

# Empowering enterprises.

# Enriching lives.



 **Capital Trust**

Capital Trust Limited  
30<sup>th</sup> Annual Report 2015-16

# What's Inside

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01	Empowering Enterprises. Enriching Lives.
02	Corporate Snapshot
04	Empowering Enterprises
06	Message from the Chairman & Managing Director
08	Enriching Lives
10	Board of Directors and Key Management Team
12	Corporate Information
13	Management Discussion and Analysis
20	Director's Report
41	Corporate Governance Report
51	Financial Statement
73	Notice of AGM

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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 inaccurate, 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.



It's been 25 years of economic reforms in India...

...and yet, the 48 million MSMEs (micro, small and medium enterprises) who form the heart of Entrepreneurial India are still largely bypassed by the financial markets.

These MSMEs represent the 'missing middle' segment that is un-catered by financial lenders who prefer top of the pyramid or the bottom.

These MSMEs are the growth engines of the economy employing over 111.4 million people, contributing 37.5% to the country's GDP, 45% to the total manufacturing output and 40% to the country's exports.

**The India growth story is built around the triumphs of millions of MSMEs.**

**As India powers ahead as the world's fastest growing major economy, it is these MSMEs who will propel India's progress and prosperity in the coming years.**

**At Capital Trust, we focus on financing the dreams and aspirations of these entrepreneurial millions by...**

**Empowering enterprises.**

**Enriching lives.**



## Corporate Snapshot

**Capital Trust is one of the fastest growing Non-Banking Finance Company (NBFC).** It is amongst the few companies operating in the space of both microfinance and MSME industry.

### PROFILE

Capital Trust Limited is a Non-Banking Finance Company (NBFC) listed on the Bombay Stock Exchange with the market capitalisation of over ₹ 246.07 Crores\* as on March 31, 2016. The Company has a legacy of over 30 years in the field of financial services. Incorporated in 1985, Company's list of promoters included Mr. K.R. Puri (former Governor, RBI), Mr. R.K. Kaul (former Deputy Governor, RBI) and Justice H.S. Beg (former Chief Justice of India). The Company is headquartered in New Delhi and is presently operating from an area of more than 15,000 Sq. Ft. Initial years of the Company were predominantly engaged in providing consultancy services to foreign banks. Capital Trust has represented over 25 international banks including likes of Commonwealth Bank of Australia and Royal Bank of Canada, Banco Sabadell, etc. The Company also had joint ventures with Development Bank of Singapore for Stock Broking activities and Kinetic Group to finance 'Kinetic Honda' scooters in North India. It started providing two-wheeler financing in 2004 and continued in this business until 2008.

In 2008, the Company forayed in the business of microfinance. The operations were kickstarted by Intellectash, a microfinance incubator. The Company continued operating in the microfinance industry till 2012. It was in this year that RBI came up with guidelines preventing NBFCs to be operating in the microfinance industry unless they convert themselves to a NBFC-MFI. Seeing the potential in the economic strata right above microfinance customers, the Company remodelled itself into a MSME and small enterprise lender and started working in the Micro, Small and Medium Enterprises (MSME) Sector. The Company stayed focussed in the same areas of operation and lent larger sums of money to a slightly higher category of people in the same geography. In 2014, however, after RBI's regulation allowing NBFCs to operate in the microfinance industry as a Business Correspondent of a Bank, Capital Trust Limited joined hands with Yes Bank Limited and started operating in the microfinance sector as their official Business correspondent. Owing to this regulation, Capital Trust Limited became one of the only Company's in the nation that could operate in both, the MSME and the microfinance sector.

As of March 31, 2016, Capital Trust Limited had assets under management of more than ₹ 300 Crores. The Company provides loans from ₹ 15,000 – ₹ 5,00,000 and operates through 84 branches in 5 states and 20 districts. All branches work within an area of 15 km only. The Company provides its clients the required financial literacy right at their doorstep and our branches serve as a one-stop solution for all their financial needs.

The Company makes use of state-of-the-art technology to keep operations efficient and low cost. The technology electronically connects all its branches for online data entry and real time report generation. The Company works on a hub-and-spoke model.

### BUSINESS AREAS

ENTERPRISE  
LOANS TO  
MSMEs

MICROFINANCE LOANS  
TO SHGs AS A BUSINESS  
CORRESPONDENT OF  
YES BANK



## SECTORS ADDRESSED

The Company is providing loans to the customers who are engaged in various activities like farming, dairy livestock, small manufacturing firms, trade, etc. This has helped the Company have varied portfolio. Details of sector wise loan percentage to total loan outstanding as on March 31, 2016 are given here below:

Sector	%age of loan outstanding
 Dairy and Livestock	<b>39.21%</b>
 Services	<b>19.92%</b>
 Retail	<b>16.62%</b>
 Manufacturing	<b>9.45%</b>
 Trading	<b>8.89%</b>
 Food	<b>3.94%</b>
 Agriculture	<b>1.15%</b>
 Two-Wheeler	<b>0.72%</b>
 Home Improvement Loan	<b>0.09%</b>
 Small Commercial Vehicle	<b>0.01%</b>
<b>Total</b>	<b>100.00%</b>

## OVER THE YEARS

- 1985** Commenced operations by providing consultancy to Foreign Banks
- 1992** Forayed to 2-Wheeler financing through 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** Got Equity investment of ₹ 66.73 Crores

## GEOGRAPHIC REACH

The Company follows a hub-and-spoke model of operations through five branches (one high street branch at district headquarter and four block level branches) in one district.

<b>84</b> BRANCHES	<b>20</b> DISTRICTS
<b>5</b> STATES	<b>15KM</b> MAXIMUM DISTANCE OF OUR CLIENTS FROM THE NEAREST BRANCH

Presence in:

- ✦ **Uttar Pradesh** - Agra, Aligarh, Amroha, Badaun, Bareilly, Bijnor, Bulandshahr, Hapur, Hathras, Khurja, Mathura, Moradabad, Saharanpur, Shahjahanpur
- ✦ **Punjab** - Bhatinda, Patiala, Sangrur
- ✦ **Delhi**
- ✦ **Uttarakhand** - Dehradun, Haridwar, Nainital
- ✦ **Rajasthan**

The Company is now planning to enter Madhya Pradesh

## A SNAPSHOT OF PERFORMANCE IN 2015-16

<b>₹ 304.16</b> Crores Total Asset Under Management as on March 31, 2016	<b>107,977</b> No. of borrowers as on March 31, 2016	<b>₹ 327.04</b> Crores Credit disbursed till March 31, 2016
<b>848</b> Staff strength as on March 31, 2016	<b>₹ 160.90</b> Crores Net Worth as on March 31, 2016	<b>15.03%</b> Net Interest margin in 2015-16
<b>29.54%</b> Operating Cost to Revenue ratio in 2015-16	<b>8.38%</b> Return on Assets	<b>12.58%</b> Return on Net Worth as on March 31, 2016
<b>₹ 24.46</b> Earnings Per Share	<b>₹ 109.70</b> Book Value Per Share	<b>77.50%</b> Capital Adequacy Ratio

\*The market capitalisation excludes market value of 6167500 equity shares allotted on March 29, 2016 which were not listed on March 31, 2016. The shares are now listed at Bombay Stock Exchange.

# Empowering Enterprises

## 1

### ENTERPRISE LOANS

#### BUSINESS SNAPSHOT

Total enterprise loan portfolio as on March 31, 2016	<b>₹ 211.55 Crores</b> (Micro-Enterprise Loan: <b>55%</b> Secured-Enterprise Loan: <b>45%</b> )
Own portfolio	<b>64%</b>
Managed portfolio	<b>36%</b>
Interest income in 2015-16	<b>₹ 28.34 Crores</b>
Increase in loan book over 2014-15	<b>63.33%</b>

#### OVERVIEW

The Company commenced this business in 2012 with the objective of providing enterprise loans to MSMEs for enabling them to enhance business operations and finance equipments. The credit limit for enterprise loans ranges from ₹ 75,000 - ₹ 5,00,000 with a tenure of 30-60 months. High interest rates and efficient business operations enable the Company to earn nearly 30-32% yield on the portfolio. All the loans provided by the Company are covered either by joint liability or the client's original property documents.

#### OVERVIEW OF BOTH PRODUCTS

- Credit disbursed during the year increased by **57.14%** to **₹ 104.42 Crores** over 2014-15
- Portfolio under management increased from **₹ 186.22 Crores** to **₹ 304.16 Crores** showing increase of 63%  
Gross income increased by **36%**
- Net Profit increased by **109%**
- Interest reduced by **14%**
- During the year, the Company has been able to raise **₹ 66.73 Crores** from the investors through preferential allotment
- Company recommended dividend of **₹ 1.50** per equity share

#### GROWTH STRATEGY

The Company will focus on increasing the quality of portfolio.

Geographical Expansion by opening new branches. Taking the branch count to 140 branches in 30 districts and expand into other neighbouring states like Punjab, Rajasthan, Haryana, Uttarakhand, Madhya Pradesh and Gujarat.

Tapping the sector which is ignored by banks being small in size and also ignored by MFIs being large in size.

#### OUTLOOK

The Non Banking Financial Sector has been growing year-on-year basis. The aggregated balance sheet of the NBFC sector expanded by 15.5 per cent on a y-o-y basis in March 2016 as compared to 15.7 per cent in the previous year. Loans and advances increased by 16.6 per cent, while total borrowings increased by 15.3 per cent in March 2016.

The Union Budget 2016-17 has offered 5% deduction in respect of provision for bad and doubtful debts and fulfilled the long-standing demand. Till now, NBFCs were not allowed deduction under Income Tax Act for NPA provisions.

NBFCs have been targeting the informal segment consisting of individuals that are either self-employed or employed in the informal sector. But this segment poses asset quality issues. Going ahead, NBFCs will have wider access to consumer data thanks to the new digital-age that will simplify their asset quality concerns. Moreover, NBFCs can partner with payment banks and small financial banks and provide more financial offerings to customers thereby boosting their growth prospects.

The credit penetration of NBFCs in India at 13% of GDP is still low compared to other emerging economies, according to a report by Boston Consulting Group (BCG). This in turn presents a big untapped opportunity.

The revival of economic growth in future backed by government focus on infrastructure development in the country is expected to provide huge scope to NBFCs engaged in infrastructure financing.

The conversion of ten micro finance institutions (MFIs) into small finance banks in the next one year is expected to provide space for growth to other NBFCs-MFIs.



