Capital Trust

33rd Annual Report 2018-19



Enriching lives

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Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove in accurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Enriching lives

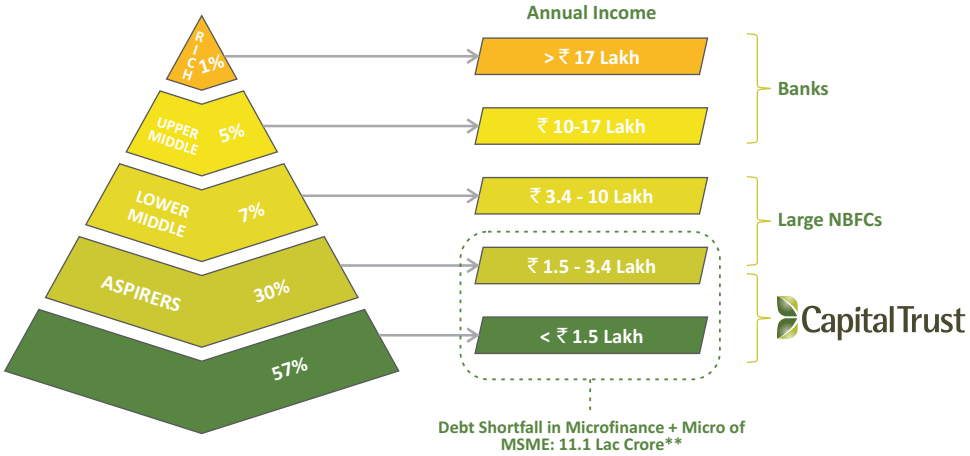
MSME Sector

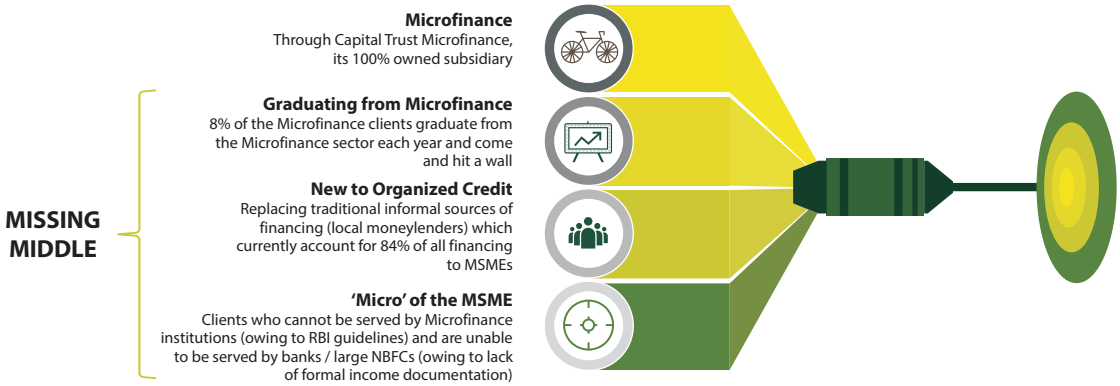
The Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. It contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating largest employment opportunities at comparatively lower capital cost, next only to agriculture.

Among all the sectors, micro, small and medium enterprises (MSMEs) was the largest job creator in the last four years – with growth of 13.9 per cent – and will continue to be so in the next three years, according to a survey by the Confederation of Indian Industry (CII).

Obtaining credit by MSME sector is a major challenge. Of the total credit exposure of Rs.101 lakh crores as of June'18, MSME credit accounts for Rs.22.8 lakh crores (and is 35% of the overall exposure to businesses). MSME NPA rates (Non-Performing Assets) have remained stable with Micro segment (exposure less than Rs.1 crore) moving from 8.9% (in Jun'17) to 8.7% (in Jun'18), and SME segment (Rs.1 crore to Rs.25 crore exposure) at 11.2% (Jun'17) to 11.5% (in Jun'18). Private Banks and NBFCs have increased their market share in Micro and SME lending from 28.1% and 9.6% in June'17 to 29.9% and 11.3% respectively in Jun'18. In the same period the share of Public sector banks has fallen to 50.7% from 55.8%. (Source - Economic Times)

There is debt shortfall of Rs. 11.1 Lakh Crores to MSME sector as per IFC report of MSME sector. We at Capital Trust has been focusing on the Micro side of MSME sector which does not have access to the bank funds.





Focus of Capital Trust on sector derived

The company will continue to focus on missing middle who are deprived of the bank credit.

Capital Trust

Message from Chairman & Managing Director

Our focus on the 'Missing Middle' – the economic segment that is excluded from the formal banking system as well the growing microfinance industry and our diverse products offerings in the MSME market help us acquire customers that have outgrown the microfinance ticket size but remain un-served by large NBFC's and banks.

Dear Shareholders,

I am pleased to present you the 33rd Annual Report of the company for the year 2018-19. The last three years have been very tough for the NBFC business due to demonetization, liquidity crisis in the NBFC sector due to non-lending by banks and certain issues in the sector. The smaller players were hit by turbulence and business growth has impacted.

Global economy and Markets

The global growth outlook for 2018 and 2019 remains steady although the underlying downside risks have risen. The gradual monetary policy normalisation in advanced economies (AEs) as also the uncertainty in global trade regime may adversely affect capital flows to emerging markets (EMs) and exert upward pressure on EM interest rates and corporate spreads. In the meanwhile, commodity prices, particularly oil, have softened mostly driven by excess supply of US shale oil, uncertainty about Chinese demand and on supply concerns from Iran turning out softer than anticipated.

Domestic Economy and Markets

On the domestic front, growth of gross domestic product (GDP) showed slight moderation in quarter 2nd of year 2018-19 while inflation remains contained. Fiscal consolidation remains important for financial stability as global financial conditions turn adverse. The impact of oil prices feeding into input costs remains uncertain with potential implications for India's terms of trade. In the domestic financial markets, structural shifts in credit intermediation and the evolving interconnectivity between banks and the non-banks call for greater vigilance.

Credit growth of scheduled commercial banks (SCBs) improved (13.1 per cent y-o-y) in September 2018, driven largely by private sector banks (PSBs) (22.5 per cent y-o-y). The asset quality of SCBs is showing signs of improvement with GNPA ratio declining from 11.5 per cent in March 2018 to 10.8 per cent in September 2018 and annualised slippage ratio coming down from 7.6 per cent to 4.1 per cent in the same period. The stressed advances ratio is gradually converging to the GNPA ratio following the withdrawal of various restructuring schemes.

An analysis of portfolio of Micro, Small and Medium Enterprises (MSMEs) shows that the performance of PSBs in the MSME segment trails that of other intermediaries (private banks and non-banking financial companies (NBFC), both in terms of inherent as well as realised credit risk. In terms of quality, incremental credit portfolio of PCA-PSBs shows a declining conversion rate to non-performing assets (NPA) in FY 2017-18 compared to FY 2016-17, although the rate still remains significantly large vis-à-vis other financial intermediaries.

(Source- RBI December 2018 Financial Stability Report)

NBFC Sector

NBFCs have been complementing banks as financial intermediaries by leveraging on their efficient and nimble operations and tailor-made products for niche areas. The need to strengthen their regulation and supervision has come to the fore in view of their rapid expansion in recent years. The Reserve Bank has been striving to harmonise regulatory requirements of various classes of NBFCs while putting in place specific policy measures for particular classes of NBFCs such as core investment companies and legacy NBFCs as needed.

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities.

There are 11,522 Non-Banking Financial Companies (NBFCs) registered with the Reserve Bank of India out of which a lion's share of 98.5% are non-deposit accepting with the balance 1.5% being deposit accepting NBFCs. Around 218 non-deposit accepting NBFCs have been classified as systemically important.

NBFC Crisis in year 2018-19

NBFC Sector has been going through trouble for the last few months.

The non-banking financial companies (NBFC) sector has been facing troubled times for several months. The Government officials have also confirmed that the NBFC Sector is facing an imminent crisis. There has been a credit squeeze, over-leveraging, excessive concentration, massive mismatch between assets and liabilities, coupled with some misadventures by some very large entities which has put the sector in crisis.

The impact started with ILF&S crisis when it started to default in the repayments of loans of Rs. 91000 crores in September, 2018. There were also reports in the media about some other big NBFCs where there has been financial strain. Care Ratings downgraded the rating of Reliance Capital Limited and its two arms. ICRA has also downgraded rating of long term debt of Yes Bank Limited.

The crisis started when some NBFCs started raising short-term funds which were then lent out as long-term loans. This leads to a situation called an asset-liability mismatch. That leads us to the second factor. The cycle was broken by a default of some firms of the IL&FS group. There were fears that this would turn out to be a contagion. Simply put, banks, mutual funds and their investors were afraid that more such entities wouldn't default. As this fear took hold, many institutions refused to give money to NBFCs. The cost of funds rose by as much as 150 basis points for NBFCs. The impact has been due to the fact that NBFCs has been borrowing short term from banks and mutual funds while lending to developers of long-term projects, which got held up because of various factors. Trillions of rupees are locked in real estate, construction and infrastructure projects

This has led to mismatch of Asset Liability Management in some of the companies.

Impact on Capital Trust Limited

The crisis hit all NBFCs alike. Capital Trust has also been impacted as the funds from banks, NBFCs and Financial Institutions were not freely available. This has reflected in lesser disbursements and lesser profits. However the company has been able to issue Non Convertible Debentures to Baring Private Equity Asia amounting to Rs. 150 Crores out of which the company has received Rs. 75 Crores.

The asset liability management of the company is in good position. The company has not taken any short term loans. All the loans taken by the company are long term with the tenure of 5 years. The company is providing loans with a maximum maturity of 24-36 months. So the ALM position of the company is positive.

ALM Position of the company for year 2019-20

	Q3FY19 (Actual)	Q4FY19 (Actual)	Q1FY20 (Expected)	Q2FY20 (Expected)	Q3FY20 (Expected)	Q4FY20 (Expected)
Quarterly Collection (Cr.)	169.2	173.5	164.0	153.4	131.8	113.0
Quarterly Repayment (Cr.)	91.1	92.6	91.1	90.6	79.8	69.9
Quarterly Surplus (Cr.)	78.1	80.9	72.9	62.7	52.0	43.0

New era of NBFCs

With the rising innovation and growth in the sector, newer business models of NBFCs such as account aggregators' and 'peer to peer lending platforms' ("P2P Lending") are catching pace.

P2P Lending is a form of crowd-funding which uses an online platform to match lenders with borrowers to provide unsecured loans.

At the locus of technology innovation and financial services, Fintechs have been gaining prominence for promising opportunities and ability to supplement capabilities of the lender. The Fintech industry globally has received US$17.4 billion in investment in 2016-17. Fintech startups have developed offerings that are faster, better and cheaper across multiple domains—lending, payments, brokerage, credit scoring and personal finance. More than 225 alternative lending based FinTechs (including direct lending, P2P lending, invoice trading, crowdfunding, marketplace platforms and credit scoring) were founded in India in 2017.

Fintech lending start-ups offer differentiated capabilities

Credit Scoring

Many companies have taken up the role of an enabler in the industry, using alternative data sources to build credit scores of the 350 million credit invisible people without a documented credit history.

Market place and Comparison Platform

Digital marketplaces connect borrowers and lenders. They reduce the loan processing time and match borrowers to the best fit lender

Crowdfunding

Crowdfunding entails raising external finance from a large group of investors. The investors can interact with the investees and view their ideas on a crowdfunding platform.

Direct Lending

Direct Lending includes platforms that have a lending license. The digitisation of sub-processes, allow reduced costs and gives these NBFCs an edge over banks.

P2P Lending

P2P lending involves building a marketplace to bring together individual borrowers and lenders through tech-enabled platforms.

Invoice Trading

Invoice trading assists MSMEs that often struggle with working capital and cash flows due to delayed payments.

While previously seen as competition, lenders have now begun to find synergies in collaborating with Fintechs to differentiate or improve their businesses. This has led to several banks and NBFCs to leverage capabilities of Fintech partners to overcome challenges in distribution, underwriting, risk management, etc., and increase their access to underserved and financially excluded customers.

(Source: Assocham Report)

Business Highlights for the year 2018-19

The company had started coming back to normalcy after the impact of demonetization, then there was crisis in the NBFC sector. Some of the public sector banks had come under PCA imposed by Reserve Bank of India. Others also stopped lending citing wait and watch policy. The shortage in funds from Banks and Financial Institutions has impacted the business of the disbursement and thus resulted in lesser profits.

For all disbursements post demonetization, the collection percentage is above 99%. The asset under management of the company has reached to Rs. 725 Crores.

The performance of the new states Bihar, Orissa, Chatisgarh and Jharkhand has been good. Since demonitisation, the company has disbursed Rs. 765 crores in the states of Punjab, Madhya Pradesh, Rajasthan, Bihar, Orissa, Chatisgarh and Jharkhand. The NPA of all these states in 1.3%. The company at present is operating in 10 States with 251 branches.

The Capital Adequacy ratio of the company is at comfortable level of 32% providing enough room for expansion.

Forward Looking

The Company has been growing at a 41% CAGR for the last 4 years out of 5 years and there is no reason for us to believe that we would not be able to continue this growth in the years to come. With the new geographical network in 10 states (Delhi, Uttar Pradesh, Punjab, Uttarakhand, Madhya Pradesh, Rajasthan, Bihar, Odisha, Chatigarh and Jharkhand), the company will expand its reach. Apart from geographical expansion, the company is also focusing on product expansion and has ventured into Magic loans and Micro Business Loans. The company is also working strategically with banks to grow its business.

The company is financially sound and its capital adequacy ratio is 32%, which gives the company a leverage to raise funds for its future growth. From here on, we expect growth to be the only constant as our current infrastructure and capital structure is capable of supporting business growth multifold from the current level.

With a diverse set of products being offered through a wider branches network, we are very excited to see how things play out in the near future.

The company has developed its own software MiWeb that has an extension of a mobile application called Capital Sales that is available to all staff and clients in the form of a mobile application. The application is installed on the smartphone of every field employee and is also available to the lakhs of borrowers on their mobile devices. KYC information, collection schedule and amounts, credit history, are all available through the online service. The application also allows the company to go paperless, which is something the finance industry has been attempting to do efficiently for a long time.

In future the company may go for e-signing of the documents also.

MESSAGE TO STAKEHOLDERS :

As we mark the end of another year, I would like to thank the Management Team for their unwavering commitment and guidance in leading the Company forward.

I would also like to extend our deepest gratitude to all employees for their invaluable contributions to the company. Last but not least, special Thanks to our Funders, Shareholders and customers for their continued support and loyalty to our Company.

With Warm Regards,

Yogen Khosla
Chairman and Managing Director

Corporate Snapshot

Capital Trust Limited is a Delhi Non Deposit Taking Systemically Important Non-Banking Finance Company (NBFC) incorporated in 1985. The shares of the company are listed on the National Stock Exchange and Bombay Stock Exchange.

In the initial years, Capital Trust was engaged in providing advisory services to foreign banks. The company has represented over 25 international banks in India which included Commonwealth Bank of Australia, Royal Bank of Canada, amongst others.

In the recent past, the company has focused on the business of providing Enterprise Loans to Micro and Small Enterprises. The company has provided affordable funding to over 6 Lakh Clients through its 251 branches in a transparent manner. The company provides loans ranging from Rs. 0.30 Lakh to Rs. 10 Lakhs.

The company has now introduced new products line Magic Loan and Micro business loan. The products will be delivered through use of technology. These products are cashless products where disbursement and collection is through the banking channel only.

Capital Trust aggressively aims to serve the rural and semi-urban population of India in the SME and Micro Finance lending sector. Currently Capital Trust has 1.70 Lakhs live customers which can actually grow to more than 100x based on the infrastructure available in company. The company also a wholly owned subsidiarity where the company is providing Micro Finance Loans.

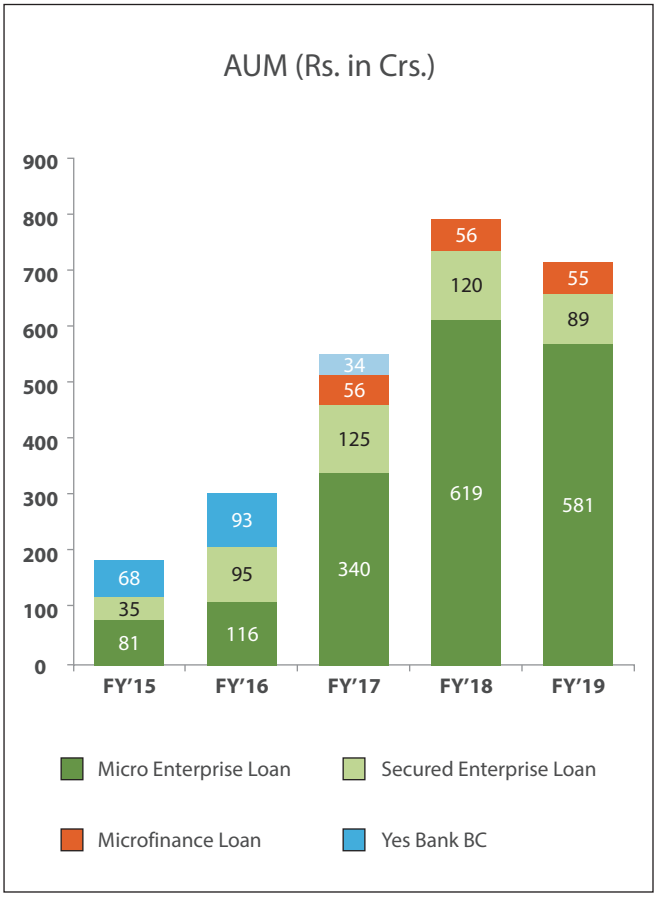
The company is a technology driven company where we believe that only extending credit alone does not empower borrowers. The credit has to be given to the client in timely manner and with full transparency. The company has given the access to the clients through the mobile interface, where the client can log in his loan details on real time basis. Our focus is that the advancement in the technology space, and extending the benefits of those developments reach to the the people who are at the bottom of the economic pyramid.

The company's software having also a mobile application available to all staff and clients. The application is installed on the smart phone of every field employee and, in time, is also available to borrowers on their mobile devices. KYC information, collection schedule and amounts, credit history, are all available through the online service. The application also allows the company to go paperless, which is something the finance industry has been attempting to do efficiently for a long time.

BUSINESS HIGHLIGHTS

Sector wise portfolio

The company has now started new products as Capital Magic loan and Micro Business Loans. Microfinance loans are given though the subsidiary company.



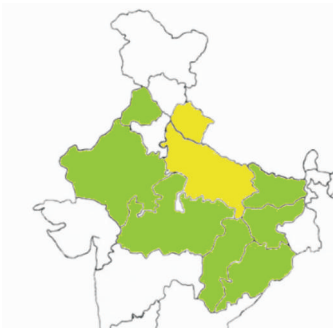
Partnership with IFDC First Bank Limited

The company has entered into the partnership with IDFC First Bank Limited where the company shall source and provide after disbursal services for company produts. This will ensure the uninterrupted flow of funds to the company, higher ROE and opportunity for the new products.

GEOGRAPHIC REACH

The company follows the hub – and Spoke model of operations through five branches (One in District Level branch and four other block level branches). The maximum distance between the branch and the client is not more than 15 Kms.

The company is presently operating through 251 branches in 10 states. The company is not presently disbursing any loans in UP, Uttarakhand and Delhi as these states were badly affected in demonetization.



PUN, RJ, MP, BIH, ODS, JH, CH: Growth Focused States (New client sourcing)

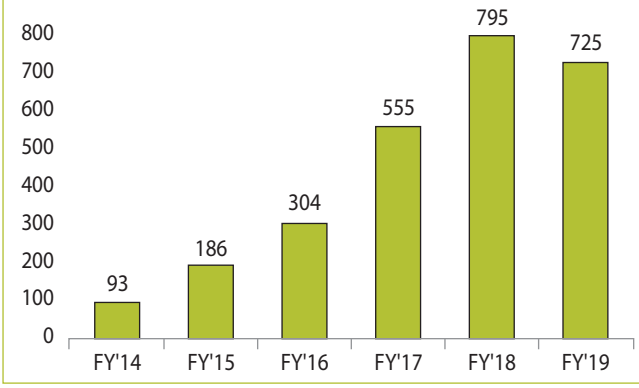
UP, UKH, DEL: Collection Only States (No new client sourcing)

Year – Over – Year Growth (FY 19 Vs FY 18)

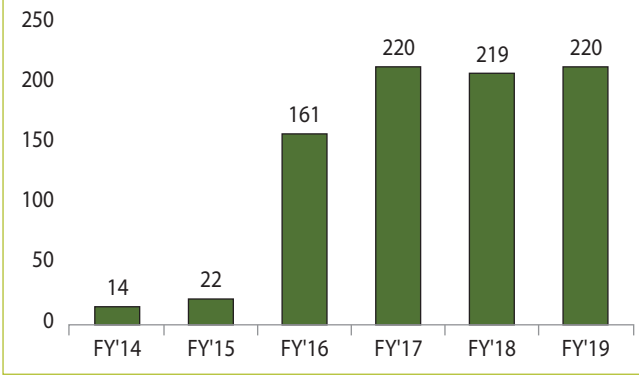
Assets Under Management (in Cr) 725 ▼ (9%) 795	**Financing Income (in Cr)** 181 ▼ (0.5%) 182
Profit after Tax (in Cr) 2.41 ▲ (76%) 1.37	**Net Worth (in Cr)** 220 ▲ (0%) 219
Earning Per Share (in Rs.) 1.48 ▲ (68%) 0.48	**Number of Branches (in #)** 251 ▲ (6%) 237

GROWTH ANALYTICS

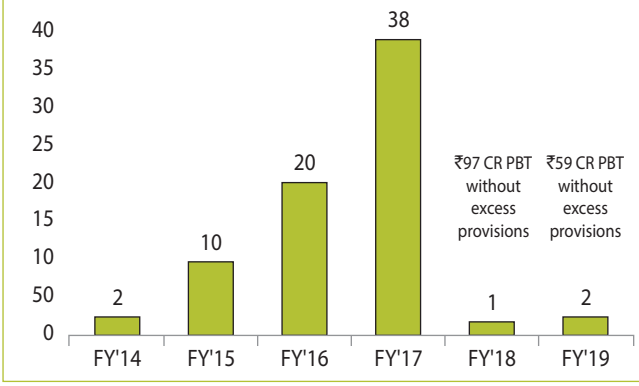
ASSETS UNDER MANAGEMENT (₹CR.)



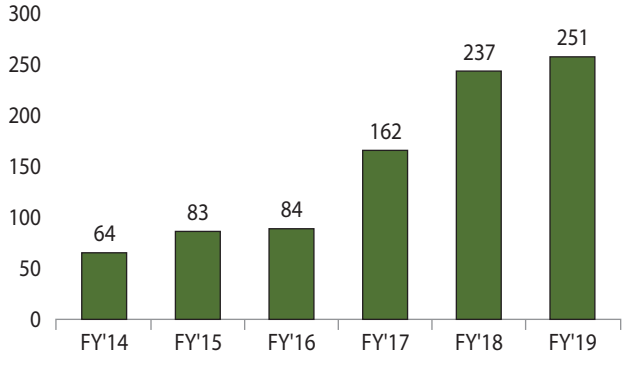
NET WORTH (₹CR.)



PROFIT AFTER TAX (₹CR.)



BRANCHES



SECTORS ADDRESSED

The company is providing financial assistance in the form of Enterprise Loans to the customers in Rural and Semi Urban Areas. The company has provided loans who are beyond the reach of Microfinance and too small for bank and bigger NBFCs. We call this segment as missing middle. Our clients are engaged in various activities like farming, dairy live stocks, small manufacturing firms, trade, etc. This has helped the company to have the varied portfolio. The details of the segment wise loan percentage to total loan outstanding as on 31st March, 2019 is given to customers are given hereunder:

Purpose of Loan	%age of Portfolio
Agricuture	2.28%
Dairy and Livestock	48.84%
Food	3.23%
Home improvement	0.02%
Manufacturing	5.53%
Retail	15.64%
Services	18.01%
Small Commercial	0.01%
Trading	7.16%
Two Wheeler	0.00%
Multiutility	0.27%
Total	100.00%

COMPANY HISTORY SNAPSHOT

1985	Commenced operations by providing consultancy to foreign banks.
1992	Forayed to 2-Wheeler financing through a JV with Kinetic Engineering.
1995	Forayed to Stock Broking through JV with DBS Bank of Singapore.
2008	Started Microfinance.
2012	Started Enterprise Loans in MSE sector.
2014	Business Correspondent of Yes Bank for Microfinance.
2015	Branch Banking Model.
2016	Started the disbursements through banking channel only. No cash disbursements made to the clients.
2016	Got first PE Fund investments of US$ 10 Millions.
2016	Listed at NSE.
2017	Assets size crossed Rs. 500 Crores on consolidated basis and company became Systematically important NBFC.
2017	Started Mobile Application connecting each employee with clients for real time reporting and data entry.
2017	Started issuing digital receipts to clients upon loan repayments, first of its kind in the segment.
2018	Awarded one of the 100 SME companies in India out of 41832 companies by India SME Forum, Axis Bank and Ministry of MSME.
2018	Company ranked in top 1000 companies (FT1000 High-Growth Companies) Asia-Pacific ranking Financial Times Newspaper
2018	The company has opened 242 branches
2018	The company has started operating in Eastern India. The company has now presence in 10 states.
2018	Assets under Management size crossed Rs. 800 Crores on consolidated basis
2019	Starting of new products as Capital Magic and Micro Business Loans
2019	Partnership with IDFC First Bank Limited

Company Products

Micro Enterprise loans
AUM Rs. 579 Crs
Ticket size: Rs. 105000
Tenure- 3 Years
Joint liability
Fortnightly cash

Micro Magic loans
AUM Rs. 2 Crs
(new product)
Ticket size:
Rs. 10000 - 50000
Tenure- 3-12 months
Multi utility digital loan
Monthly cashless
NACH repayments

Micro Business loans
New Product
Ticket size:
Rs. 60000 - 105000
Tenure- 2 Years
Monthly cashless
NACH repayments



Micro finance loans
AUM: Rs. 55 Crs
Ticket size: Rs. 20000 - 30000
Tenure- 2 Years
Joint liability
Fortnightly cash repayments

Secured Enterprises loans
AUM: Rs. 89 Crs
Ticket size: Rs. 100000 -1000000
Tenure- 3-4 Years
Individual loans
Fortnightly/ Monthly
cash repayments

Enriching lives

Success Stories

Don't wait for opportunity. Create it.

Client Name: Amit Bhindia

Loan Id: 605808

Amit Bhindia, a resident of Nagda, Ujjain, worked at a clinic in Ujjain. A father of three, he was finding it difficult to support his family with the salary that he was earning at the clinic. Working at a clinic, he had gauged that a lot of patients need to get X-Rays done, and various clinics and hospitals in and around Ujjain were quite expensive for the customers. Therefore, he decided to purchase his own X-Ray machine and set up his own X-Ray lab. With the cost being a bottleneck, Amit decided to take a loan to fund an X-Ray machine. He approached the Center Manager of Nagda branch, who guided Amit and advised him to apply for a Micro Enterprise Loan, whose ticket size was Rs. 105000, which would be perfect to set up a clinic. This venture has been a huge success for Amit, whose income has increased manifold and has helped him support his family and get his children enrolled in good schools.



Looking at the success of this venture, Amit is looking to apply for another loan and purchase a new X-Ray machine. A loan from Capital Trust has completely changed Amit's life, enabling him to start up his own venture and improve his standard of living.

Enriching lives

Dream it. Believe it. Build it.

Client's Name: Mangu Singh Sondhiya

Loan Id: 727556

Mangu Singh Sondhiya and his wife Kailash Kunvar Bai, resident of Mahidpur, Madhya Pradesh, were running a general store. Their current income wasn't sufficient for them to support their large family, and Mangu's ailing father was making matters worse. With an increase in demand for grocery products, they looked an opportunity to expand their business and increase sales. With their current income not allowing them to buy more inventory and rent a larger shop, they started searching for a loan. A loan product fitting perfectly to their needs was hard to find. After looking for a long time, they got to know about Capital Trust, and approached the Branch Manager of Mahidpur branch. The Branch Manager explained to them the whole process that they needed to go through and suggested them to go for a Micro Business loan. Micro-Business loan being a group product, Kailash Bai went through the Compulsory Group Training and Group Recognition Test, after which their loan was sanctioned. With Rs. 105000 at their disposal, they invested all this amount in increasing inventory and shifting to a larger shop.



This investment has been a big boon for them, as their income has increased three fold, which in turn has helped them support their families better and pay for the treatment of Mangu's father, who recovered from the disease he was suffering from. Their aim, from a professional prospective, is to expand further, and from a personal prospective, is to educate their children so they can get a government job.

Enriching lives

Success Stories

The secret of getting ahead is getting started

Client's Name: Mangu Singh Sondhiya

Loan Id: 727556

Mangu Singh Sondhiya and his wife Kailash Kunvar Bai, resident of Mahidpur, Madhya Pradesh, were running a general store. Their current income wasn't sufficient for them to support their large family, and Mangu's ailing father was making matters worse. With an increase in demand for grocery products, they looked an opportunity to expand their business and increase sales. With their current income not allowing them to buy more inventory and rent a larger shop, they started searching for a loan. A loan product fitting perfectly to their needs was hard to find. After looking for a long time, they got to know about Capital Trust, and approached the Branch Manager of Mahidpur branch. The Branch Manager explained to them the whole process that they needed to go through and suggested them to go for a Micro Business loan. Micro-Business loan being a group product, Kailash Bai went through the Compulsory Group Training and Group Recognition Test, after which their loan was sanctioned. With Rs. 105000 at their disposal, they invested all this amount in increasing inventory and shifting to a larger shop.

Capital magic is a personal loan for your urgent needs. It is easy to access, simple to repay.

Here at capital trust, we trust in you, like you do in yourself. We have multiple products for different needs of people like Gurdeep who needs working capital to improve their business, health, education, standard of living.



Little things make big changes

Client Name Golu

Loan Id: 679831

Another inspiring story we like to share is of a vegetable trader Golu from Depalpur Indore. Earlier she used to run a small vegetable stall in the city and was facing low stock and funds.

When she approached our nearby branch for a loan of 40,000/-. Our team went through her credit history and her business and was pleased to help her with working capital. After documentation and processing, loan was sanctioned to her within a week.

With this working capital of 40,000/-, she increased the quantity and variety of vegetables at her shop. This increased her revenue and daily earnings. Now, she is one of the leading vegetable traders in the town.

Her success story has inspired many other vegetable trader and other small business owners of her society to seek loan



Board of Directors and The Leadership Team

BOARD OF DIRECTORS



Mr. Yogen Khosla
Chairman & Managing Director

Mr. Yogen Khosla is a commerce graduate from Loyola College, Chennai. He introduced the company into retail lending of Micro loans in rural and semi urban areas in 2008. He has led the company to being adjudged as to one of the top 100 Small and Medium Enterprises in India by India SME Forum in 2017.



Col. Vijay Kumar (Retd.)
Independent Director

Col. Vijay Kumar (Retd.) is a retired colonel from the Indian army. He has held various important appointments in the Army, including GSO 1 (Ops) of Northern Command and Secretary to Principal Personnel Officers Committee. After an illustrious career in the Army, Col Vijay Kumar took pre-mature retirement in 2008 and joined the corporate

world looking after Training and Development in HCL Infosystems Ltd. The exposure in HCL has given him a deep insight into the functioning of the corporate world. He joined the Board in 2013. He is also a Principal Consultant with Franklin Covey South Asia.



Mr. Nikhel Kochhar
Independent Director

Mr. Nikhel Kochhar is a Practicing Chartered Accountant and at present is CEO - The Institute of Internal Auditors, India. He is also Member of the Indian Public Schools Society (IPSS) and Member Selection Committee for appointment of Board Members.

His area of interest is Internal Controls & Audit, Risk Management, Corporate Governance, Organizational Systems & Processes and Corporate & Institutional Training.



Mrs. Anju Khosla
Executive Director

Mrs. Anju Khosla graduated from Delhi University and has a Masters degree in Business Economics. She joined Capital Trust in 1989 and was initially involved with the Consultancy division. Presently Mrs. Anju Khosla is looking after the training department of the company.



Mr. Sanjiv Syal
Independent Director

Mr. Syal is a practicing Chartered Accountant with an experience spanning over 25 years in consulting and accountancy. Prior to setting up his accountancy practice in 2001, he set up and managed a leasing finance Company ABL Leasing for 9 years.

He is also founder & Non-Executive Director in a software development company focused on eLearning solutions Compro Technologies. He has been a catalyst in startup of many successful projects in the BPO, IT & Financial Services space. Some of the successful startups where he has played a role include Yatra online, RAC, Gulliver Travels, DMI Finance & Cisco Systems Capital.



Mr. Sachin Kumar Bhartiya
Nominee Director

Sachin Kumar Bhartiya is a partner at Lighthouse Funds, a mid-market focused global private equity fund and an investor into the Company. He has over twenty years of experience in Indian capital market including investing, lending and investment banking and has been involved in a large number of transactions across the industry verticals. He is a chartered accountant by qualification & also sits on the board of Dhanuka Agritech Ltd., Bikaji Food International Ltd. & Indian Herbs Specialties Ltd. He is also active in a number of civic activities, including the Rotary Club of Mumbai Nariman Point.

LEADERSHIP TEAM



Amarjit Singh

Chief Operating Officer

Mr Amarjit Singh is a seasoned Retail Banker having 29 years of Banking and Micro Finance sector. He holds an MBA(Finance) degree from Faculty of Management Studies,Delhi University. He is B.Com, L.L.B & CAIIB. He has started his professional journey as Probationary Officer with Allahabad Bank in Dec 1989. He has an excellent and consistent track record in the business and revenue growth. he has and been one of the founder team members of UTI Bank,now Axis Bank and spent 15 years in various roles right from Branch Operations Head to Extn counter in charge to Branch Head to Zonal Retail Liability Head (North Zone) to Circle Head Punjab to Head Business operations, Axis securities(wholly owned subsidiary of Axis Bank. He has set up 180 Bank branches in Punjab during his 4 years tenure as Circle Head.



Amit Kumar

Chief Strategy Officer

Amit is a seasoned HRBP professional with 15+ years of work experience, 8 years in leadership role. His last assignment was with Ujjivan Small finance Bank Ltd where he was leading the regional leadership team and was driving the transformation of organization from a NBFC MFI to a Small Finance Bank for the region. He was designated as Regional Head HR – North India and also had an additional responsibility of Head – regional leadership team for northern India. Amit had lead and represented the PMO 's for People initiatives, system and capacity building for next level in his last assignment. Prior to Ujjivan he was associated with Coca Cola India, JK Organizations, Hindware and Rahimafirooz (Bangladesh).

Amit holds an MDP certification from IIM Ahmedabad. He is a dual graduate, he has graduated from JNVU in the stream of Arts also holds a B.Sc. IT degree from Manipal University. Amit has completed his Post Graduation in Business Management with dual specialization in Marketing and HR from INMENTEC.



Mukesh Aggarwal

Head – Credit

Mukesh Aggarwal is a Commerce graduate, Chartered Accountant and Company Secretary with more than 13 years of experience in credit with the organizations like Citi, DHFL and HSBC. He has been with us since December 2016 and is looking after the credit portfolio of the Company.



Rahul Malik

Chief Financial Officer

Mr. Rahul Malik is a Chartered Accountant with experience of over 20 years with a history of working in the investment banking industry. He is skilled in Financial Structuring, Project Finance, Credit Advisory, Corporate Finance, Banking, Credit Analysis and Syndications, having substantial experience of fund raising across the sectors viz. Roads, Power including thermal & renewable, hospitality, real estate, manufacturing, etc. His last assignment was Senior Vice President - Debt Structuring and Distribution at IL&FS Financial Services Limited.



Harender Singh

Chief Technology Officer

Harender is a Web & Mobile based application expert with 12 years of work experience . He has successfully delivered many SAAS based platforms in his career. His experience composite of Education, Healthcare , E-commerce , Hospitality , Telecom Domains. He is expert in Payment Gateways , Sound knowledge in Block Chain , Digital Marketing as well as IT infrastructure service like AWS , Google Cloud , Heroku etc. . He lead a Startup Firm before Joining Capital Trust & was working majorly for the foreign clients. He is good is developing Data Driven Algorithms & Analytics.

His Skills including multiple programming languages along with databases like MySQL , Postgresql , Mongo DB .

Harender is MBA from IIT Delhi . He holds B.Tech (Information Technology) from YMCA institute of Engineering College Faridabad.



Vinod Raina

Head – Legal and Compliances

Vinod Raina is a qualified Company Secretary and Law Graduate with over 18 years of experience in the areas of Legal Compliances & management, litigation, Secretarial Functions, Financial Management, Fund Raising, Statutory Compliances, Treasury, Corporate Governance, taxation, accounts, HR and Liaison Work. Vinod is well versed with the provisions of Companies Act, SEBI Regulations, FEMA, NBFC, NBFC-MFI and other statutory laws with proficiency in steering system implementation. A keen analyst with exceptional relationship management & negotiation skills with proven abilities in liaising with SEBI, RBI, ROC, Banks, NSDL, CDSL, Stock Exchanges & various regulatory authorities.Vinod has got variety of experience while working organizations in IT Services, Management Consultancy, Manufacturing and Financial sector.

LEADERSHIP TEAM



K. A. Raju

Chief Risk Officer

Mr. K A Raju is a Post Graduate in Commerce with experience in banking and financial services industry. Prior to joining the company, Mr Raju was Vice President with IIFL Home Finance Ltd and in the past associated with Tata Capital Ltd, Bank of Bahrain & Kuwait, Standard Chartered Bank, Citibank N.A, Bank of Punjab Ltd, SBI Home Finance Ltd in various positions across the country. In his career spanning 23 yrs, he has worked across various verticals and was part of Credit underwriting, Compliance, Audit, Sales & Collections and has extensive experience in Housing, Mortgage & SME divisions. In his role, he developed and implemented robust business plans with a focus on building a strong credit team with a culture of high performance, transparency and accountability.



Shiv Khanna

Head - Recovery

Mr. Shiv has around 4 years of work experience and his last assignment was with Ujjivan Small Finance Bank Ltd.

In his last assignment he was responsible for handling 20 cluster managers, 210 officers and 2 back end employees. He held the designation of Area Collection Manager at Ujjivan Small Finance Bank Ltd.

He is basically from Delhi and has completed his graduation in BTECH CS from Maharshi Dayananad University and he holds an MBA Marketing degree from IBS. He is also a C language certified professional.



Vahin Khosla

VP - Finance

Having done his schooling from The Doon School, Vahin Khosla graduated as a Roberts Day Scholar from Claremont Mckenna College, California. He was selected into an accelerate program where he received his Bachelor's degree in Economics-Accounting and his Master's degree in Finance simultaneously. Prior to working with Capital Trust, he worked at Davita Healthcare Partners in their Corporate Finance team.



