The following is the movement in lease liabilities during the year ended March 31, 2020.

Particulars	(₹ in lakhs)
	Amount
Lease liabilities	
Balances at April 1, 2019 (On adoption of Ind AS 116)	565.61
Additions	476.00
Transition adjustments	-
Finance expense	87.63
Payment of lease liabilities	(201.23)
Balances at March 31, 2020	<u>928.02</u>

Amounts recognised in profit & loss during the year ended March 31, 2020

Particulars	(₹ in lakhs)
	March 31, 2020
Depreciation expense of right-of-use assets	166.49
Interest expense on lease liabilities	87.63
Total	<u>254.13</u>

Total cash outflow for leases:

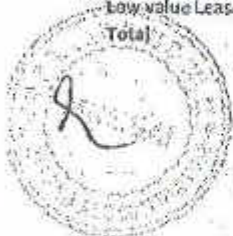
Particulars	March 31, 2020
Total cash outflow for leases	201.23
Total	<u>201.23</u>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020, on an undiscounted basis

Particulars	(₹ in lakhs)
	Amount
Tenure	
Less than 1 year	0.95
1-3 years	105.03
3-5 years	247.27
More than 5 years	574.77
Balance as at March 31, 2020	<u>928.02</u>

The company has paid following rent on account of short term leases or where the lease security deposit is less than 50,000:

Particulars	(₹ in lakhs)
	Amount
Short Term Lease	2.19
Low value Lease	92.67
Total	<u>94.86</u>



30.1 Transfer of financial assets  
Transferred financial assets that are not derecognised in their entirety

Recognition:

The Company uses securitisation as a source of finance. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of trust structures. 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)	
Items and advances measured at amortised cost	Year ended March 31, 2020	Year ended March 31, 2019
Carrying amount of transferred assets measured at amortised cost	14,318.50	12,032.91
Carrying amount of associated liabilities	11,481.88	11,794.54

Assignment Deals:

During the year ended March 31, 2020, the Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of these deals, some substantial risks and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet. The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the Company business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition, per type of asset.

	₹ (in lakhs)	
Loans and advances measured at amortised cost	Year ended March 31, 2020	Year ended March 31, 2019
Carrying amount of derecognised financial assets	7,079.57	4,450.46
Gain from derecognition	383.81	274.75

30.2 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 realisable shareholder value. The adequacy of the capital is monitored by the Board controlling the regulations issued by RBI.

The Company manages its capital structure in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is total debt divided by net worth. The Company's policy is to keep the capital adequacy ratio at reasonable level of 35-40% in investment year against the stipulated requirement of 10% by RBI. The company has complied with the capital requirements prescribed by RBI over the reported period.

Particulars	As at March 31, 2020	As at March 31, 2019
Debt	85,076.74	82,480.82
Net worth	54,115.75	21,868.21
Debt to Net worth (in times)	1.55	2.40

30.3 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 sub-committees 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, counterparty risk, market risk, interest rate risk and operational risk.

40.1 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 terms and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required. The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities.

Particulars	Maturity profile of financial liabilities as on March 31, 2020		Other Financial
	Receivables	Payables	
1 day to 31 Days / One month	4,440.32	-	352.89
Over 1 month to 3 months	2,219.88	-	-
Over 3 months to 6 months	4,256.09	196.87	25.14
Over 6 months to 1 year	7,419.04	-	105.55
Over 1 year to 3 years	24,799.00	-	4.18
Over 3 year to 5 years	28,662.35	105.05	-
Over 5 years	1,358.82	247.27	-
Over 5 years	-	874.27	-
Total	68,095.74	1,823.44	600.71

(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 empirically 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 includes 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.



**13] Concentration of Risk/Exposure**

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or each counterparty are engaged in similar activities or operate in same geographical area or industry sector so that collateral 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 (comprising of new and used Commercial Vehicles, Passenger Vehicles, Tractors and Construction Equipment) is lending against security of hypothecation on underlying vehicle and contributes to 81% of the loan book of the Company as of March 31, 2020 (80% as of March 31, 2019). Portfolio is reasonably well diversified across 8 states of the country. Similarly, sub segments within Vehicle Finance like Heavy Commercial Vehicles, Light Commercial Vehicles, Car and Multi Utility Vehicles, three wheeler and Small Commercial Vehicles, Tractors and Construction Equipment have portfolio share between 0.25% to 40% leading to well diversified product risk.