# 2

## MICROFINANCE LOANS

### BUSINESS SNAPSHOT

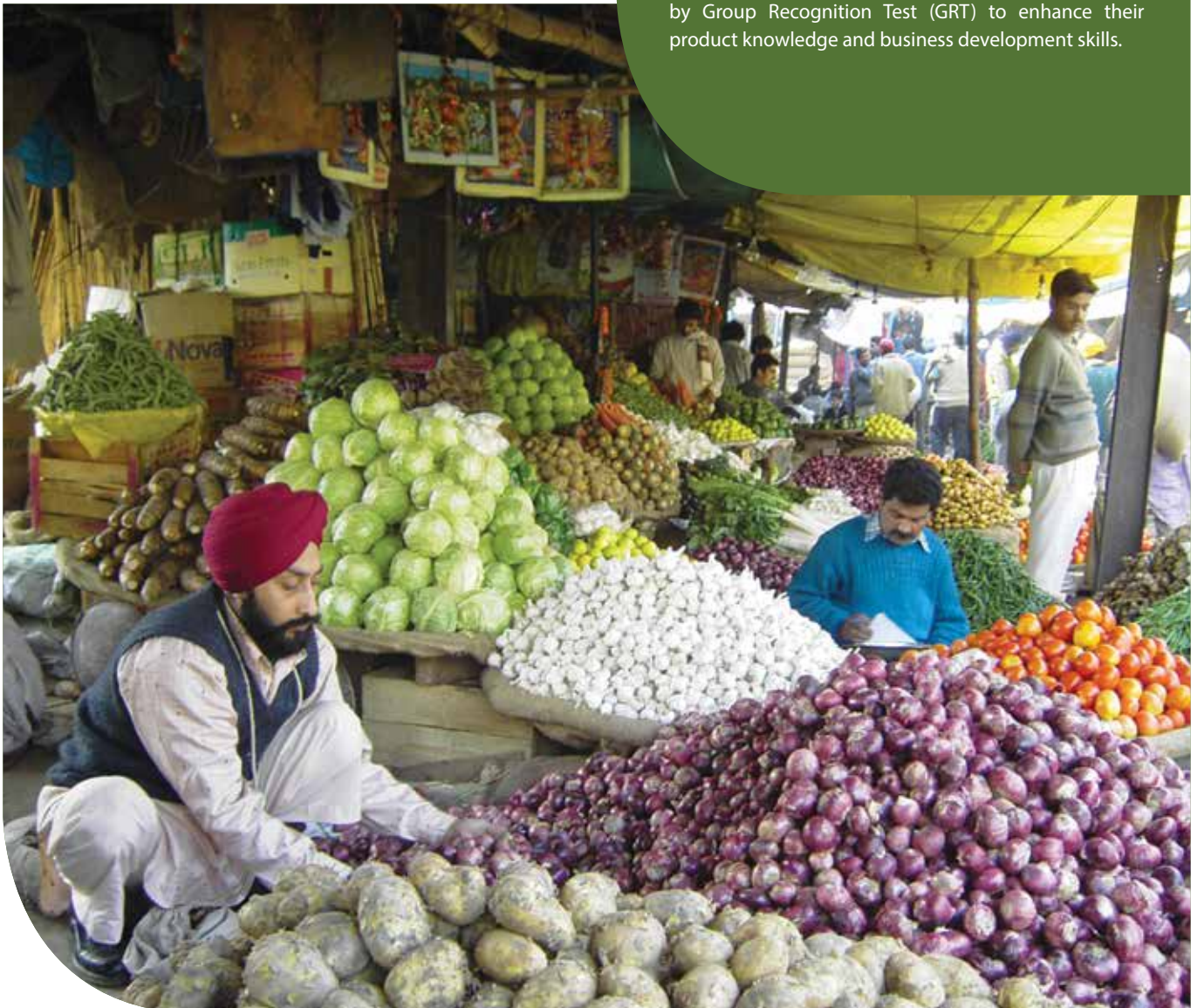
Total YBL (Yes Bank Limited) microfinance loans as on March 31, 2016 **₹ 92.61 Crores**

Commission income in 2015-16 **₹ 10.5 Crores**

Increase in loan book over 2014-15 **63.33%**

### OVERVIEW

The Company forayed into the micro finance business in 2008. In 2014, that the Company became a business correspondent of Yes Bank for providing micro finance to small business units and Self Help Groups. The credit limit for micro finance loans ranges from ₹ 15,000 - ₹ 35,000 with a tenure of 24 months. The business provides a yield of nearly 11% on the entire portfolio with credit risk being limited to 7.5%. The employees are provided a Compulsory Group Training (CGT) followed by Group Recognition Test (GRT) to enhance their product knowledge and business development skills.



# Message from the Chairman & Managing Director

## Dear Shareholders,

I am pleased to present to you the 2015-16 Annual Report of the Company. The current fiscal has been an exciting one for your Company for some good reasons. To begin with, the macro-economic scenario of the country is pretty strong with positive developments in manufacturing sector and business environment. The Indian economy grew strongly by 7.6% amidst a rather gloomy external environment as major economies globally witnessed slowdown owing to weak commodity prices, volatile financial markets and slowing global trade. On the other hand, in India, inflation and fiscal deficit came down to bearable limits, interest rates declined and forex reserves strengthened.

The Indian economy that was challenged by slow work-in-progress, stalled projects, delayed clearances and negativity is changing due to initiatives like 'Make in India', 'Start-up India', 'Jan Dhan Yojana', 'Digital India' and 'Swachh Bharat Abhiyan' along with government's increasing focus on fast-tracking projects, easing business scenario and commitment towards fiscal targets is improving the country's outlook. In the World Bank's ease of doing business index, India moved ahead four places to 130 out of 189 countries, an indicator of improving business scenario.

The micro finance and MSME financing is amongst the most important but most ignored in India. MSMEs, representing a major chunk of the country's manufacturing sector, often face lack of support and financing as banks and other financing agencies focus on either big or small ticket size financing. These enterprises represent the 'missing middle' segment with widening credit demand gap. Despite a compounded growth of 25% in total credit given to the sector during 2005-14, the sector still has a credit demand gap of ₹ 32.5 trillion. As per RBI, only 7.42% of the gross non-food credit from scheduled commercial

banks (SCBs) was lent to MSMEs as on March 2016 against 11.15% on March 2010.

The Government of India established Micro Units Development and Refinance Agency Ltd (MUDRA) in April 2015 for developing and refinancing all micro-finance institutions (MFIs) that are engaged in the business of lending credits to micro and small entities in manufacturing, services and trading activities. During 2016, the total funding to micro units under Pradhan Mantri MUDRA Yojana (PMMY) increased by ₹ 10,767 Crores to ₹ 1,32,955 Crores. In 2016-17, the government has set a target of ₹ 1.8 Lakh Crores credit disbursement under MUDRA.

## HIGHLIGHTS, 2015-16

The Company witnessed a strong performance during the current fiscal as revenues increased 53% from ₹ 40.09 Crores in 2014-15 to ₹ 61.31 Crores, while PAT grew 110% from ₹ 9.65 Crores in 2014-15 to ₹ 20.25 Crores.

A major development during the year was fresh capital infusion in the business worth ₹ 61.3 Crores, ₹ 2.71 Crores and ₹ 2.71 Crores from Lighthouse Funds (19.26% stake), Seven Hills Capital (0.85%) and Emkay Fincap Limited (0.85%) stake respectively. The additional capital resulted in our net worth surging 632% to ₹ 160.90 Crores. It shall enable us to expand and grow aggressively.

The Net Interest Margin of the Company declined 449 basis points to 15.03%. While the Net Operating Income grew 36.25% in absolute terms to ₹ 54.46 Crores as the gross assets under management (AUM) grew 63% to ₹ 304.16 Crores. The primary reason for the decline in net interest margin was due to increase in managed portfolio and micro finance loans (as a business correspondent

**“In the World Bank's Ease of Doing Business Index, India moved ahead four places to 130 out of 189 countries, an indicator of improving business scenario.”**





**“The Indian economy that was challenged by slow work-in-progress, stalled projects, delayed clearances and negativity is changing due to initiatives like ‘Make in India’, ‘Start-up India’, ‘Jan Dhan Yojana’, ‘Digital India’ and ‘Swachh Bharat Abhiyan’.”**

of Yes Bank) that generated lower yields as compared to own enterprise loans. However, these businesses provide us the necessary volume growth for expanding operations.

The capital adequacy ratio is at a comfortable level of 77.50%, providing us enough room for comfortable expansion.

### **STRATEGIC DIRECTION**

The Company has played all its cards rightly – it has strengthened financially, has a well performing business model, has an experienced team of financial experts guiding the business, has backing from reputed fund houses and most importantly is in the right business area that has lately become a Government focus area for promoting entrepreneurship and manufacturing sector in India which is of utmost importance for the country’s 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 four to five times the current level. We further intend to grow aggressively through acquiring NBFC-MFI in the near future.

In the short term, we shall focus only on the existing geographies that we currently operate in. These geographies have tremendous

opportunities and we have just managed to scratch the surface. These regions shall provide steady business over the next couple of years as we leverage our existing strengths to grow with a more concerted effort.

We also look forward to develop banking and other debt financing partnerships that shall enable us to strengthen our position as a credit financier. These partnerships would help us in maturing in credit space and open up a gamut of opportunities for the long term growth.

### **MESSAGE TO SHAREHOLDERS**

I thank you all for your continued support and trust in the Company. I would like to assure you that we are working extremely hard to create a sustainable organisation that maximises returns during favourable times while at the same time protect bottomline during a downturn.

Regards,

**Yogen Khosla**

Chairman & Managing Director



## Enriching Lives

### Hard Work and Self Belief is the Key to Success



This story is of Mukesh Kumar and his wife Rukmani from Hathras who with their dedication and hardwork have made a mark in the society. It is said that for a successful person, self confidence is must which Mukesh and Rukmani had. The only issue was that they did not have money and right guidance. In that process, they met Central Manager of M/s Capital Trust Limited (CTL) and informed that they were having a small business of Cosmetics which they wanted to expand. Central Manager of CTL informed them about the loan procedure and the terms and conditions. After their consent, they became a part of the group and were given a loan of ₹ 10,000. The money was used by them in cosmetics business and business started to grow. They returned the loan taken within a time limit of one year. This boosted their confidence. After one year, they came to CTL office and showed their intention to take a loan of ₹ 14,000. The Company, based on their previous loan track record sanctioned the loan on 24.12.2010. By investing this money in Cosmetics business, the business, started to grow very fast. They repaid the loan taken from CTL along with interest easily. After the expansion of the business, they again approached CTL for new loan of ₹ 15,000. With this money, they started the business of lighting along with cosmetics. The business grew and they were gradually climbing the steps of growth. After that they did not look back. They repaid the instalments on time and CTL helped them whenever they needed the money. In December 2012, they took a loan of ₹ 20,000 from CTL and started the DJ work also along with lighting. After that they opened the Beauty Parlour with the borrowed money from Capital Trust Limited. After paying 10 instalments for their loan of ₹ 1,00,000, they have enhanced their loan amount to ₹ 2,50,000 and invested the same into their business. Today, Mukesh Kumar and Rukmani are living a successful life. It is all due to their hardwork and commitment and faith on Capital Trust Limited.