Tanya Sethi

Company Secretary

Tanya is a qualified Company Secretary with over 7 years of experience. She has done her graduation in commerce from University of Delhi and has Master's in Business Program and Corporate Governance from Indira Gandhi National Open University. Her association with Capital Trust Limited includes taking care of Secretarial area, Statutory and Regulatory compliance including that of Reserve Bank of India, Stock Exchange etc. and communication with various stakeholders.



Pallav Majumdar

Head - Training & HR

Pallav Majumdar is MBA with certificate in microfinance from IIBF.

With over 16 years of experience in learning & development across sectors (insurance, NBFC & pharma), Pallav has worked in the areas of competency mapping, leadership development programme and train the Trainers. Prior to Capital Trust he has worked with Eli Lilly Ranbaxy, ICICI Lombard, L&T Insurance & Arohan.



Isha Walia

Head – Internal Audit

Ms. Isha has 12 years of work experience and her last assignment was with Ujjivan Small Finance Bank Ltd. She was responsible for managing the Internal Audit Function of the region with special emphasis on Audit Planning & Execution & enhancing existing policies. She was designated as Regional Manager Operation Risk & Compliance at Ujjivan Financial Services.

Ms. Isha hails from Delhi and has completed her graduation from Delhi University. She holds a MBA Finance degree and has done her Masters in Social Work. She also has a certification in Microfinance from IIBF & holds AML certification.



Sukumar Pillai

Head – Accounts

The longest serving employee of Capital Trust, Sukumara Pillai has been with the company since its inception in 1985. He graduated from Kerala University in 1980 with a degree in commerce. He is responsible for the Accounts, Compliance and IT.



Yuv Vir Khosla

VP - Ops

Yuv Vir Khosla graduated went on to receive a Bachelor of Arts degree from Williams College, a liberal arts college in the USA, with a double major in Economics and History. He has previously interned at 3i Debt Management in New York and Cantor Fitzgerald in Hong Kong. Yuv also holds a private pilot license.

Corporate Information

Corporate Identification No.
L65923DL1985PLC195299

REGISTERED & CORPORATE OFFICE
366 Sultanpur, MG Road, New Delhi- 110030

BOARD OF DIRECTORS
Mr. Yogen Khosla (Chairman and Managing Director)
Mr. Nikhel Kochhar (Independent Director) (w.e.f 11.08.2018)
Col. Vijay Kumar (Retd.) (Independent Director)
Mr. Sanjiv Syal (Independent Director) (w.e.f 11.08.2018)
Ms. Anju Khosla (Non Executive Director)
Mr. Sachin Kumar Bhartiya (Nominee Director)

BOARD COMMITTEES:

AUDIT COMMITTEE

Members:
Mr. Nikhel Kochhar (Chairman)
Col. Vijay Kumar (Retd.)
Mr. Sanjiv Syal
Mr. Yogen Khosla

NOMINATION AND REMUNERATION COMMITTEE

Members:
Mr. Nikhel Kochhar (Chairman)
Col. Vijay Kumar (Retd.)
Mr. Sanjiv Syal

SHAREHOLDERS' GRIEVANCE COMMITTEE

Members:
Mr. Nikhel Kochhar (Chairman)
Mr. Yogen Khosla
Ms. Anju Khosla

RISK MANAGEMENT COMMITTEE

Members:
Col. Vijay Kumar (Retd.) (Chairman)
Mr. Yogen Khosla
Ms. Anju Khosla
Mr. Nikhel Kochhar

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Members:
Mr. Sanjiv Syal (Chairman)
Mr. Yogen Khosla
Ms. Anju Khosla

COMPANY SECRETARY
Ms. Tanya Sethi

CHIEF FINANCE OFFICER
Mr. Rahul Malik

HEAD – COMPLIANCES AND LEGAL
Mr. Vinod Raina

AUDITORS
M/s. Singhi & Co.
Chartered Accountants
Unit No.1704, 17th Floor, World Trade Tower (Tower-B),
Delhi Noida Direct Flyway, C-01, Sector 16,
Noida, Uttar Pradesh-201301

REGISTERED OFFICE
366 Sultanpur, MG Road, New Delhi- 110030
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E-mail : cs@capitaltrust.in

REGISTRAR & TRANSFER AGENT
MAS Services Limited
T-34, IInd Floor, Okhla Industrial Area, Phase-II
New Delhi 110020
Tel. : 011-26387281
E-mail : info@masserv.com

PARTNERS

Management Discussion and Analysis Report

ECONOMIC SCENARIO

Global Economy

Global growth is expected to remain at 3.0 per cent in 2019 and 2020, however, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world, according to the World Economic Situation and Prospects 2019. The global economy is facing a confluence of risks, which could severely disrupt economic activity and inflict significant damage on longer-term development prospects. These risks include an escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate risks.

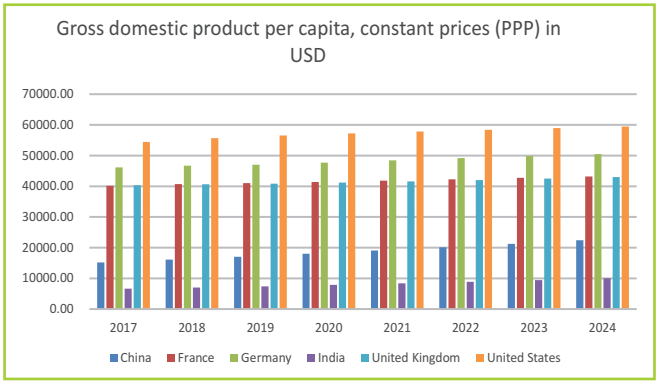
Over the course of 2018, there was a significant rise in trade tensions among the world's largest economies, with a steep rise in the number of disputes raised under the dispute settlement mechanism of the World Trade Organization. Moves by the United States to increase import tariffs have sparked retaliations and counter-retaliations. Global trade growth has lost momentum, although stimulus measures and direct subsidies have so far offset much of the direct negative impacts on China and in the United States.

One year ago economic activity was accelerating in almost all regions of the world and the global economy was projected to grow at 3.9 percent in 2018 and 2019. One year later, much has changed: the escalation of US–China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018.Global growth, which peaked at close to 4 percent in 2017, softened to 3.6 percent in 2018, and is projected to decline further to 3.3 percent in 2019.

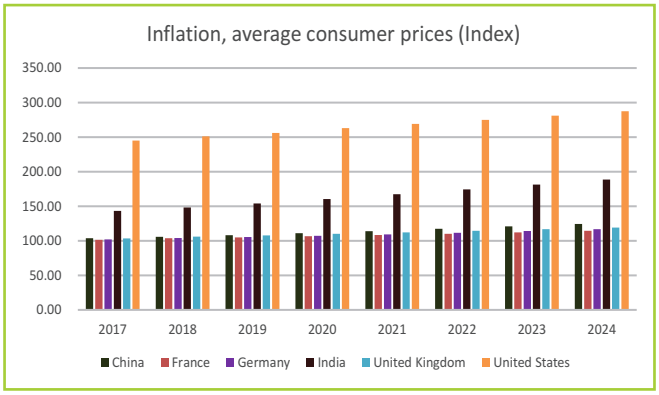
While 2019 started out on a weak footing, a pickup is expected in the second half of the year. This pickup is supported by significant policy accommodation by major economies, made possible by the absence of inflationary pressures despite closing output gaps.With improvements expected in the second half of 2019, global economic growth in 2020 is projected to return to 3.6 percent.

(Source-World Economic Outlook)

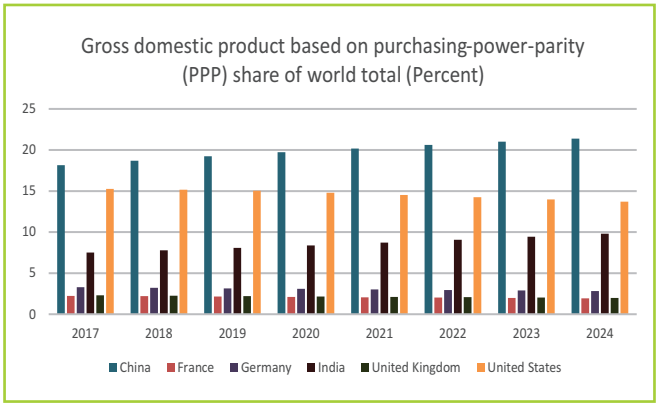
The Gross domestic product per capital, constant prices (PPP) of the major economies show increasing trend from 2017 to 2024, with India showing major jump of 52% in 2024 over the figures in 2017.



The inflation, average consumer price index expected to constant in major economies with USA having the highest inflation.



Gross domestic product based on purchasing-power-parity (PPP) share of world total (Percent) for major economies show that the purchasing power is showing increasing trend for India and China.



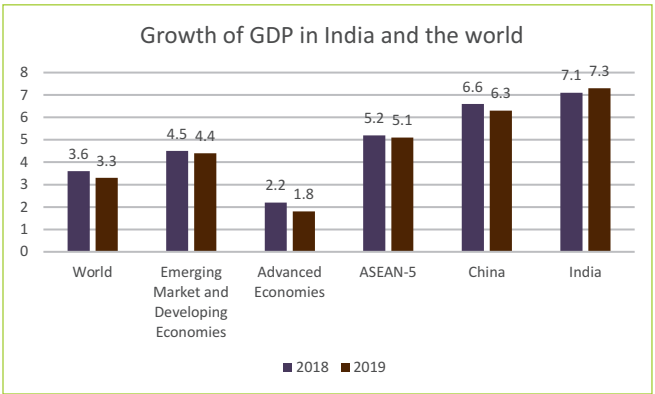
INDIAN ECONOMY

During the last five years, India's economy has performed well. By opening up several pathways for trickle-down, the government has ensured that the benefits of growth and macroeconomic stability reach the bottom of the pyramid. To achieve the objective of becoming a USD 5 trillion economy by 2024-25, as laid down by the Prime Minister, India needs to sustain a real GDP growth rate of 8%. International experience, especially from high-growth East Asian economies, suggests that such growth can only be sustained by a "virtuous cycle" of savings, investment and exports catalysed and supported by a favourable demographic phase. Investment, especially private investment, is the "key driver" that drives demand, creates capacity, increases labour productivity, introduces new technology, allows creative destruction, and generates jobs.

The economy of India is a developing mixed economy. It is the world's seventh-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP). The country ranks 139th in per capita GDP (nominal) and 119th in per capita GDP (PPP) as of 2018. After the 1991 economic liberalisation, India achieved 6-7% average GDP growth annually. Since 2014 with the exception of 2017, India's economy has been the world's fastest growing major economy, surpassing China.

World output grew at 3.6 per cent in 2014 and again in 2018. In the intervening period, when the world did not appear to have changed much, India took a few giant strides forward. India became the sixth largest economy by sustaining growth rates higher than China, thereby earning the epaulette of being the fastest growing major economy in the world. Importantly, this pace of growth was sustained while re-establishing macro-economic stability.

The projected growth for the Indian Economy is highest at 7.3% for the year 2019 which is higher than wold.



Various schemes by Government which focused on last-mile delivery of basic services to the poor like Adhar based subsidies, Pradhan Mantri Jhan Dhan Yojna (PMJDY), Direct Benefit Transfers, MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme), NSAP (National Social Assistance Program), PMAY-G (Pradhan Mantri Awas Yojna-Gramin) etc. has helped in growth in GDP. Presently close to Rs. 1 lakh crore is deposited in more than 35 crore bank accounts opened under PMJDY.

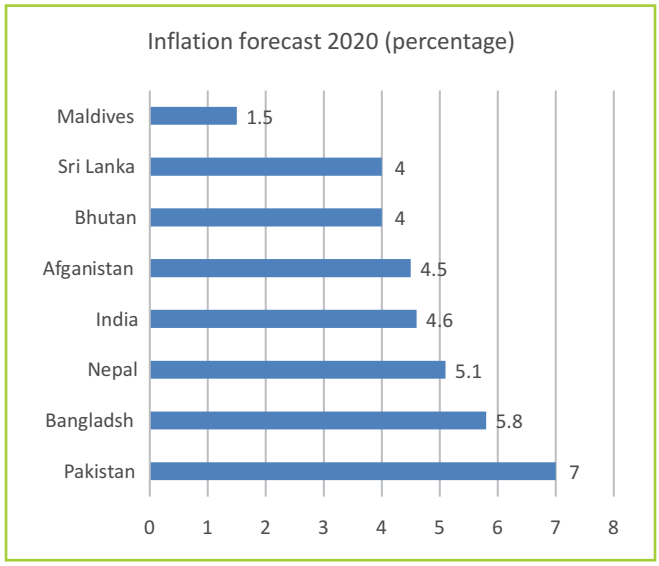
(Source - Economic survey)

The Make in India Campaign launched by the Government of India in September 2014 permitted 100% FDI in 25 sectors of the economy except space, defence and media industry of India. The movement further led to local state movements like "Make in Odisha", "Happening Haryana" and "Magnetic Maharashtra". With this campaign the government aimed to raise the contribution of manufacturing sector to 25% of GDP.

Indian Economy outlook

The International Monetary Fund (IMF) has cut its annual growth forecast for India, as it expects weaker domestic demand to limit an economic recovery.The economy is now expected to expand 7% in the year ending 31 March 2020. Gross domestic product growth in India in the March quarter slowed more than expected to 5.8% from 6.6% in the December quarter. This was the slowest quarterly GDP growth in five years. Annual GDP growth slowed to 6.8% in the year ended 31 March from 7.2% in the previous year.

The Asian Development Bank (ADB) has revised inflation outlook for India downwards by 0.2 percentage points to 4.1 per cent in FY2019 and 4.4 per cent in FY20. The development bank reduced the inflation forecast for India in the supplement to Asian Development Outlook (ADO) considering a strengthening rupee and a lower GDP growth forecast.Inflation projections for developing Asia are revised up a notch from 2.5% to 2.6% in both 2019 and 2020, reflecting higher oil prices and several domestic factors. The inflation forecast of South Asian countries for year 2020 is given below



(Source - ADB)

Ease of doing business

India has recorded a jump of 23 positions against its rank of 100 in 2017 to be placed now at 77thrank among 190 countries assessed by the World Bank. The jump of 30 ranks in the ease of doing business is a rare feat for a large and diversified country. The country has increased its ranking from 142 in year 2015 to 77 in year 2019.

India has improved its rank in 6 out of 10 indicators and has moved closer to international best practices. The digital India campaign run by the Government has contributed towards this achievement.



The important features of India's performance this year are:

- The World Bank has recognized India as one of the top improvers for the year.
- This is the second consecutive year for which India has been recognized as one of the top improvers.
- India is the first BRICS and South Asian country to be recognized as top improvers in consecutive years.
- India has recorded the highest improvement in two years by any large country since 2011 in the Doing business assessment by improving its rank by 53 positions.
- As a result of continued performance, India is now placed at first position among South Asian countries as against 6th in 2014.

Indian Financial Sector

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payments banks to be created recently thereby adding to the types of entities operating in the sector. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64 per cent of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for Micro and Small Enterprises, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by both government and private sector, India is undoubtedly one of the world's most vibrant capital markets. In 2017,a new portal named 'Udyami Mitra' has been launched by the Small Industries Development Bank of India (SIDBI) with the aim of improving credit availability to Micro, Small and Medium Enterprises' (MSMEs) in the country. India has scored a perfect 10 in protecting shareholders' rights on the back of reforms implemented by Securities and Exchange Board of India (SEBI).

Credit growth of scheduled commercial banks (SCBs) improved (13.1 per cent y-o-y) in September 2018, driven largely by private sector banks (PVBs) (22.5 per cent y-o-y). The asset quality of SCBs is showing signs of improvement with GNPA ratio declining from 11.5 per cent in March 2018 to 10.8 per cent in September 2018 and annualised slippage ratio coming down from 7.6 per cent to 4.1 per cent in the same period. The stressed advances ratio is gradually converging to the GNPA ratio following the withdrawal of various restructuring schemes. However, sectorwise analysis shows higher stress in mining, food processing and construction sectors.

The portfolio of Micro, Small and Medium Enterprises (MSMEs) shows that the performance of PSBs in the MSME segment trails that of other intermediaries (private banks and non-banking financial companies (NBFC)), both in terms of inherent as well as realised credit risk. In terms of quality, incremental credit portfolio of PCA-PSBs shows a declining conversion rate to non-performing assets (NPA) in FY 2017-18 compared to FY 2016-17, although the rate still remains significantly large vis-à-vis other financial intermediaries.

NBFC Sector

There were more than 11000 non-banking financial companies (NBFCs) registered with the Reserve Bank of which 88 were deposit accepting (NBFCs-D) and 218 systemically important non-deposit accepting NBFCs (NBFCs-ND-SI). All NBFC-D and NBFCs-ND-SI are subject to prudential regulations such as capital adequacy requirements and provisioning norms along with reporting requirements.

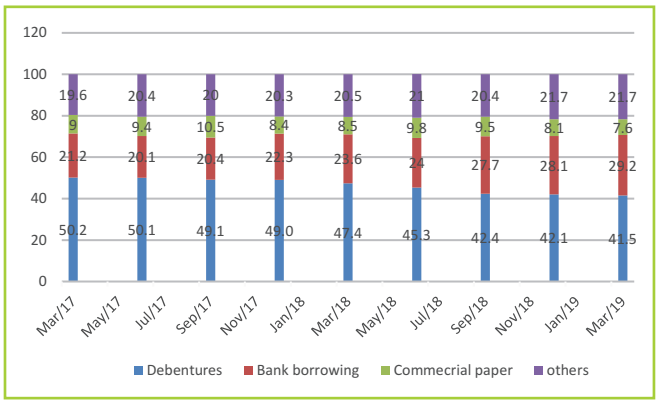
NBFC sector analysis

Even as their importance in credit intermediation is growing, recent developments in the domestic financial markets have brought the focus on the NBFC sector (including housing finance companies or HFCs) especially with regard to their exposures, quality of assets and asset-liability mismatches (ALM). The liquidity stress in NBFCs reflected in the third quarter of the last financial year (September - December 2018)

was due to an increase in funding costs as also difficulties in market access in some cases. Despite the dip in confidence, better performing NBFCs with strong fundamentals were able to manage their liquidity even though their funding costs moved with market sentiments and risk perceptions.

NBFCs depend largely on public funds which account for 70 per cent of the total liabilities of the sector. Bank borrowings, debentures and commercial papers are the major sources of funding for NBFCs. Bank borrowings have shown an increasing trend as the share of bank borrowings to total borrowings have increased from 21.2 percent in March 2017 to 23.6 percent in March 2018 and further to 29.2 percent in March 2019. During the same period, dependence on debentures declined from 50.2 percent in March 2017 to 41.5 percent in March 2019. This indicates that banks are compensating for the reduced market access for NBFCs in the wake of stress in the sector. The top 10 NBFCs accounted for more than 50 per cent of total bank exposure to the sector while the top 30 NBFCs (including government owned NBFCs) accounted for more than 80 per cent of the total exposure.

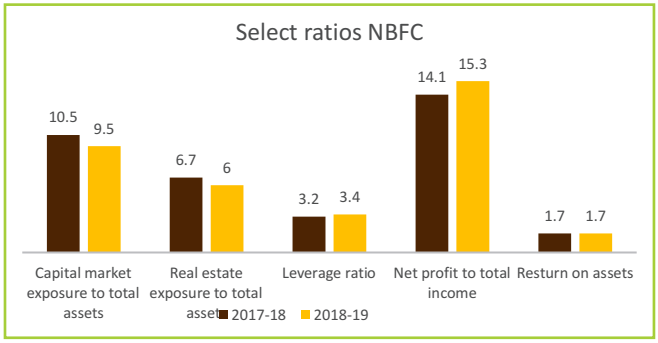
Major components of sources of fund of NBFCs
(share % to total interest bearing liabilities)



(Source- Reserve Bank of India)

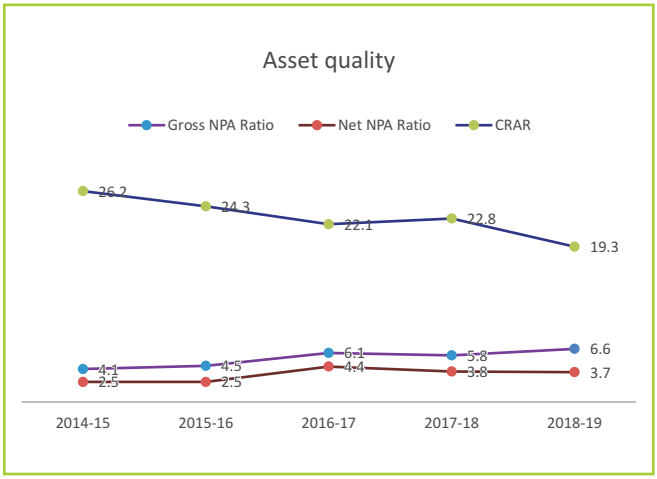
The consolidated balance sheet size of the NBFC sector grew by 20.6 per cent to Rs. 28.8 trillion during 2018-19 as against an increase of 17.9 per cent to Rs. 24.5 trillion during 2017-18.

The NBFC sector's net profits increased by 15.3 per cent in 2018-19 as compared to 27.5 per cent in 2017-18. RoA was 1.7 per cent in 2018-19.



(Source- RBI)

Gross NPAs of the NBFC sector as a percentage of total advances increased from 5.8 per cent in 2017-18 to 6.6 per cent in 2018-19. However, the net NPA ratio declined marginally from 3.8 per cent in 2017-18 to 3.7 per cent in 2018-19. As on March 2019, the CRAR of the NBFC sector moderated at 19.3 per cent from 22.8 per cent in March 2018.



Source - RBI)

Recent developments

NBFCs have been facing the liquidity issues since the last few months. The market is no longer bullish about Non-Banking Financial Companies (NBFCs). Instead, their stocks are being hammered. Some blue chip NBFC stocks have seen the heat of teh market and the stocks prices have fallen drastically. The reason behind the decrease in the value of stock price of NBFC was:

- Some NBFCs borrowed money short term and have been lending it out long term. So there was asset liability mismatch. Till the time, the companies were successful in roll over there papers, the liquidity was not a problem. However when the roll over of the short term loans stopped, there was a major mismatch in Asset Liability management. Failure by some NBFCs to meet their commitments on due date, created panic in the market.

- The Non-Banking Financial Companies (NBFCs) were also heavily relied on funds available from debt mutual funds. As the problem of Mismatch of asset liability surfaced, both retail and institutional investors have reduced the quantum of investments in mutual funds. As a result, the supply of funds from there has died down as well. This has added to the woes of the Non-Banking Financial Companies (NBFCs).

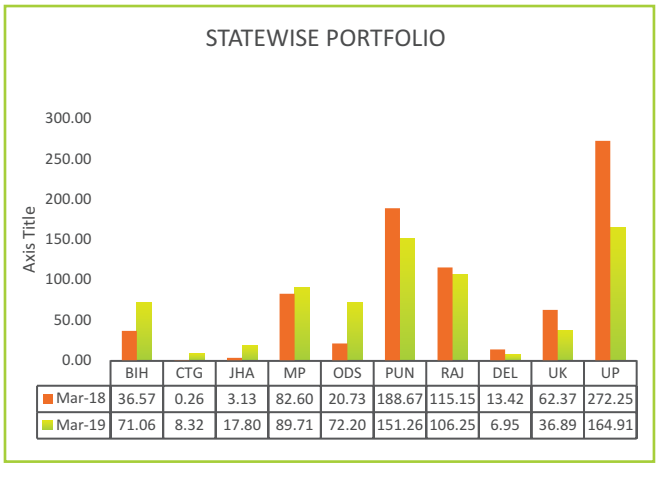
- Some major NBFCs have lent heavily to the housing project developers directly or indirectly through Housing Finance Companies. The housing sector has busted and developers are not able to complete their projects.

RBI's Bailout

The Reserve Bank of India (RBI) has taken some steps to prevent the conversion of this Non-Banking Financial Companies (NBFCs) crisis into a full-fledged financial crisis. The RBI has changed its rules in order to make it easier for Non-Banking Financial Companies (NBFCs) to obtain capital. Banks were earlier restricted in the number of loans they could make to NBFCs. Banks were earlier allowed to lend a maximum of 10% of their loans to NBFCs. This limit has been temporarily raised to 15% for a few months. The immediate effect of this step has been to release close to $10 billion worth of liquidity to the cash-starved NBFC sector. RBI's decision will help Non-Banking Financial Companies (NBFCs) to raise cash in the short term and roll over their debts. The fear of defaults will be quelled for the time being.

Company outlook

The company being in the business of Micro credit to MSME has been effected by the demonetization and after effects like GST. However the company has been able to float through the crisis and has not entered into new territories and thus decided to avail the opportunities in its current operating territories. The company continues to operate in 10 states through 251 branches in Delhi, Uttar Pradesh, Uttrakhand, Madhya Pradesh, Punjab, Rajasthan, Odisha, Bihar, Chatisgarh and Jharkhand. The company is not disbursing in the states of UP, Delhi and Uttrakhand which was impacted by demonetization. The loan portfolio of the company is evenly distributed, thus mitigating the locational risk to portfolio concentration in single location.



	BIH	CTG	JHA	MP	ODS	PUN	RAJ	DEL	UK	UP
Mar-18	36.57	0.26	3.13	82.60	20.73	188.67	115.15	13.42	62.37	272.25
Mar-19	71.06	8.32	17.80	89.71	72.20	151.26	106.25	6.95	36.89	164.91

The company has introduced two new products as Capital Magic Loans and Micro Business Loans.

Capital Magic Loan is a multi-utility unsecured loan offered by Capital Trust through its mobile application Capital Magic. Micro business loan is a individual loan with higher ticket size that capital magic loan given for the business purposes only.

Key strengths

The company operates with the following key strengths:

1. **Robust Technology:** Capital Trust Ltd. has developed an online service called Capital Sales that enhances efforts of financial inclusion by placing transparency, accessibility and technology at the heart of in this endeavour. The technology is mainly based on:

   - **Digitisation -** With Aadhaar card as the starting point, the company sources the clients by reading the QR codes which instantly sends information to the credit bureau for checking the client's credit history.

   - **Automation -** The services of an Android operating system are extended to clients that help them keep track of their loan progress, provide access to credit records, store KYC information and, in time, will let clients repay installments from their application with links to their bank accounts.

   - **Newer customer and staff channels –** Customers now get recorded calls for their due amount, arrears and newer eligible loans using OBD calls, SMS etc. Staff has been enabled with real-time information of customers demand sheet, arrears etc.

   - **New fintech product:** Capital Magic is a mix of Fintech and regular product where the company provides loan to clients within same day.

2. **Focus of the company is on the 'Missing Middle' –** The companys' continues to focus on missing middle, the economic segment that is excluded from the formal banking system as well the growing microfinance industry.

3. **Large Geographic Presence:** The Company is working on hub and spoke model. For every district branch, there are four block level branches. Thus the company is close to the customers. Even though the company has now started digital product, the company has not stopped regular connect with the client. The company mainly operates in Hindi belt areas so there is no language barrier.

4. **Experienced Human Capital:** The company has strong human capital of more than 1500 people, who are full of knowledge and experience.

   The company has built a team of professionals, who have diversified experience and knowledge in their domain area. The company has independent business, credit and compliance teams. Some of the people in company have been with the company for than 20 years showing great employment retention rate.

5. **Effective Internal Audit:** The Company has strong internal audit teams who do frequent internal audits of the branches. The frequency is quite regular help in reduction in frauds and implementation of company's policies.

6. **Large no. of lenders:** The Company has more than 27 lenders, who have supported the company to reach to present level. The funders have supported the company even in the period when NBFC sector was in turmoil.

7. **Liquidity of shares:** The shares of the company being listed on NSE and BSE, therefore the investment by investors in the company is liquid, which can be encashed anytime. The liquidity also offers company the opportunity to tie up with institutional investors and PE funds which generally look for listed entities for investment.

8. **Strong capital base:** The net worth of the company is more than Rs. 220 Crores and even after huge write offs, the company has been able to increase its networth marginally. The company is highly capitalized as the Capital Adequacy Ratio is 32%. The company can leverage this ratio to raise funds.

9. **Bouquet of Products:** The Company has varied products satisfying the needs of different set of customers. The Company's Subsidiary provides Micro finance loans ranging between Rs. 15,000 - 45000 loans and the company provides loans up to Rs. 10,00,000 in micro business, magic loan and secured enterprise products.

10. **Strong Systems and Processes:** The Company has been in existence for more than 33 years. Over the years, the company has developed systems and processes which have been timely tested and implemented. The Company's audit team is capable enough to test the systems and enforce their implementation.

11. **Renowned Board:** The Board of the Company comprises of Renowned Professionals who provide proper guidance to the company. The Board is an optimum combination of Independent and Executive Directors.

Risk Management

The company has a robust risk management framework in place to identify, which measures, monitors and manages the critical risks. While risk is inherent to every institution, it assumes greater significance in the context of Micro Credit due to the very nature of the business with its absence of collaterals quality and the vulnerable, financially excluded customer segment it serves.

Risks may be avoided through preemptive action and hence the need to identify the risks and put in place various mitigation mechanisms.

Capital Trust has identified the following potential risks that could have an adverse impact on the company:

1. Credit Risk
2. Operational Risk
3. Liquidity Risk
4. Portfolio Concentration Risk
5. Compliance Risk
6. Reputation Risk
7. Strategic Risk
8. Contagion Risk

Credit Risk

Credit Risk for Capital Trust Limited is the risk of loss of interest income and the Company's inability to recover of the principal amount of the loan disbursed to its customers.

This risk can result from:

- Information asymmetry and excessive reliance on Credit Bureau check, not backed by soft information or market intelligence on a territory or group of borrowers, leading to adverse selection of borrowers.
- A volatile political presence in a region of exposure
- Exposure to activities with a high probability of variation in earnings
- Default due to over-indebtedness or business failure

Credit Risk also includes Credit Concentration Risk, arising out of concentrated exposure to a particular geographical location/territory or to an activity in which a large group of borrowers are engaged in, vulnerable to external events.

Mitigation

1.1. Location Selection

Before establishing any branch, a detailed survey is conducted which takes into account the factors like credit culture, economic activity and political stability of the area. This mitigates the risk of operating in negative areas.

1.2. Credit Bureau Check

A credit check is done for every customer through an automated system-to-system integration with the Credit Bureau. As part of this check, the parameters like default history, multiple borrowings, Indebtedness and income check are looked at to verify a customer's credit-worthiness and also ensure that they are not overburdened. This mitigates the risk of customer defaults.

1.3. Multi-Step Customer Verification

Capital Trust has established separate customer relationship (acquisition and maintenance) and customer evaluation (credit) personnel in order to ensure the quality of customers acquired as well as eliminate coerced borrowing practices which may lead to genuine customers becoming delinquent. This mitigates the risk of ghost borrowing and ring leader issues. Risk along with internal audit will be monitoring that customer verification process is followed properly else action to be recommended which should be accepted by business.

Operational Risk

Operational Risk is the risk of possible losses, resulting from inadequate or failed internal processes, people and systems or from external events, which includes legal risks but excludes strategic and reputation risk. The risk can emanate from:

- Procedural lapses arising due to higher volumes of small-ticket transactions.
- Lapses in compliance with established norms; regulatory as well as internal guidelines
- Misplaced/lost documents, collusion and fraud
- Breakdown or non-availability of core business applications.

Internal Audit team checks the various aspects of operational risk by auditing the various SOPs/Processes.

Skill gap and sudden attrition of key personnel in the organization, is also an operational risk, which needs to be countered and addressed by the application of appropriate HR strategies.

Mitigation

2.1. Process Compliance

Capital Trust has an independent Internal Audit department which carries out surprise checks on field branches and rates them on pre-defined compliance parameters, identifies gaps in process compliance and rolls out initiatives to correct loopholes. This is done primarily to

- Ensure that the designed processes are being followed on the field – including interaction with the customers during various stages of the relationship lifecycle.
- Ensure all branch activities are carried out as per norms/procedures as mentioned in the operational manual.
- Identify any process lapses/deviations and provide guidance to branches/employees to ensure compliance.

This ensures that risks arising out of process lapses are mitigated. Risk should ensure that above mentioned guidelines is being followed up.

2.2. Employee Rotation Policy:

Capital Trust Limited has a policy to ensure that no field employee is posted in the same location for over two years as an effort to mitigate any chances of collusion or fraud. All field employees are either transferred to another branch or rotated to another role in a programmed manner so as to mitigate the chances of collusion with other employees or customers. The policy ensures that the employees have the predictability of their movements without putting them into undue hardships.

2.3. Document Storage and Retrieval:

Capital Trust recognizes the need for proper storage of documents as also their retrieval for audit and statutory requirements. We have put in place Physical Storage and Scanned Copies.

Portfolio Concentration Risk

Portfolio Concentration Risk is the risk to the company due to a very high credit exposure to a particular business segment, industry, geography, location, etc though in the context of micro finance, it pertains predominantly to geographical concentration.

Mitigation

Capital Trust intends to maintain a diversified exposure in advances across various states to mitigate the risks that could arise due to political or other factors within a particular state. With this in mind, Capital Trust has steadily diversified its presence from 3-4 states to 10 states.

Compliance Risk

Capital Trust is present in an industry where the Company has to ensure compliance with regulatory and statutory requirements. Non-Compliance can result in stringent actions and penalties from the Regulator and/or Statutory Authorities and which also poses a risk to Capital Trust's reputation.

Mitigation

The company has implemented a Compliance Management through its Compliance Committee with in-built workflows to track, update and monitor compliances. The company has strong compliance team who monitors statutory compliances.

Reputation Risk

Reputation risk is the risk to earnings and capital arising from adverse perception of the image or the company, on the part of customers, counter parties shareholders, investors and regulators. It refers to the potential adverse effects, which can arise from the company's reputation getting tarnished due to factors such as unethical practices, regulatory actions, customer dissatisfaction and complaints leading to negative publicity. Presence in a regulated and socially sensitive industry can result in significant impact on Capital Trust's reputation and brand equity as perceived by multiple entities like the RBI, Central/State/Local authorities, banking industry and last but not least, Capital Trust's customers.

Mitigation

Considering the vulnerability of our customer segment and the potential for negative political activism to affect the reputation of the company, we have in place Strict Adherence to Fair Practices Code, Grievance, Redressal Mechanism, Customer Connect and Delinquency Management. The Company does not resort to any coercive recovery practices and has an approved delinquency management policy including restructuring of loans where necessary.

Strategic Risk

It is the risk to earnings and capital arising from lack of responsiveness to changes in the business environment and/or adverse business decisions, besides adoption of wrong strategies and choices.

Mitigation

This is being addressed and the risk mitigated to a great extent, by referring matters of strategic importance to the Management, consisting of members with diversified experience in the respective fields, for intense deliberations, so as to derive the benefit of collective wisdom.

Contagion Risk

Contagion risk as an enlarged version of systemic risk, refers to the probability of credit default among a large group of borrowers in a particular geographical Territory or State, arising out of external factors or political overtones, spreading to culturally-aligned neighboring Territory or State, resulting in moral hazard, thereby escalating the risk of possible default. Further in the context of micro credit, it could result mostly from ghost-borrowing and ring-leader scenarios.

Mitigation

This is being addressed by customer connect program wherein we pro-actively reach out to customers in each center to validate that the customers have genuinely applied for the loan and there has been no incidence of commission, following a relationship based mode of engagement so the customer feels a sense of loyalty to the company and is therefore less likely to be part of a mass default by others and implementing an analytics solution to study the credit bureau data and look for warning signs of increased defaults – upto the pin-code level.

Operational Review

The company continues to operate in 10 states through 251 branches. The company has not entered into any new territory during the year. The portfolio has now diversified and concentration in UP has now come down to 22.74% . The maximum concentration in any state is not more than 25% indicating that the concentration risk has been reduced by the company.

State	Mar-18	Mar-19
BIH	4.60%	9.80%
CTG	0.03%	1.15%
JHA	0.39%	2.45%
MP	10.39%	12.37%
ODS	2.61%	9.95%
PUN	23.73%	20.85%
RAJ	14.48%	14.65%
DEL	1.69%	0.96%
UK	7.84%	5.09%
UP	34.24%	22.74%
Total	**100%**	**100%**

The cumulative collection percentage of the company is more than 100 per which implies that the company is able to recover the money which has been written off. The NPA of the company is has been higher due to the following reasons

At that time of demonetization, Capital Trust had 74% of its portfolio in Western Uttar Pradesh. Unfortunately for the company, Uttar Pradesh (and Western Uttar Pradesh to a larger extent) was worst impacted by demonitization and its after effects. Some of the reasons for this were as follows:

- Cash Crunch: Uttar Pradesh has 10 times the population of Delhi but only twice the number of ATMs. Owing to this, a large part of Capital Trust's clientele was not able to procure new notes after the verdict and with less cash in the system, their businesses were affected. As their businesses were affected, it was hard for the clients to pay for food on the table, let alone repay any installments. As client businesses were affected and many of them did not have access to new currency, Capital Trust was not able to receive installments for the months of November, December, January and February. When the currency was surplus in the market, the clients started paying but were able to pay one instalment at a time. So technically, our clients were paying their instalments but there was lag of 3-4 instalments so the NPA percentage was high.

- UP Elections and rumors: UP elections started on 11 February and went on till 8 March 2017. Prior to and during this period, many local politicians sprung up and told the individuals in their constituency not to repay any loans as they would be waived off if they would secure a win in the forthcoming elections. This is the same time where there were rumors spreading of the BJP farm loan waiver and no one was sure about what all would potentially be waived off with the new ruling. As many politicians made the most of this uncertainty and told people not to repay, Capital Trust's collections got affected February onwards.

- Farm Loan Waiver: Soon after the ruling party came into power on March 11, 2017, they decided to waive farm loans worth Rs. 37,000 Crores. A large number of Capital Trust clients were made to believe that the farm loan waiver would be followed by a waiver of all forms of loan and hence, a substantial amount of them did not pay. On the ground level, the clients were not educated enough to distinguish the difference between a farm loan waiver and a waiver of all small loans.

- Cow slaughter ban: As soon as the company was able to convince its clients that the farm loan waiver was not applicable to them and they should regularly pay their installments, the government decided to ban all cow slaughter and shut all unregistered slaughter houses. 40% of Capital Trust's portfolio is associated with dairy and livestock. Thus, even though the slaughter house ban didn't directly affect the clients, indirectly a large number of clients were impacted and were not able to make 100% repayment.

Owing to the above factors, even though the collections in Punjab, Madhya Pradesh, Rajasthan were back to pre-demonitization levels by January 2017, the collections in UP, Uttarakhand and Delhi were compromised. As a significant number of clients have resumed payments, the lag of instalments between November 2016 and March 2017 is what shows heightened 90+ values.

LESSONS LEARNED AND ACTION TAKEN

The company has learned the lessons from demonitisation and taken the following steps:

- **Geographical Diversification & Introduction of Risk Metrics**
  a. Diversification of business into 10 states.
  b. Formulation of risk metrics that cap maximum exposure to states and sectors.
  c. Automatic stoppage of disbursement in branches where numbers breach metrics.