MFI & Loan against Property segment is mortgage loan against security of immovable property (primarily self-occupied residential property) to self employed non-professional category of borrowers and contributes to 20% of the lending book of the company as of March 31, 2020 (22% as of March 31, 2019). Portfolio is diversified and distributed between 18% to 45% across 8 states i.e. Rajasthan, Gujarat & Maharashtra.

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, 2020.

**14] 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.

**15] 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 seeks 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 liquidity of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervises an interest rate sensitivity report periodically for assessment of interest rate risks.

Change in interest rate affects Company's earnings (measured by EBI 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.

Particulars	March 31, 2020		March 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Borrowings (floating)				
Increase in basis points (+/- 2%)				
Increase in basis points (+/- 1%)	(512.40)	(512.40)	(219.02)	(219.02)
	46.92	46.30	142.58	142.55

**16] 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 workforce safety, clients, products and business practices, business direction and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes, such as the use of concept 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.

**17] Risk assessment for COVID 19**

National lockdown was declared by Government of India with effect from March 24, 2020 as a result of the recent outbreak of Novel Corona Virus (COVID-19), which was further extended in phases up to May 31, 2020. The COVID-19 pandemic has resulted in significant decrease in the economic activities across the country and has also affected the Company's business operations in the last week of March 2020, due to such lockdown. Further in accordance with RBI guidelines relating to "COVID-19 Regulatory Package" dated March 27, 2020, April 17, 2020 and dated May 23, 2020 ("RBI Circulars"), the Company offered moratorium on payment of instalments and/or interest, as applicable, being due between March 1, 2020 and August 31, 2020 to its customers based on a suo moto basis.

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

The Company holds impairment allowances of Rs. 1,765.11 lakh as at March 31, 2020, including potential impact of COVID-19 based on the information available at this point in time.

**40.2 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 vehicle or using registered value for used vehicles. In case of MSME & Loan against Property, the value of the property at the time of origination will be ascertained 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. Hypothecation 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.



Koga Financial Incls Limited  
Notes forming part of the financial statements

41 Reaturity Analysis as at March 31, 2020, March 31, 2019 & April 01, 2018

(R in lakhs)

Particulars	March 31, 2020		March 31, 2019		April 01, 2018	
	Amount	Within 12 Months	Amount	Within 12 Months	Amount	Within 12 Months
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	671.04	671.04	1,149.79	1,149.79	1,404.15	1,404.15
Bank balances other than cash and cash equivalents	18,751.97	18,568.61	6,812.31	5,655.75	859.59	341.88
Loans	96,053.45	51,251.51	65,851.60	25,120.75	48,720.84	16,538.94
Other financial assets	3,398.54	3,157.12	503.66	342.40	161.27	318.90
<b>Non-financial assets</b>						
Deferred tax assets (net)	527.71	-	399.39	-	389.29	216.82
Property, plant and equipment	639.74	-	431.06	-	431.06	236.22
Right of use assets	875.12	0.88	874.24	-	70.58	-
Other Intangible assets	79.70	-	79.70	-	70.58	-
Other non-financial assets	1,724.31	1,697.87	674.76	633.42	21.33	428.70
<b>Total - Assets</b>	<b>1,25,633.59</b>	<b>55,308.22</b>	<b>70,246.37</b>	<b>25,633.04</b>	<b>42,670.94</b>	<b>19,132.73</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Trade Payables	108.42	195.42	154.51	154.51	37.45	37.45
Debt securities	8,392.78	5,489.45	3,133.33	6,101.36	3,837.91	46.16
Borrowings (other than debt securities)	59,463.96	37,675.12	21,708.85	44,881.30	30,345.01	18,500.01
Subordinated liabilities	-	-	-	1,488.16	1,488.16	1,487.56
Lease liability	928.02	0.95	927.07	547.11	359.47	359.47
Other financial liabilities	609.71	609.71	-	-	-	-
<b>Non-financial liabilities</b>						
Provisions	855.47	794.07	61.40	140.56	29.07	129.06
Other non-financial liabilities	117.38	117.38	-	80.93	78.54	78.54
<b>Equity</b>						
Equity share capital	7,851.94	-	7,851.94	6,337.74	1,344.01	1,344.01
Other equity	47,217.91	-	47,217.91	15,871.39	5,033.63	5,033.63
<b>Total - Liabilities and Equity</b>	<b>1,25,633.59</b>	<b>44,891.10</b>	<b>80,781.49</b>	<b>75,633.04</b>	<b>43,316.91</b>	<b>23,473.62</b>