## Pappu Khan's Success Story from Bottom to Top



This is an amazing story of Pappu Khan and his wife Guddi who live in Hathras District of Uttar Pradesh. Pappu Khan who started his journey with his wife, three sons and one daughter in a small half build house and earning from a rented stall (Dhakil) and were struggling for a livelihood. He was earning approx. 2k to 3k per month and expending lots of money on food & medicine due to which he could not grow and expand his business.

One day Central Manager of Capital Trust Ltd. visited and surveyed near his home. He also met Pappu Khan and his wife Guddi. They discussed about the loan procedure of the company. Pappu was feeling so happy after hearing this. He found hope and decided to take this opportunity immediately. After a few days, he visited our branch at Hathras and cleared all the confusions regarding the loan procedure and decided to take loan from the company.

After completing all the documentation and adopting the set procedure, he took a loan of ₹ 16,000 from Capital Trust Ltd. The loan was sanctioned on March 22, 2012. After getting the loan amount, he decided to start his own stall (Dhakil) business. In this way, he started earning profit of ₹ 4,000- ₹ 5,000 monthly. After getting success in his business, he decided to go further to expand his business

area. So, after completing 46 instalments on time, he again visited the branch and applied for renewal loan of ₹ 20,000. The loan was sanctioned on February 14, 2013.

He started earning well with his Dhakil and he opened Barber Shop with his elder son Aarif Khan. They started running their business with full of energy to get maximum profit. After few months, his elder son got married and his second son name Sharif Khan started working in Anaj Mandi (Galla Mandi) as contractor. The family was having a good life and all the loan repayments were made on time. Riding high on confidence, they decided to go for higher loan amount of ₹ 1,20,000 from Capital Trust under SEL category. With this amount, he opened one General Store with his younger son named Ishaq Khan. Presently, Pappu Khan is running 3 Shops (Dhakil, Barber Shop, General Store) with the help of his sons and his personal income is approx. ₹ 25,000 to 30,000 and the family income ₹ 1,20,000 per month. With his hardwork and dedication and hand holding of Capital Trust from time to time, Pappu Khan is leading a good life.

# Board of Directors and Key Management Team

## BOARD OF DIRECTORS



### Mr. Yogen Khosla

Chairman & Managing Director

Mr. Yogen Khosla is a finance veteran with over 20 years of experience. He holds a Bachelor's degree in Commerce and has studied at the Ealing College in London. He was a Board member of Kinetic Capital Finance (A joint venture between Capital Trust Limited and Development Bank of

Singapore). He was also a Board member of DBS Capital Trust Securities India Pvt. Limited from 1996 to 2002. Since 2003, he has been working as the Managing Director of Capital Trust Limited. He introduced the Company into the MSME business.

Presently, Mr. Yogen Khosla is the Chairman and Managing Director of the Company.



### Colonel Vijay Kumar (Retd.)

Independent Director

Col. Vijay Kumar is the Director of the Company since 2013. He is a retired Indian army colonel having held important positions in the Army, including GSO 1 (Ops) of Northern Command and Secretary to Principal Personnel

Officers Committee. Post his illustrious career in the Army, he took a premature 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 is also a Principal Consultant with Franklin Covey South Asia.



### Mr. Hari Baskaran

Independent Director

Mr. Baskaran is a non executive independent director on the Board of Capital Trust Limited. He is an alumnus of the Indian Institute of Management (Bangalore) and the College of Engineering (Guindy, Chennai). He is a business leader, mentor and executive coach with a successful track record of achievements

having guided individuals, who now hold key positions in several leading companies. Currently, Mr. Baskaran is assisting young professionals and entrepreneurs as an executive coach and management consultant by conducting various leadership development programmes.



### Mrs. Anju Khosla

Executive Director

Mrs. Anju Khosla is the Executive Director heading the training department of the Company. She joined the Company in 1989 involving with the Consultancy division. She is a Delhi University graduate and has a Master's degree in Business Economics. She has the experience of handling an authorised dealership for Honda

two wheelers for 3 years, which was acknowledged as the second best dealership in North India for systems and client satisfaction.



### Mr. Surendra Mahanti

Independent Director

Mr. Mahanti is the Director of the Company since 2004. He brings with him rich banking knowledge and the SHG (Self Help Group) banking model. He is a bank veteran with 30 years of experience and the credit of heading Puri Grameen Bank in Odisha that was primarily engaged in rural banking,

agricultural and animal husbandry loans and microfinance. Currently, he is also engaged with a few non-governmental organisations (NGOs) for capacity building.



### Capt. Manpreet Singh Chawla (Retd.)

Independent Director

Capt. Manpreet Singh Chawla (Retd.) is an independent director in the Company. He is a commerce graduate from Delhi University. After graduation, he joined Indian Military Academy in 1985 and retired as Captain. After his tenure with Indian Army, he started his own venture.

He is expert in liaisoning and has good experience in administration matters.



## KEY MANAGERIAL TEAM



### Mr. Vinod Raina

Head - Legal and Compliances

Mr. Vinod Raina is a Fellow member of Institute of Company Secretaries of India and Law Graduate with over 15 years' experience in the areas of Legal Compliances, Legal Management, Litigation, Secretarial Functions, Financial Management, Fund

Raising, Statutory Compliances, Treasury Management, Listing, Corporate Governance and Liaison Work. He 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. He is 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. Mr. Vinod Raina has got opportunity of working in IT Services, Management Consultancy, Manufacturing, Financial and Banking sector.



### Mr. Karan Singh

General Manager - Operations

Mr. Karan Singh has been with Capital Trust Limited for the last 23 years. He is one of the pillars of the Company and is efficiently handling all the operational functions of the Company. Mr. Karan Singh is well-versed with the NBFC business working. Mr. Karan Singh

is a graduate and has a diverse experience in staff and customer handling.



### Mr. Rakesh K. Saxena

Head - Finance

Mr. Rakesh K. Saxena is an ex-banker with more than 37 years of experience at various senior positions. Before joining Capital Trust, he was Deputy General Manager, Indian Overseas Bank. His expertise includes fund raising, fund utilisation, resources

mobilisation and risk management. Mr. Saxena has received various trainings on leadership grooming, marketing and business development and managing relationships with existing customers and adding new clients.



### Mr. Piyush Dahiya

Asst. Vice President

Mr. Piyush Dahiya has got an experience of more than 5 years in corporate sector including ICICI Bank and Yes Bank. His experience ranges from revenue tracking and analysis, develop and implement business strategies, manage

vendor relationships, acquire, grow and manage portfolio of clients, prepare credit proposals to evaluate credit / risk profile of companies. Mr. Dahiya is Management graduate from IIM, Kolkata and B. Tech from NIT, Kurukshetra. He is also a Certified Lean Six Sigma Green Belt practitioner by KPMG, 2016.



### Mr. Anand Ballabh Sharma

Asst. Vice President

Mr. Anand is product of Indian Institute of Management, Lucknow with Post Graduate Diploma in Agricultural Business Management. He has also done Bachelor of Engineering from College of Technology and Engineering, Udaipur. Mr. Anand has got

experience in identifying and sourcing of new business in Agri Commodity Financing, Credit Assessment/Financial Analysis, Risk Management and MIS Management. Before joining Capital Trust, he has worked with Azim Premji Foundation, L & T Finance Limited.



### Mr. G. Adarsh

Asst. Vice President

Mr. Adarsh has completed his Management programme from Indian Institute of Management, Indore after obtaining Mechanical Engineering degree from Osmania University, Hyderabad. Before joining Capital Trust, Adarsh has worked

with Bharat Petroleum Corporation Limited and ACC Limited. He has got the experience in research projects (both primary and secondary), analysis of data and insights in areas such as industry trends, consumer behaviour and market opportunity.



### Mr. Sukumara Pillai

Head - Accounts

Mr. Sukumara Pillai has been associated with the Company since last 30 years. Mr. Sukumara graduated from Kerala University in 1980 with a degree in commerce. He is the longest serving employee of Capital Trust, having been with the Company since its

inception in 1985. He is heading the Accounts department of the Company. Mr. Sukumara is accounting professional who is able to coordinate with all the Government departments. He has got a rich experience in taxation also.

# Corporate Information

## REGISTERED & CORPORATE OFFICE

366 Sultanpur, MG Road,  
New Delhi - 110 030  
Tel. : 9999074312  
E-mail : info@capital-trust.com  
(CIN- L65923DL1985PLC195299)

## BOARD OF DIRECTORS

Mr. Surendra Mahanti  
Mr. Yogen Khosla (Chairman and Managing Director)  
Col. Vijay Kumar (Retd.)  
Mr. Hari Baskaran  
Mrs. Anju Khosla  
Capt. Manpreet Singh Chawla (Retd.)

## BOARD COMMITTEES:

### AUDIT COMMITTEE

#### Members

Mr. Hari Baskaran  
Col. Vijay Kumar (Retd.)  
Mr. Surendra Mahanti  
Capt. Manpreet Singh Chawla (Retd.)

### NOMINATION AND REMUNERATION COMMITTEE

#### Members

Mr. Hari Baskaran  
Col. Vijay Kumar (Retd.)  
Mr. Surendra Mahanti  
Capt. Manpreet Singh Chawla (Retd.)

### SHAREHOLDERS' GRIEVANCE COMMITTEE

#### Members

Mr. Hari Baskaran  
Col. Vijay Kumar (Retd.)  
Mr. Surendra Mahanti  
Capt. Manpreet Singh Chawla (Retd.)  
Mr. Yogen Khosla  
Mrs. Anju Khosla

## RISK MANAGEMENT COMMITTEE

### Members

Mr. Hari Baskaran  
Col. Vijay Kumar (Retd.)  
Mr. Surendra Mahanti

## COMPANY SECRETARY

Ms. Tanya Sethi

## CHIEF FINANCIAL OFFICER

Mr. Mukesh Sehgal

## BANKERS

State Bank of India  
Bank of Maharashtra  
HDFC Bank Limited

## AUDITORS

M/s SGR & Associates  
Chartered Accountants  
17A, Highway Apartments,  
DDA, SFS Flats  
Site-I, Gazipur, New Delhi - 110 096

## REGISTRAR & TRANSFER AGENT

Mas Services Limited  
T-34, IIInd Floor  
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# Management Discussion and Analysis

## ECONOMIC SCENARIO

### Global economy

The global economic growth slowed down to 3.1% in 2015 compared to 3.4% in 2014 as factors like weak commodity prices, declining capital flows to emerging economies, unsteady financial markets, slowing global trade and other non-financial troubles led to restrained growth. Emerging and developing nations, driven by growths in China and India, grew 4% compared to 4.6% in 2014 due to declining trade and depreciating currencies of countries in the region. China, despite growing 6.9%, witnessed its slowest growth in the past two decades. Brazil and Russia's economy declined 3.8% and 3.7% respectively.