- **Evolution of IT and Smart Credit**
  a. Development of IT package providing automated credit decisions.
  b. Credit on the basis of various algorithms.
  c. Auto generation of branch cashbooks to eliminate manual intervention.

- **Shift to Cashless Repayment**

  With all loans already being disbursed through RTGS / NEFT, successful implementation of cashless repayment for all disbursements from May 2019.

- **Legal Intervention**
  a. Initiation of Section 138 of Negotiable Instruments Act willful defaulters
  b. Invocation of arbitration clause of the agreement
  c. Participation in Lok Adalats for recovery of amount due

INVESTMENT IN SUBSIDIARIES

The company continues to have two subsidiaries in the name of Capital Trust Microfinance Private Limited and Capital Trust Housing Finance Private Limited. There has not been any fresh investment in these companies during the year.

INTERNAL CONTROL SYSTEM

The Company has well documented internal financial controls with risk control matrix for all the critical areas of business and processes. Internal Financial Controls ensure that business is conducted on the set principles efficiently and the company adhere to policies, safeguarding its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The internal financial controls of the company are adequate and commensurate with the size of the business.

The Internal Auditors monitor the efficiency and efficacy of the internal control systems in the company, compliance with operating systems/accounting procedures and policies framed by the company. The department is also responsible to review and monitor the risk framework within the company. The department also undertakes audit of its branches covering all aspects of branch operations and credit audit. The department also provides independent assurance on the effectiveness of implementation of risk management framework, including the overall adequacy of the internal control system and the risk control function and compliance with internal policies and procedures.

The Company has adequate systems and procedures to provide assurance of recording transactions in all material respects. During the year, the Internal Auditors reviewed the operating effectiveness of the internal financial controls by undertaking an effectiveness testing of controls covered under the Risk Control Matrices for major processes.

The Internal Audit Department of Capital Trust upholds its departmental Vision of fostering a control environment of the organization, adding value to the organization by continuously improving operational efficiency and safeguarding the interests of the organization. The function will do so by recruiting and retaining the best talent from both internal and external sources in order to raise the profile of the Internal Audit Department within the organization.

The Mission of the Internal Audit Department of Capital Trust is to enable the organization in:

- Focusing on key business activities through motivated, skilled and experienced staff who are responsive to the customers' needs;
- Engaging with different entities to facilitate positive changes to existing processes, practices and systems;
- Adopting continuous improvement initiatives and implementing best practices in developing its plan, policies and methods;
- Creating a dynamic working environment which encourages innovation and maximizes the use of new technology;
- Ensuring that its performance is monitored, measured and reported in satisfying the expectations of the different stakeholders.

The internal audit adopts a risk based audit approach and conducts regular audits of all the branches/offices of the Company and evaluates on a continuous basis, the adequacy and effectiveness of the internal control mechanism, adherence to the policies and procedures of the Company as well as the regulatory and legal requirements. The company has well drafted policies and procedure in the form of manuals.

These policies and procedures are well established and followed meticulously. The company adheres to audit process which encompasses risk identification, risk assessment, risk address and reviewing & reporting risk. The Company has established risk management and audit framework to identify, assess, monitor and manage credit, market, liquidity and operational risks. This is extremely important as many of our borrowers do not have any assets and also do not have adequate literacy skills. The company has three levels of the audit which include surprise branch audit, Pre disbursement audit for client identification and checking of credit worthiness of the clients and post disbursal audit. Under the post disbursal audit, the loan utilization is checked. The internal audit department also tracks the attendance of client in the centre meeting.

The audit recommendations are actively followed up and implemented. As part of the effort to evaluate the effectiveness of the internal control systems, our Company's internal audit department reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. In addition to inhouse internal audit department, the company has engaged independent internal auditor who submits its report to the audit committee.

Information Technology

The company has leveraged technology to effectively reach out to micro-borrowers to fulfil their requirements for income generating loans in a transparent manner. The With Aadhaar card as the starting point, our software validates identity and credit history instantly. Zxing, an open-source, multi-format barcode image processing library, scans QRs codes on the Aadhaar Card which instantly sends information to the credit bureau for checking the client's credit history, determining whether the person is eligible for a loan. Through the mobile application, a soft approval for a loan can be given to a client within seconds.

The company uses the Technology to its maximum and helped the company in attaining:

- One of the first NBFCs to start cashless disbursement of all loans since 2015.
- Started process of cashless repayment for all loans (expect Microfinance) in 2019.
- Automated closing of company and all branch books at 6PM daily through collation of issued Digital Receipts (SMSs sent to client on collection of any repayment).
- Client application with access to all details regarding the loan to promote transparency and authenticity.
- All staff have access to Capital Sales, the company application, that provides real-time information in even the most remote locations.
- All warehousing of information on cloud.
- Smart credit enabling client on-boarding and in-principle approval from scanning of client's Aadhar card at his doorstep.
- No manual entry allowed for any clients

The issuance of digital receipts for the repayments made by the clients, has helped the company is transparency and authenticity in transaction with the clients and reduction of frauds.

SEGMENT – WISE OR PRODUCT – WISE PERFORMANCE

The company has only one segment of business i.e "financing" so there is no segment wise or product wise performance available.

HUMAN RESOURCES

Capital Trust Limited is operating in ten states within India and has more than 1528 employees. The company is market-driven, and technology-based, serving customers in ten states in northern, central and eastern part of India with financial products, and services. The company aims to be the first choice of customers, employees and shareholders.

Capital Trust policy offers equal employment opportunity for all persons, without bias or discrimination. It applies to all employment practices including (but not limited to) recruitment, promotion and training. Selection of business partners is also guided by like principles.

The business of the company is directly affected by the wellbeing of all sections of the society where we operate in. It is CTL's policy to maintain a working environment free of harassment and intimidation. Any type of harassment (including sexual harassment, verbal or implicit), or intimidation, is a violation of CTL policy, and is dealt with in accordance with corrective action procedures. The company has in place the Sexual Harassment policy, where the company has zero tolerance for any offence.

The human capital is major component in the finance industry besides capital. So having the right people at right place is the major strength of Capital Trust. We believe that the employees working with Capital Trust are realizing their dreams and in return the company achieves it goal.

Capital Trust does not hesitate in recognizing the co-existence of the Company and its Human Capital. Some of the employees in the company have been for more than 30 years with us. The company believes in long term relations with employees and the company has good retention rate.

All the employees of the company are equipped with smart phones. The employees mark their attendance through their mobile, apply for leaves, tours and tour claims through mobile app only. This has smoothened the processes and reduced the time to settle the claims. This is also environmental friendly as a lot of paper is being saved in printing.

The company has hired some senior people from reputed companies who are expert in their area of activity. With professionals at the top and fully motivated team at the field, the company is bound to grow in the future.

CAUTIONARY STATEMENT

The Management Discussion and Analysis report containing statements used for describing the Company's objectives, projections, estimates, expectation or predictions are 'forward looking' in nature. These statements are within the meaning of applicable securities laws and regulations. Though, Company has undertaken necessary assessment and analysis to make assumptions on the future expectations on business development it does not guarantee the fulfillment of same. Various risks and unknown factors could cause differences in the actual developments from our expectations. The key factors that can impact our assumptions include macro-economic developments in the country, state of capital markets, changes in the Governmental regulations, taxes, laws and other statues, and other incidental factors. The Company undertakes no obligation to publicly revise any forward looking statements to reflect future/likely events or circumstances.

Director's Report

Your Directors take pleasure in presenting the Thirty Third Annual Report on the business and operations of your company along with the standalone and consolidated audited financial statements for the year ended March 31, 2019.

1. FINANCIAL RESULTS

The Company's financial performance for year ended 31st March, 2019 is summarized below:

(Rs. In lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Total Income from operations	17562.44	17347.65	18150.35	18211.41
EBIDTA	7627.32	7294	7687.99	7512.27
Less:				
Interest	7459.1.59	6098.04	7443.12	6482.31
Depreciation	49.66	44.13	49.66	44.13
Profit Before Tax	117.83	1199.77	195.2	753.22
Profit/(Loss) after tax	84	622.86	241.15	137.22
Available for appropriation	84	622.86	241.15	137.22
Transfer to Reserve fund u/s 45IC of RBI Act, 1934	16.8	124.57	37.25	27.45

2. FINANCIAL PERFORMANCE

The year was still under impact of the demonitisation of the high currency notes which was announced by the Government in November, 2016. Your company is providing the Micro enterprise loans which uses cash in the recovery operations. The installments on these loans have fortnightly / monthly collections of small denominations. On account of non-availability of cash post demonetization, the borrowers were not in a position to service their loans which led to delay and drop in collection rates.

There was also shortage of funds as the lenders as they were under wait and watch policy.

Despite of all these limitations the company has performed well as highlighted hereunder:

- The standalone operating income has slightly increased from Rs.17347.65 Lakhs in year 2017-18 to Rs. 17562.44 Lakhs in year 2018-19
- No. of branches increased from 237 to 251.
- The standalone profits have decreased to Rs. 64 Lakhs from Rs. 622 Lakhs. However the consolidated profit of the company increased from Rs. 137 Lakhs to Rs. 241 Lakhs

Your company is now operating in 10 states. The company has always been following the path having a neat portfolio. Your company has strict checks and balances which enable the company to have a good clean portfolio.

Your company has never failed in paying any installments or interest to the lenders. The company enjoys good reputation with all its stakeholder. The credit rating of the company is BBB+.

3. FUND RAISING

During the year under review, there has not been any change in the capital. The total outstanding as on Rs. 48393 Lakhs from the Banks and other financial institutions.

The company has also issued Non Convertible Debentures of amount Rs. 7500 lakhs to Bearing Equity Asia at the coupon rate of 16.5%. The total sanction amount is Rs. 10000 Lakhs. During the year the company has raised Rs. 14000 Lakhs (including NCDs) from banks and NBFCs. In addition the company has raised Rs. 9942 Lakhs through Direct assignment in Capital Trust and Capital Trust Microfinance.

4. DIVIDEND

The company has been paying dividend continuously for the last three years. However, due to demonetization and other market conditions, the profitability of the company has been impacted. But to keep the trend of paying the dividend, your board recommends the final dividend of 5% for the equity shares of the company.

5. RESERVE FUNDS

As per section 45 IC of RBI Act 1934, the Company has transferred Rs. 16.80 Lakhs in reserve fund i.e aggregating of 20% of its net profit.

6. CREDIT RATING

The Credit Rating of the Company is BBB+ from Care Ratings and BrickWorks. In the year 2018, the company also had the same rating.

The non convertible debentures issued by the company are alos rated as BBB+ by Care Ratings.

7. CONSOLIDATED FINANCIAL STATEMENT

In accordance with Section 129(3) of the Companies Act, 2013 and Accounting Standards (AS) - 21 on Consolidated Financial Statements, the audited consolidated financial statement have been prepared, which forms part of the Annual Report.

8. SUBSIDIARY COMPANIES

The Company has two wholly Owned Subsidiary in the name of Capital Trust Microfinance Private Limited and Capital Trust Housing finance Private Limited

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board and Board of Directors of the company. Copies of the Minutes of the Board Meetings of Subsidiary Companies are tabled at the subsequent Board Meetings held.

9. COMPLIANCE WITH RBI GUIDELINES:

Your Company is compliant with all the applicable RBI regulatory norms. Since the company has become systematically important Non deposit taking NBFC, the company complying with all the provisions of the master directions in this regard. The company's' subsidiary company Capital Trust Microfinance Pvt. Limited has also become the systematically important Non deposit taking NBFC as a group company of Capital Trust Limited.

In addition to it the Capital Trust Microfinance Private Limited, which is a NBFC- MFI is fully compliant with the master directions for Microfinance Companies in India.

10. CAPITAL ADEQUACY

The Capital Adequacy Ratio of the company on consolidated basis was 36% as of March 31, 2019 as against the minimum capital adequacy requirements of 15% by RBI. The company is having adequate capital to sustain the future growth. On standalone basis the Capital Adequacy Ratio of the company is 32%.

11. SHARE CAPITAL

There has not been any change in the authorised capital of the company. The paid up capital of the company remains at 16,36,14,150 divided to 1,63,61,415 equity shares of Rs 10/- each.

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

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

13. CHANGES IN NATURE OF BUSINESS

There has not been any change in the nature of Business and the company continues to do the business as a Non-Banking Finance Company.

14. CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of Section 135(1) of the Companies Act, 2013, the company has a Corporate Social Responsibility Committee comprising of the below members:

Name	Designation	Category
Col. Vijay Kumar (Retd.)	Chairman	Independent Director
Mr. Sanjiv Syal	Member	Independent Director
Mr. Yogen Khosla	Member	Managing Director
Mrs. Anju Khosla	Member	Executive Director

Your company is working with the people who are left by the Banks and large NBFCs as for them they are very small. The company provides financial assistance to these people to earn their livelihood and live their life with financial freedom. Your company is targeting missing middle. The company is also providing training to these poor people free of cost and providing them employment in the company. During the year, Capital Trust has implemented wide range of activities by providing training to people at Rural and semi urban areas in various fields in finance and credit sector free of cost for financial literacy and further facilitating employment opportunities to deserving candidates. So the Company feels that there is no additional CSR expenditure required.

15. RISK MANAGEMENT POLICY

The Company has a Risk Management Committee which has been entrusted with the responsibility to assist the Board in overseeing the Company's enterprise wide risk

management framework and overseeing that all the risks that we are facing like strategic, financial, credit, market, market liquidity, interest rate risk, equity price, security, IT, Legal, Regulatory, reputational and other risks have been identified and assessed and there is adequate risk management infrastructure in place capable of addressing those risks. The Committee also has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The various measures to overcome principal risks and uncertainties are thoroughly studied and placed before the board and Audit Committee. The Company's management systems, organizational structures, processes, standards, code of conduct and behaviours together manage associated risks.

The Company has introduced several improvements to Integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

The main objects of the Risk Management Policy adopted by the company are to ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e to ensure adequate systems for risk management and assure business growth with financial stability.

16. CORPORATE GOVERNANCE

The Company is in compliance with the Corporate Governance requirement of Companies Act, 2013 also those set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance as stipulated under Listing Regulations forms an integral part of this Report. The company has also adopted various Social and Environmental policies and the same is placed on the website of the company www.capitaltrust.in.

A certificate from statutory auditors M/s Singhi & Co., Chartered Accountants, confirming compliance with the condition of Corporate Governance as stipulated under the listing Regulation also form part of the Annual Report.

17. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Information on transaction with related parties pursuant to particulars of contracts or arrangements with related parties referred to in Section 188(1) in the prescribed form AOC -2 is appended as "Annexure - 1" to the Board's Report.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186(4) of the Companies Act, 2013 requiring disclosure in the financial statements of the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security is not applicable to us.

19. PUBLIC DEPOSITS

Being a Non Deposit taking Non-Banking Financial Company, your Company has not accepted any deposits from the public under section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

20. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT - 9 as per provisions of Section 134(3) (a) Companies Act, 2013 and rules thereto is annexed to this report.

21. NO. OF MEETINGS OF THE BOARD

The Board met 5 times during the financial year 2018-19 viz., on May 22, 2018, July 20, 2018, August 11, 2018, November 14, 2018 and February 13, 2019.

The maximum interval between any two meetings did not exceed 120 days.The details of these meetings are given in Corporate Governance Report, which forms part of directors' report.

22. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, Your Directors state that: in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

ii. the Directors have selected such accounting policies and applied them consistently and made judgments

and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors have prepared the annual accounts on a 'going concern' basis;

v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

23. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate internal controls and processes in place with respect to its operations, which provide reasonable assurance regarding the reliability of the preparation of financial statements and financial reporting as also functioning of other operations. These controls and processes are driven through various policies and procedures. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

24. DIRECTORS & KEY MANAGERIAL PERSONNEL

a) RETIRE BY ROTATION

During the year under review, Mrs. Anju Khosla (DIN-03496484), Director of the Company, retires by rotation. She being eligible offers herself for re-appointment and was reappointed as Executive Director of the Company.

b) CESSATION/ RESIGNATION

During the year Mr. Hari Baskaran and Mr, Surendra Mahanti resigned from the board due to pre - occupancy and old age respectively. Their resignation was accepted by Board on 11th August, 2018. Mr. J.P Dua also resigned from the board as independent director with effect from 14th November, 2018. Col. Vijay Kumar (Retd.) will complete 5 years as independent director of the company on 30th September, 2019. It is proposed to appoint him independent director for a further period of 5 years. The resolution to this effect is placed before the members for their approval.

The company has appointed Mr. Nikhel Kochhar and Mr. Sanjiv Syal as the independent directors of the company with effect from 11th August, 2018

Brief profile of the new directors is given hereunder:

Mr. Nikhel Kocchar

Mr. Nikhel Kocchar is a Practicing Chartered Accountant and at present in CEO - India Internal Auditors Association. He is also Member of the Indian Public Schools Society (IPSS) and Member Selection Committee for appointment of Board Members. His areas of interest include Internal Controls & Audit, Risk Management, Corporate Governance, Organizational Systems & Processes and Corporate & Institutional Training.

Mr. Sanjiv Syal

Mr. Syal is a practicing Chartered Accountant with an experience spanning over 25 years in consulting and accountancy. Prior to setting up his accountancy practice in 2001, he set up and managed a leasing finance Company ABL Leasing for 9 years. He is also founder & NonExecutive Director in a software development company focussed on eLearning solutions Compro Technologies. He has been a catalyst in start up of many successful projects in the BPO, IT & Financial Services space. Some of the successful startups where he has played a role include Yatra online, RAC, Gulliver Travels, DMI Finance & Cisco Systems Capital.

Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Act, stating that they meet the criteria of Independence as provided in section 149(6) of the Companies Act, 2013 and are not disqualified from continuing as Independent Directors.

25. BOARD'S INDEPENDENCE

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Section 149(6) of the Companies Act, 2013 and the requirements of Listing Regulations :-

1. Col. Vijay Kumar (Retd.) (DIN 06979864)
2. Mr. Nikhel Kochhar (DIN 01021382)
3. Mr. Sanjiv Syal (DIN 00271256)

26. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY

The appointment of the directors of the as per the Policy framed from for Selection and Appointment of Directors. The policy is in compliance with the provisions of the Companies Act, 2013 and SEBI Listing (Obligations and Disclosure Requirements) Regulations.

The directors are appointed on the recommendation of the Nomination and Remuneration Committee.

27. NOMINATION AND REMUNERATION POLICY

The Company pursuant to the provisions of Section 178 of the Companies Act, 2013 has formulated and adopted a nomination and remuneration policy which is disclosed on our website.

28. ANNUAL EVALUATION OF BOARD MEMBERS

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

Pursuant to the provisions of the Companies Act 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations"), the Board is required to carry out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the Audit Committee, Nomination and Remuneration Committee.

The executive Directors are evaluated on the basis of

Organizational goals	Persistence	Continuous improvement	Decency
Humility	Integrity	Understanding of and commitment to company	Setting a vision for Company's Work
Managing execution	Building a strong organiza-tion	External communication and relationship-building	Enhanced Profit-ability

The Independent Directors are evaluated on the basis of:

- Structure of the Board - Competency, Experience and Qualifications of directors, Diversity in Board under various parameters, Appointment Process
- Meetings of the Board - Regularity of meetings and adequacy, discussions and recording of dissent, if any.
- Recording of minutes, dissemination of information
- Functions of the Board - Role and responsibilities of the Board
- Strategy and performance evaluation
- Management of Conflict of interest
- Stakeholder value and responsibility
- Corporate culture and values
- Facilitation of independent directors
- Evaluation of performance of the management and feedback
- Independence of the management from the Board
- Access of the management to the Board and Board access to the management

The company has also formulated familiarisation of Independent Directors. The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company www.capitaltrust.in.

Information on Directors Appointment / Re-appointment

A brief resume of the Director proposed for the appointment/re-appointment at the ensuing Annual General Meeting, the nature of his experience in specific functional areas and name of Companies in which he hold Directorship and Membership of committees of the Board are provided in the Notice of the Annual General Meeting of the company.

29. COMMITTEES OF THE BOARD

In accordance with the Companies Act, 2013 and Listing Regulations, the Company has following Committees in place:

- Audit Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Risk Management Committee

Details of the said Committees along with their charters, composition and meetings held during the financial year, are provided in the "Report on Corporate Governance", as a part of this Annual Report.

30. EMPLOYEE STOCK OPTION SCHEME

Capital Employee Welfare Trust under Capital Trust Employee Stock Option Scheme, 2016 holds 143915 shares. The trust has not granted any shares to employees yet. There has not been any further allotment of shares to the Trust.

31. VIGIL MECHANISM

The company has adopted Vigil Mechanism policy with a view to provide a mechanism for directors and employees of the Company to report to the appropriate authorities concerns about unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct policy and provides safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. The

provisions of this policy are in line with the provisions of the Section 177(9) and (10) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.The policy is available on the website of the company www.capitaltrust.in.

30. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013 READ WITH RULES

The Company is in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has a prevention of sexual harassment policy in place. The Directors further state that during the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.The policy on Sexual Harassment of Women at Workplace is available on the website of the company www.capitaltrust.in.

31. AUDITORS AND AUDITORS' REPORT

a) Statutory Auditors

The Statutory Auditors of the Company M/s Singhi & Co. Chartered Accountants (Firm Registration No. 302049E), were appointed as the statutory auditor of the from the conclusion of 31st Annual General Meeting held on 10th August, 2017 to hold office till the conclusion of Thirty Sixth Annual General Meeting in the year 2021-22 on such remunerations may be mutually agreed between the Board of Directors of the Company and the Auditors. However the appointment is subject to the ratification by the members in the ensuing Annual General Meeting. For that purpose the resolution is being placed before the members for their approval.

b) Secretarial Audit

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Board has appointed M/s Shashank Sharma and Associates, firm of Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 forms part of this Report. The Report does not contain any qualification, reservation or adverse remark.

c) Internal Auditor

The Company had appointed M/s D P Bhardwaj and Associates, Chartered Accountants as Internal Auditor. The Internal Auditor submits reports on quarterly basis which is placed before the audit committee of company.

32. EXPLANATIONS ON COMMENTS BY THE BOARD ON ANY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

(i) Statutory Auditor's report

There are no disqualifications, reservations, adverse remarks or disclaimers in the auditor's report.

(ii) Secretarial Auditor's Report

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark made by Secretarial Auditor.

(iii) Internal Auditors' Report

The Internal Audit Reports does not contain any qualification, reservation or adverse remark made by Internal Auditor.

33. DETAILS OF FRAUDS REPORTED BY THE STATUTORY AUDITORS

During the year under review, the Statutory Auditors have mentioned that that no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year except cash embezzlements made by employees aggregating Rs. 93.27 Lakhs out of which Rs. 32.23 Lakhs have been recovered. The Company has terminated the services of such employees and also initiated legal action against such employees. The balance amount has been provided for. The company has taken the fidelity insurance policy which covers the employee related frauds.

34. ANNUAL EVALUATION OF THE BOARD

A statement on formal evaluation of the Board is mentioned in the Corporate Governance Report which is provided separately in this Annual Report.

35. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31stMarch, 2019.

36. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy/Technology Absorption

As the Company is not engaged in the manufacturing activity, the prescribed information regarding compliance of rules relating to conservation of Energy and Technology absorption pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with Rule – 8 (3) of the Companies (Accounts)Rules, 2014 is not provided.

Foreign Exchange Earnings and Outgo

The Foreign exchange earnings for the FY 2018-19 were Nil.

Foreign Exchange Inflow: Nil

Foreign Exchange Outflow: Nil

37. PARTICULARS OF EMPLOYEES

The statement showing the name of every employee of the company, who

a. if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore Two lakh rupees:

S. No.	Particulars	Details
1	Name and Designation	Mr. Yogen Khosla, Managing Director
2	Remuneration received	Rs. 175.27 Lakhs
3	Nature of Employment	Permanent
4	Qualifications and Experience	Mr. Yogen Khosla is a commerce graduate from Loyola College, Chennai. He introduced the company into retail lending of Micro loans in rural and semi-urban areas in 2008. He has led the company to being adjudged as to one of the top 100 Small and Medium Enterprises in India by India SME Forum in 2017.
5	Date of Commencement of Employment	01-04-2003
6	Age	57
7	Last Employment	Associated with the company since inception.
8	Percentage of Equity Shares held	41.88%

b. if employed for a part of the financial year, was in receipt of remuneration for any part of that year, pro rata rate which, in the aggregate, was not less than Eight Lakhs Fifty thousand rupees per month;

Nil

c. if employed throughout the financial year or part thereof, was in receipt of remuneration in that Year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

Nil

38. GRIEVANCE REDRESSAL

Your Company has adopted a well-structured customer grievance redressal mechanism and provides customers a reliable and easily accessible interface for timely and fair resolution of enquires & complaints. The helpline Number is printed on each document shared with the customers and a person is dedicated to address the customer grievances. The helpline number is available in each branch with the contact person and the contact details of the Officials of the Reserve Bank of India for escalation of grievances if company is unable to redress the complaints. Grievance Redressal Mechanism is also available on the website of Capital Trust to facilitate easy access.

39. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATIONS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

40. ACKNOWLEDGMENTS

The Board of Directors acknowledge and place on record their appreciation for the guidance, co-operation and encouragement extended to the Company by the Government of India, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, National Stock Exchange of India Limited,Bombay Stock Exchange Limited and other concerned Government departments/agencies at the Central and State level as well as various domestic financial institutions/banks, agencies etc.Your Directors also convey their gratitude to the shareholders, various various Banks/Multilateral agencies/financial Institutions/ credit rating agencies for the continued trust and for the confidence reposed by them in CTL.

The Company is also thankful to the Statutory Auditors and Secretarial Auditor for their constructive suggestions and co-operation.We would also like to place on record our appreciation for the untiring efforts and contributions made by the employees towards the growth of the Company.

FOR AND ON BEHALF OF THE BOARD
OF CAPITAL TRUST LIMITED

Sd/-
Yogen Khosla
Chairman and Managing Director
DIN-00203165

Dated: 27th May, 2019
Place: New Delhi

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contact or arrangements entered into by the Company with the related party referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

Details of Contract or arrangements or transactions not at arm's length basis: Capital Trust Limited has not entered into any contracts/ arrangements/ transaction with its related parties which is not in the ordinary course of business or at arm's length during 2018-19.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

S. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Not Applicable
2.	Nature of contracts/arrangements/transaction	Not Applicable
3.	Duration of the contracts/arrangements/transaction	Not Applicable
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Not Applicable
5.	Justification for entering into such contracts or arrangements or transactions'	Not Applicable
6.	Date of approval by the Board	Not Applicable
7.	Amount paid as advances, if any	Not Applicable
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not Applicable

2. Details of contracts or arrangements or transactions at Arm's length basis.

A)	S.No.	Particulars	Details
	1.	Name (s) of the related party &	Mr. Vahin Khosla
	2.	Nature of contracts/arrangements/transaction	Remuneration
	3.	Duration of the contracts/arrangements/transaction	On going
	4.	Salient terms of the contracts or arrangements or transaction including the value, if any	In the Ordinary Course of Business
	5.	Date of approval by the Board	10-Jun-16
	6.	Value of Transactions (Salary)	Rs. 33.47 Lakhs

B)	S.No.	Particulars	Details
	1.	Name (s) of the related party &	Mr. Yuv Vir Khosla
	2.	Nature of contracts/arrangements/transaction	Remuneration
	3.	Duration of the contracts/arrangements/transaction	On going
	4.	Salient terms of the contracts or arrangements or transaction including the value, if any	In the Ordinary Course of Business
	5.	Date of approval by the Board	15-July-17
	6.	Value of Transactions (Salary)	Rs. 21.95 Lakhs

Note: The above disclosures on material transaction are based on the principle that transactions with wholly owned subsidiaries are exempt for the purpose of section 188(1) of the Act.

On behalf of Board of Directors
Mr. Yogen Khosla
Managing Director cum Chairman

New Delhi 27th May, 2019

MGT - 9

EXTRACT OF ANNUAL RETURN

in Form MGT-9 as on the Financial Year ended on March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS

1	CIN	L65923DL1985PLC195299
2	Registration Date	23/08/1985
3	Name of the Company	Capital Trust Limited
4	Category / Sub-Category of the Company	Public Listed Company
5	Address of the Registered office and contact details	366 Sultanpur, MG Road, New Delhi-110030 Contact Number: 9999074312 Email ID: cs@capitaltrust.in
6	Whether listed company Yes / No	Yes, Bombay Stock Exchange, National Stock Exchange
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Non Banking Finance Company engaged in Loan Business	K-6492	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	CAPITAL TRUST MICROFINANCE PRIVATE LIMITED	U65921DL1990PTC287461	Subsidiary	100%	2(87)(ii)
2.	CAPITAL TRUST HOUSING FINANCE PRIVATE LIMITED	U67200DL2017PTC314968	Subsidiary	100%	2(87)(ii)

IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Sr.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoter**									
1)	***Indian***									
	a) Individual/ HUF	7942917	0	7942917	48.55%	6852917	0	6852917	41.88%	-6.67%
	b) Central Govt		0	0	0.00%		0	0	0.00%	-
	c) State Govt(s)		0	0	0.00%		0	0	0.00%	-
	d) Bodies Corp	2845885	0	2845885	17.39%	3973340	0	3973340	24.28%	6.89%
	e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	-
	f) Any Other	0	0	0	0.00%	0	0	0	0.00%	-
	Sub-total (A)(1):-	**10788802**	**0**	**10788802**	**65.94%**	**10826257**	**0**	**10826257**	**66.17%**	**0.22%**
2)	***Foreign***									
	a) NRIs-Individuals	0	0	0	0.00%	0	0	0	0.00%	-
	b) Other Individuals	0	0	0	0.00%	0	0	0	0.00%	-
	c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	-
	d) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	-
	e) Any Other….	0	0	0	0.00%	0	0	0	0.00%	-
	Sub-total (A)(2):-	**10788802**	**0**	**10788802**	**65.94%**	**10826257**	**0**	**10826257**	**66.17%**	**0.22%**

Sr.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B.	**Public Shareholding**									
1.	**Institutions**									
	a) Mutual Funds	100	0	100	0.00%	100	0	100	0.00%	-
	b) Banks / FI	2047	100	2147	0.01%	0	100	0	0.00%	-0.01%
	c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	-
	d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	-
	e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	-
	f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	-
	g) FIIs -	0	0	0	0.00%	0	0	0	0.00%	-
	h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	-
	i) Foreign Portfolio Investor	16742	0	16742	0.10%	0	0	0	0.00%	-0.10%
	i) Others (Specity)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1)	**18889**	**100**	**18989**	**0.12%**	**100**	**100**	**200**	**0.00%**	**-0.12%**
2.	**Non Institutions**									
	a) Bodies Corp.									
	(i) Indian	312404	127198	439602	2.69%	332393	92298	424691	2.60%	-0.09%
	(ii) Overseas									
	b) Individuals									
	(i) Individual shareholders holding nominal share capital upto Rs.2 lakh	909006	567299	1476305	9.02%	1002958	501642	1504600	9.19%%	0.17%
	(ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	580761	0	580761	3.55%	589454	0	589454	3.60%	0.05%
	NBFC Register with RBI	386	0	386	0.00%	0	0	0	0.00%	-
	c) Others(Specify) Trust	8369	0	8369	0.05%	250	0	250	0	-0.05%
	OCBs	2825000	0	2825000	17.27%	2825000	0	2825000	17.27%	-
	Non Resident Indian	8083	2000	10083	0.06%	19922	2000	21922	0.14%	0.08%
	Clearing Member	69203	0	69203	0.42%	25126	2000	25126	0.15%	-0.27%
	Other	-	-	-	-	-	-	-	-	-
	Sub-total(B)(2)	**4713212**	**696497**	**5409709**	**33.06%**	**4795103**	**595940**	**5391043**	**32.95%**	**-0.11%**
Total Public Shareholding (B)=(B)(1)+ (B)(2)		**4732101**	**696597**	**5428698**	**33.18%**	**4795203**	**59640**	**5391243**	**32.95%**	**-0.23%**
C.	**Non Promoter Non Public Shareholding**	-	-	-	-	-	-	-	-	-
	Shares heldby Custodianfor GDRs&ADRs	-	-	-	-	-	-	-	-	-
	Other (Employee Benefits Trust [Share Based Employee Benefit] Regulations, 2014)	143915	0	143915	0.88%	143915	0	143915	0.88%	-
	Grand Total (A+B+C)	**15664818**	**696597**	**16361415**	**100%**	**15765375**	**596040**	**16361415**	**100%**	**-**

ii. Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Yogen Khosla	7942917	48.55%	-	6852917	41.88%	-	-6.67%
2.	Indo Crediop Private Limited	2844885	17.39%	-	3427885	20.95%	-	3.56%
3.	Moonlight Equity Private Ltd.	1000	0.01%	-	545455	3.33%	-	3.33%
	Total	**10788802**	**65.94%**	**-**	**10826257**	**66.16%**	**-**	**0.22%**

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

S.No	Shareholder's Name	Shareholding at the beginning of the year as on 01-04-2018		Date	Reason	Increase/ Decrease in Share-holding	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1.	Yogen Khosla	7942917	48.55%	08.05.2018	Inter se transfer	(10000)	7932917	48.48%
				11.05.2018	Inter se transfer	(100000)	7832917	47.87%
				18.03.2019	Inter se transfer	(665000)	7167917	43.81%
				19.03.2019	Inter se transfer	(315000)	6852917	41.88%
2.	Indo Crediop Private Limited	2844885	17.39%	19.03.2019	Inter se transfer	315000	3159885	19.31%
				25.03.2019	Inter se transfer	268000	3427885	20.95%
3.	Moonlight Equity Private Limited	1000	0.01%	2.0402018	Market purchase	10000	11000	0.07%
				3.0402018	Market purchase	10000	21000	0.13%
				16.04.2018	Market purchase	8000	29000	0.18%
				27.04.2019	Market purchase	9455	38455	0.24%
				08.05.2018	Inter se transfer	10000	48455	0.30%
				11.05.2018	Inter se transfer	100000	148455	0.91%
				18.03.2019	Inter se transfer	665000	813455	4.97%
				25.03.2019	Inter se transfer	(268000)	545455	3.33%

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): -

S.No	Shareholder's Name	Shareholding at the beginning of the year as on 01-04-2018		Date of change, if any	Reason	Increase/ Decrease in Share-holding	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1.	**INDIA 2020 II Investors Limited**	2421519	14.80%	-	-	-	2421519	14.80%
2.	**Light House Emerging India Investors Ltd.**	403481	2.47%	-	-	-	403481	2.47%
3.	**Capital Employee Welfare Trust**	143915	0.88%	-	-	-	143915	0.88%
4.	**Krishna Kumar Karwa**	125000	0.76%	-	-	-	125000	0.76%
5.	**EmkayFincap Limited**	125000	0.76%	07.12.2018	Sale	(10000)	115000	0.70%
				25.01.2019	Sale	(336)	114664	0.70%
				01.03.2019	Sale	(1000)	113664	0.69%
				08.03.2019	Sale	(865)	112799	0.69%
				15.03.2019	Sale	(1421)	111378	0.68%
				22.03.2019	Sale	(5405)	105973	0.65%
				29.03.2019	Sale	(4260)	101713	0.62%
6.	**Ankur Jhunjhunwala**	49239	0.30%	12010.2018	Sale	(20000)	29239	0.18%
				30.03.2019	purchase	20000	49239	0.30%
7	**Globe Fincap Limited**	56030	0.34%	06.04.2018	purchase	800	56830	0.35%
				20.04.2018	Purchase	1500	58330	0.36%
				04.05.2018	Sale	(22000)	36330	0.22%
				11.05.2018	Sale	(5000)	31330	0.19%
				18.05.2018	purchase	600	31930	0.20%
				22.06.2018	Sale	(10000)	21930	0.13%
				17.08.2018	Sale	(3700)	18230	0.11%
				24.08.2018	Sale	(2979)	15251	0.09%
				31.08.2018	Sale	(3041)	12210	0.07%
				05.10.2018	Sale	(3095)	9115	0.06%
				12.10.2018	Sale	(751)	8364	0.05%
				26.10.2018	Sale	(7000)	1364	0.01%
				16.11.2018	purchase	3400	4764	0.03%
				21.12.2018	Purchase	10236	15000	0.09%
				22.03.2019	Sale	(14500)	500	0.00%
8	Rohinton Soli Screwvala IN301604	178017	1.09%	13.07.201	purchase	31000	209017	128%
10	Neha Nirav Sheth	170676	1.04%	10.06.2018	purchase	10000	180676	1.10%
10	Nishal Maheshwari	32307	0.19%	13.04.2018	Sale	(31)	32276	0.19%
				20.04.2018	Sale	(550)	31726	0.19%
				01.06.2018	Sale	(10264)	21462	0.13%
				08.06.2018	Sale	(12600)	8862	0.05%
				15.06.2018	Sale	(1907)	6955	0.04%
				29.06.2018	Sale	(541)	6414	0.04%
				08-09-17	Purchase	19337	119168	0.73
				22-09-17	Purchase	10238	129406	0.79
				30-09-17	Purchase	30594	160000	0.98
				09-02-18	Purchase	10676	170676	1.04%

v. Shareholding of Directors and Key Managerial Personnel

S.No	Name of Directors	Shareholding at the beginning of the year as on 01-04-2017		Date of change, if any	Reason	Increase/ Decrease in Share-holding	Shareholding at the end of the year as on 31.03.2018	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
A.	Yogen Khosla Managing Director	7942917	48.55%	-	-	-	6852917	41.88%
B.	Anju Khosla Director	-	-	-	-	-	-	-
C.	Nikhel Kochhar Independent Director	-	-	-	-	-	-	-
D.	Vijay Kumar Independent Director	-	-	-	-	-	-	-
E.	Sanjiv Syal Independent Director	-	-	-	-	-	-	-
F.	Sachin Kumar Bhartiya Nominee Director	-	-	-	-	-	-	-
G.	Madhusudhan Gupta CFO (KMP)	-	-	-	-	-	-	-
H.	Tanya Sethi Company Secretary	-	-	-	-	-	-	-

vi. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits Total	Deposits Total
Indebtedness at financial year (01-04-2018)				
I. Principal Amount	47604.41	5728.50	-	-
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	352.23	(including both for Secured & Unsecured)	-	-
Total (I + II + III)	**47956.64**	**5728.50**	**-**	
Changes in Indebtedness during the financial year				
Addition	16500.00	3360.00		
Reduction	22851.15	2301.00		
Net Change	(6351.15)	1059.00		
Indebtedness at the end of the financial year (31-03-2019)				
I. Principal Amount	41605.48	6787.50		
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	479.00	(including both for Secured & Unsecured)	-	-
Total (I + II + III)	**48871.99**			

vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and / or Manager:

S.No.	Particulars of Remuneration	Mr. Yogen Khosla Managing Director	Mrs. Anju Khosla Executive Director	Total Amount (in Rs.)
1	Gross Salary	1,75,27,784	1,01,84,756	2,77,12,540
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961			
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961			
	(c) Profits in lieu of salary u/s 17(3) of the Income-Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- As % of profit			
	- Other, specify			
5	Others, please specify			
	Total (A)	1,75,27,784	1,01,84,756	2,77,12,540
	Ceiling as per the Act (@ 5% of profits calculated under section 198 of the Companies Act, 2013			8,23,72,132

B. Remuneration to other directors

Particulars of Remuneration	Surendra Mahanti	Col. Vijay Kumar (Retd.)	Joginder Pal Dua	Hari Baskaran	Sachin Bhartiya	Nikhel Kochar	Sanjiv Syal	Total Amount (in Rs.)
Independent Directors								
a. Fee for attending board / committee meetings	11000	20000	30000	10000	30000	20000	20000	141000
b. Commission	-	-	-	-	-	-	-	-
c. Others, please specify	-	-	-	-	-	-	-	-
Total (1)	**11000**	**20000**	**30000**	**10000**	**30000**	**20000**	**20000**	**141000**
Other Non-Executive Directors								
a. Fee for attending board / committee meetings								
b. Commission								
c. Others, please specify								
Total (2)	-	-	-	-	-	-	-	-
Total (B)=(1+2)								
Total Managerial Remuneration								
Overall ceiling as per the Act (sitting fees not to exceed 1,00,000 per meeting)	The company is paying only sitting fees to Non-Executive Directors which is below the ceiling of 1,00,000/- per meeting as prescribed under the Companies Act, 2013.							