42 Related Party Disclosures (AS - 18)

A. Names of related parties and nature of relationship

Relationship	Name of Related Party
Key Managerial Personnel	1. Radha Krishan Kogta (Chairman)
	2. Arun Kogta (Managing Director & Chief Executive Officer)
	3. Varun Kogta (Executive Director & Chief Financial Officer)
	4. Bahad Agrawal (Company Secretary)
Relatives of Key Managerial Personnel & other parties	1. Banwari Lal Kogta
	2. Bal Mohan Kogta
	3. Durga Devi Kogta
	4. Madhu Kogta
	5. Manju Kogta
	6. Nidhi Kogta
	7. Ritu Kogta
	8. Nayan Kogta (Key Managerial Personnel till January, 2019)
	9. Akansha Kogta
	10. Neha Suryaprakash Kalye
	11. Ayush Kogta
	12. Prem Lal Kogta HUF
	13. Banwari Lal Kogta HUF
	14. Bal Mohan Kogta HUF
	15. Radha Krishan Kogta HUF
	16. Arun Kogta HUF
	17. Varun Kogta HUF
	18. Nayan Kogta HUF
	19. Girkra Allied Industries
	20. Girkra Construction
	21. Girkra Industries
	22. Girkra Automobiles
	23. Kirdi Freight Carrier
	24. Easy Recovery Solutions
	25. Shri Nath Marble Mines
	26. Shri Girkra Marble
	27. Jalpur Insurance Brokers
	28. Matangi Stonex LLP
	29. Kogta Housing Development Private Limited
	30. Alfa Estates Private Limited
	31. Jalpur Promoters Private Limited

B. Details of Transactions during the year with Related Parties

Nature of Transactions	(₹ in lakhs)			
	Key Managerial Personnel		Relatives of Key Managerial Personnel	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Remuneration	125.32	106.11	35.00	-
Rent	2.40	2.40	20.64	16.89
Loans Accepted	1.34	5.00	218.57	150.53
Repayment made	1.34	5.00	218.80	220.77
Loans/ Advances Given	20.84	19.50	470.45	377.42
Repayment received	1.84	10.50	435.80	315.40
Commission	-	-	21.04	17.78
Servicing Income	-	-	74.89	32.99
Interest Paid	-	-	6.80	6.81
Interest received	-	-	9.03	8.89
Processing Fees	-	-	0.33	-
Property Sold	-	42.25	-	42.25
Number of Share warrants issued	335,402	-	267,701	-
Share based payments	-	-	-	-
Number of Stock options granted under ESOP 2018	3,000	3,000	-	-
Number of Stock options granted under ESOP 2019	7,000	-	-	-
<b>BALANCE OUTSTANDING:</b>				
Loans/ Advances Given	19.00	-	126.88	92.03
Loans Accepted	-	-	19.73	27.96

43 Contingent liabilities and capital commitments

Particulars	(₹ in lakhs)	
	March 31, 2020	March 31, 2019
<b>Contingent liabilities:-</b>		
Claim not acknowledged 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	-	-

44 Capital

S.No.	Particulars	(₹ in lakhs)	
		March 31, 2020	March 31, 2019
0	CEA (₹)	58.42	39.23
1	CEA-Tier I Capital (₹)	58.42	30.18
2	CEA-Tier II Capital (₹)	0.00	1.05
3	Amount of subordinated debt raised as Tier-II capital	-	1,500.00
4	Amount raised by issue of Perpetual Debt Instruments	-	-



44.1 **CFR** as at March 31, 2020 has been determined in accordance with the RBI Master Directions read with RBI notification RBI/2019-20/170, D.O. (NEFC), CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards. Accordingly, **CFAR** for March 31, 2019 is not comparable.