The advanced economies grew 1.9% (same as last year) led by growth in Euro area (primarily France, Spain and Italy) that grew by 1.7% in 2015 compared to 0.9% in 2014. The US economy grew 2.4% amidst declining energy investments, trade and domestic demand.

The outlook for the global economy remains dull as it is expected to grow 3.1% in 2016 and then by 3.5% in 2017 as various economic and non-economic troubles would slow down growth momentum. (Source: World Economic Outlook, International Monetary Fund)

### Indian economy

The economy of India is the seventh-largest economy in the world measured by nominal GDP and the third-largest by purchasing power parity (PPP). The country is classified as a newly industrialised country, one of the G-20 major economies, a member of BRICS and a developing economy with an average growth rate of approximately 7% over the last two decades.

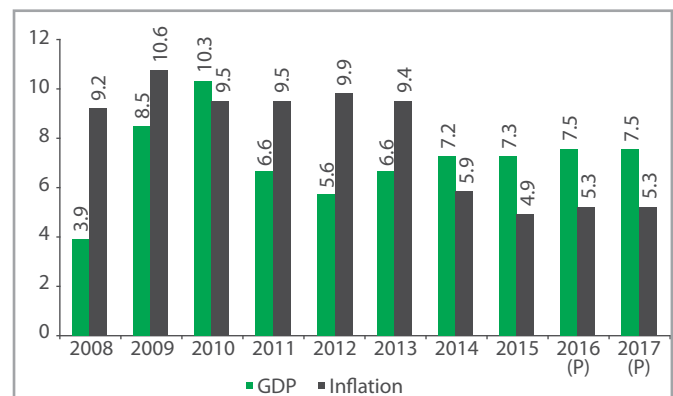
In 2015-16, the Indian economy emerged as the fastest growing major economies in the world with a growth of 7.6% compared to 7.2% in 2014-15 and that too at a time when most of the big economies struggled. The strong performance was strongly attributed to the favourable policies ('Make in India', 'Start-up India', 'Digital India', 'Jan Dhan Yojana' and 'Swachh Bharat Abhiyan') by the government, RBI's focus on controlling the macro-economic factors (inflation and interest rate) and the rising private consumption led by weak oil prices.

During the end of the current fiscal year, the fiscal deficit declined to 3.99% of the GDP, inflation was under 5%, repo rates decline 75 basis points to 6.75% and the foreign exchange reserves reached highs of USD 355.60 bn, equivalent to 10 months of imports. Most of the sectors of the economy performed well leading to an inclusive development. The agriculture sector grew 1.2%, services grew 8.8%, while the manufacturing sector, backed by 'Make in India' initiative grew strongly by 9.3%.

The stability of the current government, its commitment to fiscal targets and improving business scenario in the country has been appreciated by major global agencies like Asian Development Bank, IMF and World Bank. As per the World Bank's ease of doing

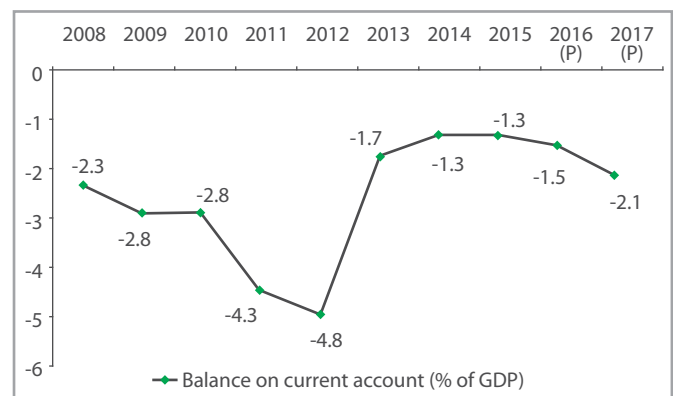
business index, the country's ranking improved by four points to 130 out of 189 countries. Besides, the initiatives to fast-track stalled projects, focus on single window clearance, easing of FDI policies and amendments in the real estate policies would further improve the country's investment and business environment. Moreover, the focus on making India a tourism hotspot shall generate additional employment and revenues.

### India: Annual percentage change in GDP and consumer prices



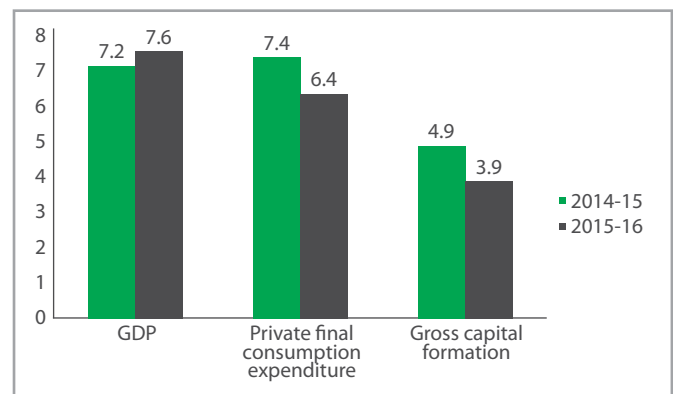
(Source: IMF economic outlook)

### India: Balance on current account as a percentage of GDP



(Source: IMF economic outlook)

### Year-on-year changes in GDP, private final consumption expenditure and gross capital formation (in %)



The current developments in the Indian economy have led the various agencies like World Bank and IMF to predict it as the world's fastest growing major economies in the world. RBI expects India to grow at 7.6% in 2016-17 driven by low oil prices, rising final consumption and increased infrastructure investments. Whereas, Mr. Arun Jaitley (Finance Minister, India), expects the country to grow over 8% backed by strong growth in the agriculture sector as forecasts of above normal rainfall is fructifying. He further expects the Indian economy to cross the USD 5 trillion dollar mark from the USD 2.07 trillion in 2015 in a matter of few years driven by various economic reforms. (Source: RBI: Monetary Policy Report, Central Statistics Office, World Bank, The Economic Times)

## INDUSTRY OVERVIEW

### The Indian financial services industry

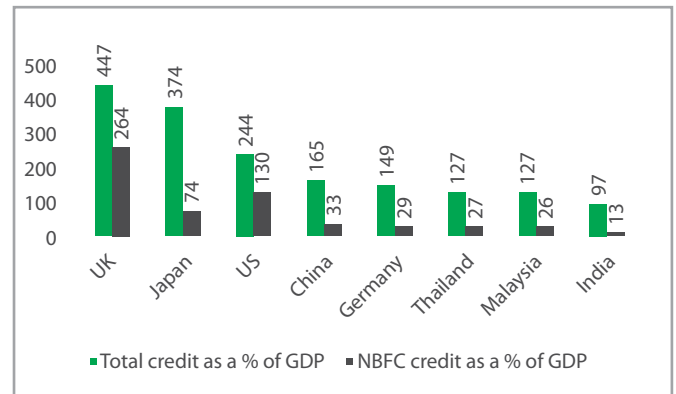
The Indian financial services market comprises banks, non-banking financial companies, insurance companies, co-operatives, pension funds, mutual funds and other smaller financial entities. Further, the RBI has approval to allow set-up of payments bank that is expected to revolutionise the financial sector in India as it focusses to conduct banking activities primarily through mobile phones. Currently, the banking sector dominates the sector by holding over 64% of the total assets of the financial system.

India's asset management industry has recorded the fastest growth globally growing at a compounded rate of 12.05% during 2007-15 and reach USD 179.6 billion. Historically, the gross national savings in the country have remained over 30%. The IMF expects the savings rate to remain at these levels with gross national savings reaching USD 1,272 billion by 2019. One major concern facing the sector was funds flow to the Micro, Small and Medium Enterprises (MSMEs), due factors ranging from lack of proper policies, unavailability of adequate security from them and primary focus on HNI and corporate customers. However, the Government and RBI undertook various initiatives to enhance funds flow to the Micro, Small and Medium Enterprises (MSMEs) through launch of Credit Guarantee Fund Scheme, setting up a Micro Units Development and Refinance Agency (MUDRA) and issuing collateral requirement guidelines to banks. (Source: Indian Brand Equity Foundation, IBEF)

Micro, Small and Medium Enterprises (MSMEs) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play a crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialisation of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country. The Sector consisting of 36 million units, as of today, provides employment to over 80 million persons. The Sector through more than 6,000 products contributes about 8% to GDP besides 45% to the total manufacturing output and 40% to the exports from the country. The MSME sector has the potential to spread industrial growth across the country and can be a major partner in the process of inclusive growth.

### Low credit penetration in India

India, in spite of being a major developing nation and the world's fastest growing economy has one of the lowest credit penetrations. The total credit in the country account for 97% of the GDP compared to 447%, 374% and 244% in UK, Japan and US respectively. While the credit from NBFC sector account for only 13% of the GDP compared to 264%, 130% and 74% in UK, US and Japan respectively. Thus, there is a huge credit gap especially from the NBFC sectors catering primarily to the self-employed and MSME sector.



(Source: Boston Consulting Group analysis)

### Government initiatives

The Government of India undertook various initiatives to enhance investments in the country and address the issues of low credit penetration. These initiatives include:

- Launched Micro Unit Development and Refinance Agency (MUDRA) to provide finance and encourage Micro Finance Institutions (MFIs). The government also initiated the Pradhan Mantri Mudra Yojana (PMMY) that provides banks and NBFCs a specified target limit of credit to be provided to self-employed and MSME sectors
- Enhanced foreign entities investment limit in the Indian Stock Exchanges from 5 to 15%

**India's asset management industry has recorded the fastest growth globally growing at a compounded rate of 12.05% during 2007-15 and reach USD 179.6 billion.**





- NBFCs can provide 5% of their income towards provision for bad and doubtful debts (NPAs)
- Additional options for reversal of input tax credits in respect of the non-taxable services provided by banks and financial institutions
- Initiated the 'Pradhan Mantri Jan Dhan Yojana (PMJDY)' initiative that focussed on enhancing banking penetration to extend insurance, pension and credit facilities

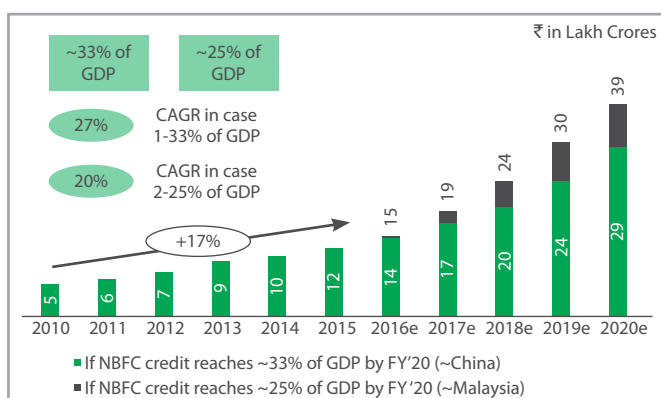
### NBFC (Non-Banking Financial Company) industry

As of March 31, 2016, there were 11,682 Non-Banking Financial Companies (NBFCs) registered with the Reserve Bank, of which 202 were deposit-accepting (NBFCs-D) and 11,480 were non-deposit accepting NBFCs (NBFCs-ND). There were 220 systemically important non-deposit accepting NBFCs (NBFCs-ND SI). All NBFCs-D and NBFCs-ND-SI are subject to prudential regulations such as capital adequacy requirements and provisioning norms along with reporting requirements.