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

S.No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (in Rs)
		Company Secretary	Chief Financial Officer	
		Ms. Tanya Sethi	Mr. Madhusudan Gupta	
1.	Gross Salary	8,12,724	50,16,663	58,29,387
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961			
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961			
	(c) Profits in lieu of salary u/s 17(3) of the Income-Tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit			
	- Other, specify			
5	Others, please specify	-	-	-
	Total (A)	**8,12,724**	**50,16,663**	**58,29,387**
	Ceiling as per the Act (@ 5% of profits calculated under section 198 of the Companies Act, 2013			

vii. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD /NCLT/ Court]	Appeal made, If any (give details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers In Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019

[Pursuant to section 204(1) of Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Capital Trust Limited
366 Sultanpur, MG Road,
New Delhi-110030

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **CAPITAL TRUST LIMITED (L65923DL1985PLC195299)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended 31st March, 2019 complied with the statutory provisions listed hereunder. The Company has proper Board – processes and compliance –mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2019 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit Period);

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992('SEBI Act') :-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of insider Trading) Regulation, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [Not Applicable as the Company during the Audit Period];

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999;

e) The Securities and Exchange Board of India (Issue and Listing Of Debt Securities) Regulations, 2008 [Not Applicable to the company during the Audit Period];

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client [Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable as the Company during the Audit Period]

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable to the company during the Audit Period].

vi. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say

Reserve Bank of India Act, 1934 to the extent of provisions applicable to Non-Banking Financial Companies and Regulations made there under.

For the compliances of Labour Laws & other General Laws our examination and reporting is based on the documents, records and files as produced and shown to me and the information and explanations provided by the Company, its officers, agents

and authorized representatives, and to the best of my judgment and understanding of the applicability of the different enactments upon the Company, in my opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

I have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Listing Regulations entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

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

I further report that the Board of directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors and that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

a. the company has issued listed non convertible debentures of Rs. 75 Crores.

b. The company has amended its object clause of the memorandum of association

c. The company has also altered its articles of association to commensurate with Companies Act, 2013.

d. The company has approved incentive to Managing Director.

Shashank Sharma & Associates
Company Secretaries

Shanshank Sharma
Company Secretary
ACS No.19311
C P No.:7221

Place: New Delhi
Date: 27.05.2019

This Report is to be read with my letter of even date which is annexed as Annexure A & forms an integral part of this report.

'Annexure A'

To,
The Members,
CAPITAL TRUST LIMITED

My report of even date is to be read along with this letter.

1) Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.

2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

3) The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

4) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Shashank Sharma & Associates
Company Secretaries

Shanshank Sharma
Company Secretary
ACS No.19311
C P No.:7221

Place: New Delhi
Date: 27.05.2019

Corporate Governance Report

Corporate governance is the combination of rules, processes or laws by which businesses are operated, regulated or controlled. The term encompasses the internal and external factors that affect the interests of a company's stakeholders, including shareholders, customers, suppliers, government regulators and management.

Corporate Governance is the system of rules, practices and processes through which objectives of a corporate entity are set and pursued in the context of the social, regulatory and market environment. It essentially involves balancing the interests of various stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Fundamentals of Corporate Governance includes transparency, accountability and independence. Governance practices may vary but the principles are generic and universal, viz. constant improvement and sustainable value creation for all stakeholders. For ensuring sound Corporate Governance practices, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Global trends and some governance failures across the world drive the demand for a high quality of governance practices. Capital Trust has a strong legacy of practising fair, transparent and ethical governance par excellence.

1. Our Corporate Governance Philosophy

There is no such thing as business ethics. There is only one kind -- you have to adhere to the highest standards.

-Marvin Bower

At Capital Trust, good governance practices forms part of business strategy which includes, inter alia, focus on long term value creation and protecting stakeholders interests by applying proper care, skill and diligence to business decisions.

The Company has established systems, procedures and policies to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the Management with the strategic direction catering to exigency of long term shareholders value. It`s initiatives towards adhering to highest standards of governance include self governance, professionalization of the Board, fair and transparent processes and reporting systems and going beyond the mandated Corporate Governance requirements of SEBI.

2. Board Diversity

Composition of the Board

As on March 31, 2019, Board of CTL consists of 6 members. Besides the Executive Chairman and Managing Director, the Board comprises of one more Executive Director (Woman Director), three Non-Executive Independent Directors and one Non-Executive Nominee Director. The profile of Directors can be found at our website at www.capital-trust.com. The composition of the Board is in conformity with the Companies Act, 2013 and Listing Regulations enjoining specified combination of Executive and Non-Executive Directors with at least one Women Director and not less than fifty per cent of the Board comprising of Independent Directors as laid down for a Board chaired by Non-Executive Promoter Director.

Classification of the Board:

Category	Number of Director	% to total number of Directors
Executive Directors (including Woman Director)	2	33.33
Non-Executive Independent Directors	3	50.00
Nominee Director Non-Executive Director	1	16.67
Total	6	100.00

Number of Board Meetings

Minimum four Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs of the Company. In case of any urgency, resolutions are also passed by circulation. During the financial year 2018-19 the Board of Directors met five times on May 22, 2018, July 20, 2018, August 11, 2018, November 14, 2018 and February 13, 2019 . The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under the Companies Act, 2013, Regulation 17 of the Listing Regulations and Secretarial Standards.

Details of Directors Attendance, shareholding and other Directorships/ Committee memberships

Necessary quorum was present in all the Board meetings. Further, as mandated by Regulation 26 of the Listing Regulations, none of the Directors is a member of more than ten Board level Committees (considering only Audit Committee and Shareholders' Grievance Committee) or Chairman of more than five Committees across all public limited Companies (listed or unlisted) in which he/she is a Director. No Director of the Company serves as Independent Director in more than seven listed Companies and in case he/she is serving as a Whole-Time Director in any listed Company, does not hold the position of Independent Director in more than three listed Companies. Further all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any changes in their positions.

The Company has not issued any convertible instruments hence disclosure in this respect is not applicable. Relevant details of the Board of Directors as on March 31, 2019 are given below:

Name of the Director	Annual General Meeting held on August 10, 2018	Board Meeting					Held during tenure	Attended	% of Attendence
		1	2	3	4	5			
Mr. Yogen Khosla	Yes	Yes	Yes	Yes	Yes	Yes	5	5	100
Mrs. Anju Khosla	No	Yes	Yes	Yes	Yes	Yes	5	5	100
Mr. Vijay Kumar	No	No	No	Yes	No	Yes	5	2	40
Mr. Sachin Kumar Bhartiya	No	Yes	No	Yes	Yes	No	5	3	60
Mr. Nikhel Kochhar (Appointed on 11.08.2018)	Yes	NA	NA	NA	Yes	Yes	2	2	100
Mr. Sanjiv Syal (Appointed on 11.08.2018)	No	NA	NA	NA	Yes	Yes	2	2	100
Mr. Jogider Pal Dua (Resigned on 14.11.2018)	No	Yes	Yes	Yes	NA	NA	3	3	100
Mr. Hari Baskaran (Resigned on 11.08.2018)	NA	Yes	Yes	NA	NA	NA	2	2	100
Mr. Surender Mahanti (Resigned on 11.08.2018)	NA	Yes	No	NA	NA	NA	2	1	50%

Independent Directors

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Companies Act, 2013 and the Listing Regulations.

Maximum Tenure of Independent Directors

In accordance with Section 149(11) of the Companies Act, 2013, the current tenure of Independent Directors of the Company is for a term of 5 consecutive years from the date of Annual General Meeting (AGM) held on 30 day of September, 2014 up to the conclusion of AGM to be held in the Calendar Year 2019. The tenure of Mr. Sanjiv Syal and Mr. Nikhel Kochhar is from the commencement of their appointment as a Director of the Company i.e. 11/08/2018 up to the conclusion of AGM to be held in the Calendar Year 2023.

The tenure of five years as independent director for Col. Vijay Kumar (Retd.) is expiring on 30th September, 2019. The reappointment of Col. Vijay Kumar (Retd.) for further period of five years is proposed in the ensuing general meeting.

Number of other board of directors or committees in which a director is a member or chairperson;

Name of the Director	Number of Directorships in other Public Companies		No. of Committee position held in other Public Companies	
	Chairman	Member	Chairman	Member
Mr. Yogen Khosla	Nil	Nil	Nil	Nil
Ms. Anju Khosla	Nil	Nil	Nil	Nil
Col. Vijay Kumar (Retd.)	Nil	Nil	Nil	Nil
Mr. Surendra Mahanti (resigned on 11th August, 2018)	Nil	Nil	Nil	Nil
Mr. Hari Baskaran (resigned on 11th August, 2018)	Nil	1	Nil	Nil
Mr. Sachin Kumar Bhartiya	Nil	3	Nil	2
Mr. Joginder Pal Dua (resigned on 14th November, 2018)	Nil	3	Nil	Nil
Mr. Nikhel Kocchar (appointed on 11th August, 2018)	Nil	Nil	Nil	Nil

1. The other directorships do not include directorships in:
   - Foreign companies
   - Private Limited Companies
   - Section 8 of the Companies Act, 2013
2. None of the directors of the company are related to any other director except Mrs. Anju Kholsa and Mr. Yogen Khosla.
3. None of the Directors has received any loans or advances from the company during the year.

Shareholding of Non Executive Directors

Non-Executive Directors of the company are not holding any shares in the company.

The Board has been apprised/ familiarized about the business performance, product and processes, business model, nature of the industry in which the Company operates, roles and responsibilities of the Board Members under the applicable laws, etc., on a periodic basis and the details of such familiarization programmes are available at www.capital-trust.com.

All new Directors inducted into the Board are introduced to the Company through appropriate orientation sessions. Presentations are made by senior management officers to provide an overview of the Company's operations and to familiarize the new Directors with the operations. They are also introduced to the organization's culture, services, constitution, Board procedures, matters reserved for the Board and risk management strategy.

The Company also facilitates the continual education requirements of its Directors. Support is provided for Independent Directors, if they choose to attend professional educational programmes in the areas of Board/ corporate governance.

Information Supplied to the Board

The Board has complete access to all relevant information of the Company. The quantum and quality of information supplied by the management to the Board goes well beyond the minimum requirement stipulated in Regulation 17 (7) of SEBI LODR Regulations. All information, except critical unpublished price sensitive information (which is circulated at a shorter notice than the period prescribed under Secretarial Standard on Meetings of the Board of Directors), is given to the Directors well in advance of the Board and the Committee meetings.

The Board works closely with the Executive Management Team to constantly review the evolving operating environment and strategies best suited to enhance the Company's performance and periodically reviews compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliance, if any.

COMMITTEES OF BOARD

The Board has inter alia constituted below named committees as required under Companies Act, 2013, SEBI (LODR) Regulations, 2015 and RBI Guidelines as amended time to time to delegate particular matter that require more attention:

- Audit Committee
- Corporate Social Responsibility committee
- Nomination and Remuneration Committee
- Shareholders' grievance committee
- Risk Management Committee
- Information Technology Committee

The detailed role and composition of the committees is given hereunder:

A) Audit Committee

The main objective of Audit Committee is to monitor and provide an effective supervision of highest levels of transparency, integrity and quality of financial reporting. The committee oversees the work carried out in the financial reporting.

The Committee oversees the work carried out in the financial reporting process by the management, the internal auditors and the independent auditors.

The Audit Committee is responsible to select and evaluate, and where appropriate replace the independent auditors in accordance with the law.

The Audit Committee oversees the financial reporting process and reviews, with the Management, the financial statements to ensure that the same are correct and credible. The Audit Committee has the ultimate authority and responsibility to select and evaluate the Independent Auditors in accordance with the law. The Audit Committee also reviews performance of the Statutory Auditors, the Internal Auditors, adequacy of the internal control system and Whistle-blower mechanism.

Composition of Audit Committee

The audit committee consists of 4 Directors of which 3 are independent directors. The committee met 4 times in the year 2018-19 on 22nd May, 2018, 11th August, 2018, 14th November, 2018 and 13th February, 2019.

Name of the Committee Members	Designation	Category	Number of Meetings held	Number of meetings attended
Mr. Hari Baskaran*	Chairman	Independent Director	2	2
Mr. Surendra Mahanti*	Member	Independent Director	2	2
Col. Vijay Kumar (Retd.)	Member	Independent Director	4	2
Mr. Yogen Khosla	Member	Managing Director	4	4
Mr. Nikhel Kochhar**	Chairman	Col. Vijay Kumar (Retd.)	2	2
Mr. Sanjiv Syal**	Member	Col. Vijay Kumar (Retd.)	2	2

* ***upto 11th August 2018***

** ***Appointed to be member of audit committee w.e.f 11th August 2018***

Review of Information by the Audit Committee

1. The terms of reference of the Audit Committee shall include the following:
   a) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
   b) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
   c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
   d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
      i) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
      ii) changes, if any, in accounting policies and practices and reasons for the same;
      iii) major accounting entries involving estimates based on the exercise of judgment by management;

iv) significant adjustments made in the financial statements arising out of audit findings;

v) compliance with listing and other legal requirements relating to financial statements;

vi) disclosure of any related party transactions;

vii) modified opinion(s) in the draft audit report;

e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document /prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

h) approval or any subsequent modification of transactions of the listed entity with related parties;

i) scrutiny of inter-corporate loans and investments;

j) valuation of undertakings or assets of the listed entity, wherever it is necessary;

k) evaluation of internal financial controls and risk management systems;

l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

n) discussion with internal auditors of any significant findings and follow up there on;

o) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

p) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

r) to review the functioning of the whistle blower mechanism;

s) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

t) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

2. Mandatory review of information by the Audit Committee:

a) management discussion and analysis of financial condition and results of operations;

b) statement of significant related party transactions (as defined by the audit committee), submitted by management;

c) management letters / letters of internal control weaknesses issued by the statutory auditors;

d) internal audit reports relating to internal control weaknesses; and

e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

f) Statement of deviations:

i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015.

ii. annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI (LODR) Regulations, 2015.

B. Nomination and Remuneration Committee

The process of selection, appointment and remuneration of Directors and other key managerial personnel's is decided by Nomination and Remuneration Committee constituted as per the Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

a) Constitution of the committee for the year 2018-19 alongwith meeting held/attended is given hereunder:

Name of the Committee Members	Designation	Category	Nomination and Remuneration Committee meetings held	Nomination and Remuneration Committee meetings attended
Mr. Hari Baskaran	Chairman	Independent Director	2	2
Col. Vijay Kumar (Retd.)	Member	Independent Director	2	2
Mr. Surendra Mahanti	Member	Independent Director	2	2
Mr. Nikhel Kochhar**	Member	Independent Director	-	-
Mr. Sanjiv Syal**	Member	Independent Director	-	-

b) Term of Reference:

a) All the members of the Nomination and Remuneration Committee are Non-Executive Independent Directors.

b) During the year, the committee met two times 2nd July, 2018 and 11th August, 2018. The meeting was attended by all the eligible members.

c) Term of Reference of Nomination and Remuneration Committee:

i. To fix criteria for determining qualifications, positive attributes an independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

ii. To formulate the criteria for evaluation of performance of independent directors and the board of directors;

iii. devising a policy on diversity of board of directors

iv. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

v. To check whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

c) Performance evaluation criteria for Independent Directors

The Companies Act, 2013 has enabled an evaluation mechanism to appraise the performance of the Independent Directors. The Board of Directors evaluates the performance of Independent Directors in the Board of Directors. The member who is being evaluated does not take part in the evaluation.

The company evaluates the independent director on the following criteria:

a) Understanding the nature of the business.

b) Understanding of nature and role of independent directors' position.

c) Understanding of risks involved in business.

d) Help in developing strategies for the future growth of the company.

e) Application of knowledge for rendering advice to Management for resolution of business issues.

f) Commitment to role & fiduciary responsibilities as a board member.

g) Attendance at the meeting of the Board of Directors and Committee thereof.

h) Active participation in the meetings.

i) Proactive, strategic and lateral thinking.

j) Professionalism towards the company and the other independent directors.

k) Director is easily accessible when needed.

l) Work effectively with a diverse group of people.

m) Assist the board in achieving consensus on important issues.

n) Play the role of a facilitator outside the board room especially on contentious issues.

Meeting of Independent Directors

The meeting of Independent Directors was held on 22nd May, 2018 as per the provisions of section 149(8) read with schedule IV of the Companies Act, 2013, Secretarial Standards -1 issued by The Institute of Company Secretaries of India and Regulation 25(3) and 25(4) of the SEBI LODR.

Reason for resignation of independent directors

During the year, three independent directors resigned from the board. Mr. Hari Baskaran and Mr. Surendra Mahanti resigned from the board with effect from 11th August, 2018 due to pre-occupency and old age respectively. Mr. J P Dua resigned as independent director with effect from 14th November, 2018 due to pre-occupency.

Code of conduct as per regulation 17(5) of the SEBI LODR

The Company has adopted the Code of conduct as per regulation 17(5) of the SEBI LODR and is applicable to all its Board members and senior management personnel of the company.

Pursuant to regulation 26(5) of the SEBI LODR, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the company at large. Pursuant to regulation 26(3) of the SEBI LODR, all the Board members and senior management of the Company as on March 31, 2019 have affirmed compliance with their respective codes of conduct.

C. REMUNERATION OF DIRECTORS

In compliance with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosure is given hereunder:

S.No.	Details	Disclosure by the Company
1	The ratio of the remuneration of each Whole time director to the median remuneration of the employees of the company for the financial year	Managing Director : 110:1 Executive Director : 72:1
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Managing Director : 42% Executive Director : 33% Chief Financial Officer : Nil Mr. Madhusudan Gupta joined the company during the year, there was also no increase in salary. Company Secretary: 15.38%
3	The percentage increase in the median remuneration of employees in the financial year;	25%
4	The number of permanent employees on the rolls of Company	1523
5	The explanation on the relationship between average increase in remuneration and company performance	In the year 2018-19 the impact of demonstration was still existent. There have been issues in the NBFC sector during the year which has impacted the borrowings. The profits of the company have decreased. The average salary increase of the employees was 12.5%.
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	The profits have decreased due to higher provisioning and writeoffs arising because of cash liquidity crunch in the market after NBFC Crisis. There was no increase in remuneration to the Managing Directors and Executive director in past few years. In Year 2016-17, the remuneration to the directors was increased to commensurate to the size of the company and resolution was passed for increase in salary for three years.

S.No.	Details	Disclosure by the Company
7	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	The market capitalization of the company as on 2nd April, 2018 was Rs. 602.34 Crores. The market capitalization as on 31st March, 2019 was 349.50 showing an decrease of 42%. The Price Earning Ratio as on 31st March 2019 was Rs. 402 as compared to Rs. 69 as on 31st March, 2018. The market price of the equity shares of the company as on 31st March 2019 was Rs. 218.5 whereas the share price as on 31st March, 2018 was Rs.335.75. The percentage increase in market price of shares in comparison with the last public offer was 2085%.
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average salary of the employees other than Key Managerial persons was 27% whereas average increase in salary of KMPs was 30%. There has not been no increase in remuneration to the Managing Directors and Executive director in past few years. In Year 2016-17, the remuneration to the directors was increased to commensurate to the size of the company with the approval of the shareholders.
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	The growth of the company was stagnant for the year due crisis in the NBFC sector. There was no increase in the salary of Managing Director and Executive Director in past few years.
10	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	The salary is fixed and there are no variable components in the salary.
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	There is no employee in the company who is drawing salary more than Directors of the company.
12	Affirmation that the remuneration is as per the remuneration policy of the company	Yes

D. SHAREHOLDERS' GRIEVANCE COMMITTEE MEETING

In terms of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 the Shareholders' Grievance Committee is already in place in the company. The Shareholders' Grievance Committee has been formed to look into the mechanism of redressal of grievances of shareholders, and other security holders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, revalidation of dividend warrants, etc.

i. The Chairman of the committee Col. Vijay Kumar (Retd.) is a Non-Executive Independent Director.

ii. The details of the committee members and the meetings held by them during the years is given hereunder:

S.	Name	Category and Designation	Shareholders' Grievance Committee meetings held	Shareholders' Grievance Committee meetings attended
1.	Col. Vijay Kumar (Retd.)*	Independent Director (Chairman)	4	2
2.	Mr. Surendra Mahanti*	Independent Director (Member)	2	1
3.	Mr. Hari Baskaran*	Independent Director (Member)	2	2
4.	Ms.Anju Khosla	Executive Director (Member)	4	4
5.	Mr. Yogen Khosla	Managing Director (Member)	4	4
6.	Mr. Nikhel Kochar**	Independent Director (Member)	2	2

* ***member till 11th August, 2018***
** ***member till 11th August, 2018***

During the year, the committee held four meetings on May 22, 2018, August 11, 2018, November 13, 2018 and February 13, 2019.

Name and Designation of Compliance Officer:
Ms. Tanya Sethi
Company Secretary
Capital Trust Limited

Details of Shareholders' Complaints:

Number of shareholders' complaints received during the year 2018-19:	4
Number of shareholders' complaints solved during the year to the satisfaction of shareholders:	4
Number of complaints not solved to the satisfaction of shareholders:	Nil
Number of pending complaints :	Nil

E. RISK MANAGEMENT COMMITTEE

The company formed a Risk Management Committee consisting of following members:

1. Mr. Hari Baskaran (Chairman) (Upto 11.08.2018)
2. Col. Vijay Kumar (Retd.) (Upto 11.08.2018)
3. Mr. Surendra Mahanti (Upto 11.08.2018)
4. Mr. Nikhel Kochhar (Chairman) (w.e.f 11.08.2018)
5. Mr. Yogen Khosla (Member)
6. Mrs. Anju Khosla (Member)

The committee has been formed to frame properly defined procedure to deal with the various business related risk arising in the day to day activities. The Board Members and Senior Executives has been timely monitoring and reviewing the risk management plan in order to overcome risk related issues at appropriate time. The committee met two times in the year 2018-19 on 14th November, 2018 and 13th February, 2019.

F CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the requirements of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility Committee. The Committee evaluates and recommend the CSR proposals to the Board for approval. The Committee comprises of following members:

1. Mr. Sanjiv Syal Chairman (w.e.f 11.08.2018)
2. Col. Retd. Vijay Kumar (Retd.)
3. Mr. Yogen Khosla
4. Ms. Anju Khosla
5. Mr. Hari Baskaran (Chairman) (Upto 11.08.2018)
6. Mr. Surendra Mahanti (Upto 11.08.2018)

Key Responsibilities of the CSR Committee:

i. Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company
ii. Recommend the amount of expenditure to be incurred on the activities undertaken
iii. Review the Company's performance in the area of CSR
iv. Evaluate the social impact of the Company's CSR activities
v. Review the Company's disclosure of CSR matters, including any annual social responsibility report
vi. Review the following, with the Management, before submission to the Board for approval

The CSR committee met once in the year 2018-19 on 14th November, 2018.

IT Governance & Strategy Committee

During the current year, the Board, in accordance with the provisions of Reserve Bank of India's Master Direction on the Information Technology Framework for the NBFC Sector, constituted IT Governance & Strategy Committee ("IT Committee") at its meeting held on 1st March, 2019.

The IT Committee comprises of three (3) members, two of whom are Independent Directors and one is Chief Technical Officer of the Company.

The functions of the IT Committee include approval of IT strategies and policy documents, to ascertain whether the company's management has implemented processes / practices which ensure that IT delivers value to business, ensure that the budgets allocated vis-à-vis IT investments are commensurate, monitor the method adopted to ascertain the IT resources needed to achieve strategic goals of the company and to provide high-level directions for sourcing and use of IT resources.

G. GENERAL MEETINGS OF SHAREHOLDERS

In terms of SEBI (LODR) Regulations, Location and time where last there Annual General Meetings (AGMs) held and the Special resolutions passed in the AGMs are detailed as below:

S. No.	Financial Year	Day and Date of AGM	Place of AGM	Time	Whether any Special Resolution passed
1.	2015-16	Monday, 26th day of September, 2016	366 Sultanpur, MG Road, New Delhi-110030	9:00 A.M	Yes • Approval Under Section 180(1)(C) of The Companies Act, 2013 to increase the limits of borrowing powers. • Approval Under Section 180(1)(a) of The Companies Act, 2013 for creation of charge / mortgage /pledge / hypothecation /security/ in such form and manner as required.
2.	2016-17	Thursday, 10th day of August, 2017	366 Sultanpur, MG Road, New Delhi-110030	9:00 A.M	Yes • Approval Under Section 180(1)(C) of The Companies Act, 2013 to increase the limits of borrowing powers. • Raising of funds through various options including QIP/Debentures upto Rs. 600 Crores. • Increase in Authorised Capital of the company. • Acquisition of a company Registered under the Companies Act, 2013 and to register it as a housing finance Company with NHB. • Appointment and fixation of remuneration of Mr. Yuv Vir Khosla • Reappointment of Mr. Yogen Khosla as Chairman and Managing Director of the Company.
3.	2017-18	Saturday, 29th day of September, 2018	366 Sultanpur, MG Road, New Delhi-110030	9:00 A.M	• Raising of funds through various options including QIP/Debentures upto Rs. 1000 Crores. • Alteration in object clause of memorandum of association of the company • Alteration in memorandum of association of the company to comm-ensurate with companies act, 2013 • Alteration in articles of association of the company to commensurate with Companies Act, 2013. • Payment of incentive to Mr. Yogen Khosla.

- Any resolution passed through Postal Ballot during in the year 2018-19: No.
- Person who conducted the Postal Ballot: N.A.
- Any Special Resolution proposed to be conducted through Post Ballot: No
- Procedure of Postal Ballot: N.A.
- The company had not any Extra Ordinary General Meetings in the year 2018-19.

H. MEANS OF COMMUNICATION

Quarterly Results

Quarterly results are published in Financial Express, English Newspaper having a vide circulation in substantially the whole of the India and in Naya India Hindi vernacular newspaper. The results are also available on the website of the company www.capital-trust.com.

Website Disclosure

The Company is maintaining a functional website containing the detailed information about the Company. All the information such as Notices, Annual Reports, Information for Shareholders, Corporate Governance Report, details of Committee and various policies framed, etc, is being timely disseminated on the Website of the Company. The Company has provided a separate section in the name of "Investor Relation" on the website where all the information relevant for the stakeholders is available. The Basic information as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is duly provided on the Company's Website and the same is updated regularly.

Disclosure to NSE Electronic Application Processing Systems (NEAPS) and Bombay Stock Exchange:

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company provides necessary disclosures to National Stock Exchange and Bombay Stock Exchange through their online portal NSE Electronic Application Processing Systems (NEAPS) and www.listing.bseindia.com respectively.

SEBI Compliant Redressal System (SCORES)

The company is also registered with SEBI Compliant Redress System (SCORES), where the shareholders can raise their grievances.

Presentation to the Institutional Investor or to the Analyst

Corporate Presentations is timely disseminated to the Institutional Investor and other Analyst for their review. The presentation is also available on the website of the company.

I. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting – Date, Time and Venue
   - Date: Monday, September 30, 2019
   - Time: 09:00 a.m.
   - Venue: 366 Sultanpur, MG Road, New Delhi- 110030

b. Financial year is from April 1 to March 31.

c. Dividend at the rate of Rs. 0.50 per equity share, if declared, will be paid within 30 days of AGM

d. The equity shares of the company are listed at
   - National Stock Exchange of India Limited (NSE), Exchange Plaza, Plot No. C/1, G- Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051.
   - Bombay Stock Exchange Ltd (BSE), 25th Floor, P.J. Towers, Dalal Street, Mumbai–400001

The listing fee for the year 2018-19 has been paid by the company within due date to both the Stock Exchanges

e. The Stock code of the company at BSE is 511505 and at NSE is CAPTRUST

Demat ISIN No for equity shares at NSDL and CDSL is INE707C01018.

For Non Convertible Debenture, the stock code of the company at BSE is 958154.

Demat ISIN No for Non Convertible Debentures at NSDL and CDSL is INE707C07015.

The Non Convertible debentures are listed at
Bombay Stock Exchange Ltd (BSE),
25th Floor, P.J. Towers,
Dalal Street, Mumbai–400001

The Debenture trustee for the Non Convertible Debentures are:
VISTRA ITCL (INDIA) LIMITED
The IL&FS Financial Centre, Plot C-22,
G – Block, Bandra Kurla Complex,
Bandra East, Mumbai – 400051
Tel: +91 22 2659 3219
Fax: +91 22 2653 3297
E-mail: itclcomplianceofficer@vistra.com
SEBI Reg No.: IND000000578

f. Market price date (In Rupees).

The monthly high low for the equity shares of the Company at NSE.

Month	High Price	Low Price	Volume
18-Apr	463.15	368.15	82,072
18-May	410.40	368.75	203,481
18-Jun	400.20	375.20	76,022
18-Jul	435.50	380.20	111,891
18-Aug	415.45	365.05	88,550
18-Sep	384.60	278.10	57,789
18-Oct	311.15	216.50	97,457
18-Nov	230.00	169.30	143,311
18-Dec	248.95	175.00	571,024
19-Jan	227.00	190.60	35,505
19-Feb	199.80	177.40	10,323
19-Mar	218.15	190.00	1,296,390

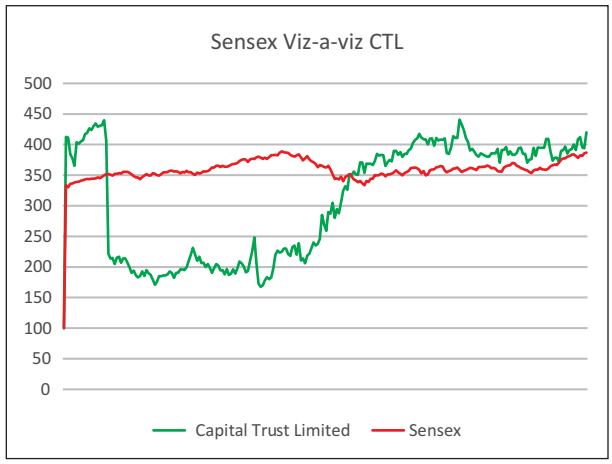
The monthly high low for the equity shares of the Company at BSE.

Month	High Price	Low Price	Volume
18-Apr	444.85	344.90	30,666
18-May	478.75	358.05	12,294
18-Jun	401.00	362.05	12,459
18-Jul	451.90	379.00	13,157
18-Aug	437.00	365.05	11,823
18-Sep	391.05	287.00	21,308
18-Oct	332.90	200.05	15,052
18-Nov	248.90	164.00	17,202
18-Dec	249.20	161.20	88,938
19-Jan	242.90	181.05	3,858
19-Feb	201.80	170.10	7,457
19-Mar	223.95	176.60	16,469

g. Performance of shares of Capital Trust Limited in comparison to BSE – Sensex (The share price is compared on the basis of closing price of each month v/s sensex on that day)

(Base is taken as 100 at April 1, 2018)

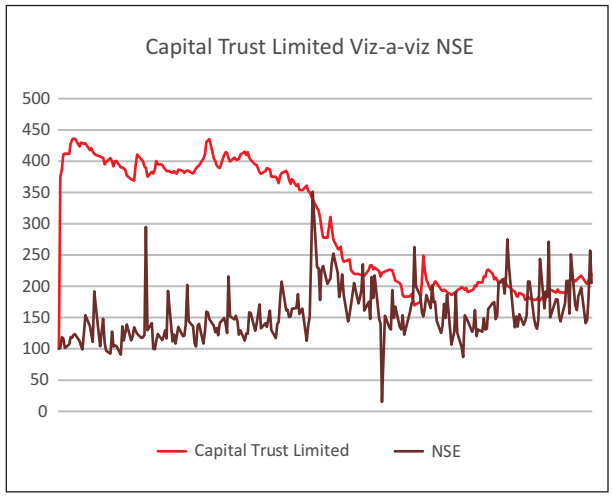
Capital Trust Share performance vis -a - viz BSE Sensex



Capital Trust Share performance vis -a - viz NSE Nifty

Performance of shares of Capital Trust Limited in comparison to NSE Nifty (The share price is compared on the basis of closing price of each month v/s Nifty on that day)

(Base is taken as 100 at 1st April, 2018)



h. No shares were suspended from trading by the Stock Exchange in year 2018-19.

i. Registrar and Transfer Agent and Address for correspondence

MAS Services Limited
T-34, IInd Floor, Okhla Industrial Area – II
New Delhi – 110020
Ph. 011 – 26387282
E-mail: sm@masserv.com

j. Share Transfer System

The matters connected with share transfer are processed by our Registrar and Transfer Agent.

k. Shareholding Pattern as on March 31, 2019

Category	Percentage
Promoter	66.17%
Bank/ Financial Institutions/ Mutual Funds	0.00%
NRIS/OCBs	17.40%
Others	16.43%

l. Distribution of Shareholding as on March 31, 2019

No. of share holders	% to Total	Shareholding of Nominal Value of Rs.	No. of Share	Amount in Rs.	% to Total
5971	92.833	1 TO 5000	760592	7605920	4.649
248	3.856	5001 TO 10000	185759	1857590	1.135
71	1.104	10001 TO 20000	108129	1081290	0.661
29	0.451	20001 TO 30000	71256	712560	0.436
13	0.202	30001 TO 40000	46551	465510	0.285
25	0.389	40001 TO 50000	115002	1150020	0.703
50	0.777	50001 TO 100000	355344	3553440	2.172
25	0.389	100001 AND ABOVE	14718782	147187820	89.96
6432	**100**	**TOTAL**	**16361415**	**163614150**	**100**

l) Dematerialisation of Shares: As on March 31, 2019, the total number of shares in dematerlised form were 157,65,275

m) The Company does not have any Global Depositary Receipts and American Depositary Receipts.

n) The company is into NBFC Business and there is no commodity price risk. Further there is no foreign exchange risk involved as there are no foreign exchange transactions in the company. So no hedging is required.

o) The company is into NBFC Business so there is no plant.

p) Address for Correspondence:
Ms. Tanya Sethi
Company Secretary and Compliance Officer
Capital Trust Limited
Corporate and Registered Office
366 Sultanpur, MG Road
New Delhi-110030
Ph-9999074312

q) Transfer of unclaimed dividends due for remittance into Investor Protection and Education Fund: There is no amount to be transferred to Investor Protection and Education Fund

J. OTHER DISCLOSURES

a. The Company has not entered into any material related party transactions. Other related party transactions were approved by the Audit Committee and the Board.

b. There is no non-compliance by the company and there have been no penalties, strictures imposed on by stock exchange or the board or any statutory authority, on any matter related to capital markets, during the last three years.

c. The Company has complied with Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations 2015 regarding the Whistle Blower policy/ Vigil Mechanism for the directors and employees. As per the mechanism, concerns or grievances about unethical behavior, actual or

suspected fraud or violation of the company's Code of Conduct or Ethics Policy are reported. The Audit Committee is open to all the employees. The policy is available on our website www.capital-trust.com.

d. The company has complied with all the mandatory and non-mandatory requirements as provided.

e. The company has two Wholly Owned Subsidiaries in the name of Capital Trust Microfinance Private Limited and Capital Trust Housing Finance Private Limited.

f. Policy on the related party is available on www.capital-trust.com.

g. The company is not dealing in any commodity, so there are no commodity hedging required.

h. The Company is compliance with the corporate governance requirements specified in regulation 17 to 27 of SEBI (LODR) Regulations 2015 and has an operational website www.capital-trust.com wherein the information as required under Regulation 46 of the SEBI(LODR) Regulations has been disseminated.

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

There are no shares in Demat suspense account so the disclosure with to demat suspense account/ unclaimed suspense account is not applicable.

L. DISCRETIONARY REQUIREMENTS

The Company has move towards the regime of financial statements with unmodified audit opinion.

The Internal Auditor of the Company is directly reporting to the Audit Committee.

M. DECLARATION REGARDING THE COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT.

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director, Executive Director and Non-Executive Directors and Independent Directors. The code is available on the Company's Website www.capital-trust.com.

I further confirm that the Company has received applicable to them from the Senior Management Team of the Company and the Members of the Board for the year ended March 31, 2019. For the purpose of this declaration, Senior Management Team means the Chief Financial Officer and the Company Secretary.

For **Capital Trust Limited**

Yogen Khosla
Chairman and Managing Director

Date: 27.05.2019
Place: New Delhi

CEO and CFO Certification

To
The Board of Directors
Capital Trust Limited

Subject: Compliance Certificate as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the 2018-19 and that to the best of their knowledge and belief:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee
   a. significant changes in internal control over financial reporting during the year;
   b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yogen Khosla
CEO & Managing Director
DIN: 00203165
Date: 27.05.2019
Place: New Delhi

Sukumar Pillai
Vice President - Accounts

Certificate on Corporate Governance

TO THE MEMBERS OF
CAPITAL TRUST LIMITED

We have examined the compliance of conditions of Corporate Governance by Capital Trust Limited ('the Company'), for the year ended March 31, 2019 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certificate of Corporate Governance,issued by the Institute of Chartered Accountants of India and limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Singhi& Co.**
Chartered Accountants
Firm's Reg No. 302049E

B.K.Sipani
Partner
Membership No.088926

Place: New Delhi
Date: 27th May, 2019

Independent Auditor's Report

TO THE MEMBERS OF CAPITAL TRUST LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Capital Trust 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 (hereinafter referred to as "the financial statements").