44.2 **CFR** for the year ended March 31, 2019 has been calculated on the basis of financial statements prepared under IGAAP.

45 **Investments**

Particulars	₹ in lakhs	
	March 31, 2020	March 31, 2019
I Value of Investments		
(i) Gross Value of Investments		
(a) In India	*	*
(a) Outside India	*	*
(ii) Provisions for Depreciation		
(a) In India	*	*
(a) Outside India	*	*
(iii) Net Value of Investments		
(a) In India	*	*
(a) Outside India	*	*
II Movement of provisions held towards depreciation on Investments		
(i) Opening Balance	*	*
(ii) Add: Provisions made during the year	*	*
(iii) Less: Write-off/ write-back of excess provisions	*	*
(iv) Closing balance	*	*

46 **Derivatives**

a **Forward Rate Agreement/Interest Rate Swap**

The Company has no transactions/exposure in forward rate agreement/interest rate swap during 2019-20 and 2018-19.

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

The Company has no transactions/exposure in exchange traded interest rate (IR) derivatives during 2019-20 and 2018-19.

c **Currency derivatives and Interest rate derivatives**

The Company has no transactions/exposure in currency or interest rate derivatives during 2019-20 and 2018-19.

47 **Details of Financial Assets sold to Securitization/Reconstruction Company for Asset Reconstruction**

The Company has not sold any financial assets to Securitization/Reconstruction Company for asset Reconstruction during 2019-20 & 2018-19.

48 **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, 2019 - Nil).

49 **Expenditure in Foreign Currency**

The Company does not have any expenditure in Foreign Currency (As on March 31, 2019 - Nil).

50 **Earning in Foreign Currency**

The Company does not have any earnings in Foreign Currency (As on March 31, 2019 - Nil).

51 **Disclosures relating to Securitization**

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

S.No.	Particulars	₹ in lakhs	
		March 31, 2020	March 31, 2019
1	No of SPVs sponsored by the NBFC for securitization transactions	10	7
2	Total amount of securitized assets as per books of the SPVs sponsored	13,761.00	12,473.60
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	388.43	388.43
	Others		
	b) On-balance sheet exposures:		
	First loss (in the form of fixed deposit)	1,623.07	990.83
	Others		
4	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures:		
	(i) Exposure to own Securitization:		
	First loss		
	Others*	131.46	131.46
	(ii) Exposure to third party securitizations:		
	First loss		
	Others		
	b) On-balance sheet exposures:		
	(i) Exposure to own Securitization:		
	First loss		
	Others		
	(ii) Exposure to third party securitizations:		
	First loss		
	Others		

\*Others include second loss credit enhancement.





52 Disclosure of assignment transactions undertaken

The Company has undertaken 2 assignment transactions during the year ended March 31, 2020 (P.Y. 2 transactions). Details are given below:

Particulars	March 31, 2020	March 31, 2019
(i) No. of accounts	2202	1300
(ii) Aggregate value (net of provision) of accounts sold (Rs.)	6272.34	3325.74
(iii) Aggregate consideration (Rs.)	6272.34	3325.74
(iv) Additional consideration realized in respect of accounts transferred in earlier years (Rs.)	-	-
(v) Aggregate gain/(loss) over net book value (Rs.)	-	-

53 Details of non-performing financial assets purchased/sold

The Company has neither purchased nor sold any non-performing financial asset during 2019-20 and 2018-19.