The NBFCs have emerged as an integral part of the Indian Financial System playing an important role in regards to enhancing the credit growth in the country through servicing the unbanked segments of the society, especially the micro, small and medium enterprises (MSMEs). NBFCs unique business model and their in-depth experience of understanding the clients give them the necessary edge in the sector. The banking sectors' aversion of providing loans to these segments has resulted in a strong growth in the business of NBFCs. During 2005 to 2015, the share of credit from NBFCs to the total credit has increased from 10% to 13%. The primary factors attributing to the growth of NBFCs is their sharp focus on product lines to better manage costs, ability to control bad debts and provide superior customer service. In addition to this, the sector has mastered the use of surrogate data in the absence of income proof documents to make better credit decisions. Their focus on catering to the unbanked sectors enables them to charge higher cost of debt resulting in higher yields and profitability.

NBFC credit portfolio in India is relatively under-penetrated at 13% of GDP compared to 25% in Malaysia and Thailand and 33% in China. Thus, the sector has immense scope for rapid growth over the next 5-10 years.

### Expected credit growth in the NBFC sector



(Source: NBFC 2.0 report: Boston Consulting Group and CII)

Considering the strong rising trend in credit growth from the NBFCs, its share as a percentage of GDP is expected to grow strongly in the medium term scenario. In case 1, if the share of NBFC credit grows from the current 13% to 33% by 2020, then the compounded growth in the credit during 2016-20 would be 27%. While in case 2, if the share of NBFC credit grows from the current 13% to 25% by 2020, then the compounded growth in the credit during 2016-20 would be 20%.

### Outlook and opportunities

The NBFC sector, being a catalyst of the economic development in the country, has lately been receiving its due importance backed by positive policies and initiatives by the government and the RBI. Besides, strengthening economy, favourable economic policies, improving ease of doing business in India, low interest rates and inflation, rising infrastructure spending, forecasts of good monsoon leading to rising rural demand are all expected to boost business activity and credit demand. The credit and geographic limitations of the banks would make the role of NBFCs even more important in the coming years.

The various demand drivers for the NBFC sector include:

- The e-commerce industry provides enough scope for the SMEs to enhance their business. In 2015, nearly 43% of SMEs participated in online sales. The rapidly growing e-commerce, expected to grow six times from the current level to USD 130-140 bn by 2020, is likely to enhance participation from SMEs leading to rise in their credit requirement
- Large scale housing and urbanisation projects by the government – 100 smart cities to be built over 5 years at an investment of USD 7-8 bn, 20 million houses to be constructed under 'Housing for All' by 2022 and developing 500 cities under the AMRUT development scheme
- Massive expected investments of USD 600 bn over the next five years towards infrastructure development
- Digital India initiative to enable investments worth USD 68 billion and create 1.8 million jobs. Over 1 million MSMEs are expected to resort to digital platform over the next five years
- Low credit penetration of 25% in the SME sector leading to financing gap of USD 40 billion. Moreover, over 40% of the financing to SMEs is currently done through informal sources or self-finance leading to a huge latent demand from these sectors
- The rising frauds and increasing level of non-performing assets have resulted in banks declining its risk appetite and put a check in its credit activities
- Digital trend to provide disruptive opportunities for innovation and partnerships
- Demand from geographic areas and customer segments that traditional banks do not cater to

### Threats

- The policies and regulations of the Company are separable to changes. The State and legislation laws may regulate from

time to time the lending and deposit policies of the Banks and NBFC's e.g. Andhra Pradesh Microfinance Institution Laws 2011

- Natural calamities like flood, drought, earthquake - The business and the credit risk of the proposed bank can be affected by local conditions, natural calamities and others

### BUSINESS OVERVIEW

Capital Trust Limited, incorporated in 1985, is a leading non-banking finance company engaged in the business of providing enterprise and micro-finance loans to Micro, Small and Medium Enterprises (MSMEs) and Self Help Groups (SHGs). The Company's operations are primarily concentrated in the rural and semi-urban areas of Delhi, Uttar Pradesh, Punjab, Uttarakhand and Rajasthan.

### Key strengths

- **Extensive knowledge of the region:** The Company, rather than expanding to newer states concentrated its operations in five states. The Company's strong focus in the region, wide reach and years of experience supported by a well-informed local team enabled it to have extensive knowledge and deep insights of the region.
- **Intellectual capital:** The Company has strong business development, compliance and managerial team. The business development team ensures extensive market coverage to generate leads which are thoroughly examined by the compliance team to minimise bad accounts to the best extent. The managerial team devises strategies and undertake planning to enable the Company maintain its growth.
- **Regional coverage:** The Company follows a hub-and-spoke model of operations and ensures branch availability within a radius of every 15 km. Its extensive network of 84 branches ensures widest and deepest coverage across the region providing access to a huge customer base.
- **Strong financials:** The Company's focussed approach and stringent compliance enabled it to maintain a healthy balance sheet. As on March 31, 2016, the Company's total asset under management surged to ₹ 304.16 Crores with a capital adequacy ratio of 77.5% and net worth of ₹ 160.90 Crores Its robust operational efficiency enabled it to achieve a PAT margin of 33% in 2015-16.
- **Systems & Processes:** The Company has an extremely robust systems and processes, which have evolved over a period of 30 years, experience as an NBFC. The current processes are well adapted to business needs and extremely stable. Further, the Company have a large body of staff trained in these systems and processes.
- **Technology:** The Company follows a web-based real time transaction recording and report generation system. This allows a very high degree of operational control and high efficiencies.
- **Access to Capital:** Capital Trust Limited is a Public Limited Company, listed on the Bombay Stock Exchange. This allows ease in raising capital, according to the requirements of the Company.



### OPERATING & FINANCIAL PERFORMANCE

#### Income from operations

During the year under review, the Company's revenues increased 53% from ₹ 40.09 Crores in 2014-15 to ₹ 61.31 Crores. Interest received from small enterprise finance and interest on managed portfolio comprised 46% and 11% of the revenues respectively, while commission income from Yes Bank as a business for managing microfinance portfolio comprised 17% of the revenues. Nearly 93% of the business of Capital Trust comes from Western Uttar Pradesh and Uttarakhand due to the fact that these states have the lowest Credit-Deposit Ratio in the Central Region.

#### Portfolio performance

The gross Asset under Management of the Company grew 63% from ₹ 186.22 Crores in 2014-15 to ₹ 304.16 Crores As on March 31, 2016, the micro finance portfolio as a Business Correspondent of Yes Bank stood at ₹ 92.61 Crores, while the enterprise loan portfolio stood at ₹ 211.55 Crores.

#### Profitability and margins

The EBITDA and PAT of the Company increased 50% and 110% respectively to ₹ 43.41 Crores and ₹ 20.25 Crores respectively in 2015-16, while EBITDA and PAT margins stood at 71% and 33% respectively.

#### Net worth

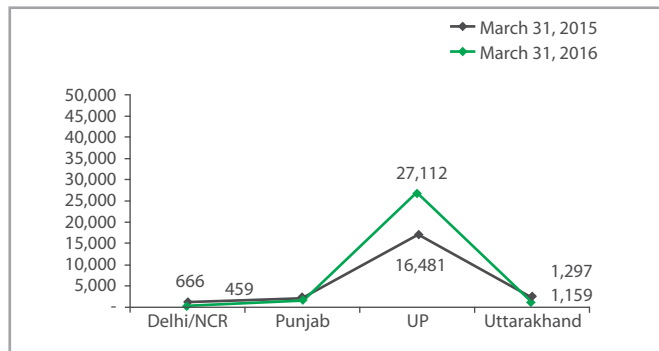
The net worth of the Company increased from ₹ 21.97 Crores in 2014-15 to ₹ 160.90 Crores in 2015-16 owing to a preferential allotment of ₹ 66.72 Crores during the year and capital infusion of ₹ 61.3 Crores from Lighthouse Funds, ₹ 2.71 Crores from Seven Hills Capital and ₹ 2.71 Crores from Emkay FinCap. As a result of this additional capital in the business, the Capital Adequacy Ratio (CAR) of the Company shot up to 77.50% as on March 31, 2016 as against 19.57% as on March 31, 2015, while return on net worth declined from 43.9% to 12.58%.



### Operational data

At the end of year March 31, 2016 the Company has been operating from 84 branches spread over 20 districts In Delhi/ NCR, Uttar Pradesh, Uttarakhand and Punjab. The Company has identified the areas Madhya Pradesh and Rajasthan for further expansion. About 90% of the business of the Company is from Uttar Pradesh. The area has the lowest Credit Deposit Ratio in the Central Region. The Company provides loans to MSE and micro finance customers and the portfolio outstanding as on March 31, 2016 was ₹ 304.16 Crores. The details of state-wise portfolio outstanding are given hereunder:

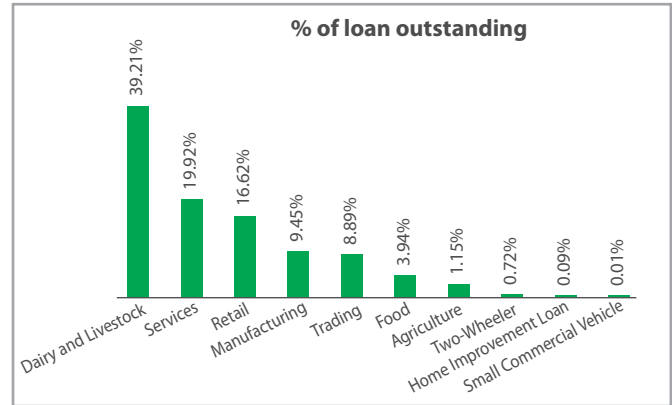
State	March 31, 2016	March 31, 2015	% increase
Delhi/ NCR	6.66	4.59	1.11%
Punjab	13.41	5.22	4.40%
UP	271.12	164.81	57.08%
Uttarakhand	12.97	11.59	0.74%
<b>Grand Total</b>	<b>304.16</b>	<b>186.22</b>	



(Statewise Portfolio Outstanding)

The Company is providing Loans to the customers who are engaged in various activities like farming, dairy livestock, 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 March 31, 2016 given to customers are as hereunder:

Sector	% of loan outstanding
Dairy and Livestock	39.21%
Services	19.92%
Retail	16.62%
Manufacturing	9.45%
Trading	8.89%
Food	3.94%
Agriculture	1.15%
Two-Wheeler	0.72%
Home Improvement Loan	0.09%
Small Commercial Vehicles	0.01%
<b>Total</b>	<b>100.00%</b>



### INTERNAL CONTROL SYSTEMS

The Company has internal control systems commensurate to the size and nature of business it operates in. It has a well-defined and structured policies, procedures and processes as stated by the statutes and law for ensuring various compliance.