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 ("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 standalone 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 Standalone 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

KEY AUDIT MATTER	AUDITOR'S RESPONSE
Non Performing Assets As at March 31, 2019, the Company has loans and advances aggregating to Rs. 607,37,93,714. As RBI prudential norms, the Company is required to make provision for non performing assets ("NPA"). Accordingly, the Company has recognised provision of Rs. 30,82,849. Also, loans valuing Rs. 40,07,21,775 were written off during the year. The calculation of NPA requires exercise of judgement around both the timing of recognition of provisions and estimation of the amount of provisions required in relation to non-recoverability / maturity period of loans. Considering the significance of the above matter to the standalone financial statements and since the matter required our significant attention to test the calculation of NPA, we have identified this as a key audit matter for current year audit.	**How our audit addressed the key audit matter:** Our audit procedures in relation to NPA were focused on obtaining sufficient appropriate audit evidence as to whether the NPA recognised in the standalone financial statements were reasonable and the related disclosures in the standalone financial statements made by the management were adequate. These procedures included, but not limited, to the following: a. obtaining an understanding on calculation of NPA including how management calculated NPA and the appropriateness data on which the calculation isbased; b. testing consideration of the RBI prudential norms for calculation of NPA provision; c. testing the accuracy of inputs through substantive procedures; d. testing the arithmetical calculation of the NPA provision;and e. verifying the adequacy of the relateddisclosures. **Our Observation:** Based on our audit procedures performed, we found management's calculation of NPA is reasonable and provision and its disclosures are appropriate.

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. We have obtained all other information prior to the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred in Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 standalone 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 Companies Act 2013, 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements of the current period 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 A" 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 standalone financial statements comply with the Accounting Standards referred in section 133 of the Act;
   (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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid /provided by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 27 to the standalone financial statements;
      ii. The Company did not have material foreseeable losses in long-term contracts including derivative contracts;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: May 27, 2019

Annexure A

Annexure A referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Capital Trust Limited)

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant &equipment.

b. The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature its property, plant and equipment. In accordance with this programme, property, plant & equipment were not physically verified during the year.

c. According to information and explanations given by the management, the title deeds of immovable properties included in Property, Plant & Equipment are held in the name of the Company.

(ii) The Company has no inventory. Therefore, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has granted unsecured loans to a company covered in the register maintained under section 189 of the Companies Act, 2013. The terms and conditions of the grant of such loan are not prejudicial to the interest of the Company. The Company has stipulated schedules of repayment of principal and payment of interest and repayment of the principal amount and receipt of interest are regular. The Company has also granted interest free loan in earlier year to a trust covered in the register maintained under section 189 of the Companies Act, 2013, under Employee Stock Option Scheme ("ESOP") to purchase equity shares of the Company under such scheme, which was not due for repayment. The Company has not granted any loan to Firms, Limited Liability Partnership or any other party covered in the register maintained under section 189 of the Companies Act,2013.

(iv) The Company has complied with provisions of section 186 of the Companies Act, 2013 in respect of loan granted and Investments made. According to information and explanations given by the management, no loan, guarantees and securities covered under section 185 and guarantees and security under section 186 of the Companies Act, 2013 have given during the year.

(v) The Company has not accepted any deposit covered under sections 73 to 76 of the Companies Act, 2013 during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) The maintenance of cost records has not been prescribed by the Central Government under the section 148 (1) of the Act read with companies (Cost Records and Audit) Rules, 2014. Therefore, the provisions of clause 3 (vi) of the Order are not applicable.

(vii) a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues deducted/ accrued in the books, with the appropriate authorities. There was no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable except Professional Tax Rs.27,781.

b. According to the records of the Company, there are no dues outstanding of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute.

(viii) The Company has not defaulted in repayment of dues to banks, financial institutions and dues to debenture holders. The Company did not have any borrowing from Government.

(ix) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Further in our opinion and explanations given to us, term loans raised during the year were applied for the purpose for which loans were raised.

(x) According to the information and explanations given to us, we report that no fraud by the Company has been noticed or reported during the year. However, the Company has discovered instances of embezzlement of cash aggregating Rs. 93,75,947 by some employees against which Company has recovered Rs. 32,23,140 and Rs. 64,78,532 (including for earlier years Rs. 3,25,725) has been provided in the financial statements.

(xi) According to the information and explanations given by the management, 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.

(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 the Companies Act, 2013 wherever applicable and details for the same have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.

(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 directors. Therefore, the provisions of clause 3(xv) of the Order are not applicable.

(xvi) The Company has been registered under section 45-IA of the Reserve Bank of India Act, 1934 as Non–Banking Finance Company.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: May 27, 2019

Annexure B

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

We have audited the internal financial controls with reference to standalone financial statements of Capital Trust Limited ('the Company") as of March 31, 2019 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 the 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls, both 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 of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial controls with reference to financial statements

A Company's internal financial controls with reference to 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 with reference to 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 authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to financial statements

Because of the inherent limitations of Internal Financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 to the best of our information and according to the explanations given to us, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 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 however same needs to be further strengthened.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: May 27, 2019

Capital Trust

Standalone Balance Sheet

as at 31st March 2019

(All amounts in ₹ unless otherwise stated)

		Notes	As at 31 March 2019	As at 31 March 2018
I	**Equity and liabilities**			
	(1) **Shareholders' funds**			
	Share capital	3	163,614,150	163,614,150
	Reserves and surplus	4	2,061,997,230	2,063,459,163
			2,225,611,380	**2,227,073,313**
	(2) **Non-current liabilities**			
	Long term borrowings	5	2,982,727,418	3,431,544,382
	Non current liabilities	6	3,000,000	55,213,870
	Long-term provisions	7	30,508,145	108,012,735
			3,016,235,563	**3,594,770,987**
	(3) **Current liabilities**			
	Short-term borrowings	8	69,591,632	49,768,648
	Trade payables	9		
	Due to Micro Enterprises and Small Enterprises		-	-
	Due to other than Micro and Small Enterprises		3,432,877	7,312,444
	Other current liabilities	10	1,964,839,735	2,105,273,649
	Short-term provisions	11	96,931,718	32,768,869
			2,134,795,962	**2,195,123,610**
	Total		**7,376,642,905**	**8,016,967,910**
II	**Assets**			
(1)	**Non-current assets**			
	Property, Plant and Equipment	12	18,158,757	17,170,611
	Intangible assets	13	2,081,004	232,608
	Non-current investments	14	497,342,505	499,100,315
	Deferred tax assets (net)	15	26,254,372	29,220,559
	Long-term loans and advances	16	2,663,292,756	3,288,479,236
	Other non-current assets	17	196,426,080	112,907,264
			3,403,555,475	**3,947,110,594**
(2)	**Current assets**			
	Investment	18	1,758,110	-
	Cash and cash balances	19	315,405,784	372,042,491
	Short-term loans and advances	16	3,594,704,444	3,664,740,035
	Other current assets	17	61,218,391	33,074,791
			3,973,087,429	**4,069,857,316**
	Total		**7,376,642,905**	**8,016,967,910**
	Contingent Liability and Capital Commitments	**27**		

Summary of Significant Accounting Policies and other notes on financial statements.
The accompanying notes 1 to 43 form an integral part of the standalone financial statements.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B.K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: 27th May, 2019

For and on behalf of the Board of Directors of
Capital Trust Limited

Yogen Khosla
CEO & Managing Director
DIN 00203165

Vijay Kumar
Director
DIN 05300541

Tanya Sethi
Company Secretary
M. No. A31566

Standalone Statement of Profit and Loss

for the year ended 31st March 2019

(All amounts in ₹ unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Revenue			
Revenue from operations	20	1,652,093,789	1,672,458,763
Other income	21	104,150,770	62,306,196
Total revenue		**1,756,244,559**	**1,734,764,959**
Expenses			
Employee benefits expense	22	340,089,705	292,641,745
Finance costs	23	745,981,732	609,864,755
Depreciation and amortization expense	12-13	4,966,680	4,431,842
Other expenses	24	281,118,472	707,848,768
Total expenses		**1,372,156,590**	**1,614,787,111**
Profit before exceptional items and tax		**384,087,970**	**119,977,848**
Exceptional items	25	372,304,216	-
Profit before tax		**11,783,753**	**119,977,848**
Tax expense			
Current tax		3,061,045	69,335,417
MAT Credit Entitlement		(2,644,102)	-
Deferred tax (Refer Note-15)		2,966,186	(11,643,513)
Profit for the year		**8,400,624**	**62,285,945**
Earnings per equity share (of Rs. 10 each)	26		
(a) Basic		0.51	3.81
(b) Diluted		0.51	3.81

The accompanying notes 1 to 39 form an integral part of the standalone financial statements.

As per our Report of even date.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B.K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: 27th May, 2019

For and on behalf of the Board of Directors of
Capital Trust Limited

Yogen Khosla
CEO & Managing Director
DIN 00203165

Vijay Kumar
Director
DIN 05300541

Tanya Sethi
Company Secretary
M. No. A31566

Capital Trust

Standalone Cash flow statement

for the year ended 31st March 2019

(All amounts in ₹ unless otherwise stated)

		Notes	Year ended 31 March 2019	Year ended 31 March 2018
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit before tax		11,783,753	119,977,849
	Adjustments:			
	Depreciation and amortisation expense		4,966,680	4,431,842
	Interest income on fixed deposit		(27,056,229)	(23,392,040)
	Provision for non performing assets		4,202,104	89,900,800
	Contingent provision against standard assets written back		(1,119,255)	7,500,004
	Gain on sale of current investments		(5,081,875)	(15,916,844)
	Portfolio loan written off		400,721,775	391,067,635
	Dividend Received		(10,000)	-
	Operating profit before working capital changes		**388,406,953**	**573,569,246**
	(Decrease) / increase in trade payables		(3,879,567)	1,297,960
	(Decrease) / increase in other liabilities and provisions		(123,379,967)	155,783,562
	(Increase) / decrease in other assets and loans and advances		235,411,647	(2,459,934,264)
	Cash used in operating activities		**496,559,066**	**(1,729,283,496)**
	Income taxes paid		(67,650,109)	(190,424,343)
	Net cash used in operating activities	**A**	**428,908,957**	**(1,919,707,839)**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Purchase of property, plant & equipment		(7,803,220)	(8,049,989)
	Purchase of non current investments		-	(306,237,810)
	Movement in fixed deposits		(10,397,348)	(23,003,673)
	Purchase of current investments		(1,079,659,700)	(2,850,354,995)
	Proceeds from sale of current investments		1,084,740,575	2,866,271,839
	Interest received on Fixed Deposits		20,623,752	13,034,775
	Dividend received		10,000	-
	Net cash used in investing activities	**B**	**7,514,059**	**(308,339,853)**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Dividend including dividend distribution tax paid		(9,862,557)	(29,538,322)
	Proceeds from Non Convertible Debentures		750,000,000	-
	Net Proceed / (Repayment) of long-term borrowings		(1,263,815,879)	2,243,542,235
	Net Proceed from short-term borrowings		19,822,985	507,291
	Net cash from financing activities	**C**	**(503,855,451)**	**2,214,511,204**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**(67,432,435)**	**(13,536,488)**
	Cash and cash equivalents at the beginning of the year		137,386,010	150,922,498
	Cash and cash equivalents at the end of the year		**69,953,575**	**137,386,010**
	Note 1:			
	Cash and bank balances (Refer Note-19)		62,387,451	134,223,865
	Cash in hand		7,566,126	3,162,146
	Cash and cash equivalents		**69,953,577**	**137,386,010**

This is the Cash flow statement referred to in our report of even date.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B.K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: 27th May, 2019

For and on behalf of the Board of Directors of
Capital Trust Limited

Yogen Khosla
CEO & Managing Director
DIN 00203165

Vijay Kumar
Director
DIN 05300541

Tanya Sethi
Company Secretary
M. No. A31566

Standalone Notes to financial statements
for the year ended 31st March 2019

1. Company Overview

Capital Trust Limited is a public Company incorporated in India under the provisions of the erstwhile Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The Company is Non-banking Financial Company which is registered with Reserve Bank of India ('RBI''). The Company is engaged in the business of Micro Finance and Small Enterprise Loan.

2. Significant Accounting Policies

(a) Basis of Accounting

""The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India (""Indian GAAP""), including the Accounting Standards noti? ed under Section 133 of Companies Act, 2013 read with Rule 7 of Company (Accounts) Rules, 2014 (as amended) Companies (Accounting Standards) Amendment Rules, 2016 and the provisions of the RBI applicable as per Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR. PD. 008/03.10.119/ 2016-17 dated September 01, 2016, as amended from time to time ('the NBFC Master Directions, 2016') (updated as on March 9, 2017).The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year."

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

(c) Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

(d) Property, plant and equipment ("Fixed Assets")

"Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure on fixed asset after its purchase or completion would be recognised as an asset, if it is probable that the expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and the expenditure can be measure and attributed to the asset reliably. The carrying amounts are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is 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 at the weighted average cost of capital."

(e) Intangible Assets

Intangible Assets acquired separately are stated at cost less accumulated amortization and impairment loss, if any. An intangible assets is derecognised on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that asset may be impaired, impairment loss is recognised in the statement of profit & loss.

(f) Depreciation and amortisation

i) Depreciation on fixed assets has been charged at Straight Line method with reference to the economic useful life of its fixed assets as prescribed by Schedule II of the Companies Act, 2013. Depreciation on fixed assets disposed off during the year is provided on pro-rata basis with reference to the date of disposal.

ii) Intangible Assets are amortized on a straight line basis over a period of 3 years from the date when the asset is available for use or license period whichever is lower.

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for the year ended 31st March 2019

(g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the collectability is reasonably assured.

- Interest on loans is recognized on accrual basis. Income or any other charges on non-performing asset is recognised only when realised and any such Income recognised before the asset became non-performing and remaining unrealised is reversed.
- Loan processing fee received are considered to be accrued at the time of entering into a binding agreement upon its receipt and are recognised as revenue immediately.
- Interest income on deposits with banks is recognized in time proportion basis taking into account the amount outstanding and the rate applicable.
- Income from business correspondent activity is recognised on accrual basis as per the terms of arrangement entered into with the client bank. Revenue from Business Correspondent activities to the extent of services rendered but yet to be billed are treated as 'Unbilled revenue' and are disclosed under other current assets.
- Income from Assignor's Yield on Direct Assignments of Portfolio is recognised on accrual basis as per the terms of arrangement entered into with the client bank.
- Dividend income is accounted when the right to receive the dividend is established.

(h) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(i) Investment

Investments are classified as Current and Non-current investments. Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. Current Investments are carried at lower of cost or fair value. Non-current investments are stated at cost, provision for diminution in the value is made to recognize a decline other than temporary in the value of such investments.

(j) Asset classification and provisioning

Loan asset classification of the company is given in the table below:

Particulars	Criteria
Standard asset	The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.
Sub-standard assets	An asset for which, interest/ principal payment has remained overdue for more than 3 months and less than 12 months.
Loss Assets	An asset for which, interest/ principal payment has remained overdue for a period of 12 months or more.

(k) Provisioning policy for Loan portfolio

Provision for loan portfolio has been made in accordance with the provisioning requirements for NBFC-ND-SI issued by the RBI vide its circular numbered DNBR.PD. 088/03.10.119/2016-17 dated 1 September 2016 updated as on 9 March 2017.

(l) Retirement & Employee Benefits

(i) Define Contribution Plan

The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

(ii) Define Benefit Plan

Gratuity liability under the Payment of Gratuity Act which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation as per projected unit credit method made at the end of each financial year. Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.

(iii) Share Based Payments

The Company has formulated an Employees Stock Option Schemes to be administered through a

Standalone Notes to financial statements
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Trust. The scheme provides that subject to continued employment with the Company, employees of the Company are granted an option to acquire equity shares of the Company that may be exercised within a specified period. The Company follows the intrinsic value method for computing the compensation cost for all options granted which will be amortized over the vesting period. Measurement and disclosure of the employee share-based payment Schemes are done in accordance with the Guidance Note on Accounting for Employee Share based Payments, issued by the Institute of Chartered Accountants of India.

(iv) Other short term benefits

As per policy of the Company, leaves due to the employees are not encashable. Expenses relating to other short term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employee.

(m) Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(n) Current Tax and Deferred Tax

Tax expense comprises of current and deferred income 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. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future and the same is reviewed at each balance sheet.

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

(o) Foreign Currency Transactions

i. All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

ii. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.

iii. Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(p) Cash and cash equivalent

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

(q) Leases

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the statement of profit and loss on a straight line basis over the lease period unless another systematic basis is more representative of the time pattern of the benefit.

(r) Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Primary Segments are identified based on the nature of products, the different risks and returns and the internal business reporting system. Revenue, Expense, Assets and Liabilities which relate to the Company as a

whole and could not be allocated to segments on a reasonable basis, has been classified as unallocated. Secondary segment is identified based on geography by location of customers i.e. in India and outside India. Inter-segment revenue have been accounted for based on the transaction price agreed to between the segments, which is primarily market based.

(s) Earning per equity share

The Company reports basic and diluted earning per share in accordance with Accounting Standard-20 on "Earning Per Share". Basic earning per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

3 Share capital

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
(a) **Authorised share capital**				
Equity shares of ₹10 each	30,000,000	300,000,000	30,000,000	300,000,000
		300,000,000		**300,000,000**
(b) **Issued, subscribed and paid-up capital**				
Equity shares of ₹10 each	16,361,415	163,614,150	16,361,415	163,614,150
		163,614,150		**163,614,150**
(c) **Reconciliation of the equity share capital**				
Balance at the beginning of the year	**16,361,415**	**163,614,150**	16,361,415	163,614,150
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	**16,361,415**	**163,614,150**	**16,361,415**	**163,614,150**

(d) **Terms, rights and restrictions attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs.10 per share (previous year Rs.10 per share). All issued shares rank pari-passu and have same voting rights per share. The Company declares and pays dividend in Indian rupees, if any. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) **Details of shareholders holding more than 5% shares in the Company**

	As at 31 March 2019		As at 31 March 2018	
Name of Shareholder	**Number**	**%**	**Number**	**%**
Yogen Khosla	6,852,917	41.88%	7,942,917	48.55%
Indo Crediop Private Limited	3,427,885	20.95%	2,844,885	17.39%
India 2020 II Investors Limited	2,421,519	14.80%	2,421,519	14.80%

(f) During the year ended 31st March 2017 143,915 equity share were allotted to Capital Employee Welfare Trust at a price of Rs. 559 aggregating to Rs. 80,448,490 under the scheme of Capital Trust Employee Option Scheme 2016.

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for the year ended 31st March 2019

4 Reserve and surplus	31 March 2019	31 March 2018
(a) **Capital reserve**		
Balance at the beginning of the year	54,559,275	54,559,275
Balance at the end of the year	**54,559,275**	**54,559,275**
(b) **Capital redemption reserve**		
Balance at the beginning of the year	30,000,000	30,000,000
	30,000,000	**30,000,000**
(c) **Securities premium reserve**		
Balance at the beginning of the year	1,327,896,635	1,327,896,635
Balance at the end of the year	**1,327,896,635**	**1,327,896,635**
(d) **General reserve**		
Balance at the beginning of the year	3,456,545	3,456,545
Balance at the end of the year	**3,456,545**	**3,456,545**
(e) **Statutory reserve**		
under section 45-IC of RBI Act, 1934		
Balance at the beginning of the year	156,019,887	143,562,698
Add: Additions during the period*	1,680,125	12,457,189
Balance at the end of the year	**157,700,012**	**156,019,887**
(f) **Surplus in the Statement of Profit and Loss**		
Balance at the beginning of the year	**491,526,821**	**471,236,386**
Profit for the year	8,400,624	62,285,946
Less: Transferred to Statutory reserve u/s 45-IC of RBI act 1934*	1,680,125	12,457,189
Less: Dividend paid for the year 2017-18 (PY-2016-17)	8,180,707	24,542,123
Less: Dividend distribution tax	1,681,850	4,996,199
Balance at the end of the year	**488,384,763**	**491,526,821**
*** Statutory reserve**	**2,061,997,230**	**2,063,459,163**

5. Long-term borrowings	As at 31 March 2019		As at 31 March 2018	
Debentures (Secured)	**Non Current**	**Current Maturities**	**Non Current**	**Current Maturities**
16.5% Non convertible debentures	750,000,000	-	-	-
Term loans				
Secured				
from banks	1,223,586,756	730,476,336	1,018,481,332	456,452,559
from financial institutions	111,700,000	201,974,424	313,674,424	215,610,788
from corporate entities	367,190,662	736,028,741	1,526,538,626	1,179,915,069
Unsecured				
from Corporate entities(Related Party)	-	118,500,000	108,800,000	-
from Corporate entities	80,250,000	-	14,050,000	-
from Corporate entities (subordinate debt)	450,000,000	-	450,000,000	-
	2,982,727,418	1,786,979,501	3,431,544,382	1,851,978,416
Less: Current maturities of long-term borrowings (Refer Note 10)	-	1,786,979,501	-	1,851,978,416
Total borrowings	**2,982,727,418**	**-**	**3,431,544,382**	**-**

Standalone Notes to financial statements
for the year ended 31st March 2019

a. Terms and conditions of loans taken

Name of the lender	Rate of interest	No. of Installment	Periodicity	Outstanding as at 31 Mar. 2019	Outstanding as at 31 Mar. 2018
Secured Term Loans:					
From Banks					
Andhra Bank Ltd	12.25% (PY 12.25%)	5 (PY 17)	Monthly	20,833,334	70,833,333
Bank of India Ltd	12.36% (PY 12%)	24 (PY 36)	Monthly	111,111,400	166,666,840
Bank of Maharashtra Ltd	11.5% (PY 13.20%)	5 (PY 17)	Monthly	9,272,448	31,496,060
IDFC First Bank Limited (Formerly known as Capital First Limited)	12.70%-13.00% (PY 12.70%-13.00%)	20-28 (PY 32-40)	Monthly	637,566,124	
DCB Bank Limited	13.4% (PY 12.29%)	Nil (PY 5)	Monthly	-	7,575,800
HDFC Bank	8.14% (PY 8.14%)	26 (PY 38)	Monthly	1,404,754	1,972,919
IDBI Bank Limited	12.50% (PY 12%)	Nil (PY 10)	Monthly	-	57,000,000
Karur Vysya Bank Ltd	12.25% (PY 12.25%)	14 (PY 26)	Monthly	50,000,009	92,857,136
Uco Bank	12.5% (PY 12.50%)	27 (PY 39)	Monthly	124,998,329	175,935,970
Union Bank of India	11.95% (PY 11.60%)	30 (PY 42)	Monthly	138,888,889	194,444,445
State Bank of India Ltd	11.05% - 13.50% (PY 11%-12.10%)	16 to 19 (PY 28 to 31)	Monthly	129,511,469	219,698,829
				1,223,586,756	**1,018,481,332**
From financial institutions					
Nabard Financial Services Limited	13.5% (PY 13.50%)	Nil (PY 4)	Quarterly	-	33,333,336
Nabkishan Finance Limited	12.25% to 13.00% "(PY 12.25%)	3 (PY 3 to 7)	Quarterly	37,500,000	128,409,088
Nabsamruddhi Finance Limited	13% (PY 13%)	Nil (PY 4)	Quarterly	-	33,332,000
Small Industries Development Bank of India	13.50% "(PY 12.40%-12.75%)	20 (PY 32)	Monthly	74,200,000	118,600,000
				111,700,000	**313,674,424**
From corporate entities					
Hero Fincorp Ltd Term Loan	14.25% (PY Nil)	31 (PY Nil)	Monthly	106,271,312	-
Hinduja Leyland Finance Limited	13.17% -13.25% (PY 12.02%-13.17%)	3-12 (PY 15-24)	Monthly	40,656,546	96,077,401
Manaveeya Development and Finance Pvt Ltd	15.5% (PY 15.50%)	Nil (PY 2)	Quarterly	-	8,334,000
MAS Financial Services Ltd	"14.00% to 14.60% (PY 14.00%-14.75%)	1-6 (PY 1 to 12)	Monthly	68,749,989	217,500,004
Moneywise Financial Services Pvt Ltd	13.9% (PY 13.90%)	3 (PY 3 to 7)	Quarterly	24,940,000	95,800,000
Muthoot Capital Services Limited	15.00% (PY 15.00%)	Nil (PY 2)	Quarterly	-	25,000,000
Muthoot Capital Services Limited	14.25% (PY 14.25%)	12 (PY 24)	Monthly	25,000,008	50,000,004
Reliance Commercial Finance Limited	14% (PY 14%)	Nil (PY 1)	Monthly	-	3,634,621
Shriram City Union Finance Limited	13.53% (PY 13.48%)	10 (PY 22)	Monthly	47,525,371	97,932,734
Toyota Financial Services	8.65% (PY 8.65%)	27 (PY 39)	Monthly	751,135	1,042,926
Vivriti Capital Pvt Ltd	14% (PY Nil)	12 (PY Nil)	Monthly	53,296,301	-
IDFC First Bank Limited (Formerly known as Capital First Limited)	12.70% 13.00% (PY 12.70%-13.00%)	20-28 (PY 32-40)	Monthly	-	931,216,936
				367,190,662	**1,526,538,626**
16.5% Non- Convertible Debentures	16.50% (PY Nil)	6 (PY Nil)		750,000,000	-
				750,000,000	**-**
Unsecured Term Loans:					
From Corporate entities(Related Party)					
Capital Trust Housing Finance Pvt Ltd	16% (PY 16%)	1	Bullet Repayment	-	108,800,000
From Corporate entities					
Faridabad Paper Mills Ltd	14% (PY Nil)	1	Bullet Repayment	10,000,000	-
VK Consultants Private Limited	15% (PY 15.50%)	1	Bullet Repayment	70,250,000	14,050,000
				80,250,000	**14,050,000**
From Corporate entities (subordinate debt)					
IDFC First Bank Limited (Formerly known as Capital First Limited)	17%-18% (PY 17%-18%)	At the end of the 84th Month from date of disbursement (i.e May-2023)	Bullet Repayment	**450,000,000**	**450,000,000**

Standalone Notes to financial statements
for the year ended 31st March 2019

b. Details of privately palced secured redeemable non-convertible debentures

Date of Maturity	Rate of Interest	No. of Debentures	Face Value	Outstanding as at 31 Mar 2019	Outstanding as at 31 Mar 2018
Aug 21	16.5% (PY Nil)	1250	100,000	125,000,000	-
Nov 21	16.5% (PY Nil)	1250	100,000	125,000,000	-
Feb 22	16.5% (PY Nil)	1250	100,000	125,000,000	-
May 22	16.5% (PY Nil)	1250	100,000	125,000,000	-
Aug 22	16.5% (PY Nil)	1250	100,000	125,000,000	-
Nov 22	16.5% (PY Nil)	1250	100,000	125,000,000	-

c. Terms and conditions of secured loans and nature of security

1. Term loans from IDFC First Bank, Muthoot Capital, Hinduja Leyland, Shriram City, Union banks are secured by hypothecation of receivables as per their respective loan agreements.
2. Vehicle loans from HDFC Bank and Toyota Financial Services were secured against hypothecation of respective vehicles.
3. During the year the company has issued 7500 Non Convertible Debentures at the face value of Rs. 100000 each aggregating to Rs. 75,00,00,000 at the coupon rate of 16.5%. The NCDs will mature in October 2022.
4. NCDs are secured by way of mortgage of land and building, exclusive charge on identified pool of assets, exclusive charge on Escrow account and DSRA and Demand Promissory note.
5. Term loans from DCB Bank Limited, Andhra Bank, State Bank of India, Small Industries Development Bank of India, Nabkishan Finance Limited, Karur Vysya Bank, UCO Bank, Union Bank of India, Nabsamruddhi Finance Limited, Hero Fincorp Ltd, Baring Asia (16.50% NCD), Bank of Maharashtra, Bank of India, IDBI bank, Moneywise Financial Services Private Limited, MAS Financial Services Limited, NABARD Financial Services Ltd and Vivriti Capital Pvt Ltd are further secured by cash collateral in the shape of Fixed deposit/ security deposit as per their loan agreement in addition to hypothecation of receivables.
6. In addition to the above, following loans are also secured by way guarantees:
   i. Term loans from MAS Financial Services Ltd, DCB Bank Limited, Andhra Bank, State Bank of India, Small Industries Development Bank of India, Nabkishan Finance Limited, Karur Vysya Bank, UCO Bank, Union Bank of India, Manveeya Development and Finance Pvt Ltd, Nabsamruddhi Finance Limited, Hero Fincorp Ltd, Baring Asia (16.50% NCD)and vivriti Capital Pvt Ltd are secured by way of personal guarantee of promoter director.
   ii. Terms loans from Bank of India, IDBI Bank Limited and Moneywise Financial Services Private Limited are secured by way of personal guarantee of promoter director and corporate guarantee of Indo Crediop Private Limited (shareholder).

	As at 31 March 2019	As at 31 March 2018
6 Non Current Liabilities		
Recovered Premium Payable to insurance company	-	52,213,870
Security Deposit Received	3,000,000	3,000,000
	3,000,000	**55,213,870**
7 Long-term provisions		
Provision for employee benefits (Refer Note No. 33)	6,123,277	6,486,575
Others:		
Contingent provision against standard assets	9,892,350	8,720,637
Provision for substandard and doubtful assets (Refer Note No 35(8)(e)	14,492,518	92,805,523
	30,508,145	**108,012,735**
8 Short-term borrowings		
Secured		
Cash credit facility from bank $	39,591,632	49,768,648
Unsecured		
from Corporate entities(Related Party)	30,000,000	-
	69,591,632	**49,768,648**

$ Cash credit from Bank is secured against assignment of small enterprise finance receivables on first charge in specific book debts and further personal guarantee of Managing Director.

Standalone Notes to financial statements
for the year ended 31st March 2019

		As at 31 March 2019	As at 31 March 2018
9	**Trade Payables**		
	For Goods and Services **	3,432,877	7,312,444
		3,432,877	**7,312,444**

** Based on the information available as identified by the Company, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

a.	Principal amount and Interest due thereon remaining unpaid to any supplier as on	-	-
b.	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-
c.	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
	The amount of interest accrued and remaining unpaid during the accounting year.	-	-
d.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

		As at 31 March 2019	As at 31 March 2018
10	**Other current liabilities**		
	Current maturities of long-term borrowings (Refer Note No. 5)	1,786,979,501	1,851,978,416
	Interest accrued but not due	47,900,499	35,223,108
	Advance EMI received	6,384,114	1,604,891
	Unpaid dividend*	2,720,186	2,321,808
	Statutory dues payable	8,512,790	27,852,455
	Interest and principal payable on direct assignment	86,744,995	29,889,814
	Recovered Premium Payable to insurance company	-	123,879,449
	Employees emoluments	25,254,585	32,163,276
	Other liabilities	343,065	360,432
		1,964,839,735	**2,105,273,649**

* Not due for deposit in the investor education and protection fund

11	**Short-term provisions**		
	Provision for employee benefits (Refer Note No. 33)	2,416,814	1,588,335
	Others		
	Provision for income tax (net of advance tax)	-	16,889,771
	Contingent provision against standard assets	11,999,795	14,290,762
	Provision for substandard and doubtful assets (Refer Note No 35(8)(e))	82,515,109	-
		96,931,718	**32,768,868**

Standalone Notes to financial statements
for the year ended 31st March 2019

12 Tangible assets

Particulars	Land & Building	Plant & equipment	Computer	Furniture & fixtures	Vehicles	Office equipment	Total	Previous Year
Gross block								
As at 01 April 2018	-	1,874,729	7,433,212	8,793,071	9,949,888	2,877,716	**30,928,616**	**23,095,627**
Additions	2,354,100	-	465,080	1,473,493	-	785,546	5,078,220	**7,832,989**
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2019	2,354,100	1,874,729	7,898,292	10,266,564	9,949,888	3,663,262	**36,006,836**	**30,928,616**
Depreciation								
As at 01 April 2018	-	1,355,365	5,299,538	2,070,953	4,027,927	1,004,222	**13,758,005**	**9,477,975**
Additions	26,142	490,109	1,137,442	767,502	1,072,848	596,031	**4,090,073**	**4,280,030**
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2019	**26,142**	**1,845,474**	**6,436,980**	**2,838,455**	**5,100,775**	**1,600,253**	17,848,079	13,758,005
Net block								
As at 31 March 2019	**2,327,958**	**29,255**	**1,461,313**	**7,428,109**	**4,849,113**	**2,063,009**	18,158,757	17,170,611
As at 31 March 2018	-	**519,364**	**2,133,674**	**6,722,118**	**5,921,961**	**1,873,494**	17,170,611	

13. Intangible assets

Particulars	Software	Total	Previous Year
Gross block			
At 01 April 2018	602,594	**602,594**	**385,594**
Additions	2,725,000	**2,725,000**	**217,000**
Disposals	-	-	-
At 31 March 2019	**3,327,594**	**3,327,594**	**602,594**
Depreciation			
At 01 April 2018	369,983	**369,983**	**218,174**
Charged during the Year	876,607	**876,607**	**151,812**
Disposals	-	-	-
At 31 March 2019	**1,246,590**	**1,246,590**	**369,986**
Net block			
At 31 March 2019	2,081,004	**2,081,004**	**232,608**
At 31 March 2018	**232,608**	**232,608**	

Standalone Notes to financial statements
for the year ended 31st March 2019

14 Non-current investments		As at 31 Mar. 2019		As at 31 Mar. 2018
In equity instruments (Trade, unquoted)- At cost				
Investment in subsidiary				
Capital Trust Microfinance Private Limited $@ 16,20,010 (Previous Year 16,20,010) Equity Shares of Rs.100 each		392,242,500		392,242,500
Capital Trust Housing Finance Pvt Ltd. $@ 10510000(Previous Year 10509900) Equity Shares of Rs.10 each		105,100,000		105,099,000
Housing Finance Pvt Ltd.				
Investment in others				
Asavi Financial Services Limited 2,400 (Previous Year 2,400) Equity Shares fully paid in		1		1
Indo Deutch Proteins Limited 3,600 (Previous Year 3,600) Equity Shares fully paid in		1		1
Tina Electronics Limited 2,000 (Previous Year 2,000) Equity Shares fully paid in		1		1
Parasrampuria Industries Limited 14,800 (Previous Year 14,800) Equity Shares fully paid in		1		1
Naina Semiconductors Limited 10,000 (Previous Year 10,000) Equity Shares fully paid in	81,100	1	81,100	1
Asavi Financial Services Ltd Less: Provision for diminution	(81,099)		(81,099)	
In mutual funds (Non-trade, unquoted)				
NIL (Previous Year 1,50,000 units) in Investment SBI Dual Advantage Fund-Series XIV-Reg-Growth-MF		-		-
		497,342,505		**499,100,315**
Aggregate carrying value of Quoted Investments		**-**		**1,758,810**
Aggregate carrying value of Unquoted Investments		**497,342,505**		**497,342,505**
Aggregate market value of Quoted Investment		**-**		**1,758,810**
Aggregate value of provision for diminution		**81,099**		**81,099**

$ Wholly owned Subsidiary
@ Share Valuing of Rs. 1000 has been hold by Mr. Yogen Khosla as Nominee Shareholder

15 Deferred tax asset (Net)				
Deferred tax liability arising on account of Depreciation and amortisation		92,360		-
Amount allowable on payment basis		3,259,761		4,037,132
Provision against Loan Assets		22,941,464		25,292,562
Total deferred tax assets		**26,293,585**		**29,329,694**
Deferred tax liabilities arising on account of				
Depreciation and amortisation		-		109,136
Others		39,213		-
Total deferred tax liability		**39,213**		**109,136**
Deferred tax assets (net)		**26,254,372**		**29,220,558**

Standalone Notes to financial statements
for the year ended 31st March 2019

16 Loans and advances

(Unsecured, unless otherwise stated)	As at 31 March 2019		As at 31 March 2018	
	Long-Term	Short-Term	Long-Term	Short-Term
(a) Loan to customers				
Secured, considered good Asset*	205,170,222	280,439,873	-	-
Secured, considered sub standard Asset**	21,573,023	53,557,198	-	-
Secured, considered doubtful**	48,435,796	276,545,065	-	-
Unsecured, considered good*	2,187,407,340	2,719,508,872	2,180,159,355	3,572,690,751
Unsecured, considered sub standard**	21,945,342	177,057,328	818,395,286	-
Unsecured, considered doubtful**	13,176	1,630,479	10,965,994	-
(b) Security deposits [refer (i) below]	65,000,000	50,012,500	74,500,000	41,715,496
(c) Loan to related Parties:				
-Capital Employee Welfare Trust$	80,510,000	-	80,510,000	-
-Capital Trust Microfinance Private Limited	-	-	80,000,000	-
(d) Other loans & advances				
Prepaid expenses	-	954,372	45,927	1,028,169
Unamortised Ancillary cost of arranging the borrowings	33,237,857	28,473,538	43,902,674	27,800,599
Loan to employees	-	70,260	-	-
(e) Advances recoverable in cash or kind	-	14,215,002	-	22,786,531
Less: Provision for doubtful advances	-	(7,760,043)	-	(1,281,511)
	-	6,454,959	-	21,505,020
	2,663,292,756	**3,594,704,444**	**3,288,479,236**	**3,664,740,035**

* Represents standard assets classified in accordance with the RBI prudential norms (refer note 16(a))

** Represents non-performing assets classified in accordance with the RBI prudential norms (refer note 16(a))

(i) Represents deposits placed as margin money to avail term loans from financial institutions.

$ Refer note 3 (f) and 28

16(a) Loan to customers

Loans to customers has been classified in accordance with the directives issued by RBI prudential norms, read with accounting policy. The details are as follows:

		As at 31 March 2019			
Asset Classification	Classification criteria	Secured		UnSecured	
		Amount outstanding	Provision	Amount outstanding	Provision
Standard assets	Less than or equal to 3 Months	485,610,095	1,942,440	4,987,426,212	19,949,705
Sub Standard Asset	More than 3 Months and less than or equal to 15 Months	75,130,221	7,513,022	199,002,670	19,900,267
Doubtful Asset	More than 15 Months	324,980,861	67,950,683	-	-
Loan Loss Asset	More than 15 Months	-	-	1,643,655	1,643,655
Total		**885,721,177**	**77,406,145**	**5,188,072,537**	**41,493,627**

		As at 31 March 2018			
Asset Classification	Classification criteria	Secured		UnSecured	
		Amount outstanding	Provision	Amount outstanding	Provision
Standard assets	Less than or equal to 3 Months	-	-	5,752,850,106	23,011,400
Sub Standard Asset	More than 3 Months and less than or equal to 15 Months	-	-	818,395,286	81,839,829
Doubtful	More than 15 Months	-	-	10,965,994	10,965,994
Total		**-**	**-**	**6,582,211,386**	**115,816,923**

Standalone Notes to financial statements
for the year ended 31st March 2019

17 Other assets

	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Bank deposits with maturity over 12 months @	157,631,777	-	102,550,000	-
Interest accrued but not due	38,794,303	-	10,357,264	21,037,592
Interest receivable (Related Party)	-	-	-	966,970
Input tax credit	-	6,988,786	-	5,746,734
MAT Credit Entitlement	-	2,644,102	-	-
Other receivables	-	3,886,211	-	5,323,495
Advance tax (net of provision)	-	47,699,292	-	-
	196,426,080	**61,218,391**	**112,907,264**	**33,074,791**

@ Represents deposits placed as margin money to avail term loans from banks and financial institutions.