54 Asset Liability Management Maturity pattern of certain Items of Assets and Liabilities

For the year 2019-20	Deposits	Advances*	Investments	Borrowings	Foreign Currency assets	Foreign Currency liabilities
1 to 7 days	-	1,777.47	-	592.38	-	-
8 to 14 days	-	3.16	-	15.37	-	-
15 to 30/31 days	-	920.41	-	3,832.78	-	-
Over 1 month up to 2 month	-	2,339.88	-	2,219.88	-	-
Over 2 months up to 3 months	-	2,894.48	-	4,256.09	-	-
Over 3 months & up to 6 month	-	7,257.15	-	7,419.08	-	-
Over 6 months & up to 1 year	-	16,139.95	-	24,799.00	-	-
Over 1 year & up to 3 years	-	44,267.31	-	23,682.35	-	-
Over 3 years & up to 5 years	-	13,061.02	-	1,259.82	-	-
Over 5 years	-	9,434.61	-	-	-	-
Total	-	98,055.45	-	68,056.74	-	-

For the year 2018-19	Deposits	Advances*	Investments	Borrowings	Foreign Currency assets	Foreign Currency liabilities
1 to 7 days	-	783.22	-	450.08	-	-
8 to 14 days	-	813.70	-	19.83	-	-
15 to 30/31 days	-	272.15	-	1,586.95	-	-
Over 1 month up to 2 month	-	2,206.72	-	1,877.48	-	-
Over 2 months up to 3 months	-	2,261.91	-	2,139.79	-	-
Over 3 months & up to 6 month	-	6,307.48	-	3,856.31	-	-
Over 6 months & up to 1 year	-	11,535.57	-	19,889.97	-	-
Over 1 year & up to 3 years	-	30,709.08	-	20,762.65	-	-
Over 3 years & up to 5 years	-	6,182.21	-	296.06	-	-
Over 5 years	-	3,769.59	-	-	-	-
Total	-	65,851.60	-	52,489.82	-	-

\*Advances are net of ECL provision.

54.1 Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI.

54.2 The maturity pattern of advances has been presented considering the effect of revised contractual dues of loans pursuant to moratorium granted to its borrowers upto May 31, 2020, as described in Note No 54. Such maturity pattern does not reflect additional moratorium upto August 31, 2020 allowed by the RBI vide its notification dated May 23, 2020 as it represents an event subsequent to the date of these standalone financial statements.

54.3 The maturity pattern of borrowings has been presented considering the effect of moratorium on contractual repayments upto May 31, 2020 to the extent confirmed by the lenders subsequently.

55 Exposure to Real Estate Sector

The Company has exposure to real estate sector as on March 31, 2020 and March 31, 2019 which is given herein below:

Category	March 31, 2020	March 31, 2019
<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.).	259.27	297.64
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized a. Residential b. Commercial Real Estate		
<b>Total Exposure to Real Estate Sector</b>	<b>259.27</b>	<b>297.64</b>

B Indirect Exposure (Fund and Non Fund Based)

56 Exposure to Capital Market

The Company has no exposure to capital market as on March 31, 2020 and March 31, 2019



57 **Credits 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 2019-20 and 2018-19.

58 **Advances against intangible security**

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 2019-20 and 2018-19.

59 **Provisions and Contingencies**

Particulars	₹ in lakhs	
	March 31, 2020	March 31, 2019
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss		
Provision for depreciation on Investment	-	-
Provision towards NPA (Expected credit loss on Stage 3 assets)	276.00	117.86
Provision made towards Income tax (Net of Deferred Tax)	747.70	441.31
Other Provision and Contingencies	32.33	7.91
Provision for standard Assets (Expected credit loss on Stage 1 & 2 assets)	(291.27)	444.59

60 **Draw Down from Reserves**

No reserves have been draw down during the financial year 2019-20 and 2018-19 except as disclosed in the part (b) of statement of changes in equity.

61 **Concentration of Advances**

Particulars	₹ in lakhs	
	March 31, 2020	March 31, 2019
Total Advances to twenty largest borrowers	1,496.10	1,598.82
Percentage of Advances to twenty largest borrowers to total advances of the NBFC	1.50%	2.37%

62 **Concentration of Exposures**

Particulars	₹ in lakhs	
	March 31, 2020	March 31, 2019
Total Exposure to twenty largest borrowers/customers	1,496.10	1,598.82
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	1.50%	2.37%

63 **Concentration of NPAs**

Particulars	₹ in lakhs	
	March 31, 2020	March 31, 2019
Total Exposure to top four NPA accounts	139.95	110.02