The Company has a strong Audit & Compliance procedure. The Company has a full-fledged internal audit department. All the procedures are adopted by the board and manuals are prepared. 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 creditworthiness of the clients and post disbursement audit. Under the post disbursement audit, the loan utilisation is checked. The internal audit department also tracks the attendance of client in the centre meeting.

**The Company adheres to audit process which encompasses risk identification, risk assessment, risk address and reviewing & reporting risk.**

The Internal Audit Department reports to the Managing Director and conducts both routine and as well as surprise audits and special audits. The internal audit reports are placed before the Audit Committee for review. The Audit Committee reviews the adequacy and effectiveness of the internal audit function, including the structure of the internal audit department, annual audit plan, staffing etc., and ensures effective and independent review process. 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 board.

## **INFORMATION TECHNOLOGY**

The Company has a robust IT infrastructure that enables it to efficiently manage operations. All the operations are conducted through a web-based application that captures comprehensive details of all accounts and operations, and generates reports in real time. Each branch manager is provided a Tablet that is loaded with the advanced Tablet Banking System that enables them to get all necessary data in real time. The Company works on open source web server (Tomcat) along with implementing a strong firewall to protect critical data and client information. All data is backed-up on cloud network for effective disaster recovery.

The Company has a customised state-of-the-art MIS Centre that is loaded with Micap (a proprietary software platform of the Company) and other important business application software that enables efficient data management, analysis and reporting. These applications cater to various business products such as secured enterprise loans and Micro enterprise loans. Extensive MIS and Dashboards developed in Micap serve as key decision and support tools. For accounting purpose, the Company uses a customised version of Tally in which some of the modules are developed in the Micap applications.

The Company also has an easy-to-use and interactive mobile application for assisting collection executives in the field to provide necessary information to serve customers better.

## **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

The Company believes that Human resources are the most valuable asset for any organisation. It is the human resources that make other resources like money, material, and machine productive. Therefore, it is critical to invest in the development and welfare of human resources in order to maximise the institutional performance. During the year under review, the Company has taken several new initiatives to ensure that the knowledge and wisdom gained over decades is handed down to the next generation of employees. A well-balanced mix of domain knowledge and behavioural training was taken up towards talent transformation. These initiatives have paid rich dividends in the form of a strong group of in-house facilitators of domain knowledge and a highly motivated team of employees geared to fulfilling the needs of our Company's valued customers.

The Company believes in providing career growth with the growth of the Company. The Company aligns employees' efforts with the mission and vision of the Company so as to provide the best possible services to its clients. The Company provides comprehensive training regularly from time to time and mandatory field exposure across various functions.

At the end of year March 31, 2016, the Company had 848 Employees of which 612 were the field staff. The business per employee was ₹ 34 Lakhs and business per field staff is ₹ 50 Lakhs.

## **SEGMENT-WISE or product-wise performance**

The company has only one business segment "Financing", so there is no segment-wise or product-wise performance available.

## **RISK MANAGEMENT**

Risks are an inherent feature of any business that can negatively impact the growth of the Company, if not handled properly. The Company's Risk Management Committee continuously works towards identifying various risks that can impact its business and undertakes necessary actions to mitigate them. These risks and mitigations are periodically reviewed to determine its effectiveness. Some of the risks identified by the Company include:

### **Credit risk**

Lack of stringent scrutiny and inability of the Company to judge the creditworthiness of the borrowers may result in rising NPAs and impact the cash flows.

### **Mitigation**

The Company, through years of experience in the field, has established detailed procedures, guidelines and norms that it stringently follows for determining the creditworthiness of the customer. The Company assesses every customer personally and through an external compliance team before committing to a credit exposure. Moreover, it regularly updates these guidelines and procedures to ensure the safety of its credit exposure.

### **Liquidity risk**

Inability of the Company to procure liquid funds as per expected terms as and when required could result in lack of adequate funds to provide financing, thus impacting the overall business growth.

### **Mitigation**

The Company undertakes regular and stringent monitoring of the maturity profiles of its credit exposure. It also has a strong equity backing from various leading private equity players. Further, it maintains all the financial parameters within the specified norms to enhance safety.

### **Interest rate risk**

Inability of the Company to source low-cost funds and provide them on credit at higher rates can lead to losses and decline in net fund availability over the years.

### **Mitigation**

The Company, being engaged in financing MSMEs that do not have the required asset backing or income charges high interest rates



for providing credit resulting in higher net interest margins (14.16% as on March 31, 2016). Besides, the Company follows the policy of measuring the interest rate risk by the duration gap method.

**Operational risk**

Inefficiency in operations and lower turnaround time due to various internal (inadequate or failed internal processes, people and systems) and external factors may result in decline in growth and profitability.

**Mitigation**

The Company has invested significantly in developing a robust IT infrastructure to achieve enhanced operational efficiencies. Process improvements, quality control and people training is a continuous process that enables the Company to strengthen operations. Further, a well-defined set of rules and policies reduces repetition and elimination on unnecessary processes.

**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 fulfilment 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 statutes, and other incidental factors. The Company undertakes no obligation to publicly revise any forward-looking statements to reflect future/likely events or circumstances.*

# Directors' Report

To  
The Members,

Your Directors have pleasure in presenting the Thirtieth Annual Report of M/s Capital Trust Limited along with the audited financial statements for the year ended March 31, 2016.

## 1. FINANCIAL HIGHLIGHTS

The financial performance for the year 2015-2016 is summarized in the following table:

Particulars	₹ in Lakhs		
	Year Ended March 31, 2016	Year Ended March 31, 2015	% age of change
Gross Income from operation	5446.47	3997.36	36.25%
Other Income	685.08	11.82	5695.94%
EBIDTA	4341.10	2885.38	50.45%
Less:			
Interest	1217.85	1414.67	(13.91%)
Depreciation	20.90	11.48	82.05%
Profit Before Tax	3102.35	1459.22	112.60%
Profit/(Loss) after tax	2024.52	964.57	109.88%
Available for appropriation	2024.52	964.57	109.88%
Transfer to Reserve fund u/s 451C of RBI Act, 1934	404.90	192.91	109.88%
<b>Surplus/deficit carried to Balance Sheet</b>	<b>1038.51</b>	<b>614.62</b>	

During the year under review, your company has done exceptionally well. The number of clients as on March 31, 2016 were 107977 operating from 84 branches in 20 districts. The gross income has increased by 36% in year 2016 as compared to year 2015. Net profit has also increased from ₹ 964.57 Lakhs in year 2015 to ₹ 2024.52 Lakhs in year 2016 showing an increase of 109.88%.

Your company is operating in the states of Delhi, Uttar Pradesh, Utrkhand, Haryana and Punjab. The company is planning to enter into the areas of Madhya Pradesh and Rajasthan. 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. The internal audit and internal checks have helped the company to have PAR > 90 Days to 2%.

During the year the company has raised the capital in the company by way of preferential or private placement of equity shares as per the details given hereunder:

No of equity shares	Name of shareholder	Face value per share	Issue price per share	Premium per share	Total amount of shares
28,25,000	Light House Emerging India Investors Ltd	10/-	₹ 217/-	₹ 207/-	61,30,25,000/-
1,25,000	Emkay Fincap Limited	10/-	₹ 217/-	₹ 207/-	2,71,25,000/-
1,25,000	Seven Hills Capital	10/-	₹ 217/-	₹ 207/-	2,71,25,000/-
40,92,500	Mr. Yogen Khosla	10/-	₹ 117/-	₹ 107/-	47,88,22,500/-

## Operational Highlights

Particulars	Year 2016	Year 2015
No. of branches	84	83
No. of districts	20	21
No. of borrowers	107977	110307
No. of states	5	5
Loan disbursed during the year (₹ In Crores)	104.42	66.45
Loan outstanding	304.16	186.22



Your company has tied up with various financial institution thereby raising the loan of ₹ 60.14 Crores from them during the year. Your company has never failed in repaying any installments or interest to the lender. The company enjoys good reputation with all its stakeholders.

## 2. DIVIDEND

Your Directors have recommended payment of dividend of ₹ 1.50/- per Equity Share of the company for the financial year ended March 31, 2016.

## 3. 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.

## 4. SUBSIDIARY COMPANIES

The company was not having any subsidiary, associate or joint venture company for the year ended March 31, 2016.

## 5. FIXED DEPOSITS

The Company has not accepted any deposits under section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year ended March 31, 2016. Being a Non Deposit taking Non – Banking Financial Company, your Company has not accepted any deposits from the public.

## 6. RESERVE FUNDS

As per section 45 IC of The RBI Act 1934, the Company has transferred ₹ 404.90 Lakhs in reserve fund i.e aggregating 20% of its net profit.

## 7. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND ITS FUTURE OPERATIONS

During the year 2015-16, there were no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of future operations of the Company.

## 8. CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

During the year under review, Capt. Manpreet Singh Chawla (Retd.) was appointed as additional director of the company under Section 161(1) of the Companies Act, 2013. The brief resume of Capt. Manpreet Singh Chawla (Retd.) is given hereunder:

Capt. Manpreet Singh Chawla (Retd.) is a commerce graduate from Delhi University. After graduation he joined Indian Military Academy in 1985 and retired as Colonel. After his tenure with Indian Army, he started his own venture. He is

expert in liasoning and has good experience in administration matters. Your Board is of the view that the experience of Capt. Chawla will be beneficial to the company. Upto the date of notice, the company has not received any notice of his candidature for the appointment of director in the company.