18 Investment

	As at 31 March 2019	As at 31 March 2018
In mutual funds (Non-trade, quoted)		
1,50,000 units (Previous Year NIL) in Investment SBI Dual Advantage Fund-Series XIV-Reg-Growth-MF	1,758,810	-
	1,758,810	-
Aggregate carrying value of Quoted Investments	1,758,810	-
Aggregate carrying value of Unquoted Investments	-	-
Aggregate carrying value value of Quoted Investment	1,853,205	-
Aggregate value of provision for diminution	-	-

19 Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Cash on hand	**7,566,126**	**3,162,145**
Balances with banks		
- in current accounts	62,387,451	134,223,865
Earmarked balances with banks		
- Unpaid dividend account	2,720,186	2,321,808
Other bank balances		
Bank deposits with maturity of less than 3 months $$	41,396,683	40,000,000
Bank deposits with maturity 3- 12 months $$	201,335,338	192,334,673
	315,405,784	**372,042,491**

$$ Represents deposits placed as margin money to avail term loans from banks and financial institutions.

20 Revenue from operations

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of services		
Interest on loan to customers	1,384,865,627	1,240,959,314
Other operating revenues		
Loan Processing fee	19,724,895	88,278,300
Assignor's Yield on Direct Assignments of Portfolio	138,513,363	18,913,522
Incidental Fee	1,080,450	-
Mortgage and verification fee	77,537,981	253,582,232
Other fee income	75,000	56,913,000
Commission income from Business Correspondents	-	6,563,625
Interest income on Security Deposits on Loan	10,604,716	7,248,770
Recovery against portfolio loan writen off in earlier years	19,691,757	-
	1,652,093,789	**1,672,458,763**

Standalone Notes to financial statements
for the year ended 31st March 2019

21 Other income	Year ended 31 March 2019	Year ended 31 March 2018
Dividend Received	10,000	-
Gain on sale of current investments	5,081,875	15,916,844
Interest income on fixed deposit	27,056,229	23,392,040
Operational Fee from a related party	64,321,327	22,711,840
Contingent provision against standard assets written back	1,119,255	-
Provision no longer required, written back	6,362,561	-
Miscellaneous income	199,523	285,472
	104,150,770	**62,306,196**

22 Employee benefit expense	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	294,750,130	260,234,996
Contribution to provident fund and other funds	17,302,895	11,090,898
Staff welfare expenses	28,036,680	21,315,851
	340,089,705	**292,641,745**

23 Finance costs		
Interest expenses	728,981,345	585,278,219
Other borrowing costs	17,000,387	24,586,536
	745,981,732	**609,864,755**

24 Other expenses		
Rates & Taxes	4,314,831	3,672,079
Electricity	5,159,036	3,676,363
Rent	39,316,554	30,401,720
Reversal of input GST Credit	10,419,960	14,578,475
Repairs and maintenance -Others	8,260,170	11,890,206
Insurance	1,265,413	1,809,491
Professional and consultancy	66,496,332	34,053,708
Directors sitting fee	141,000	88,000
Business promotion expenses	1,372,764	4,426,802
Travelling and conveyance #	56,100,546	61,145,784
Communication costs	13,244,092	11,759,409
Printing and stationery	9,369,478	7,229,524
Commission	2,741,758	568,656
Verification Expenses	7,200,488	21,689,500
Payment to auditors (refer note (a) below)	585,181	473,390
Bank charges	3,420,373	8,186,277
Portfolio loan written off	28,417,559	391,067,635
Provision for non performing assets	4,202,104	89,900,800
Contingent provision against standard assets	-	7,500,004
Provision made towards employees fraud (including for earlier years Rs. 3,25,725/-)	6,478,532	-
Miscellaneous Expenses $	12,612,301	3,730,945
	281,118,472	**707,848,768**

Travelling and conveyance includes expenses of directors Rs.1,85,166 (Previous year Rs.568575)

$ including fee paid for increase in authorised share capital Rs. Nil (Previous year Rs. 9,90,000)

Standalone Notes to financial statements
for the year ended 31st March 2019

(a) **Payment to auditors**

	Year ended 31 March 2019	Year ended 31 March 2018
As auditors		
Statutory audit	400,000	300,000
Limited Review Fee	125,000	75,000
Certification fee *	25,000	70,870
Reimbursement of Expenses **	35,181	27,520
	585,181	**473,390**

* including payment to previous auditor Rs. Nil (Previous Year 70,870)
** including payment to previous auditor Rs. Nil (Previous Year 18,260)

25 Exceptional Items

	As at 31 March 2019	As at 31 March 2018
Portfolio loan written off #	372,304,216	-
	372,304,216	**-**

In addition to the provisions made during the qtr as per prudential norms, the Company has written off loan aggregating of Rs. 37,23,04,216 as same could not be realized despite best efforts by Company.

26 Basic and Diluted Earning Per Share

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

Profit for the year	Rs.	8,400,624	62,285,945
Equity Shares Outstanding at the beginning of the year	Numbers	16,361,415	16,361,415
Equity Shares Outstanding at the end of the year	Numbers	16,361,415	16,361,415
Weighted Number of Equity Shares	Numbers	16,361,415	16,361,415
Earning Per Share of Rs. 10 Each			
- Basic & Diluted	Rs.	0.51	3.81

27 Contingent liabilities not provided for

Claims against the Company not acknowledged as debts	-	**28,600**

* Based on the expert opinion obtained by the company,crystallisation of liability on these items is not considered probable.

28 The Company has given interest free collateral free loan of Rs. 8,05,10,000 (Previous Year Rs. 8,05,10,000) in earlier year to Capital Employee Welfare Trust under the scheme Employee Stock Option Scheme ("ESOP") to purchase equity shares of the company under such scheme. The loan is repayable by the trust under a back to back arrangement by the trust with the employees of the company.

29 "The Company has created ESPS Trust for the welfare of employees in the name of Capital Employees Welfare Trust.That the Trust is holding 143915 Equity shares in the company in the category of Non promoter Non Public. The Trust has not granted any options to the employees yet."

30 Rs. Nil (previous year Rs. 65,63,625) received as commission during the year from Yes Bank Limited on account of business correspondent (BC) agreement with the Bank. This BC commission is earned by the company on facilitation of advances in rural as well as urban areas on behalf of Yes Bank Limited. Total exposure of Yes Bank Limited on this portfolio is Nil as on 31 March 2019 (previous year Rs. Nil).

31 Segment Reporting - The Company operates in a single reportable segment i.e., financing, which has similar risks and returns for the purpose of AS 17 on 'Segment Reporting'. The Company operates in a single geographical segment ie., domestic market.

32 Operating Lease - Office premises are obtained on operating lease. Lease payments made under non cancellable operating lease aggregating to Rs. 57,00,000 (previous year: Rs. 46,80,000) disclosed as rent &the same has been recognised as an expense in the statement of profit and loss.

The company has taken the office premises on lease under operating lease arrangements. The contractual future lease payment obligation in respect of the lease are as under:

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Operating lease expenses recognised during the year	5,700,000	4,680,000

Particulars	"As At 31 March 2019"	"As At 31 March 2018"
Minimum Lease Obligation:		
- within one year	6,402,000	4,680,000
- later one year but not later five years	27,681,600	26,721,300
- later five years	18,905,138	26,267,438

Standalone Notes to financial statements
for the year ended 31st March 2019

		Year ended 31 March 2019	Year ended 31 March 2018
33	**Disclosure as per accounting standard - 15 (Employees' Benefit)**		
a)	**Defined Contribution Plan-**		
	The company has been recognized following amounts in statement of Profit & Loss for the year		
	Contribution to employees Provident fund	14,002,714	9,544,586
b)	**Defined benefit plan - gratuity (funded)**		
	The following table set out the status of the gratuity plan as required under AS 15 (Revised 2005):		
	Statement of profit and loss		
i)	**A reconciliation of opening & closing balances of the present value of defined benefit (DBO)**		
	Opening DBO	8,944,539	7,261,645
	Past & Current service cost	1,557,344	3,136,498
	Interest cost	608,229	464,745
	Benefits paid	(2,933,019)	(28,269)
	Actuarial (gain)/losses	992,977	(1,890,080)
	Closing defined benefit obligation	**9,170,070**	**8,944,539**
ii)	**A reconciliation of opening & closing balances of the fair value of plan assets**		
	Opening Fair Value of Plan Assets	869,629	733,047
	Expected Return on Plan Assets	70,614	60,476
	Actuarial Gain /(loss) on Plan Assets	(23,575)	(989)
	Contributions by the employer	2,646,330	105,364
	Benefits Paid	(2,933,019)	(28,269)
	Closing Fair Value of Plan Assets	**629,979**	**869,629**
iii)	**A reconciliation of present value of the defined benefit obligation & the fair value of the plan assets to the assets recognized in the balance sheet**		
	Present value of defined benefit obligation at the end of the period	9,170,070	8,944,539
	Fair value of plan assets at the end of the year	629,979	869,629
	Liability recognised in balance sheet	**8,540,091**	**8,074,910**
iv)	**The total expense recognised in the statement of Profit & Loss**		
	Past & Current service cost	1,557,344	3,136,498
	Interest cost	608,229	464,745
	Expected return on plan assets	(70,614)	(60,476)
	Actuarial (gain)/loss	1,016,552	(1,889,091)
	Net Gratuity Cost	**3,111,511**	**1,651,676**
v)	**Following are the principal actuarial assumptions used as the balance sheet date :**		
	Discount rate	7.30	6.80
	Expected rate of return on plan assets	7.42	8.12
	Average salary escalation rate	10.00	10.00
	Average remaining working life of the employees(years)	30.81	31.35

vi) Disclosure as required under Para120(n)

Amount recognised in current year and previous four years	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
Present value of DBO	**9,170,070**	8,944,539	7,261,645	6,693,116	5,815,540
Fair value of Plan assets	**629,979**	869,629	733,047	1,417,690	1,220,475
Surplus/(deficit) in the plan	**(8,540,091)**	(8,074,910)	(6,528,598)	(5,275,426)	(4,595,065)
Experience adjustments on plan liabilities loss	**992,977**	(1,890,080)	(1,890,080)	73,024	7,545
Experience adjustments on plan assets gain/(loss)	**(23,575)**	(989)	(989)	-	(5,059)

The estimates of the future salary increase considered in actuarial valuation take account of inflation, senority, promotion and other relevant factors.

Standalone Notes to financial statements
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34 Related party disclosure

As per Accounting Standard-18 (Related Party Disclosures) to the extent identified by the Company

a) Name and relationship of related parties :

Key Management Personnel (KMP)	Mr. Yogen Khosla (Managing Director) Mrs. Anju Khosla (Executive Director, Wife of Managing Director)
Relatives of Key Management Personnel	Mr. Vahin Khosla (Son of Managing Director) Mr. Yuv Vir Khosla (Son of Managing Director)
Wholly owned subsidiary	Capital Trust Microfinance Private Limited (Formerly known as Parikarma Investments & Financial Services Private Ltd.) Capital Trust Housing Finance Private Limited
Enterprise over which KMP and their relatives is having significant influence	Indo Crediop Private Limited Moonlight Equity Private Limited Capital Employee Welfare Trust Capital Trust Infotech Private Limited Vaibhav Farms Private Limited

b) Transactions with related parties during the year

Particulars	Subsidiary	Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprise over which KMP & their relatives can exercise significant influence
Loan taken				
Indo Crediop Private Limited	-	-	-	44,000,000
	-	-	-	(6,500,000)
Moonlight Equity Private Limited	-	-	-	-
	-	-	-	(37,300,000)
Capital Trust Infotech Private Limited	-	-	-	13,000,000
	-	-	-	-
Capital Trust Microfinance Private Limited	30,000,000	-	-	
	-	-	-	-
Capital Trust Housing Finance Private Limited	124,100,000	-	-	-
	(109,000,000)	-	-	-
Vaibhav Farms Pvt Ltd	-	-	-	10,000,000
	-	-	-	-
Loan repaid				
Moonlight Equity Private Limited	-	-	-	-
	-	-	-	(38,300,000)
Indo Crediop Private Limited	-	-	-	44,000,000
	-	-	-	(6,500,000)
Capital Trust Infotech Private Limited	-	-	-	13,000,000
	-	-	-	-
Capital Trust Housing Finance Private Limited	114,400,000	-	-	-
	(200,000)	-	-	-
Vaibhav Farms Pvt Ltd	-	-	-	10,000,000

Standalone Notes to financial statements
for the year ended 31st March 2019

Nature of transactions	Subsidiary	Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprise over which KMP & their relatives can exercise significant influence
Loan given				
Capital Trust Microfinance Private Limited	230,000,000	-	-	-
	(80,000,000)	-	-	-
Loan received back				
Capital Trust Microfinance Private Limited	310,000,000	-	-	-
	-	-	-	-
Investment in subsidiary				
Capital Trust Microfinance Private Limited	-	-	-	-
	(200,880,000)	-	-	-
Capital Trust Housing Finance Private Limited	-	-	-	-
	(105,099,000)	-	-	-
Interest Paid				
Moonlight Equity Private Limited	-	-	-	-
	-	-	-	(743,233)
Indo Crediop Private Limited	-	-	-	763,397
	-	-	-	(436,566)
Capital Trust Microfinance Private Limited	11,454,860	-	-	-
	(9,915,002)	-	-	-
Capital Trust Housing Finance Private Limited	26,301	-	-	-
Vaibhav Farms Pvt Ltd	-	-	-	70,137
	-	-	-	-
Interest received				
Capital Trust Microfinance Private Limited	34,588,013	-	-	-
	(1,074,411)	-	-	-
Service fee received				
Capital Trust Microfinance Private Limited	64,321,327	-	-	-
	(22,711,840)	-	-	-
Remuneration				
Mr. Yogen Khosla (Managing Director)	-	16,602,784	-	-
	-	(11,905,576)	-	-
Mrs. Anju Khosla	-	9,569,756	-	-
	-	(6,735,592)	-	-
Mr. Vahin Khosla	-	-	3,119,154	-
		-	(2,958,600)	-
Mr. Yuv Vir Khosla	-	-	2,037,496	-
	-	-	(1,347,114)	-
Outstanding balance at the year end				
Loans & Advances:				
Capital Employee Welfare Trust	-	-	-	80,510,000
	-	-	-	(80,510,000)
Capital Trust Microfinance Private Limited	-	-	-	-
	(80,000,000)	-	-	-

Standalone Notes to financial statements
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Nature of transactions	Subsidiary	Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprise over which KMP & their relatives can exercise significant influence
Unsecured Loans:				
Capital Trust Microfinance Private Limited	30,000,000	-	-	-
	-	-	-	-
Capital Trust Housing Finance Private Limited	118,500,000	-	-	-
	(108,800,000)	-	-	-
Other receivables:				
Capital Trust Microfinance Private Limited	1,029	-	-	-
	(6,369,293)	-	-	-
Interest receivables:				
Capital Trust Microfinance Private Limited	-	-	-	-
	(966,970)	-	-	-
Outstanding balance at the year end				
Interest Payable				
Capital Trust Housing Finance Private Limited	1,009,342	-	-	-
	(3,572,225)	-	-	-
Capital Trust Microfinance Private Limited	23,671	-	-	-
	-	-	-	-
Indo Crediop Private Limited	-	-	-	-
	-	-	-	(92,867)
Salary payable:				
Mr. Yogen Khosla (Managing Director)	-	925,000	-	-
	-	(1,151,000)	-	-
Mrs. Anju Khosla	-	615,000	-	-
	-	(693,000)	-	-
Mr. Vahin Khosla	-	-	228,024	-
	-	-	(310,860)	-
Mr. Yuv Vir Khosla	-	-	158,333	-
	-	-	(194,738)	-

Apart from above Managing director and a director of the company has given corporate guarantees to the bankers to secure loan availed by the company.

35 Additional disclosures pursuant to the RBI guidelines and notification: (as certified by the management)

1) Capital

Items*	31 March 2019	31 March 2018
Capital to risk / weighted assets ratio (CRAR) (%)	31.97%	30.70%
CRAR-Tier I capital (%)	25.97%	24.49%
CRAR-Tier II capital (%)	5.99%	6.21%
Amount of Subordinate debt raised as Tier-II capital	360,000,000	450,000,000
Amount raised by issue of perpetual debt instruments	-	-

* The above calculation has been as per RBI Notification No. DNBR.009/ CGM(CDS)-2015 dated March 27, 2015

Amount is net off discount 20% (Previous year Nil)

Standalone Notes to financial statements
for the year ended 31st March 2019

2) Investments

(A) Value of investments

i)	Gross value of investments		
	(a) In india	499,182,410	499,181,410
	(b) Outside india	-	-
ii)	Provision for depreciation		
	(a) In india	81,099	81,099
	(b) Outside india	-	-
iii)	Net value of Investments		
	(a) In india	499,101,315	499,100,315
	(b) Outside india	-	-

(B) Movement of provisions held towards depreciation on investments

i)	Opening balance	81,099	81,099
ii)	Add: Provisions made during the year	-	-
iii)	Less: Write-off/write-back of excess provisions during the year	-	-
iv)	Closing balance	81,099	81,099

3) Derivatives

The Company does not have any derivatives exposure in the current and previous year

4) Disclosure relating to Securitisation

A) The Company has entered into various agreements for the securitisation of loans by way of direct assignment with assignees, wherein it has securitised a part of its loans portfolio amounting to Rs. 49,27,39,864 during the year ended March 31, 2019 (March 31, 2018 Rs. 86,75,06,368), being the principal value outstanding as on the date of the deals that are outstanding. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/ buyers. In terms of the said securitisation agreements, the Company pays to investor/ buyers on agreed date basis the prorata collection amount as per individual agreement terms.

B) Details of Financial assets sold to securitisation/ reconstruction company for assets reconstruction

The company has not sold any financial assets to Securitisation/ Reconstruction company for assets reconstruction

C) Details of Assignment transactions undertaken by applicable NBFCs	**for the year ended 31 March 2019**	**for the year ended 31 March 2018**
(i) No. of accounts	7,260	12,742
(ii) Aggregate value (net of provisions) of accounts sold	492,739,864	867,506,368
(iii) Aggregate consideration	492,739,864	867,506,368
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

Oustanding at the year end	**As at 31 March, 2019**	**As at 31 March, 2018**
MRR Potfolio (10%)	78,360,957	66,486,465
Accrued interest on MRR Portfolio	1,103,487	4,433,275
Total MRR Portion (10%)	79,464,444	70,919,740
Sold Portion to IDFC First bank (Formely known as Capital First Limited) (90% portion)	705,248,614	598,378,185

	for the year ended 31 March 2019	**for the year ended** 31 March 2018
Income credited in the profit & loss A/c		
Interest income on the MRR Portfolio	16,120,738	2,448,899

D) Details of non performing financials assets purchased / sold

The Company has not purchased / sold any non-performing financial assets (relating to securitisation) during the current and previous year.

Standalone Notes to financial statements
for the year ended 31st March 2019

5) Asset liability management

Maturity pattern of certain items of assets and liabilities as at 31 March 2019

Particulars	Upto 30/ 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances	300,673,257	305,909,797	517,228,801	841,158,850	1,543,768,110	2,465,806,532	18,507,662	80,740,705	**6,073,793,714**
Investments *	1,758,810	-	-	-	-	-	-	497,342,505	**499,101,315**
Borrowings #	130,119,411	145,431,331	175,825,338	441,435,890	963,759,164	2,014,281,964	968,445,454	-	**4,839,298,552**

Maturity pattern of certain items of assets and liabilities as at 31 March 2018

Particulars	Upto 30/ 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances	287,752,167	319,817,603	293,479,280	926,762,206	1,794,867,439	3,013,425,132	104,423,444	2,194,115	**6,742,721,386**
Investments *	-	-	-	-	-	1,758,810	-	497,341,505	**499,100,315**
Borrowings #	126,473,496	151,741,040	188,163,453	480,340,248	954,996,839	2,355,896,218	625,680,152	450,000,000	**5,333,291,446**

* Net of provision
# excluding interest accured thereon

6) Exposure

(a) Exposure to real estate sector
The Company does not have any real estate exposure in the current and previous year.

(b) Exposure to capital market
The company does not have any exposure to capital market in the current and previous year.

(c) Details of financing of parent Company products
The company does not have a parent company and accordingly no disclosure required.

(d) Details of single borrower limit (SGL) / group borrower limit (GBL) exceeded by the applicable NBFC
The company does not exceed any limit related to SGL and GBL in the current and previous year.

(e) Unsecured advances
All the advances given by the company to its customers are unsecured advances except mentioned in Note 16.

7) Miscellaneous

(a) Registration obtained from other financial sector regulators
The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):

(i) Ministry of Corporate Affairs
(ii) Ministry of Finance (Financial Intelligence Unit)
(iii) Securities and Exchange Board of India (SEBI)
(iv) Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)

(b) Disclosures of penalties imposed by RBI and other regulators
No major penalty has been imposed by RBI and other regulators during current and previous year.

(c) Remuneration of directors

Particulars	Remuneration		Provident Fund and Others		Sitting Fee	
	For the Year Ended 31 Mar 19	For the Year Ended 31 Mar 18	For the Year Ended 31 Mar 19	For the Year Ended 31 Mar 18	For the Year Ended 31 Mar 19	For the Year Ended 31 Mar 18
Mr. Yogen Khosla	15,160,114	10,858,566	1,442,670	1,047,010	-	-
Mrs. Anju Khosla	8,610,500	6,006,000	959,256	729,592	-	-
Mr. Surender Mahanti	-	-	-	-	11,000	23,000
Mr. Sachin Bhartiya	-	-	-	-	30,000	20,000
Mr. Hari Baskaran	-	-	-	-	10,000	20,000
Mr. JP Dua	-	-	-	-	30,000	15,000
Mr. Vijay Kumar	-	-	-	-	20,000	10,000
Mr Nikhil Kochhar	-	-	-	-	20,000	-
Mr. Sanjiv Syal	-	-	-	-	20,000	-

Standalone Notes to financial statements
for the year ended 31st March 2019

(d) Ratings assigned by credit rating agencies and migration of ratings during the year

The details of ratings assigned by Credit Analysis & Research Limited (CARE) are as under:

Particulars	Amount in Rs.	Credit Rating Agency	Current Rating	Previous Rating
Long-term Bank facilities	300 Crores	CARE	BBB+	BBB+
Non Convertible Debentures	150 Crores	CARE	BBB+	-

8) Additional Disclosures	Current Year	Previous Year
(a) Provisions and contingencies		
Break up of 'provisions and contingencies' shown under the head expenditure in Statement of Profit and Loss		
Provision towards standard assets	(1,119,255)	7,500,004
Provision towards non performing assets	4,202,104	89,900,800
Provision made towards income tax	3,061,045	69,335,417
Provision made towards employees fraud (including for earlier years)	6,478,532	-
Other provision and contingencies (employee benefits)	3,300,181	1,651,676
	15,922,607	**168,387,897**
(b) Draw down from reserves		
There have been no instances of draw down from reserves by the company during the current and previous year.		
(c) Concentration of advances, exposures and NPAs (to the extent identified by the management)		
a. Concentration of advances*		
Total advances to twenty largest borrowers	26,963,806	33,818,900
Percentage of advances to twenty largest borrowers to total advances of the Company	0.45%	0.51%
@(Advances have been taken as the total advances as on 31st March, 2019 (PY 31st March, 2018)		
b. Concentration of exposure		
Total advances to twenty largest borrowers	36,410,500	33,818,900
Percentage of exposure to twenty largest borrowers as total exposure	0.56%	0.51%
@(Exposure have been taken as total advances and investments as on 31st March, 2019 (PY 31st March, 2018)		
c. Concentration of non-performing assets *		
Total Exposure to top four non-performing accounts	2,641,879	2,493,081
Percentage of exposure to top four non-performing accounts	0.04%	0.04%
* excluding loans to related parties		
d. Sector-wise non-performing assets	**Current Year %**	**Previous Year %**
Agriculture & allied activities	3.51%	4.97%
Micro Small and Medium Enterprises *	4.75%	5.16%
Corporate borrowers	-	-
Services	1.75%	2.46%
Unsecured personal loans	-	-
Auto loans	0.01%	0.01%
Other personal loans	-	-
* Determination based on the information related to the nature and size of activity of the borrower and excluding loans to related parties.		

Standalone Notes to financial statements
for the year ended 31st March 2019

e. Movement of non-performing assets	Current Year	Previous Year
Net NPA to net Advances (%)	8.58%	11.19%
Movement of non-performing assets (Gross)		
(a) Opening balance	829,361,280	220,308,497
(b) Additions during the year	301,500,206	1,225,408,783
(c) Reductions during the year #	530,104,079	616,356,000
(d) Closing balance	**600,757,407**	**829,361,280**
Movement of net non-performing assets		
(a) Opening balance	736,555,757	195,209,827
(b) Additions during the year	235,578,674	1,135,507,983
(c) Reductions during the year #	468,384,652	594,162,053
(d) Closing balance	**503,749,779**	**736,555,757**
Movement of provisions for non-performing assets (excluding provisions on standard assets)		
(a) Opening balance	92,805,523	25,098,670
(b) Provisions made during the year	65,921,532	89,900,800
(c) Write-off/ write-back of excess provisions	61,719,427	22,193,947
(d) Closing balance	**97,007,627**	**92,805,523**
# Reduction includes write-offs and recoveries.		
@ excluding loans to related parties.		

f. Overseas assets (for those with joint ventures and subsidiaries aboard)
The company did not have any overseas assets during the current and previous year.

g. Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)
The company did not sponsor any SPVs during the current and previous year.

9) Disclosure of customer complaints (as reported to RBI by the customers as certified by the management)

a)	Number of complaints pending at the beginning of the year	-	-
b)	Number of complaints received during the year	2	-
c)	Number of complaints redressed during the year	2	-
d)	Number of complaints pending at the end of the year	-	-

10) Information on instances of fraud identified during the year$$

cash embezzlement and snatching (during the year)		
Number of cases	243	2
Amount of fraud	9,375,947	912,757
Recovery 3,223,140	-	
Amount provided for	6,152,807	-
Loans given against fictitious documents		
No. of cases	-	-
Amount of fraud	-	-
Recovery -	-	
Amount provided for	-	-

RBI has been reported each fraud which are of the value of more than Rs. 50,000.
$$ as identified by the management

Standalone Notes to financial statements
for the year ended 31st March 2019

36 Additional disclosure pursuant to Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 (updated as on 09 March, 2017) issued by RBI

	Particulars	Current Year		Previous Year	
	Liabilities Side:	**Outstanding**	**Overdue**	**Outstanding**	**Overdue**
1	**Loans and advances availed by the NBFCs**				
	(a) Debentures : Secured	750,000,000	-	-	-
	: Unsecured (other than falling within the Meaning of public deposits)	-	-	-	-
	(b) Deferred credits	-	-	-	-
	(c) Term loans (including short term borrowings)	3,860,547,552	-	5,210,441,446	-
	(d) Inter-corporate loans and borrowing	228,750,000	-	122,850,000	-
	(e) Commercial paper	-	-	-	-
	(f) Public deposits	-	-	-	-
	(g) Other loans	-	-	-	-
2	**Break-up of (1) (f) above (outstanding** public deposits inclusive of interest accrued thereon but not paid) :				
	(a) In the form of unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other public deposits	-	-	-	-
	Assets side:				
3	**Break-up of loans and advances including bills receivables (other than those included in (4) below:**				
	(a) Secured	885,721,177	-	-	-
	(b) Unsecured - receivable under financing activity	5,188,072,537	-	6,742,721,386	-
4	**Break-up of leased assets and stock on hire and hypothecation loans counting towards EL / HP activities**				
	(i) Lease assets including lease rentals under sundry Debtors:				
	(a) Financial Lease	-	-	-	-
	(b) Operating Lease	-	-	-	-
	(ii) Stock on hire including hire charges under Sundry Debtors				
	(a) Assets on hire	-	-	-	-
	(b) Repossed Assets	-	-	-	-
	(iii) Hypothecation loans counting towards EL/HP activities				
	(a) Loans where assets have been repossessed	-	-	-	-
	(b) Loans other than (a) above	-	-	-	-

Standalone Notes to financial statements
for the year ended 31st March 2019

5	**Break-up of investments:** **Current investments:**				
	1. Quoted:				
	(i) Shares: (a) Equity	-	-	-	-
	(b) Preference	-	-	-	-
	(ii) Debentures and bonds	-	-	-	-
	(iii) Units of mutual funds	1,758,810	-	-	-
	(iv) Government securities	-	-	-	-
	(v) Others (please specify)	-	-	-	-
	(2) Unquoted:				
	(i) Shares: (a) Equity	-	-	-	-
	(b) Preference	-	-	-	-
	(ii) Debentures and bonds	-	-	-	-
	(iii) Units of mutual funds	-	-	-	-
	(iv) Government securities	-	-	-	-
	(v) Others (please specify)	-	-	-	-
	Non-Current investments:				
	1. Quoted:				
	(i) Shares: (a) Equity	-	-	-	-
	(b) Preference	-	-	-	-
	(ii) Debentures and bonds	-	-	-	-
	(iii) Units of mutual funds	-	-	1,758,810	-
	(iv) Government securities	-	-	-	-
	(v) Others (please specify)	-	-	-	-
	(2) Unquoted:				
	(i) Shares: (a) Equity	497,342,505	-	497,341,505	-
	(b) Preference	-	-	-	-
	(ii) Debentures and bonds	-	-	-	-
	(iii) Units of mutual funds	-	-	-	-
	(iv) Government securities	-	-	-	-
	(v) Others (please specify)	-	-	-	-
6	**Borrower group-wise classification of assets financed as in (3) and (4) above:**				

Particulars	**Current Year**		**Previous Year**	
	Secured	**Unsecured**	**Secured**	**Unsecured**
1. Related parties				
(a) Subsidiaries	-	-	-	80,000,000
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	80,510,000	-	80,510,000
2. Other than related parties	885,721,177	5,107,562,537	-	6,582,211,386
Total	**885,721,177**	**5,188,072,537**	**-**	**6,742,721,386**

Standalone Notes to financial statements
for the year ended 31st March 2019

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	Current Year		Previous Year	
	Market value/ Break-up or fair value or NAV	Book value	Market value/ Break-up or fair value or NAV	Book value
1. Related Parties				
(a) Subsidiaries	474,092,916	497,342,500	458,461,828	497,341,500
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties				
Shares	-	5	-	5
Mutual fund	1,853,205	1,758,810	1,758,810	1,758,810
Total	**475,946,121**	**499,101,315**	**460,220,638**	**499,100,315**

8 Other information

Particulars	Current Year	Previous Year
(i) Gross non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	600,757,407	829,361,280
(ii) Net Non-performing Assets		
(a) Related parties	-	-
(b) Other than related parties	503,749,779	736,555,757
(iii) Assets acquired in satisfaction of debt		

9 Asset Classification

Particulars	Current Year	Previous Year
(i) Standard*	5,392,526,307	5,752,850,106
(ii) Sub-Standard	274,132,891	818,395,286
(iii) Doubtful	324,980,861	10,965,994
(iv) Loss Assets	1,643,655	-
* excluding loans to related parties.		

37 Foreign currency outflow on travelling and business promotion expenses are Nil/- (previous year ₹ Nil/-)

38 Remittance in foreign currency on account of Dividends

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Amount of dividend remitted in foreign exchange	32883	26769
Number of Non-Resident Shareholders	45	68
Number of Shares held by such Non-Resident Shareholders	21922	17846

Standalone Notes to financial statements
for the year ended 31st March 2019

39 Disclosures as per schedule V of securities and exchange board of india (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Particulars	Closing Balance		Maximum Outstanding during the year	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Capital Trust Microfinance Pvt. Ltd.	-	80,000,000	310,000,000	80,966,970
Capital Employee Welfare Trust	80,510,000	80,510,000	80,510,000	80,510,000

40 Disclosures under Section 186(4) of the Companies Act 2013

Particulars	Investment made / Loan given during the year	Balance of Investment / Loan as at 31 March, 2018	Rate of Interest	Purpose	Maturity Period
Investment made					
Capital Trust Microfinace Pvt. Ltd	-	392,242,500	Not Applicable	Wholly owned Subsidiary	Not Applicable
Capital Trust Housing Finance Pvt. Ltd	1,000	105,100,000	Not Applicable	Wholly owned Subsidiary	Not Applicable
Loan given					
Capital Employee Welfare Trust	-	80,510,000	NIL	ESOP Scheme	Not Applicable
Capital Trust Microfinance Pvt. Ltd.	230,000,000	-	16%	ESOP Scheme	Not Applicable

41 Pursuant to the master direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016, as amended from time to time ('the NBFC Master Directions, 2016') (updated as on March 9, 2017), the Company is Systemically Important Non-Deposit taking Non-Banking Financial Company.

42 The board of directors has recommended dividend of Rs. 0.50 (Previous Year of Rs. 0.50) per equity shares aggregating Rs. 98,62,557 (Previous Year of Rs. 98,62,557) including corporate dividend tax of Rs. 16,80,125 (Previous Year of Rs. 16,80,125) for the financial year ended March 31, 2019 and same is subject to the approval of shareholders at the ensuring Annual General Meeting.

43 Previous year's figures have been have been regrouped/ reclassified to conform to current year's figures wherever required.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B.K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: May 22, 2018

For and on behalf of the Board of Directors of
Capital Trust Limited

Yogen Khosla
CEO & Managing Director
DIN 00203165

Vijay Kumar
Director
DIN 05300541

Tanya Sethi
Company Secretary
M. No. A31566

Independent Auditor's Report

To the Members of Capital Trust Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Capital Trust Limited ("the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (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 consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Group 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 consolidated 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 consolidated financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 consolidated 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 consolidated financial statements. The results of our audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed and information obtained to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements. The components' auditors have not reported any key audit matter in their audit reports.

KEY AUDIT MATTER	AUDITOR'S RESPONSE
Non Performing Assets As at March 31, 2019, the parent Company has loans and advances aggregating to Rs. 607,37,93,714. As RBI prudential norms, the Company is required to make provision for non performing assets ("NPA"). Accordingly, the Company has recognised provision of Rs. 30,82,849. Also, loans valuing Rs. 40,07,21,775 were written off during the year. The calculation of NPA requires exercise of judgement around both the timing of recognition of provisions and estimation of the amount of provisions required in relation to non-recoverability / maturity period of loans. Considering the significance of the above matter to the standalone financial statements and since the matter required our significant attention to test the calculation of NPA, we have identified this as a key audit matter for current year audit.	**How our audit addressed the key audit matter:** Our audit procedures in relation to NPA were focused on obtaining sufficient appropriate audit evidence as to whether the NPA recognised in the consolidated financial statements were reasonable and the related disclosures in the consolidated financial statements made by the management were adequate. These procedures included, but not limited, to the following: a. obtaining an understanding on calculation of NPA including how management calculated NPA and the appropriateness data on which the calculation is based; b. testing consideration of the RBI prudential norms for calculation of NPA provision; c. testing the accuracy of inputs through substantive procedures; d. testing the arithmetical calculation of the NPA provision; and e. verifying the adequacy of the related disclosures. **Our Observation:** Based on our audit procedures performed, we found management's calculation of NPA is reasonable and provision and its disclosures are appropriate.

Other Information

The Parent 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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred in Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective companies included in the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Parent company and of its subsidiaries are responsible for assessing the ability of the Company and of its subsidiaries 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.

The respective Board of Directors of the Parent Company and of its subsidiaries are also responsible for overseeing the financial reporting process of the Parent Company and of its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group has adequate internal financial controls system 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 ability of the Parent Company and its subsidiaries 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 consolidated 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 Parent Company and its subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent Auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other Auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.
- We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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.

Other Matter

We did not audit the financial statements of two subsidiaries, whose total revenues (after eliminating intra-group transactions) of Rs. 5,87,92,138 and total profit before tax (after eliminating intra-group transactions) of Rs. 77,36,571 for the year ended March 31, 2019 included in the consolidated financial statements. These financial statements have been audited by other auditors, whose unmodified reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the respective audit reports.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act;

(e) On the basis of the written representations received from the Directors of the Parent Company as on March 31, 2019 taken on record by the Board of Directors of the Parent Company and the reports of the Statutory Auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India 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 and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Parent Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure A" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid/provided during the year by the Parent Company its subsidiary companies to its directors is in accordance with the provisions of section 197 of 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 27 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts;

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

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: May 27, 2019

Annexure - A to the Auditor's Report

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 Capital Trust Limited ('the Parent Company") and its subsidiary companies incorporated in India (the Parent Company and its subsidiaries together referred to as "the Group"), as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Parent Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the respective 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 respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls, both 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 of and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls with reference to consolidated 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 system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statement included obtaining an understanding of internal financial controls with reference to consolidated financial statement, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

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 authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference consolidated 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 to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 Holding Company and its subsidiary companies ,which are incorporated in India , have, 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, 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 ICAI and same can be further strengthened.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: May 27, 2019

Capital Trust

Consolidated Balance Sheet

as at 31st March 2019

(All amounts in ₹ unless otherwise stated)

		Notes	As at 31 March 2019	As at 31 March 2018
I	**Equity and liabilities**			
	(1) **Shareholders' funds**			
	Share capital	3	163,614,150	163,614,150
	Reserves and surplus	4	2,038,867,652	2,024,579,309
			2,202,481,802	**2,188,193,459**
	(2) **Non-current liabilities**			
	Long term borrowings	5	2,982,727,418	3,322,744,382
	Non current liabilities	6	3,000,000	55,213,870
	Long-term provisions	7	36,944,268	129,473,651
			3,022,671,686	**3,507,431,903**
	(3) **Current liabilities**			
	Short-term borrowings	8	189,591,632	49,768,648
	Trade payables	9		
	Due to Micro Enterprises and Small Enterprises		-	-
	Due to other than Micro and Small Enterprises		4,631,925	7,357,444
	Other current liabilities	10	1,869,287,117	2,277,843,190
	Short-term provisions	11	97,773,069	37,066,613
			2,161,283,743	**2,372,035,895**
	Total		**7,386,437,231**	**8,067,661,257**
II	**Assets**			
(1)	**Non-current assets**			
	Property, plant and equipment	12	18,158,757	17,170,611
	Intangible Assets	13	2,081,004	232,608
	Non-current investments	14	5	1,758,815
	Deferred tax assets (net)	15	37,829,394	29,220,558
	Long-term loans and advances	16	2,699,491,042	3,340,948,026
	Other non-current assets	17	196,426,080	112,907,264
			2,953,986,282	**3,502,237,882**
(2)	**Current assets**			
	Investment	18	1,758,810	-
	Cash and cash balances	19	565,525,751	399,170,491
	Short-term loans and advances	16	3,794,514,571	4,133,097,998
	Other current assets	17	70,651,817	33,154,886
			4,432,450,949	**4,565,423,375**
	Total		**7,386,437,231**	**8,067,661,257**
	Contingent Liabilities and Capital Commitments	**27**		

Summary of Significant Accounting Policies and other notes on financial statements.
The accompanying notes 1 to 42 form an integral part of the consolidated financial statements.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B.K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: 27th May, 2019

For and on behalf of the Board of Directors of
Capital Trust Limited

Yogen Khosla
CEO & Managing Director
DIN 00203165

Vijay Kumar
Director
DIN 05300541

Tanya Sethi
Company Secretary
M. No. A31566

Consolidated Statement of Profit and Loss
for the year ended 31st March 2019

(All amounts in ₹ unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Revenue			
Revenue from operations	20	1,771,202,556	1,779,113,021
Other income	21	43,834,141	42,028,672
Total revenue		**1,815,036,697**	**1,821,141,693**
Expenses			
Employee benefits expense	22	370,530,408	292,641,745
Finance costs	23	744,312,044	648,292,742
Depreciation and amortization expense	12-13	4,966,680	4,431,842
Other expenses	24	303,403,025	800,453,484
Total expenses		**1,423,212,157**	**1,745,819,814**
Profit Before Exceptional Item and Tax		**391,824,540**	**75,321,879**
Exceptional Item:	25	372,304,216	-
Profit before tax		**19,520,324**	**75,321,879**
Tax expense			
Current tax		7,168,953	73,320,141
MAT Credit Entilement		(2,644,102)	-
Provision for Income Tax for earlier Years		(547,404)	(80,815)
Deferred tax (Refer Note - 15)		(8,608,836)	(11,643,513)
Profit for the year		**24,151,713**	**13,726,066**
Earnings per equity share	26		
(a) Basic		1.48	0.84
(b) Diluted		1.48	0.84

The accompanying notes 1 to 43 form an integral part of the consolidated financial statements.