64 **Sector-wise NPAs**

S. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		March 31, 2020	
		March 31, 2020	March 31, 2019
1	Agriculture & allied activities	0.00%	0.00%
2	MSME	2.39%	2.20%
3	Corporate borrowers	0.00%	0.00%
4	Services	0.00%	0.00%
5	Unsecured personal loans	0.00%	0.00%
6	Auto loans	3.43%	3.00%
7	Other personal loans	0.00%	0.00%

65 **Movement of NPAs**

Particulars	₹ in lakhs	
	March 31, 2020	March 31, 2019
(i) Net NPAs to Net Advances (%)	2.62%	2.43%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	1,996.85	1,485.86
(b) Additions during the year	2,929.82	1,700.71
(c) Reductions during the year	1,714.79	1,196.81
(d) Closing balance	3,213.88	1,998.65
(iii) Movement of Net NPAs		
(a) Opening balance	1,599.88	1,191.45
(b) Additions during the year	2,336.86	1,367.88
(c) Reductions during the year	1,374.00	959.45
(d) Closing balance	2,564.74	1,599.88
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	308.97	294.52
(b) Provisions made during the year	600.95	341.83
(c) Write-off/write-back of excess provisions	340.79	237.37
(d) Closing balance	649.14	398.97

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.



58 Disclosure of Customer Complaints

S.No.	Particulars	March 31, 2020	March 31, 2019
1	No. of complaints pending at the beginning of the year	-	-
2	No. of complaints received during the year	1	-
3	No. of complaints redressed during the year	1	-
4	No. of complaints pending at the end of the year	-	-

69 Transactions with Non-Executive Directors

S.No.	Name of Non-Executive Director	Transaction Type	₹ in lakhs	
			March 31, 2020	March 31, 2019
1	Mr. P R Kalyanaraman	Payment of sitting fees	2.09	0.61
2	Mr. Ram Dayal Modi	Payment of sitting fees	-	0.50
3	Mrs. Bhama Krishnamunthy	Payment of sitting fees	0.21	-
4	Mr. Kumar Sharanindru	Payment of sitting fees	1.32	-
5	Mrs. Shashikala Ramaswamika	Payment of sitting fees	0.30	-

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.

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, 2020 is Nil. (as on March 31, 2019 is Nil).  
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, 2020

S.No.	Instrument	Rating agency	Date of rating assigned/ reviewed	Rating valid up to	Rating assigned	
					2019-20	2018-19
1	Bank Loan Rating	CARE	January 03, 2020	January 03, 2021	A-/Stable	BBB+/Stable
2	Non-Convertible Debentures	CARE	January 03, 2020	January 03, 2021	A-/Stable	BBB+/Stable
3	Non-Convertible Debentures	ICRA	November 04, 2019	November 04, 2020	ICRA AA(CE)/Stable	NA
4	Term Loan rating	ICRA	November 04, 2019	November 04, 2020	ICRA A(CE)/Stable	NA
5	Sub-ordinated Debt	CRISIL	NA	NA	NA	BBB/Positive

74 Details of Impairment loss allowance reserve

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between	
						Ind AS 109 provisions and IRACP norms	
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)	
Performing Assets Standard	Stage 1	88,417.19	760.79	87,656.40	353.67	(407.12)	
	Stage 2	8,111.84	277.52	7,834.32	296.25	18.73	
	<b>Subtotal</b>	<b>96,529.02</b>	<b>1,038.31</b>	<b>95,490.71</b>	<b>649.92</b>	<b>(388.39)</b>	
Non-Performing Assets (NPA) Substandard	Stage 3	2,902.41	889.00	2,313.32	290.24	(298.85)	
	Doubtful	Up to 1 year	311.47	60.05	251.42	62.29	2.25
		1 to 3 years	-	-	-	-	-
		More than 3 years	-	-	-	-	-
	<b>Subtotal for doubtful</b>	<b>311.47</b>	<b>60.05</b>	<b>251.42</b>	<b>62.29</b>	<b>2.25</b>	
<b>Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Subtotal for NPA</b>	<b>3,213.88</b>	<b>649.34</b>	<b>2,564.74</b>	<b>352.53</b>	<b>(296.60)</b>		
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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	Stage 1	88,417.19	760.79	87,656.40	353.67	(407.12)	
	Stage 2	8,111.84	277.52	7,834.32	296.25	18.73	
	Stage 3	3,213.88	649.34	2,564.74	352.53	(296.60)	
<b>Grand Total</b>	<b>99,742.90</b>	<b>1,687.64</b>	<b>98,055.26</b>	<b>1,002.45</b>	<b>(684.95)</b>		