## 9. COMPLIANCE WITH RBI GUIDELINES:

Your company has complied with all applicable regulations of the Reserve Bank of India. As per Non Banking Finance companies RBI Directions, 1998, the directors hereby report that the company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

## 10. CAPITAL ADEQUACY

The Capital Adequacy Ratio of the company was 77.50% as of March 31, 2016 as compared to 18.50% in year 2015 as against the minimum capital adequacy requirements of 15% by RBI. The Capital adequacy has increased due to increase in Capital.

## 11. CORPORATE GOVERNANCE

The report on Corporate Governance is provided separately and forms part of this Directors' Report.

## 13. EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form MGT-9 is annexed herewith as annexure 2 as per Section 134(3)(a) of the Companies Act, 2013. The same forms part of the directors' report.

## 14. NO. OF MEETINGS OF THE BOARD DURING THE FY 2015-16

During the Financial Year 2015-16, your Board has met twelve times and the meetings were held on May 09, 2015, May 22, 2015, June 10, 2015, July 13, 2015, July 28, 2015, August 12, 2015, September 28, 2015, October 15, 2015, January 19, 2016, February 11, 2016, February 25, 2016 and March 29, 2016. As per Companies Act, 2013 minimum four meetings are required to be held in a year. The details of these meetings are given in Corporate Governance Report, which forms part of directors' report.

## 15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company confirms and state that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records

in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- iv. the directors had prepared the annual accounts on a going concern basis;
- v. had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Your board is of the view that the company has adequate effective internal financial controls system in place. The company has maintained robust systems of internal audit, compliance systems which is regularly monitored by risk management and audit committee.

## 16. NOMINATION AND REMUNERATION POLICY

Capital Trust Limited believes in the manner of working in which its affairs are conducted in a fair and transparent way by adopting the ethical behavior standards, integrity, and professionalism and in compliance of laws towards the society, government & its stakeholders. In terms of Section 178 of the Companies Act, 2013, the company has formulated and adopted the Nomination & Remuneration policy. This policy acts as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors and Key Managerial Personnel.

The policy is available on the website of the company [www.capital-trust.com](http://www.capital-trust.com).

## 17. RISK MANAGEMENT POLICY

Risk Management is a key aspect of the "Corporate Governance Principles and Code of Ethics" which aims to improvise the governance practices across the Company's activities. The Management of NBFCs have to base their business decisions on a dynamic and integrated risk management system and process, driven by corporate strategy. NBFCs are exposed to several major risks in the course of their business- credit risk, interest rate risk, equity price risk, liquidity risk and operational risk. It is therefore important that NBFCs should introduce effective risk management policy that addresses the issues relating to various business risks. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

The main object of the Risk Management Policy adopted by the company is:

- 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.

- To establish a framework for the company's risk management process and to ensure its implementation.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability.

## 18. DECLARATION FROM INDEPENDENT DIRECTORS

Pursuant to Section 149 (7) of the Companies Act, 2013, the company has received necessary declarations of independence from each of its Independent Directors that he meets the criteria of being the independent director as provided in section 149 (6) of the Companies Act, 2013 and is not disqualified from continuing as Independent Director.

## 19. RELATED PARTY TRANSACTION

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Information on transaction with related parties pursuant 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.

## 20. 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 genuine concerns. 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.

## 21. LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid Annual listing fees for the financial year ended March 31, 2016 to the Bombay Stock Exchange where shares of the company are listed.

## 22. AUDITORS

### a) Statutory Auditors

The Statutory Auditors of the Company M/s SGR & Associates, Chartered Accountants, Delhi were appointed as the statutory auditors of the company at the EGM held on August 12, 2015 for a period of two (2) years, subject to ratification at every AGM. The company has received a letter from the auditors resigning as auditor of the Company. You Company proposes the name of M/s Walker Chandoik & Co. LLP Chartered Accountants (Firm Registration No. 001076N/N500013) as the auditors of the company from the conclusion of this Annual General Meeting till the conclusion of 35<sup>th</sup> Annual General Meeting to be held in 2021.





The Company has received letter to the effect that the appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment. As required under Clause 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

**b) Secretarial Audit**

In Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s Sudist Thakur & Associates, firm of Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed as Annexure – 3 for the Financial Year 2015-16.

**23. 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.

**24. CORPORATE GOVERNANCE AND SHAREHOLDERS’ INFORMATION**

Your Company has taken adequate steps to adhere to all the stipulations laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, A report on Corporate Governance is included as part of this Annual Report.

Certificate from the Statutory Auditors of the company M/s SGR & Associates, Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached to this Report.

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

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 Inflow: Nil  
 Foreign Exchange Outflow: ₹ 207,336

**26. CORPORATE SOCIAL RESPONSIBILITY**

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the Rules made there under and relevant circulars issued from time to time by the Ministry of Corporate Affairs (MCA), the Company has adopted a Corporate Social Responsibility Policy (“CSR Policy”) which is also available on the Website of the Company.

During the year, the company has not taken any initiative in Corporate Social Responsibility as the company feels that the company is working for upliftment of the poor people by providing financial support. The company does not only provide financial support to the people, who are neglected ones but also provide training on financial literacy. The company intends to get more involved in CSR activities either through itself or through some other non profit organisations in the current year.

**27. 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 March 31, 2016.

**28. BOARD EVALUATION**

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 has carried 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 performance of the Board is evaluated by each individual director as well as collectively by Board on the annual basis towards the end of financial year. The same was evaluated in the meeting of the board of directors held on March 29, 2016. The Board performance is evaluated on the basis of number of Board and Committee meeting attended by individual director, participation of director in the affairs of the company, duties performed by each director during the year. In a separate meeting of independent Directors held on March 29, 2016, performance of Non-independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non executive Directors.

**29. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has zero tolerance for sexual harassment at the workplace and has established a Committee on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under 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.

**30. DETAILS AS REQUIRED UNDER RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014**
**(i) The financial summary or highlights;**

Particulars	Amount ₹ in Lakhs	
	Year Ended March 31, 2016	Year Ended March 31, 2015
Gross Income from operation	5446.47	3997.36
Other Income	685.08	11.82
EBIDTA	4341.10	2885.38
Less:		
Interest	1217.85	1414.67
Depreciation	20.90	11.48
Profit Before Tax	3102.35	1459.22
Profit/(Loss) after tax	2024.52	964.57
Available for appropriation	2024.52	964.57
Transfer to Reserve fund u/s 45IC of RBI Act, 1934	404.90	192.91
<b>Surplus/deficit carried to Balance Sheet</b>	<b>1030.12</b>	<b>614.62</b>

**(ii) The change in the nature of business, if any;**

None

**(iii) The details of directors or key managerial personnel who were appointed or have resigned during the year**

S. No	Name	Designation	DIN	Date of Appointment/ Change/ Cessation	Reason
1.	Mrs. Anju Khosla	Executive Director	03496484	30.09.2015	Appointment as Executive Director U/S 152 of the Companies Act after cessation of additional director
2.	Capt. Manpreet Singh Chawla (Retd.)	Independent Director	07422608	11.02.2016	Additional director

**(iv) the names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year;**

None

**(v) Deposits from public during the year;**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**(vi) The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future;**

None

**(vii) The details in respect of adequacy of internal financial controls (IFC) with reference to the Financial Statements;**

In respect of internal financial control, the Board has adopted the policies and procedures for ensuring the

orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the timely prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Further, the management regularly reviews the control for any possible changes and takes appropriate actions.

**31. PARTICULARS OF EMPLOYEES**

The statement showing the name of every employee of the company, who if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty Lakh rupees is not required to be given as Company does not have any such employee. Further company does not have any employee who is employed for part of the year and drawing remuneration of Rupees Five Lakhs per month. Further there is no employee in receipt of remuneration, 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.

### 32. ACKNOWLEDGMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchange, Registrar of Companies and other government and regulatory agencies and to convey their appreciation to customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on

record their appreciation of the commitment, commendable efforts, team work and professionalism of all the employees of the Company.

### FOR AND ON BEHALF OF THE BOARD OF CAPITAL TRUST LIMITED

Sd/-

**Yogen Khosla**

Managing Director

DIN-00203165

Date: August 26, 2016

Place: New Delhi

Sd/-

**Hari Baskaran**

Director

DIN-02666053

## AOC-2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

### 1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2016, which were not at arm's length basis.

### 2. Details of contracts or arrangements or transactions at arm's length basis:

Name of the related party	Nature of relationship	Nature of contracts/ arrangements /transaction	Duration of the contracts / arrangements /transaction	Salient terms of the contracts or arrangements or transaction	Value of Transaction (₹ in Lakhs)	Date of approval by the Board
<b>Unsecured Loan Repaid :</b>						
M/S Moonlight Equity Private Ltd	Directors' Shareholding Exist	Unsecured Loan Repaid	Ongoing - 25.11.2009	In the Ordinary Course of Business	6862.95	Ratified on 29.03.16
M/S Italindian Trade & Financial Services Private Ltd	Directors' Shareholding Exist	Unsecured Loan Repaid	Ongoing - 05.12.2013	In the Ordinary Course of Business	26.00	Ratified on 29.03.16
M/S Indo Crediop Private Ltd	Directors' Shareholding Exist	Unsecured Loan Repaid	Ongoing - 05.02.2013	In the Ordinary Course of Business	3182.05	Ratified on 29.03.16
M/S Vaibhav Farms Private Ltd	Directors' Shareholding Exist	Unsecured Loan Repaid	Ongoing - 23.01.2014	In the Ordinary Course of Business	186.50	Ratified on 29.03.16
M/S Vishwas Credit & Livelihood Program	Directors' Shareholding Exist	Unsecured Loan Repaid	Ongoing - 13.01.2015	In the Ordinary Course of Business	235.00	Ratified on 29.03.16
M/S Parikarma Investments & Financial Services Private Ltd	Directors' Shareholding Exist	Unsecured Loan Repaid	Ongoing - 22.11.2014	In the Ordinary Course of Business	1075.50	Ratified on 29.03.16
<b>Unsecured Loan Taken :</b>						
M/S Indo Crediop Private Ltd	Directors' Shareholding Exist	Unsecured Loan Taken	Ongoing - 05.02.2013	In the Ordinary Course of Business	1715.00	Ratified on 29.03.16
M/S Moonlight Equity Private Ltd	Directors' Shareholding Exist	Unsecured Loan Taken	Ongoing - 25.11.2009	In the Ordinary Course of Business	4154.00	Ratified on 29.03.16
M/S Parikarma Investments & Financial Services Private Ltd	Directors' Shareholding Exist	Unsecured Loan Taken	Ongoing - 22.11.2014	In the Ordinary Course of Business	790.00	Ratified on 29.03.16
M/S Vaibhav Farms Private Ltd	Directors' Shareholding Exist	Unsecured Loan Taken	Ongoing - 23.01.2014	In the Ordinary Course of Business	99.00	Ratified on 29.03.16
<b>Remuneration paid:</b>						
Mr. Yogen Khosla (Managing Director)	Key Managerial Person	Remuneration		In the Ordinary Course of Business	35.19	
Mrs. Anju Khosla (Director)	Key Managerial Person	Remuneration		In the Ordinary Course of Business	10.13	
Mr. Vahin Khosla	Relative of Key Managerial Person	Remuneration		In the Ordinary Course of Business	5.68	
Mr. Mukesh Sehgal (C.F.O)	Key Managerial Person	Remuneration		In the Ordinary Course of Business	7.69	
Ms. Tanya Sethi (C.S.)	Key Managerial Person	Remuneration		In the Ordinary Course of Business	5.04	
<b>Other Transaction</b>						