As per our Report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B.K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: 27th May, 2019

For and on behalf of the Board of Directors of
Capital Trust Limited

Yogen Khosla
CEO & Managing Director
DIN 00203165

Tanya Sethi
Company Secretary
M. No. A31566

Vijay Kumar
Director
DIN 05300541

Capital Trust

Consolidated Cash flow statement

for the year ended 31st March 2019

(All amounts in ₹ unless otherwise stated)

		Notes	Year ended 31 March 2019	Year ended 31 March 2018
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit before tax		19,520,324	75,321,879
	Adjustments:			
	Depreciation and amortisation expense		4,966,680	4,431,842
	Interest income on fixed deposit		(28,607,382)	(24,852,040)
	Provision for non performing assets		15,726,272	150,296,043
	Contingent provision against standard assets		(2,311,069)	7,593,357
	Gain on sale of current investments		(6,264,986)	(16,883,059)
	Portfolio loan written off		400,804,056	417,189,550
	Dividend Received		(10,000)	-
	Operating profit before working capital changes		**403,823,895**	**613,097,572**
	(Decrease) / increase in trade payables		(2,725,519)	1,297,960
	(Decrease) / increase in other liabilities and provisions		(541,527,385)	108,670,910
	(Increase) / decrease in other assets and loans and advances		971,765,100	(2,382,398,887)
	Cash used in operating activities		**831,336,091**	**(1,659,332,444)**
	Income taxes paid		(79,102,684)	(193,237,253)
	Net cash used in operating activities	**A**	**752,233,407**	**(1,852,569,697)**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Purchase of property, plant & equipment		(7,803,220)	(8,049,989)
	Purchase of non current investments		-	(258,810)
	Movement in Fixed Deposits		(45,479,125)	(23,003,673)
	Purchase of current investments		(1,079,659,700)	(2,940,354,895)
	Proceeds from sale of current investments		1,085,924,686	2,957,237,955
	Interest received on Fixed Deposits		26,389,735	3,661,490
	Dividend received		10,000	
	Net cash used in investing activities	**B**	**(20,617,624)**	**(10,767,922)**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Proceeds from issue of equity shares		-	3,480
	Dividend including dividend distribution tax paid		(9,863,370)	(29,538,322)
	Proceeds from Non Convertible Debentures		750,000,000	-
	Net Proceed / (Repayment) of long-term borrowings		(1,436,015,862)	1,790,992,219
	Net Proceed from short-term borrowings		139,822,984	507,291
	Net cash from financing activities	**C**	**(556,056,248)**	**1,761,964,668**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**175,559,535**	**(101,372,951)**
	Cash and cash equivalents at the beginning of the year		144,514,010	245,886,961
	Cash and cash equivalents at the end of the period		**320,073,544**	**144,514,010**
	Note 1:			
	Cash and bank balances (Refer Note 19)		311,375,916	139,458,237
	Cash in hand		8,697,628	5,055,773
	Cash and cash equivalents		**320,073,544**	**144,514,010**

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B.K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: 27th May, 2019

For and on behalf of the Board of Directors of
Capital Trust Limited

Yogen Khosla
CEO & Managing Director
DIN 00203165

Vijay Kumar
Director
DIN 05300541

Tanya Sethi
Company Secretary
M. No. A31566

Consolidated Notes to financial statements
for the year ended 31st March 2019

1. Company Overview

Capital Trust Limited is a public Company incorporated in India under the provisions of the erstwhile Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The Company is Non-banking Financial Company which is registered with Reserve Bank of India ('RBI''). The Company is engaged in the business of Micro Finance and Small Enterprise Loan.

2. Significant Accounting Policies

a) Principles of consolidation

i) The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, and the Accounting Standards referred to in Section 133 and the relevant provisions of the Companies Act, 2013.

ii) Consolidated Financial Statements relates to M/s Capital Trust Limited (the Company) and it's Subsidiaries M/s Capital Trust Microfinance Private Limited and M/s Capital Trust Housing Finance Private Limited, Companies incorporated in India.

The Company's interest in subsidiaries are as follows:

Name of Company	Date of shareholding	Country of incorporation	Percentage of holding
Capital Trust Microfinance Private Limited	26 September 2016	India	100%
Capital Trust Housing Finance Private Limited	14 August 2017	India	100%

The Consolidated Financial Statements are in conformity with the AS-21 referred to in Section 133 and the relevant provisions of the Companies Act, 2013 and prepared on the following basis:

i) The financial statements of the company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets , liabilities , income and expenses after fully eliminating inter company balances and transactions.

ii) The consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except provision for depreciation for some assets, which is not material to the Consolidated Financial Statements.

b Basis of Accounting

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India ("Indian GAAP"), including the Accounting Standards noti?ed under Section 133 of Companies Act, 2013 read with Rule 7 of Company (Accounts) Rules, 2014 (as amended) Companies (Accounting Standards) Amendment Rules, 2016 and the provisions of the RBI applicable as per Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016, as amended from time to time ('the NBFC Master Directions, 2016') (updated as on March 9, 2017).The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

c Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

d Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current/ non-current

Consolidated Notes to financial statements
for the year ended 31st March 2019

classification of assets and liabilities.

e Property, plant and equipment ("Fixed Assets")

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure on fixed asset after its purchase or completion would be recognised as an asset, if it is probable that the expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and the expenditure can be measure and attributed to the asset reliably.The carrying amounts are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is 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 at the weighted average cost of capital.

f Intangible Assets

Intangible Assets acquired separately are stated at cost less accumulated amortization and impairment loss, if any. An intangible assets is derecognised on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that asset may be impaired, impairment loss is recognised in the statement of profit & loss.

g Depreciation and amortisation

i) Depreciation on fixed assets has been charged at Straight Line method with reference to the economic useful life of its fixed assets as prescribed by Schedule II of the Companies Act, 2013. Depreciation on fixed assets disposed off during the year is provided on pro-rata basis with reference to the date of disposal.

ii) Intangible Assets are amortized on a straight line basis over a period of 3 years from the date when the asset is available for use or license period whichever is lower.

h Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the collectability is reasonably assured.

- Interest on loans is recognized on accrual basis. Income or any other charges on non-performing asset is recognised only when realised and any such Income recognised before the asset became non-performing and remaining unrealised is reversed.
- Loan processing fee received are considered to be accrued at the time of entering into a binding agreement upon its receipt and are recognised as revenue immediately.
- Interest income on deposits with banks is recognized in time proportion basis taking into account the amount outstanding and the rate applicable.
- Income from business correspondent activity is recognised on accrual basis as per the terms of arrangement entered into with the client bank. Revenue from Business Correspondent activities to the extent of services rendered but yet to be billed are treated as 'Unbilled revenue' and are disclosed under other current assets.
- Income from Assignor's Yield on Direct Assignments of Portfolio is recognised on accrual basis as per the terms of arrangement entered into with the client bank.
- Dividend income is accounted when the right to receive the dividend is established.

i Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings.Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Consolidated Notes to financial statements
for the year ended 31st March 2019

j Investment

Investments are classified as Current and Non-current investments. Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. Current Investments are carried at lower of cost or fair value. Non-current investments are stated at cost, provision for diminution in the value is made to recognize a decline other than temporary in the value of such investments.

k Asset classification and provisioning

Loan asset classification of the company is given in the table below:

Particulars	Criteria
Standard asset	The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.
Sub-standard assets	An asset for which, interest/ principal payment has remained overdue for more than 3 months and less than 12 months
Loss Assets	An asset for which, interest/ principal payment has remained overdue for a period of 12 months or more.

l Provisioning policy for Loan portfolio

Provision for loan portfolio has been made in accordance with the provisioning requirements for NBFC-ND-SI issued by the RBI vide its circular numbered DNBR.PD. 088/03.10.119/2016-17 dated 1 September 2016 updated as on 9 March 2017.

m Retirement & Employee Benefits

(i) Define Contribution Plan

The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

(ii) Define Benefit Plan

Gratuity liability under the Payment of Gratuity Act which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation as per projected unit credit method made at the end of each financial year. Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.

(iii) Share Based Payments

The Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The scheme provides that subject to continued employment with the Company, employees of the Company are granted an option to acquire equity shares of the Company that may be exercised within a specified period. The Company follows the intrinsic value method for computing the compensation cost for all options granted which will be amortized over the vesting period. Measurement and disclosure of the employee share-based payment Schemes are done in accordance with the Guidance Note on Accounting for Employee Share based Payments, issued by the Institute of Chartered Accountants of India.

(iv) Other short term benefits

As per policy of the Company, leaves due to the employees are not encashable. Expenses relating to other short term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employee.

n Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a

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possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

o Current Tax and Deferred Tax

Tax expense comprises of current and deferred income 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. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future and the same is reviewed at each balance sheet. Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period"

p Foreign Currency Transactions

i. All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

ii. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.

iii. Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

q Cash and cash equivalent

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

r Leases

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the statement of profit and loss on a straight line basis over the lease period unless another systematic basis is more representative of the time pattern of the benefit.

s Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Primary Segments are identified based on the nature of products, the different risks and returns and the internal business reporting system. Revenue, Expense, Assets and Liabilities which relate to the Company as a whole and could not be allocated to segments on a reasonable basis, has been classified as unallocated. Secondary segment is identified based on geography by location of customers i.e. in India and outside India. Inter-segment revenue have been accounted for based on the transaction price agreed to between the segments, which is primarily market based.

t Earning per equity share

The Company reports basic and diluted earning per share in accordance with Accounting Standard-20 on "Earning Per Share". Basic earning per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

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3 Share capital

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
(a) **Authorised share capital**				
Equity shares of Rs. 10 each	30,000,000	300,000,000	19,000,000	190,000,000
		300,000,000		**190,000,000**
(b) **Issued, subscribed and fully paid-up capital**				
Equity shares of Rs. 10 each	16,361,415	163,614,150	16,361,415	163,614,150
		163,614,150		**163,614,150**
(c) **Reconciliation of the Equity share capital**	Number	Amount	Number	Amount
Balance at the beginning of the year	**16,361,415**	**163,614,150**	16,361,415	163,614,150
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	**16,361,415**	**163,614,150**	**16,361,415**	**163,614,150**

(d) **Terms, rights and restrictions attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs. 10 per share (previous year Rs. 10 per share). All issued shares rank pari-passu and have same voting rights per share. The Company declares and pays dividend in Indian rupees, if any. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) **Details of shareholders holding more than 5% shares in the company**

	As at 31 March 2019		As at 31 March 2018	
Name of Shareholder	**Number**	**%**	**Number**	**%**
Yogen Khosla	6,852,917	41.88%	7,942,917	48.55%
Indo Crediop Private Limited	3,427,885	20.95%	2,844,885	17.39%
India 2020 II Investors Limited	2,421,519	14.80%	2,421,519	14.80%

(f) During the year ended 31st March 2017, 143,915 equity share were allotted to Capital Employee Welfare Trust at a price of Rs. 559 aggregating to Rs. 80,448,490 under the scheme of Capital Trust Employee Option Scheme 2016.

Consolidated Notes to financial statements
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4 Reserve and surplus	31 March 2019	31 March 2018
(a) **Capital reserve**		
Balance at the beginning of the year	54,559,275	54,559,275
Balance at the end of the year	**54,559,275**	**54,559,275**
(b) **Capital redemption reserve**		
Balance at the beginning of the year	30,000,000	30,000,000
Balance at the end of the year	**30,000,000**	**30,000,000**
(c) **Securities premium**		
Balance at the beginning of the year	1,327,898,115	1,327,896,635
Add: Premium on conversion of share warrant into equity shares	-	1,480
Balance at the end of the year	**1,327,898,115**	**1,327,898,115**
(d) **General reserve**		
Balance at the beginning of the year	3,456,545	3,456,545
Balance at the end of the year	**3,456,545**	**3,456,545**
(e) **Statutory reserve**		
under sections 45-IC of RBI Act, 1934		
Balance at the beginning of the year	**149,954,351**	**147,209,138**
Add: Additions during the period*	3,725,630	2,745,213
Balance at the end of the year	**153,679,981**	**149,954,351**
(f) **Surplus/(deficit) in the statement of profit and loss**		
Balance at the beginning of the year	458,711,023	477,268,490
Profit for the year	24,151,713	13,726,066
Less: Transferred to Statutory Reserve u/s 45 IC of RBI act 1934*	3,725,630	2,745,213
Less: Dividend paid for the year 2017-18 (PY-2016-17)	8,180,707	24,542,123
Less: Corporate dividend tax	1,682,663	4,996,197
Balance at the end of the year	**469,273,736**	**458,711,023**
	2,038,867,652	**2,024,579,309**

* Statutory reserve

5. Long-term borrowings	As at 31 March 2019		As at 31 March 2018	
	Non Current	Current Maturities	Non Current	Current Maturities
Debentures (Secured)				
16.5% Non convertible Debentures	750,000,000	-	-	-
Term loans				
Secured				
from Banks	1,223,586,756	730,476,336	1,018,481,332	523,119,226
from Financial Institutions	111,700,000	201,974,424	313,674,424	215,610,788
from Corporate Entities	367,190,662	736,028,741	1,526,538,626	1,275,748,385
Unsecured				
from Corporate Entities (Related Party)	-	-	-	-
from Corporate Entities	80,250,000	-	14,050,000	-
from Corporate Entities (subordinate debt)	450,000,000	-	450,000,000	-
	2,982,727,418	1,668,479,501	3,322,744,382	2,014,478,399
Less: Current maturities of long-term borrowings (Refer Note 10)	-	1,668,479,501	-	2,014,478,399
Total borrowings	**2,982,727,418**	**-**	**3,322,744,382**	**-**

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a. Terms and conditions of loans taken

Name of the lender	Rate of Interest	No. of Installments	Periodicity	Outstanding as at 31 Mar. 2019	Outstanding as at 31 Mar. 2018
Secured Term Loans:					
From Banks					
Andhra Bank	12.25% (PY 12.25%)	5 (PY 17)	Monthly	20,833,334	70,833,333
Bank of India	12.36% (PY 12%)	24 (PY 36)	Monthly	111,111,400	166,666,840
Bank of Maharashtra	11.5% (PY 13.20%)	5 (PY 17)	Monthly	9,272,448	31,496,060
IDFC First Bank Limited (Formerly known as Capital First Limited)	12.70% 13.00% (PY 12.70%-13.00%)	20-28 (PY 32-40)	Monthly	637,566,124	-
DCB Bank Limited	13.4% (PY 12.29%)	Nil (PY 5)	Monthly	-	7,575,800
HDFC Bank	8.14% (PY 8.14%)	26 (PY 38)	Monthly	1,404,754	1,972,919
IDBI Bank Limited	12.50% (PY 12%)	Nil (PY 10)	Monthly	-	57,000,000
Karur Vysya Bank	12.25% (PY 12.25%)	14 (PY 26)	Monthly	50,000,009	92,857,136
State Bank of India	11.05% - 13.50% (PY 11%-12.10%)	16 to 19 (PY 28 to 31)	Monthly	129,511,469	219,698,829
Uco Bank	12.5% (PY 12.50%)	27 (PY 39)	Monthly	124,998,329	175,935,970
Union Bank of India	11.95% (PY 11.60%)	30 (PY 42)	Monthly	138,888,889	194,444,444
				1,223,586,756	**1,018,481,332**
from financial institutions					
Nabard Financial Services Limited	13.5% (PY 13.50%)	Nil (PY 4)	Quarterly	-	33,333,336
Nabkishan Finance Limited	12.25% to 13.00% (PY 12.25%)	3 (PY 3 to 7)	Quarterly	37,500,000	128,409,088
Nabsamruddhi Finance Limited	13% (PY 13%)	Nil (PY 4)	Quarterly	-	33,332,000
Small Industries Development Bank of India	13.50% (PY 12.40%-12.75%)	20 (PY 32)	Monthly	74,200,000	118,600,000
				111,700,000	**313,674,424**
from corporate entities (including NCD)					
Hero Fincorp Ltd Term Loan	14.25% (PY Nil)	31 (PY Nil)	Monthly	106,271,312	-
Hinduja Leyland Finance Limited	13.17% -13.25% (PY 12.02%-13.17%)	3-12 (PY 15-24)	Monthly	40,656,546	96,077,401
Manaveeya Development and Finance Pvt Ltd	15.5% (PY 15.50%)	Nil (PY 2)	Quarterly	-	8,334,000
MAS Financial Services Ltd	14.00% to 14.60% (PY 14.00%-14.75%)	1-6 (PY 1 to 12)	Monthly	68,749,989	217,500,004
Moneywise Financial Services Pvt Ltd	13.9% (PY 13.90%)	3 (PY 3 to 7)	Quarterly	24,940,000	95,800,000
Muthoot Capital Services Limited	15.00% (PY 15.00%)	Nil (PY 2)	Quarterly	-	25,000,000
Muthoot Capital Services Limited	14.25% (PY 14.25%)	12 (PY 24)	Monthly	25,000,008	50,000,004
Reliance Commercial Finance Limited	14% (PY 14%)	Nil (PY 1)	Monthly	-	3,634,621
Shriram City Union Finance Limited	13.53% (PY 13.48%)	10 (PY 22)	Monthly	47,525,371	97,932,734
Toyota Financial Services	8.65% (PY 8.65%)	27 (PY 39)	Monthly	751,135	1,042,926
Vivriti Capital Pvt Ltd Term Loan	14% (PY Nil)	12 (PY Nil)	Monthly	53,296,301	-
IDFC First Bank Limited (Formerly known as Capital First Limited)	12.70% 13.00% (PY 12.70%-13.00%)	20-28 (PY 32-40)	Monthly	-	931,216,936
				367,190,662	**1,526,538,626**
16.5% Non- Convertible Debentures	16.50% (PY Nil)	6 (PY Nil)	Quarterly	750,000,000	-
				750,000,000	**-**
Unsecured Term Loans:					
from Corporate entities					
Faridabad Paper Mills Ltd	14% (PY Nil)	1	Bullet Repayment	10,000,000	-
VK Consultants Private Limited	15% (PY 15.50%)	1	Bullet Repayment	70,250,000	14,050,000
				80,250,000	**14,050,000**
from Corporate entities (subordinate debt)					
IDFC First Bank Limited (Formerly known as Capital First Limited)	17%-18% (PY 17%-18%)	At the end of the 84th Month from date of disbursement (i.e May-2023)	Bullet Repayment	450,000,000	450,000,000

Consolidated Notes to financial statements
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b. Details of privately placed secured redeemable non-convertible debentures

Date of Maturity	Rate of Interest	No. of Debentures	Face Value	Outstanding as at 31 Mar 2019	Outstanding as at 31 Mar 2018
Aug 21	16.5% (PY Nil)	1250	100,000	125,000,000	-
Nov 21	16.5% (PY Nil)	1250	100,000	125,000,000	-
Feb 22	16.5% (PY Nil)	1250	100,000	125,000,000	-
May 22	16.5% (PY Nil)	1250	100,000	125,000,000	-
Aug 22	16.5% (PY Nil)	1250	100,000	125,000,000	-
Nov 22	16.5% (PY Nil)	1250	100,000	125,000,000	-

c. Terms and conditions of secured loans and nature of security

1. Term loans from IDFC First Bank, Muthoot Capital, Hinduja Leyland, Shriram City, Union banks are secured by hypothecation of receivables as per their respective loan agreements.
2. Vehicle loans from HDFC Bank and Toyota Financial Services were secured against hypothecation of respective vehicles.
3. During the year the company has issued 7500 Non Convertible Debentures at the face value of Rs. 100000 each aggregating to Rs. 75,00,00,000 at the coupon rate of 16.5%. The NCDs will mature in October 2022.
4. NCDs are secured by way of mortgage of land and building, exclusive charge on identified pool of assets, exclusive charge on Escrow account and DSRA and Demand Promissory note.
5. Term loans from DCB Bank Limited, Andhra Bank, State Bank of India, Small Industries Development Bank of India, Nabkishan Finance Limited, Karur Vysya Bank, UCO Bank, Union Bank of India, Nabsamruddhi Finance Limited, Hero Fincorp Ltd, Baring Asia (16.50% NCD), Bank of Maharashtra, Bank of India, IDBI bank, Moneywise Financial Services Private Limited, MAS Financial Services Limited, NABARD Financial Services Ltd and Vivriti Capital Pvt Ltd are further secured by cash collateral in the shape of Fixed deposit/ security deposit as per their loan agreement in addition to hypothecation of receivables.
6. In addition to the above, following loans are also secured by way guarantees:
   i) Term loans from MAS Financial Services Ltd, DCB Bank Limited, Andhra Bank, State Bank of India, Small Industries Development Bank of India, Nabkishan Finance Limited, Karur Vysya Bank, UCO Bank, Union Bank of India, Manveeya Development and Finance Pvt Ltd, Nabsamruddhi Finance Limited, Hero Fincorp Ltd, Baring Asia (16.50% NCD)and vivriti Capital Pvt Ltd are secured by way of personal guarantee of promoter director.
   ii) Terms loans from Bank of India, IDBI Bank Limited and Moneywise Financial Services Private Limited are secured by way of personal guarantee of promoter director and corporate guarantee of Indo Crediop Private Limited (shareholder).

	As at 31 March 2019	As at 31 March 2018
6 Non Current Liabilities		
Recovered Premium Payable to insurance company	-	52,213,870
Security Deposit Received	3,000,000	3,000,000
	3,000,000	**55,213,870**
7 Long-term provisions		
Provision for employee benefits (Refer Note No. 33)	6,123,277	6,486,575
Others:		
Contingent provision against standard assets	9,892,350	9,250,512
Provision for substandard and doubtful assets	20,928,641	113,736,564
	36,944,268	**129,473,651**
8 Short-term borrowings		
Secured		
Cash credit facility from bank $	39,591,632	49,768,648
Unsecured		
from Others	150,000,000	-
	189,591,632	**49,768,648**

$ Cash credit from Bank is secured against assignment of small enterprise finance receivables on first charge in specific book debts and further personal guarantee of Managing Director.

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		As at 31 March 2019	As at 31 March 2018
9	**Trade Payables**		
	For Goods and Services **	4,631,925	7,357,444
		4,631,925	**7,357,444**
	** Based on the information available, as identified by the management, no vendors confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 disclosures relating to dues of Micro Small Enterprises under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 given below:		
a.	Principal amount and Interest due thereon remaining unpaid to any supplier as on	-	-
b.	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-
c.	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d.	The amount of interest accrued and remaining unpaid during the accounting year.	-	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

		As at 31 March 2019	As at 31 March 2018
10	**Other current liabilities**		
	Current maturities of long-term borrowings (Refer Note No. 5)	1,668,479,501	2,014,478,400
	Interest accrued but not due	46,994,717	32,330,721
	Advance EMI received	6,384,114	1,604,891
	Unpaid dividend*	2,720,186	2,321,808
	Statutory dues payable	9,921,464	28,532,553
	Interest and principal payable on direct assignment	101,018,523	29,889,814
	Recovered Premium Payable to insurance company	7,065,759	136,078,843
	Employees emoluments	26,359,792	32,163,276
	Other liabilities	343,061	442,884
		1,869,287,117	**2,277,843,190**
	* Not due for deposit in the investor education and protection fund		
11	**Short-term provisions**		
	rovision for employee benefits (Refer Note No. 33)	2,416,814	1,588,335
	Others		
	Provision for income tax (net of advance tax)	-	19,684,225
	Contingent provision against standard assets	12,841,146	15,794,053
	Provision for substandard and doubtful assets	82,515,109	-
		97,773,069	**37,066,613**

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12 Tangible assets

Particulars	Land & Building	Plant & equipment	Computer	Furniture & fixtures	Vehicles	Office equipment	Total	Previous Year
Gross block								
As at 01 April 2018	-	1,874,729	7,433,212	8,793,071	9,949,888	2,877,716	**30,928,616**	**23,095,627**
Additions	2,354,100	-	465,080	1,473,493	-	785,546	5,078,220	**7,832,989**
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2019	2,354,100	1,874,729	7,898,292	10,266,564	9,949,888	3,663,262	**36,006,836**	**30,928,616**
Depreciation								
As at 01 April 2018	-	1,355,365	5,299,538	2,070,953	4,027,927	1,004,222	**13,758,005**	**9,477,975**
Additions	26,142	490,109	1,137,442	767,502	1,072,848	596,031	**4,090,074**	**4,280,030**
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2019	**26,142**	**1,845,474**	**6,436,980**	**2,838,455**	**5,100,775**	**1,600,253**	**17,848,079**	**13,758,005**
Net block								
As at 31 March 2019	**2,327,958**	**29,255**	**1,461,313**	**7,428,109**	**4,849,113**	**2,063,009**	**18,158,757**	**17,170,611**
As at 31 March 2018	**-**	**519,364**	**2,133,674**	**6,722,118**	**5,921,961**	**1,873,494**	**17,170,611**	

Land and Building has been mortgaged for securing NCDs - Refer Note 5 c

13. Intangible assets

Particulars	Software	Total	Previous Year
Gross block			
At 01 April 2018	602,594	**602,594**	**385,594**
Additions	2,725,000	**2,725,000**	**217,000**
Disposals	-	-	-
At 31 March 2019	**3,327,594**	**3,327,594**	**602,594**
Amortisation			
At 01 April 2018	369,983	**369,983**	**218,174**
for the Year	876,607	**876,607**	**151,812**
Disposals	-	-	-
At 31 March 2019	**1,246,590**	**1,246,590**	**369,986**
Net block			
At 31 March 2019	2,081,004	**2,081,004**	**232,608**
At 31 March 2018	**232,608**		

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14 Non-current investments		As at 31 Mar. 2019		As at 31 Mar. 2018
In equity instruments (Non - Trade, unquoted)				
Investment in others				
2,400 (Previous Year 2,400) Equity Shares fully paid in Indo Deutch Proteins Ltd		1		1
3,600 (Previous Year 3,600) Equity Shares fully paid in Tina Electronics Ltd		1		1
2,000 (Previous Year 2,000) Equity Shares fully paid in Parasrampuria Industries Ltd		1		1
14,800 (Previous Year 14,800) Equity Shares fully paid in Naina Semiconductors Ltd		1		1
10,000 (Previous Year 10,000) Equity Shares fully paid in Asavi Financial Services Ltd	81,100		81,100	
Less: Provision for diminution	81,099	1	81,099	1
In mutual funds (Non-trade, unquoted)				
NIL (Previous Year 1,50,000 units) in Investment SBI Dual Advantage Fund-Series XIV-Reg-Growth-MF		-		1,758,810
		5		1,758,815
Aggregate carrying value of Quoted Investments		**-**		**1,758,810**
Aggregate carrying value of Unquoted Investments		**5**		**5**
Aggregate market value of Quoted Investment		**-**		**1,758,810**
Aggregate value of provision for diminution		**81,099**		**81,099**

15 Deferred tax asset (Net)		
Deferred tax Asset arising on account of		
Depreciation and amortisation	92,360	-
Amount allowable on payment basis	3,259,761	4,037,132
Provision against Loan Assets	24,705,041	25,292,562
Carry forward losses in a subsidiary company	9,811,445	-
Total deferred tax assets	**37,868,607**	**29,329,694**
Deferred tax liabilities arising on account of		
Depreciation and amortisation	-	109,136
Others	39,213	-
Total deferred tax liability	**39,213**	**109,136**
Deferred tax assets (net)	**37,829,394**	**29,220,558**

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16 Loans and advances

(Unsecured, unless otherwise stated)	As at 31 March 2019		As at 31 March 2018	
	Long-Term	Short-Term	Long-Term	Short-Term
(a) Loan to customers				
Secured, considered good Asset*	205,170,222	280,439,873	-	-
Secured, considered sub standard Asset**	21,573,023	53,557,198	-	-
Secured, considered doubtful**	48,435,796	276,545,065	-	-
Unsecured, considered good*	2,223,254,826	2,893,998,998	2,312,628,105	3,948,513,251
Unsecured, considered sub standard**	21,960,742	177,173,413	818,352,728	39,354,093
Unsecured, considered doubtful**	348,576	7,665,459	11,008,594	15,129,383
(b) Security deposits [refer (i) below]	65,000,000	65,097,500	74,500,000	71,715,496
(c) Loan to related Parties:				
-Capital Employee Welfare Trust $	80,510,000	-	80,510,000	-
(d) Other loans & advances				
Prepaid expenses	-	3,016,230	45,925	1,028,169
Unamortised Ancillary cost of arranging the borrowings	33,237,857	28,473,538	43,902,674	29,259,881
Loan to employees	-	70,262	-	-
(e) Advances recoverable in cash or kind	-	16,237,078	-	29,379,236
Less: Provision for doubtful advances	-	(7,760,043)	-	(1,281,511)
	2,699,491,042	**3,794,514,571**	**3,340,948,026**	**4,133,097,998**

* Represents standard assets classified in accordance with the RBI prudential norms (refer note 16(a))
** Represents non-performing assets classified in accordance with the RBI prudential norms (refer note 16(a))
(i) Represents deposits placed as margin money to avail term loans from financial institutions.
$ Refer note 3 (f) and 28

16(a) Loan to customers

Loans to customers has been classified in accordance with the directives issued by RBI prudential norms, read with accounting policy. The details are as follows:

		As at 31 March 2019			
Asset Classification	Classification criteria	Secured		UnSecured	
		Amount outstanding	Provision	Amount outstanding	Provision
Standard assets	Less than or equal to 3 Months	485,610,095	1,942,440	5,197,763,824	20,791,055
Sub Standard Asset	More than 3 Months and less than or equal to 15 Months	75,130,221	7,513,022	199,134,155	19,966,011
Doubtful Asset	More than 15 Months	324,980,861	67,950,683	-	-
Loan Loss Asset	More than 15 Months	-	-	8,014,035	8,014,035
Total		**885,721,177**	**77,406,145**	**5,404,912,014**	**48,771,101**

		As at 31 March 2018			
Asset Classification	Classification criteria	Secured		UnSecured	
		Amount outstanding	Provision	Amount outstanding	Provision
Standard assets	Less than or equal to 3 Months	-	-	6,261,141,356	25,044,565
Sub Standard Asset	More than 3 Months and less than or equal to 15 Months	-	-	857,706,821	87,598,587
Doubtful	More than 15 Months	-	-	26,137,977	26,137,977
Total		**-**	**-**	**7,144,986,154**	**138,781,129**

Consolidated Notes to financial statements
for the year ended 31st March 2019

17 Other assets

	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Bank deposits with maturity over 12 months @	157,631,777	-	102,550,000	-
Interest accrued but not due	38,794,303	30,246	10,357,264	26,249,638
Input tax credit	-	13,908,168	-	5,748,624
MAT Credit Entitlement	-	9,430,887	-	-
Other receivables	-	1,272,391	-	1,156,624
Income tax recoverable	-	46,010,125	-	-
	196,426,080	**70,651,817**	**112,907,264**	**33,154,886**

@ Represents deposits placed as margin money to avail term loans from banks and financial institutions.

18 Investment

	As at 31 March 2019	As at 31 March 2018
In mutual funds (Non-trade, quoted)		
1,50,000 units (Previous Year NIL) in Investment SBI Dual Advantage Fund-Series XIV-Reg-Growth-MF	1,758,810	-
	1,758,810	-
Aggregate carrying value of Quoted Investments	1,758,810	-
Aggregate carrying value of Unquoted Investments	-	-
Aggregate carrying value of Quoted Investment	1,853,205	-
Aggregate value of provision for diminution	-	-

19 Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Balances with banks		
- in current accounts	311,375,916	139,458,237
Cash in hand	8,697,628	5,055,773
Earmarked balances with banks		
- Unpaid dividend account	2,720,186	2,321,808
Other bank balances		
Bank deposits with maturity of less than 3 months $$	41,396,683	40,000,000
Bank deposits with maturity 3- 12 months $$	201,335,338	212,334,673
	565,525,751	**399,170,491**

$$ Represents deposits placed as margin money to avail term loans from banks and financial institutions.

20 Revenue from operations

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of services		
Interest on loan to customers	1,495,891,534	1,336,931,325
Other operating revenues		
Loan Processing fee	26,300,195	93,758,400
Assignor's Yield on Direct Assignments of Portfolio	138,513,363	18,913,522
Incidental Fee	1,080,450	-
Mortgage and verification fee	77,537,981	253,582,232
Other fee income	75,000	56,913,000
Commission income	-	6,563,625
Interest income on Security Deposits on Loan	12,112,276	12,450,917
Recovery against portfolio loan writen off in earlier years	19,691,757	-
	1,771,202,556	**1,779,113,021**

Consolidated Notes to financial statements

for the year ended 31st March 2019

21 Other income	Year ended 31 March 2019	Year ended 31 March 2018
Dividend Received	10,000	-
Gain on sale of current investments	6,264,986	16,883,059
Interest income on fixed deposit	28,607,382	24,852,040
Contingent provision against standard assets	2,311,069	-
Provision no longer required, written back	6,362,561	
Miscellaneous income	278,143	293,572
	43,834,141	**42,028,672**

22 Employee benefit expense	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	325,040,896	260,434,996
Contribution to provident fund and other funds	17,302,895	20,513,754
Staff welfare expenses	28,186,617	11,692,995
	370,530,408	**292,641,745**

23 Finance costs		
Interest expenses	725,970,820	621,624,496
Other borrowing costs	18,341,224	26,668,246
	744,312,044	**648,292,742**

24 Other expenses		
Rates & Taxes	4,669,921	6,333,118
Electricity	5,159,036	3,676,363
Rent	40,336,554	30,401,720
Reversal of input GST Credit	16,820,325	16,322,430
Repairs and maintenance -Others	8,260,170	11,890,206
Insurance	1,265,413	1,809,491
Professional and consultancy	67,195,067	21,502,888
Directors sitting fee	141,000	88,000
Business promotion expenses	1,372,764	17,151,252
Travelling and conveyance #	56,106,758	61,145,784
Communication costs	13,257,270	11,759,409
Printing and stationery	9,369,478	7,229,524
Commission	2,741,758	568,656
Verification Expenses	7,200,488	21,689,500
Payment to auditors (refer note (a) below)	645,181	533,390
Bank charges	3,751,621	9,250,507
Portfolio loan written off	28,499,840	417,189,550
Provision for non performing assets	15,726,272	150,296,043
Contingent provision against standard assets	-	7,593,357
Provision made towards employees fraud (including for earlier years Rs. 3,25,725/-)	6,478,532	-
Miscellaneous Expenses $	14,405,577	4,022,296
	303,403,025	**800,453,484**

Travelling and conveyance includes expenses of directors Rs.1,85,166 (Previous year Rs. 5,68,575)

$ including fee paid for increase in authorised share capital Rs. Nil (Previous year Rs. 9,90,000).

Consolidated Notes to financial statements
for the year ended 31st March 2019

(a) Payment to auditors	Year ended 31 March 2019	Year ended 31 March 2018
Parent Company auditors		
Statutory audit fee	400,000	300,000
Limited Review fee	125,000	75,000
Certification fee *	25,000	70,870
Reimbursement of Expenses **	35,181	27,520
	585,181	**473,390**

* including certification fee paid to previous auditor Rs. Nil (Previous Year 70,870)

** including certification fee paid to previous auditor Rs. Nil (Previous Year 18,260)

Subsidiary Company auditors		
Statutory audit fee	50,000	60,000
Tax audit	10,000	-
	60,000	**60,000**

25 Exceptional Items	As at 31 March 2019	As at 31 March 2018
Portfolio loan written off #	372,304,216	-
	372,304,216	**120,000**

In addition to the provisions made during the qtr as per prudential norms, the Company has written off loan aggregating of Rs. 37,23,04,216 as same could not be realized despite best efforts by Company.

26 Basic and Diluted Earning Per Share

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

Profit for the year	Rs.	24,151,713	13,726,066
Equity Shares Outstanding at the beginning of the year	Numbers	16,361,415	16,361,415
Equity Shares Outstanding at the end of the year	Numbers	16,361,415	16,361,415
Weighted Number of Equity Shares	Numbers	16,361,415	16,361,415
Earning Per Share of Rs. 10 Each			
- Basic	Rs.	1.48	0.84
- Diluted	Rs.	1.48	0.84

27 Contingent liabilities not provided for

Claims against the Company not acknowledged as debts	-	**28,600**

* Based on the expert opinion obtained by the company, crystallisation of liability on these items is not considered probable.

28 The Company has given interest free collateral free loan of Rs. 8,05,10,000 (Previous Year Rs. 8,05,10,000) in earlier year to Capital Employee Welfare Trust under the scheme Employee Stock Option Scheme ("ESOP") to purchase equity shares of the company under such scheme. The loan is repayable by the trust under a back to back arrangement by the trust with the employees of the company.

29 The Company has created ESPS Trust for the welfare of employees in the name of Capital Employees Welfare Trust. That the Trust is holding 143915 Equity shares in the company in the category of Non promoter Non Public. The Trust has not granted any options to the employees yet.

30 Rs. Nil (previous year Rs. 65,63,625) received as commission during the year from Yes Bank Limited on account of business correspondent (BC) agreement with the Bank. This BC commission is earned by the company on facilitation of advances in rural as well as urban areas on behalf of Yes Bank Limited. Total exposure of Yes Bank Limited on this portfolio is Nil as on 31 March 2019 (previous year Rs. Nil).

31 Segment Reporting - The Company operates in a single reportable segment i.e., financing, which has similar risks and returns for the purpose of AS 17 on 'Segment Reporting'. The Company operates in a single geographical segment i.e.., domestic market.

32 Operating Lease - Office premises are obtained on operating lease. Lease payments made under non cancellable operating lease aggregating to Rs. 77,40,000 (previous year: Rs. 46,80,000) disclosed as rent and the same has been recognised as an expense in the statement of profit and loss.