\* Loss allowances (Provision) as required under Ind AS 109 is greater than the provision required as per IRACP norms, hence the Company is not required to create Impairment reserve.

75 Details in respect of Moratorium benefit extended to the customers

Particulars	₹ in lakhs
Accounts in SMA/overdue categories, where the moratorium/deferment was extended	15,924.69
Amount where asset classification is extended	5,276.05
Provision made during Q4FY2020 in terms of RBI guideline where asset classification benefit is extended (a)	263.80
Provision adjusted during the respective period against slippages (b)	-
Residual provisioning after above (a-b)	263.80



**76 Disclosure on Liquidity Risk**

Disclosure on Liquidity Risk, as per extant RBI guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies as of March 31, 2020 is as follows:

**A. Funding Concentration based on Significant Counterparty**

Number of Significant counterparties	Amount	% of Total Deposits	% of Total Liabilities
10	66,682.29		91.41%

**B. Top 20 Large Deposits (Amount in Rs. Lakhs and % of Total Deposits) - Not Applicable**

**C. Top 10 Borrowings**

Particulars	[₹ in Lakhs]	
	Amount	% of Total Borrowings
Total Value of top 10 borrowings	29107.87	
% of Total Borrowings		41.13%

**D. Funding Concentration based on Significant Instrument/Product**

Sr.No.	Name of the Instrument/Product	Amount	% of Total Liabilities
1	Term Loans		
2	Working Capital / Line of Credit / Overdraft facilities	46,630.33	65.90%
3	Commercial Papers	12,613.91	18.11%
4	Non-Convertible Debentures	8,592.78	12.14%
	<b>Total</b>	<b>66,037.01</b>	<b>96.15%</b>

**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	18.66%
b	Other Short-Term Liabilities as a % of Total Liabilities	18.14%
c	Other Short-Term Liabilities as a % of Total Assets	10.22%

**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 inconceivable 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 review.

**77 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, 2020. (March 31, 2019: 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 S.R. Baslibal & Co. LLP  
Chartered Accountants  
ICAI Firm Reg. No. : 3010036/E300005

per Shrawan Milan  
Partner  
Membership No. 102102



Place: Mumbai  
Date: 18.06.2020

For and on behalf of the Board of Directors  
of Kotra Finance (India) Limited

*R. K. Kogta*  
R. K. Kogta  
[Chairman]  
DIN 00197552

*Anil Kogta*  
Anil Kogta  
[Managing Director & CEO]  
DIN 05109722

*Varun Kogta*  
Varun Kogta  
[Executive Director & CFO]  
DIN 06844307

*Rahul Agrawal*  
Rahul Agrawal  
[Company Secretary]  
Membership No. A34034

Place: Jaipur  
Date: 18.06.2020



**SCHEDULE TO THE**  
**BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY**  
(As Required in terms of Paragraph 18 of  
Non-Banking Financial Company-Systematically Important Non Deposit taking  
Company (Reserve Bank) Directions, 2016  
(For the year ended 31st March, 2020)

(Rs. In lakhs)