The company has taken the office premises on lease under operating lease arrangements. The contractual future lease payment obligation in respect of the lease are as under:

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Operating lease expenses recognised during the year	7,740,000	4,680,000
Minimum Lease Obligation:		
- within one year	7,422,000	4,680,000
- later one year but not later five years	36,759,600	26,721,300
- later five years	30,101,423	26,267,438

Consolidated Notes to financial statements

for the year ended 31st March 2019

		Year ended 31 March 2019	Year ended 31 March 2018
33	**Disclosure as per accounting standard - 15 (Employees' Benefit)**		
a)	**Defined Contribution Plan-**		
	The company has been recognized following amounts in statement of Profit & Loss for the year		
	Contribution to employees Provident fund	14,002,714	9,544,586
b)	**Defined benefit plan - gratuity (funded)**		
	The following table set out the status of the gratuity plan as required under AS 15 (Revised 2005):		
	Statement of profit and loss		
i)	**A reconciliation of opening & closing balances of the present value of defined benefit (DBO)**		
	Opening DBO	8,944,539	7,261,645
	Past & Current service cost	1,557,344	3,136,498
	Interest cost	608,229	464,745
	Benefits paid	(2,933,019)	(28,269)
	Actuarial (gain)/losses	992,977	(1,890,080)
	Closing defined benefit obligation	**9,170,070**	**8,944,539**
ii)	**A reconciliation of opening & closing balances of the fair value of plan assets**		
	Opening Fair Value of Plan Assets	869,629	733,047
	Expected Return on Plan Assets	70,614	60,476
	Actuarial Gain /(loss) on Plan Assets	(23,575)	(989)
	Contributions by the employer	2,646,330	105,364
	Benefits Paid	(2,933,019)	(28,269)
	Closing Fair Value of Plan Assets	**629,979**	**869,629**
iii)	**A reconciliation of present value of the defined benefit obligation & the fair value of the plan assets to the assets recognized in the balance sheet**		
	Present value of defined benefit obligation at the end of the period	9,170,070	8,944,539
	Fair value of plan assets at the end of the year	629,979	869,629
	Liability recognised in balance sheet	**8,540,091**	**8,074,910**
iv)	**The total expense recognised in the statement of Profit & Loss**		
	Past & Current service cost	1,557,344	3,136,498
	Interest cost	608,229	464,745
	Expected return on plan assets	(70,614)	(60,476)
	Actuarial (gain)/loss	1,016,552	(1,889,091)
	Net Gratuity Cost	**3,111,511**	**1,651,676**
v)	**Following are the principal actuarial assumptions used as the balance sheet date :**		
	Discount rate	7.30	6.80
	Expected rate of return on plan assets	7.42	8.12
	Average salary escalation rate	10.00	10.00
	Average remaining working life of the employees(years)	30.81	31.35

vi) Disclosure as required under Para120(n)

Amount recognised in current year and previous four years	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
Present value of DBO	**9,170,070**	8,944,539	7,261,645	6,693,116	5,815,540
Fair value of Plan assets	**629,979**	869,629	733,047	1,417,690	1,220,475
Surplus/(deficit) in the plan	**(8,540,091)**	(8,074,910)	(6,528,598)	(5,275,426)	(4,595,065)
Experience adjustments on plan liabilities loss	**992,977**	(1,890,080)	(1,890,080)	73,024	7,545
Experience adjustments on plan assets gain/(loss)	**(23,575)**	(989)	(989)	-	(5,059)

The estimates of the future salary increase considered in actuarial valuation take account of inflation, senority, promotion and other relevant factors.

Consolidated Notes to financial statements
for the year ended 31st March 2019

34 Related party disclosure

As per Accounting Standard-18 (Related Party Disclosures) to the extent identified by the Company

a) Name and relationship of related parties :

Key Management Personnel (KMP)	Mr. Yogen Khosla (Managing Director) Mrs. Anju Khosla (Executive Director, Wife of Managing Director)
Relatives of Key Management Personnel	Mr. Vahin Khosla (Son of Managing Director) Mr. Yuv Vir Khosla (Son of Managing Director)
Enterprise over which KMP and their relatives is having significant influence	Indo Crediop Private Limited Moonlight Equity Private Limited Capital Employee Welfare Trust Capital Trust Infotech Private Limited Vaibhav Farms Private Limited

b) Transactions with related parties during the year

Particulars	Subsidiary	Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprise over which KMP & their relatives can exercise significant influence
Loan taken				
Indo Crediop Private Limited	-	-	-	44,000,000
	-	-	-	(6,500,000)
Moonlight Equity Private Limited	-	-	-	-
	-	-	-	(37,300,000)
Capital Trust Infotech Private Limited	-	-	-	13,000,000
	-	-	-	-
Vaibhav Farms Pvt Ltd	-	-	-	10,000,000
	-	-	-	-
Loan repaid				
Moonlight Equity Private Limited	-	-	-	-
	-	-	-	(38,300,000)
Indo Crediop Private Limited	-	-	-	44,000,000
	-	-	-	(6,500,000)
Capital Trust Infotech Private Limited	-	-	-	13,000,000
Vaibhav Farms Pvt Ltd	-	-	-	10,000,000
Interest Paid				
Moonlight Equity Private Limited	-	-	-	-
	-	-	-	(743,233)
Indo Crediop Private Limited	-	-	-	763,397
	-	-	-	(436,566)

Consolidated Notes to financial statements

for the year ended 31st March 2019

Particulars	Subsidiary	Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprise over which KMP & their relatives can exercise significant influence
Interest Paid				
Capital Trust Infotech Private Limited	-	-	-	237,151
	-	-	-	-
Vaibhav Farms Pvt Ltd	-	-	-	70,137
	-	-	-	-
Remuneration				
Mr. Yogen Khosla (Managing Director)	-	16,602,784	-	-
	-	(11,905,576)	-	-
Mrs. Anju Khosla	-	9,569,756	-	-
	-	(6,735,592)	-	-
Mr. Vahin Khosla	-	-	3,119,154	-
		-	(2,958,600)	-
Mr. Yuv Vir Khosla	-	-	2,037,496	-
	-	-	(1,347,114)	-
Outstanding balance at the year end				
Loans & Advances:				
Capital Employee Welfare Trust	-	-	-	80,510,000
	-	-	-	(80,510,000)
Interest Payable				
Indo Crediop Private Limited	-	-	-	-
	-	-	-	(92,867)
Salary payable:				
Mr. Yogen Khosla (Managing Director)	-	925,000	-	-
	-	(1,151,000)	-	-
Mrs. Anju Khosla	-	615,000	-	-
	-	(693,000)	-	-
Mr. Vahin Khosla	-	-	228,024	-
	-	-	(310,860)	-
Mr. Yuv Vir Khosla	-	-	158,333	-
	-	-	(194,738)	-

Apart from above Managing director and a director of the company has given corporate guarantees to the bankers to secure loan availed by the company.

Consolidated Notes to financial statements
for the year ended 31st March 2019

35 Foreign currency outflow on travelling and business promotion expenses are Nil/- (previous year Rs. Nil/-)

36 Remittance in foreign currency on account of Dividends

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Amount of dividend remitted in foreign exchange #	32883	26769
Number of Non-Resident Shareholders	45	68
Number of Shares held by such Non-Resident Shareholders	21922	17846

Deposited in Indian Rupees in the Bank Accounts maintained by the shareholders in India

37 Disclosures as per schedule V of securities & exchange board of India (Listing Obligation and Disclosure Requirements Regulation, 2015.

Particulars	Closing Balance		Maximum Outstanding during	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Capital Trust Microfinance Pvt. Ltd	-	80,000,000	310,000,000	80,966,970
Capital Employee Welfare Trust	80,510,000	80,510,000	80,510,000	80,510,000

38 Disclosures under Section 186(4) of the Companies Act 2013

Particulars	Investment made / Loan given during the year	Balance of Investment / Loan as at 31 March, 2018	Rate of Interest	Purpose	Maturity Period
Loan given					
Capital Employee Welfare Trust	-	80,510,000	NIL	ESPS Scheme	Not Applicable

39 Pursuant to the master direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016, as amended from time to time ('the NBFC Master Directions, 2016') (updated as on March 9, 2017), the Company has become Systemically Important Non-Deposit taking Non-Banking Financial Company during the current year.

40 The board of directors has recommended dividend of Rs. 0.50 (Previous Year of Rs. 0.50) per equity shares aggregating Rs. 98,62,557 (Previous Year of Rs. 98,62,557) including corporate dividend tax of Rs. 16,80,125 (Previous Year of Rs. 16,80,125) for the financial year ended March 31, 2019 and same is subject to the approval of shareholders at the ensuring Annual General Meeting.

Consolidated Notes to financial statements
for the year ended 31st March 2019

41 In consolidated financial statements, the following shall be disclosed by way of additional information:

Particulars	As at 31st March, 2019				As at 31st March, 2018			
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent								
Capital Trust Limited*	85.14%	1,875,163,376	-315.31%	(76,151,937)	79.05%	1,729,731,813	453.78%	62,285,945
Subsidiary Companies								
1. Capital Trust Microfinance Private Limited	14.86%	327,273,586	452.27%	109,230,563	15.85%	346,925,882	-400.67%	(54,995,647)
2. Capital Trust Housing Finance Private Limited	0.00%	44,839	-36.96%	(8,926,912)	5.10%	111,535,766	46.89%	6,435,767
Total	**100%**	**2,202,481,801**	**100%**	**24,151,714**	**100.00%**	**2,188,193,461**	**100%**	**13,726,065**

* After eliminating intra group transactions

(b) Statement containing salient features of the financial statement of Subsidiary Company, Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Name of Subsidiary Companies	As at 31st March, 2019		As at 31st March, 2018	
	Capital Trust Microfinance Private Limited	Capital Trust Housing Finance Private Limited	Capital Trust Microfinance Private Limited	Capital Trust Housing Finance Private Limited
Reporting Period	1st April, 18 to 31st March, 19	1st April, 18 to 31st March, 19	1st April, 17 to 31st March, 18	1st April, 17 to 31st March, 18
Reporting Currency	INR	INR	INR	INR
Share Capital	162,001,000	105,100,000	162,000,000	105,099,000
Reserves & Surplus	184,925,061	11,839,332	184,925,061	6,435,706
Total Assets	541,843,070	121,525,855	634,348,875	113,577,700
Total Liabilities	184,689,484	4,586,523	287,422,814	2,041,933
Investments	-	-	-	-
Turnover (Net)	156,232,127	15,706,131	110,162,984	9,915,003
Profit/(Loss) for the year before tax	148,154	7,468,417	(53,323,670)	8,667,700
Tax Expense	(10,079,370)	2,064,852	(1,671,977)	2,231,933
Profit/(Loss) for the year after tax	10,227,524	5,403,565	(51,651,693)	6,435,767
Percentage of Shareholding	100%	100%	100%	100%

42 Previous year's figures have been taken regrouped/ reclassified to conform to current year's figures wherever required.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B.K. Sipani
Partner
Membership No. 088926

Place: New Delhi
Date: 27th May, 2019

For and on behalf of the Board of Directors of
Capital Trust Limited

Yogen Khosla
CEO & Managing Director
DIN 00203165

Tanya Sethi
Company Secretary
M. No. A31566

Vijay Kumar
Director
DIN 05300541

Notice

NOTICE is hereby given that the 33rd Annual General Meeting (AGM) of the members of Capital Trust Limited (the Company) will be held on Monday, the 30th day of September, 2019, at 09:00 a.m. at 366 Sultanpur, MG Road, New Delhi-110030 to transact the following business:

ORDINARY BUSINESS

ITEM NO. 1 ADOPTION OF FINANCIAL STATEMENTS

To consider and adopt the audited financial statements (both standalone and consolidated) of the Company for the financial year ended March 31, 2019, which include the Statement of Profit & Loss and Cash Flow Statement for the year ended March 31, 2019, the Balance Sheet as on that date, the Auditors' Report thereon.

ITEM NO. 2 DECLARATION OF DIVIDEND

To declare a dividend at a rate of 5% i.e Rs. 0.50 per equity share for the financial year 2018-19.

ITEM NO. 3 APPOINTMENT OF DIRECTOR

To appoint a Director in place of Mrs. Anju Khosla (DIN-03496484), who retires by rotation and, being eligible, offers herself for re-appointment.

ITEM NO. 4 RATIFICATION OF APPOINTMENT OF AUDITORS

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139, Section 142, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the appointment of M/s. Singhi & Co, Chartered Accountants (Firm Registration No. FRN 302049E) as Statutory Auditors of the Company to hold office from the conclusion of the 31st Annual General Meeting of the Company to the conclusion of the 36th Annual General Meeting to be held in year 2022, on a remuneration as may be agreed upon by the Board of Directors and the Auditors, be and is hereby ratified."

SPECIAL BUSINESS

ITEM NO. 5 APPROVAL TO CONTINUE COL. VIJAY KUMAR (RETD.) AS INDEPENDENT DIRECTOR

To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, the approval of the members is given for the continuation of appointment of Col. Vijay Kumar (Retd.) (DIN: 05300541), as Independent Director of the Company for a further period of 5 years with effect from September 29, 2019."

ITEM NO. 6 RAISING OF FUNDS THROUGH VARIOUS OPTIONS INCLUDING QUALIFIED INSTITUTIONAL PLACEMENT/ NON CONVERTIBLE DEBENTURES UPTO RS. 1000 CRORES.

To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 42 and 62, and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the applicable rules thereunder and also including any relevant provisions of the Companies Act, 1956 to the extent that such provisions of the Companies Act, 1956 have not been superseded by the Companies Act, 2013 (the "**Companies Act**"), the provisions of the Memorandum of Association and Articles of Association of the Company, and in accordance with any other applicable law or regulation, in India or outside India, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), the listing agreements entered into with the respective stock exchanges where the shares of the Company are listed (the "**Stock Exchanges**"), the provisions of the Foreign Exchange Management Act, 1999, as amended ("**FEMA**"), including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended (the "**FCCB Scheme**"), the Depository Receipts Scheme, 2014, the Consolidated Foreign Direct Investment Policy issued by the Department of

Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued from time to time by the Government of India ("**GOI**"), the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("S**EBI**"), the Registrar of Companies (the "**RoC**"), the Stock Exchanges, and/ or any other competent authorities and subject to any required approvals, consents, permissions and/or sanctions from the Ministry of Finance (Department of Economic Affairs), the Ministry of Commerce and Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance), SEBI, the RoC, RBI and any other appropriate statutory, regulatory or other authority and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and/or sanctions, the consent of the shareholders of the company be and is hereby accorded to Board of Directors of the Company (hereinafter called the "**Board**" which term shall be deemed to include any committee which the Board has constituted, to create, issue, offer and allot (including with provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons including employees of the Company, as may be permitted under applicable law), either in India or in the course of international offering(s) in one or more foreign markets, equity shares of the Company with a face value of Rs. 10 each (Rupees Ten only) (the "**Equity Shares**"), global depository receipts ("**GDRs**"), American depository receipts ("**ADRs**"), foreign currency convertible bonds ("**FCCBs**") and/or other financial instruments convertible into or exchangeable for Equity Shares (including warrants, or otherwise, in registered or bearer form), fully convertible debentures, partly convertible debentures, non-convertible debentures ("**NCDs**") with warrants and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holder to convert or subscribe to Equity Shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as the "**Securities**") or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in foreign currency, through public and/or private offerings, including without limitation through a qualified institutions placement ("**QIP**") (in accordance with Chapter VIII of the SEBI ICDR Regulations), or any combination thereof or by the issue of prospectus and/or placement document and/or other permissible/requisite offer document to any eligible person(s), including but not limited to qualified institutional buyers (as defined in the SEBI ICDR Regulations) ("**QIBs**") in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternative investment funds, foreign institutional investors, foreign portfolio investors, Indian and/or bilateral and/or multilateral financial institutions, non-resident Indians, stabilizing agents, state industrial development corporations, insurance companies, provident funds, pension funds and/or any other categories of investors whether or not such investors are members of the Company (collectively referred to as the "**Investors**"), as may be decided by the Board at its discretion and permitted under applicable laws and regulations for an aggregate amount not exceeding Rs. 1000 Crores (Rupees One Thousand Crores only) (Out of which Rs. 500 Crores (Rupees Five Hundred Crores) shall be for Fully Convertible Debentures/Partly Convertible Debentures/ Non-Convertible Debentures ("NCDS")/Foreign Currency Convertible Bonds ("FCCBS")) or equivalent thereof either in any foreign currency and/or equivalent Indian Rupees, inclusive of such premium as may be fixed on such Securities at such a time or times, in such a manner and on such terms and conditions including security, rate of interest, discount (as permitted under applicable law) etc., as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with the lead manager(s) and/or underwriter(s) and/or other advisor(s) for such issue. The number and/or price of Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER THAT if any issue of Securities is made by way of a QIP in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as "**Eligible Securities**" within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination thereof as may be decided by the Board, shall be completed within 12 (twelve) months from the date of approval of the shareholders of the Company by way of a special resolution for approving the QIP or such other time as may be allowed under the SEBI ICDR Regulations, at a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations, provided that the Board may, in accordance with applicable law, offer a discount of not more than 5% (five per cent.) or such percentage as permitted under applicable law, on such price determined in accordance with the pricing formula provided under Chapter

VIII of the SEBI ICDR Regulations. The Eligible Securities shall be allotted as fully paid-up (subject to allottees having the option to pay either full or part consideration for warrants, with the balance consideration being payable at or by the time of exercise of such warrants, where the tenure of any convertible or exchangeable Eligible Securities shall not exceed 60 (sixty) months from the date of allotment), and the aggregate of all QIPs made by the Company in the same financial year shall not exceed five times the net worth of the Company as per the audited balance sheet of the previous financial year.

RESOLVED FURTHER THAT in the event that the Equity Shares are issued to QIBs under Chapter VIII of the SEBI ICDR Regulations, the "relevant date" for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares, and in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs under Chapter VIII of the SEBI ICDR Regulations, the "relevant date" for the purpose of pricing of such convertible securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities are entitled to apply for Equity Shares or such other time as may be permitted by the SEBI ICDR Regulations, subject to any relevant provisions of applicable laws, rules, regulations, as amended, from time to time.

RESOLVED FURTHER THAT the relevant date for the determination of the applicable price for the issue of any other Securities shall be as per the regulations/guidelines prescribed by SEBI, the Ministry of Finance, RBI, GoI through their various departments, or any other regulator, as the case may be, and the pricing of any Equity Shares issued upon the conversion of such Securities shall be made subject to and in compliance with the applicable rules and regulations.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:

a) he Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company; and

b) any Equity Shares that may be created, offered, issued and allotted by the Company shall rank *paripassu* with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT in addition to all applicable Indian laws, the Securities issued pursuant to this Resolution shall also be governed by all applicable laws of any foreign jurisdiction where such Securities are or are proposed to be marketed or listed, or that may in any other manner apply in this relation.

"RESOLVED FURTHER THAT a Securities Committee constituted by the Board be and is hereby authorized to do such acts, deeds and things in its absolute discretion as it deems necessary or expedient in connection with the creation, offer, issue, allotment, dematerialization or listing of the Securities, etc., including, without limitation, the following:

(a) appointing managers, arrangers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees, escrow banks and all other agencies, intermediaries or advisors, whether in India or abroad, and finalizing the terms of and entering into or execution of all such agreements, arrangements or other documents with any such agencies, intermediaries or advisors, as may be required or expedient;

(b) applying for and obtaining the consent of any relevant regulatory authorities/agencies, the Company's lenders/creditors, or any other parties (including, without limitation, any experts or persons with whom the Company has entered into commercial or other agreements), as may be required or expedient;

(c) finalization and approval, and making arrangements for the submission, of the preliminary and/or draft and/or final placement document/offering circulars/information memoranda/prospectuses/offer documents, and any addenda or corrigenda thereto, with any applicable regulatory authorities or agencies, as may be required;

(d) determining the pricing and terms of the Securities (including, in the case of an issuance of FCCBs/ADRs/GDRs in accordance with the relevant provisions of the FCCB Scheme or the Depository Receipts Scheme, 2014; or in case of a QIP, determining the floor price and the final allotment price in accordance with the SEBI ICDR Regulations and/or any other applicable laws, including any discount of up to 5% (five per cent.) of the floor price or such other discount as may be permitted under applicable law), the date for the opening and closure of the subscription period for the Securities (including the extension of such subscription period, as may be necessary or expedient), and all other related matters (including, without limitation, taking any action or decision in relation to two-way fungibility between FCCBs/ADRs/GDRs and underlying Equity Shares or in relation to payment in calls for the Securities, insofar as may be permitted under applicable law and relevant regulatory approvals);

(e) approval of the letters of allotment, security certificates, listing applications, engagement letters, memoranda of

understanding and any other agreements or documents, placement agreement(s), deposit agreement(s), purchase/subscription/underwriting agreement(s), trust deed(s), indenture(s), escrow agreement(s), etc., including amending, varying or modifying the same, as may be necessary or expedient;

(f) opening one or more bank accounts in the name of the Company or otherwise, in Indian currency or foreign currency(ies), with such banks in India and/or such foreign countries, as may be necessary or expedient in connection with the issue and allotment of the Securities;

(g) finalization of the basis of allotment of the Securities on the basis of the subscriptions received (including in the event of over-subscription);

(h) seeking listing of the Securities on any Indian and/or foreign stock exchanges, submitting listing applications to such stock exchanges and taking all actions that may be necessary in connection with obtaining or ensuring such listing;

(i) convening any meetings of the shareholders of the Company either by way of an extraordinary general meeting or passing resolutions through postal ballot;

(j) authorization of any director or officers of the Company, including by the grant of powers of attorney and/or on joint and/or several basis, to do such acts, deeds and things as the authorized persons in his or their absolute discretion may deem necessary or expedient in connection with the offer, issue and allotment of the Securities; and

(k) all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or expedient, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the Securities."

By Order of the Board of Directors
For Capital Trust Limited

Sd/-
Tanya Sethi
Company Secretary

Date: May 27, 2019
Place: New Delhi

NOTES

1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy, duly completed, must be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A proxy form is enclosed herewith.

2) Corporate members are requested to send a duly certified copy of the board resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote on their behalf at the Meeting.

3) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days of notice in writing is given to the Company.

4) Members/Proxies/Authorised Representatives should bring the duly filled Attendance Slips enclosed to attend the meeting.

5) Explanatory statement pursuant to section 102(1) of the Companies Act, 2013 forms part of this notice.

6) The register of members and the share transfer books of the Company will remain closed from September 24, 2019 to September 30, 2019, (both days inclusive) for the purpose of payment of final dividend for the financial year 2018-19.

7) Dividend as recommended by Directors in their Board Meeting held on May 27, 2019, if declared at the meeting, will be paid within 30 days from the date of declaration to those members who hold shares in dematerialised mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on Monday, September 23, 2019 and in physical mode, if their names appear in the Company's

Register of Members after giving effect to all valid transfers in physical form lodged with the Company and / or its Registrar and Transfer Agents on or before Monday September 23, 2019.

8) Members holding shares in electronic form may please note that: (a) the dividend, when declared, will be credited to their respective Bank Accounts as furnished to the respective Depository Participant(s), through Electronic Clearing Service (ECS), where this facility is available; (b) in other cases, Bank details as furnished to the respective Depository Participants will be printed on the Dividend Warrants as per the applicable regulations.

9) Members holding shares in electronic form are requested to direct change of address notifications and updates of Saving Bank details to their respective Depository Participant(s). Members, holding shares in physical form, are requested to notify change of address, if any, to the share transfer agent (i.e. MAS services Limited) of the Company on or before Monday, September 23, 2019.

10) Members who wish to claim dividends, which have remained unclaimed, are requested to correspond with the Registrar and Transfer Agent and Company Secretary at the registered office of the company. Pursuant to Section 124 of the Companies Act, 2013, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. After such transfer no claim of the members whatsoever shall subsist on the said amount.

11) With a view of using natural resources responsibly, we request shareholders to kindly register/update their email address with their respective depository participant(s), where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address by writing to the Registrar and Transfer Agent at T-34, IInd Floor, Okhla Industrial Area, Phase-II , New Delhi-110020 in order to receive communications through electronic means, including annual reports and notices, members are requested.

12) In compliance with provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by Companies (Management and Administration) Rules,2015 and in accordance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, the Company is pleased to provide Electronic Voting("e-voting") facility to its Members holding shares in physicalor dematerialized form, as on the cut-off date, being Monday, September 23, 2019, through Electronic platform of National Securities Depositary Limited (NSDL). The facility for casting votes through Polling paper will also be made available at the AGM and members and members attending AGM, who havenot already cast their votes by remote-voting shall be able to vote at the AGM. The instructions to E-voting form part of Notice.

13) The E-voting period commences on September 27, 2019 from 09:00 am to September 29, 2019, 5 p.m

14) Mr Shashank Sharma of M/s Shashank Sharma & Associates, Company Secretaries (ACS-19311), will act as the Scrutinizer to scrutinize the e-voting process and conducting the Polling process in a fair and transparent manner.

15) Annual Report for the financial year 2018-19 including notice of thirty second AGM and instructions to E-voting , along with Attendance Slips and Proxy Forms are being sent on Email IDs of those members whose E-mail IDs are registered with the Depository Participant(s)/Company, unless a member has requested for a physical copy of the same. The Documents shall be sent through permitted mode to all members holding shares in physical mode.

16) Documents referred to in the notice and the explanatory statement shall be kept open for inspection by the members at the registered office of the Company on all working days (Monday to Saturday) from 10.00 a.m. to 01.00 p.m. except holidays, upto the date of the meeting. The Annual Report shall also be available on company's website www.capital-trust.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 5

Col. Vijay Kumar (Retd.) is an independent director of the company and has been appointed for a period of 5 years. The period is expiring on 30th September, 2019. In pursuant to the provisions of Sections 149 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, the appointment of Independent Director is for period of 5 years. It is recommended that Col. Vijay Kumar (Retd.) (DIN: 05300541), shall contnue to be the

Independent Director of the Company for a further period of 5 years with effect from September 29, 2019.

Except Col. Vijay Kumar (Retd), none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.6.

ITEM NO. 6

Pursuant to the relevant Sections of the Companies Act, including, without limitation, Section 62 of the Companies Act, 2013, any offer or issue of securities in the Company to persons other than members of the Company requires prior approval of the members by way of Special Resolution.

Your Directors draw your attention to the fact that the Company requires additional capital in the future to meet the needs of its growing business and to augment the Company's capital base and financial position. Accordingly, it is proposed that equity or equity-linked debt capital raising be undertaken by the Company, which would involve creating, offering, issuing and allotting securities to eligible investors, as stated in the resolution at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions as may be deemed appropriate by the Board at its discretion, taking into consideration market conditions and other relevant factors and wherever necessary in consultation with lead managers and other advisors, either in one or more foreign currencies or Indian Rupees inclusive of such premium as may be determined by the Board, all in accordance with applicable laws. The Company intends to issue securities for an aggregate amount not exceeding Rs. 1000 Crores (Rupees One thousand Crores) (Out of which Rs. 500 Crores (Rupees Five Hundred Crores) shall be for Fully Convertible Debentures/Partly Convertible Debentures/ Non-Convertible Debentures ("NCDS")/Foreign Currency Convertible Bonds ("FCCBS")) or equivalent thereof or its equivalent in one or more tranches. This is an enabling Resolution and the Company will issue new Securities, subject to applicable law and necessary compliances.

This Special Resolution, among other things, seeks to enable the Board of Directors (including any duly authorized committee thereof) to undertake a Qualified Institutions Placement to Qualified Institutional Buyers in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009, amended (the "**SEBI ICDR Regulations**") as prescribed under Chapter VIII of the SEBI ICDR Regulations for the purposes mentioned above, without the need for fresh approval from the shareholders.

Basis or Justification of Price: The pricing of the Securities to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be determined by the Board in accordance with the regulations on pricing of securities determined in accordance with Chapter VIII the SEBI ICDR Regulations. The "Relevant Date" for this purpose, in case of allotment of Equity Shares, will be the date when the Board decides to open the issue, or, in case of convertible securities, the date of the meeting in which the Board or a committee thereof decides to open the issue of the convertible securities. The resolution enables the Board of Directors to, in accordance with applicable laws, offer a discount of not more than 5% (five per cent.) or such percentage as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations.

The Special Resolution also enables the Board to issue Securities in tranches, at such times, at such prices and to such person(s) including institutions, bodies incorporated and/or individuals or otherwise as the Board deems fit. The Company with this resolution intends to retain the right and flexibility to issue securities including but not limited to GDRs, ADRs, FCCBs and Equity Shares.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the lead manager(s) and other advisors appointed in relation to the proposed issue and such other authorities as may be required, taking into consideration market conditions and in accordance with applicable law. The Equity Shares allotted or arising out of conversion of any Securities will be listed and traded on stock exchanges where Equity Shares of the Company are currently listed ("**Stock Exchanges**"), subject to obtaining necessary approvals. The offer/ issue/ allotment/ conversion/ redemption of Securities would be subject to obtaining regulatory approvals, if any by the Company. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and any provisions of the listing agreements entered into with the Stock Exchanges.

The Board of Directors of the Company commends the Resolution as set out at Item No.6 of the accompanying Notice for approval of the members by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the aforesaid Resolution.

Information pursuant to the Listing Regulations and Secretarial Standards in respect to Appointment/ Re-appointment of Directors

1	Name of Director	Mrs. Anju Khosla	Col. Vijay Kumar (Retd.)
2	Category	Non Executive Director	Independent Director
3	DIN No	03496484	05300541
4	Date of birth	04.04.1966	06.01.1961
5	Qualification	Master in Business Economics	Post Graduate
6	Nature of Expertise/Experience	Training	Training and HR
7	Brief Resume	Appended at end of this table	Appended at end of this table
8	Appointment on the Board	27.03.2015	27.05.2019
9	Terms & Conditions of Appointment/ re-appointment	Re-appointment as Director	Re-Appointment as an Independent Director for 5 years
10	Last Drawn Remuneration Details along with remuneration sought to be paid	Rs. 10219756	As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board/Committee.
11	No. of shares held in the company as at March 31, 2019	Not Applicable	Not Applicable
12	Relationship with other Directors/ Manager/KMP	Relative of the Managing Director	No Relation
13	o. of Board meetings attended out of -------- meetings held during the year	5	Not Applicable
14	Directorship details	1. Capital Trust Microfinance Private Limited 2. Capital Trust Infotech Private Limited	1. Capital Trust Microfinance Private Limited 2. Capital Trust Housing Finance Private Limited 3. Velo Sportive Private Limited
15	Committee Positions	3	5

Brief Resume of the Directors proposed to be appointed/ reappointed:

Mrs. Anju Khosla

Mrs. Anju Khosla graduated from Delhi University and has a Master's degree in Business Economics. She joined Capital Trust in 1989 and was initially involved with the Consultancy division. Subsequently, she handled an authorized dealership for Honda two wheelers for 3 years, which was acknowledged as the second best dealership in North India.

Col. Vijay Kumar (Retd.)

Col. Vijay Kumar (Retd.) is a retired colonel from the Indian army. He has held various important appointments in the Army, including GSO 1 (Ops) of Northern Command and Secretary to Principal Personnel Officers Committee. After an illustrious career in the Army, Col Vijay Kumar took pre-mature retirement in 2008 and joined the corporate world looking after Training and Development in HCL Infosystems Ltd. The exposure in HCL has given him a deep insight into the functioning of the corporate world. He joined the Board in 2013. He is also a Principal Consultant with Franklin Covey South Asia.

The procedure and instructions for e-voting:

i. In case of Members receiving e-mail from NSDL (for those members whose e-mail addresses are registered with Company/Depositories):

a) Open e-mail and then open PDF file viz., "CTL-remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains the User ID and password for e-Voting. Please note that the password is an initial password.

b) Launch internet browser by typing the following URL in the address bar: www. evoting.nsdl.com.

c) Click on "Shareholder" – "Login".

d) Enter User ID and password as initial password noted in step (a) above. Click "Login".

e) Password change menu appears. Change the password with new password of your choice with minimum 8 digits or characters or a combination of both. Note the new password. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.

f) Home page of 'e-Voting' opens. Click on "e-Voting" icon and select "Active E-voting Cycles".

g) Select 'EVEN' of CAPITAL TRUST LIMITED.

h) Now you are ready for "e-Voting" as "Cast Vote" page opens.

i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

j) Upon confirmation, the message 'Vote cast successfully' will be displayed.

k) Once you have voted on the resolution, you will not be allowed to modify your vote.

l) Institutional shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board resolution/authority letter etc., together with attested specimen signature of the duly authorized signatory(ies), who are authorized to vote, to the Scrutinizer at his e-mail id: shashankcsu@gmail.com with a copy marked to evoting@nsdl.co.in.

ii. **In case of Members receiving physical copies of the Notice of Annual General Meeting (for Members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy):**

Initial password is provided at the bottom of the Attendance slip.

(b) Please follow all steps from Sl. No. i) (b) to (l) above, to cast your vote.

In case of any queries, you may refer to the "Frequently Asked Questions (FAQs) for Members" and "e-Voting user manual for Members" available at the "downloads" section of www.evoting.nsdl.com or contact NSDL at the following telephone No.1800-222-990.

If you are already registered with NSDL for e-Voting, then you can use your existing User ID and password for casting your vote and there is no need to register once again.

You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2019.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 23rd September, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. or RTA, MAS Services Limited.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com.

iii. A member may participate in the AGM even after exercising his right to vote through remote-e-voting but shall not be allowed to vote again at the AGM.

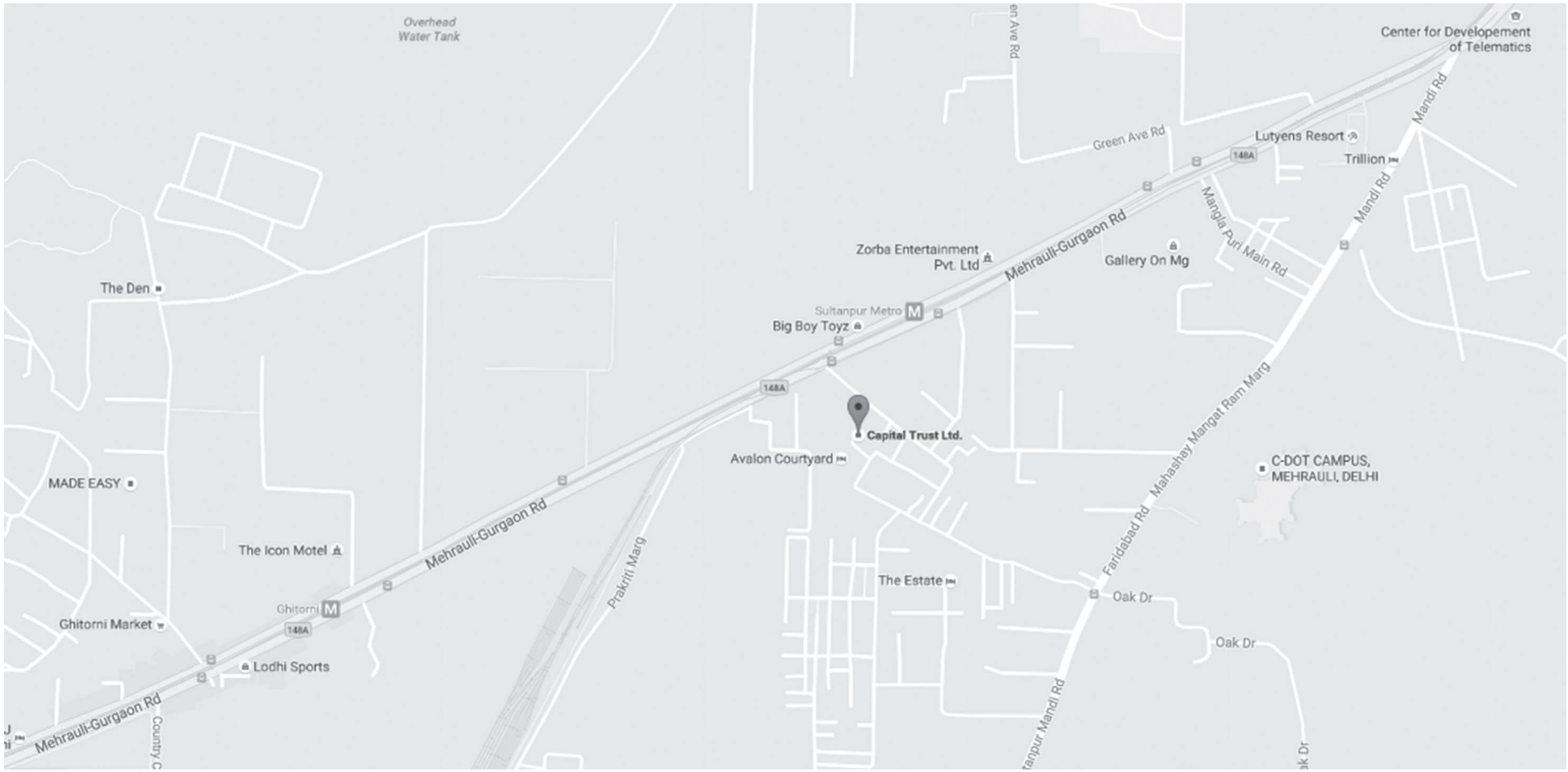
iv. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date (i.e. 23rd September, 2019) only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.

v. M. Shashank Sharma , Company Secretary in Whole-Time Practice (ACS No. 19311), will be acting as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

vi. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

vii. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the company www.capital-trust.com and NSDL, immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to BSE Limited, Mumbai.

Road map for the Venue of the Annual General Meeting



Attendance Slip

Capital Trust Limited

Registered Office:
366 Sultanpur, MG Road, New Delhi-110030
Ph:9999074312 Email: cs@capitaltrust.in Web:www.capital-trust.com

Client ID*..... DP ID No.*.....

L.F. No.(s)..... No. of Shares Hold.....

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders may obtain additional Attendance slips on request.

Name & Address of Shareholders/ Proxy .....

.....

.....

I hereby record my presence at the Annual General Meeting of the Company to be held on Monday, September 30, 2019 at 09:00A.M. at 366 Sultanpur, MG Road, New Delhi- 110030.

SIGNATURE OF THE SHAREHOLDER OR PROXY

* Applicable for members holding shares in electronic form

Form MGT 11
Proxy form

[Pursuant to section 105(6) & rule 19.3 of The Companies (Management and Administrative) Rules, 2014]

CIN: L65923DL1985PLC195299
Name of the company: Capital Trust Limited
Registered office: 366 Sultanpur, MG Road, New Delhi-110030

I/We,

Name of the member : .....

Registered Address : .....

E-mail id : .....

Folio No/ Client Id : .....

DP ID : .....

being the member(s) of ..... shares of the above named company, hereby appoint(s)

1. Name:.....Address: .....

   E-mail Id:.....Signature: .....or failing him

2. Name:.....Address: .....

   E-mail Id:.....Signature: .....or failing him

3. Name:.....Address: .....

   E-mail Id:.....Signature: .....or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting/ Extraordinary general meeting of the company to be held on Monday, September 30, 2019 at 09:00 a.m. at 366 Sultanpur, MG Road, New Delhi-110030 and at any adjournment thereof in respect of such resolution(s) as are indicated below:

Resolution No.

Affix revenue

Signed this…… day of…… 20….

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Capital Trust

Capital Trust Limited
CIN-L65923DL1985PLC195299
366 Sultanpur, MG Road, New Delhi - 110030
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Web: www.capital-trust.com