PARTICULARS		31.03.2020	
LIABILITIES SIDE :			
1	Loans and advances availed by the non-banking financial Company Inclusive of interest accrued thereon but not paid :	Amount outstanding	Amount overdue
	(a) <u>Debenture</u> :		
	- Secured	7,093.18	-
	- Unsecured	1,499.60	-
	(Other than falling within the meaning of public deposits)		
	(b) <u>Deferred credits</u>	-	-
	(c) <u>Term loans</u>	46,630.33	-
	(d) <u>Inter-corporate loans and borrowing</u>	19.73	-
	(e) <u>Commercial paper</u>	-	-
	(f) <u>Public deposits</u>	-	-
	(g) <u>Other loans</u> :		
	- <u>Secured Loans</u> :		
	Cash credit limit	4,067.26	-
	Working capital demand loan	504.40	-
	Overdraft facility	8,242.25	12,813.91
	- <u>Unsecured Loans from Directors &amp; Shareholders</u> :	-	-
2	Break-up of (1) (f) above (outstanding public deposits inclusive		
	(a) In the form of unsecured debentures	-	-
	(b) In the form of partly secured debenture i.e.	-	-
	(c) Other public deposits	-	-

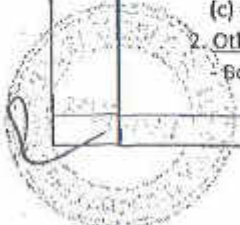
ASSETS SIDE :		31.03.2020
		Amount outstanding
3	<u>Break-up of loans and advances including bills receivables</u>	
	(a) Secured	99,419.00
	(b) Unsecured	323.90
4	<u>Break-up of leased assets and stock on hire and other assets</u>	
	(i) <u>Lease assets including lease rentals under sundry debtors</u> :	
	(a) Financial lease	-
	(b) Operating lease	-
	(ii) <u>Stock on hire including hire charges under sundry debtors</u> :	
	(a) Assets on hire	-
	(b) Repossessed assets	-
	(iii) <u>Other loans counting towards AFC Activities</u> :	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-



5	<b>Break-up of investment :</b> <u>Current investments :</u> 1 <u>Quoted :</u> (i) <u>Shares :</u> (a) Equity (b) Preference (ii) Debentures and bonds (iii) Units of mutual funds (iv) Government Securities (v) Others 2 <u>Unquoted :</u> (i) <u>Shares :</u> (a) Equity (b) Preference (ii) Debenture and bonds (iii) Units of mutual funds (iv) Government Securities (v) Others <u>Long Term Investments :</u> 1 <u>Quoted :</u> (i) <u>Shares :</u> (a) Equity (b) Preference (ii) Debenture and bonds (iii) Units of mutual funds (iv) Government securities (GOI Bonds) (v) Others 2 <u>Unquoted :</u> (i) <u>Shares :</u> (a) Equity (b) Preference (ii) Debenture and bonds (iii) Units of mutual funds (iv) Government securities (v) Others	. . . . . . . . .
		0.00

6 Borrower group wise classification of assets financed as in (3)			
Category	Amount net of Provisions		
	Secured	Unsecured	Total
1. <u>Related parties :</u>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	65.06	65.06
2. Other than related parties	99,419.00	258.83	99,677.84
<b>TOTAL</b>	<b>99,419.00</b>	<b>323.90</b>	<b>99,742.90</b>

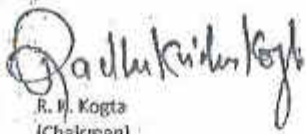
7 Investor group / wise classification of all investments (current and long term) in shares and securities (both		
Category	Market value / break up or fair value or NAV	Book value (Net of provisions)
1. <u>Related parties :</u>		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. <u>Other than related parties :</u>		
Bond & security	-	-
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>



6 Other Information		
Particulars		Amount
(i)	Gross Non - Performing Assets	
	(a) Related Parties	
	(b) Other than related parties	3,213.88
(ii)	Net Non - Performing Assets	
	(a) Related Parties	
	(b) Other than related parties	2,564.74
(iii)	Assets acquired in satisfaction of debt	

Note: Figures are regrouped or rearranged wherever necessary.

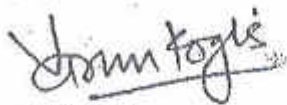
For and on behalf of the Board of Directors  
of Kogta Financial (India) Limited



R. N. Kogta  
(Chairman)  
DIN 00197552



Arun Kogta  
(Managing Director & CEO)  
DIN 05109722



Varun Kogta  
(Executive Director & CFO)  
DIN 06844307



Rahul Agrawal  
(Company Secretary)  
Membership No. A34034

Place: Jaipur  
Date: 18.06.2020