Name of the related party	Nature of relationship	Nature of contracts/ arrangements /transaction	Duration of the contracts / arrangements /transaction	Salient terms of the contracts or arrangements or transaction	Value of Transaction (₹ in Lakhs)	Date of approval by the Board
M/S Moonlight Equity Private Ltd	Directors' Shareholding Exist	Claim Receivable	Ongoing	In the Ordinary Course of Business	49.20	Ratified on 29.03.16
M/S Vishwas Credit & Livelihood Program	Directors' Shareholding Exist	Claim Receivable	Ongoing	In the Ordinary Course of Business	3.16	Ratified on 29.03.16
<b>Interest Paid :</b>						
Moonlight Equity Private Ltd	Related Company	Interest paid	Ongoing - 25.11.2009	In the Ordinary Course of Business	266.74	Ratified on 29.03.16
Vishwas Credit & Livelihood Program	Related Company	Interest paid	Ongoing - 13.01.2015	In the Ordinary Course of Business	26.15	Ratified on 29.03.16
Parikarma Investment & Financial Services Private Ltd	Related Company	Interest paid	Ongoing - 22.11.2014	In the Ordinary Course of Business	40.65	Ratified on 29.03.16
Vaibhav Farms Private Ltd	Related Company	Interest paid	Ongoing - 23.01.2014	In the Ordinary Course of Business	9.95	Ratified on 29.03.16
Italindian Trade & Financial Services Private Ltd	Related Company	Interest paid	Ongoing - 05.12.2013	In the Ordinary Course of Business	3.05	Ratified on 29.03.16
Indo Crediop Private Ltd.	Related Company	Interest paid	Ongoing - 05.02.2013	In the Ordinary Course of Business	117.77	Ratified on 29.03.16

**FOR AND ON BEHALF OF THE BOARD OF CAPITAL TRUST LIMITED**

Sd/-  
**Yogen Khosla**  
 Managing Director  
 DIN-00203165

Sd/-  
**Hari Baskaran**  
 Director  
 DIN-02666053

Date: August 26, 2016  
 Place: New Delhi

# MGT - 9

## EXTRACT OF ANNUAL RETURN

in Form MGT-9 as on the Financial Year ended on March 31, 2016

[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
	Category / Sub-Category of the Company	Public Listed Company
4	Address of the Registered office and contact details	366 Sultanpur, MG Road, New Delhi-110030
5	Whether listed company Yes / No	Yes, Bombay Stock Exchange Limited
6	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

Non-Banking Finance Company engaged in the Loan Business (NIC Code K- 6492)

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any holding, subsidiary or any associate company

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

#### i) Categorywise Shareholding

Sr.	Category of Shareholder	No. of shares at the beginning of the year (As on April 01, 2015)				No. of shares at the end of the year (As on March 31, 2016)				% change in shareholding during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A Promoters</b>										
(1)	<b>Indian</b>									
	a. Individual/HUF	2252024	-	2252024	30.03	2252024	4092500	6344524	43.26	13.23
	b. Central Gov/State Gov(s)	-	-	-	0.00	-	-	-	0.00	0.00
	c. Banks/FIs	-	-	-	0.00	-	-	-	0.00	0.00
	d. Bodies Corporates	3151833	-	3151833	42.02	2845885	-	2845885	19.40	(22.62)
	e. Any Other	-	-	-	0.00	-	-	-	0.00	0.00
	<b>Sub-Total (A)(1)</b>	<b>5403857</b>	<b>-</b>	<b>5403857</b>	<b>72.05</b>	<b>5097909</b>	<b>4092500</b>	<b>9190409</b>	<b>62.66</b>	<b>(9.39)</b>
(2)	<b>Foreign</b>									
	a. NRI Individuals	-	-	-	0.00	-	-	-	0.00	0.00
	b. Other Individuals	-	-	-	0.00	-	-	-	0.00	0.00
	c. Bodies Corporates	-	-	-	0.00	-	-	-	0.00	0.00
	d. Any Other	-	-	-	0.00	-	-	-	0.00	0.00
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Public Shareholding (A)=(A)(1)+(A)(2)</b>	<b>5403857</b>	<b>-</b>	<b>5403857</b>	<b>72.05</b>	<b>5097909</b>	<b>4092500</b>	<b>9190409</b>	<b>62.66</b>	<b>(9.39)</b>
<b>B Public</b>										
(1)	<b>Institutions</b>			1200	0.01	1200				0.01
	a. Mutual Funds	-	100	100	0.00	1100	100	1200	0.01	0.01
	b. Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
	c. FIs	-	-	-	0.00	-	-	-	0.00	0.00
	d. Foreign Venture Capital Investors	-	-	-	0.00	-	-	-	0.00	0.00
	e. Financial Institutions/Banks	-	100	100	0.00	-	100	100	0.00	0.00
	f. Insurance Companies	-	-	-	0.00	-	-	-	0.00	0.00
	g. Central Gov/State Gov(s)	-	-	-	0.00	-	-	-	0.00	0.00
	h. Any Other	-	-	-	0.00	-	2825000	2825000	19.26	19.26
	<b>Sub-Total (B)(1)</b>	<b>-</b>	<b>200</b>	<b>200</b>	<b>0.00</b>	<b>1100</b>	<b>2825200</b>	<b>2826300</b>	<b>19.27</b>	<b>19.27</b>



Sr. Category of Shareholder	No. of shares at the beginning of the year (As on April 01, 2015)				No. of shares at the end of the year (As on March 31, 2016)				% change in shareholding during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(2) Non-institutions</b>			1787614	12.19	1787614				12.19
a. Bodies Corporate									
Indian	139880	129298	269178	3.59	316087	377798	693885	4.73	1.14
b. Individuals									
i. Individuals shareholdersholding nominal value upto ₹ 2 Lakhs	674170	690371	1364541	18.19	882581	655033	1537614	10.48	(7.71)
ii. Individuals shareholdersholding nominal value in excess of ₹ 2 Lakhs	411292	-	411292	5.48	268448	-	268448	1.83	(3.65)
c. HUF	-	-	-	0.00	-	-	-	0.00	0.00
d. Foreign Nationals	-	-	-	0.00	-	-	-	0.00	0.00
e. Trusts	300	-	300	0.00	250	-	250	0.00	0.00
f. Non Resident Indians/OCB	13654	2000	15654	0.21	11257	2000	13257	0.09	(0.12)
h. Foreign Bodies-D R	-	-	-	0.00	-	-	-	0.00	0.00
i. Clearing Members	34978	-	34978	0.47	137337	-	137337	0.94	0.47
j. Any Other	-	-	-	0.00	-	-	-	0.00	0.00
(c) Any Other (specify)	195	3419729							
<b>Sub-Total (B)(2)</b>	<b>1274274</b>	<b>821669</b>	<b>2095943</b>	<b>27.95</b>	<b>1615960</b>	<b>1034831</b>	<b>2650791</b>	<b>18.07</b>	<b>(9.87)</b>
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>1274274</b>	<b>821869</b>	<b>2096143</b>	<b>27.95</b>	<b>1617060</b>	<b>3860031</b>	<b>5477091</b>	<b>37.34</b>	<b>9.39</b>
<b>Total (A)+(B)</b>	<b>6678131</b>	<b>821869</b>	<b>7500000</b>	<b>100.00</b>	<b>6714969</b>	<b>7952531</b>	<b>14667500</b>	<b>100.00</b>	<b>0.00</b>
<b>C Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	0.00	-	-	-	0.00	0.00
<b>Grand Total(A+B+C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>

## ii) Shareholding of Promoters

	Shareholding at the beginning of the year (As on April 01, 2015)			Shareholding at the end of the year (March 31, 2016)			% change in shareholding during the year
	No. of shares	% of total shares of the company	% shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% shares pledged/ encumbered to total shares	
Yogen Khosla	2252024	30.027	0	6344524	43.26	0	13.23
Indo Crediop Private Limited	3151833	42.024	0	2845885	19.40	0	(22.62)

## iii) Change in Promoter's Shareholding

Name of promoter and Type of Transaction	Shareholding at the beginning of the year (As on April 01, 2015)		Transactions during the (April 01, 2015 to March 31, 2016)		Cumulative Shareholding (As on March 31, 2016)	
	No. of Shares	% of total shares	Date of Transaction	No. of Shares	No. of Shares	% of total shares
Mr.Yogen Khosla	2252024	30.03				
Allotment of Equity shares on conversion of warrants			July 28,2015	100000	3252024	38.26
			March 29, 2016	3092500	6344524	74.64
At the end of the year					6344524	74.64
Indo Crediop Private Limited	3151833	42.02				
Market Sale			July 21,2015	113698	3038135	35.74
Market Sale			July 28,2015	70250	2967885	34.92
Market Sale			August 10,2015	22000	2945885	34.66
Market Sale			December 01,2015	100000	2845885	33.48
At the end of the year					2845885	33.48

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

For Each of the top Ten shareholders	(Purchase/ Sale) during the year	Shareholding		Cumulative Shareholding during the year (April 01, 2015 to March 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>PURSHOTTAM KHANDELWAL</b>					
At the beginning of the year (April 01, 2015)		22500	0.3	22500	0.3
Date wise increase/decrease in shareholding during the year					
4/17/2015	(2500)		(0.03)	20000	0.27
4/24/2015	(2500)		(0.03)	17500	0.23
3/4/2016	(1000)		(0.01)	16500	0.19
3/11/2016	(500)		(0.01)	16000	0.19
At the end of the year (March 31, 2016)				16000	0.11
<b>INDIANIVESH SECURITIES LIMITED</b>					
At the beginning of the year (April 01, 2015)		-	-	-	-
Date wise increase/decrease in shareholding during the year					
6/5/2015	(500)		0.01	500	0.01
10/30/2015	(107)		0.00	393	0.00
11/6/2015	787		0.01	1180	0.01
11/13/2015	(300)		0.00	880	0.01
12/4/2015	654		0.01	1534	0.02
12/11/2015	100		0.00	1634	0.02
12/31/2015	(100)		0.00	1534	0.02
1/8/2016	(1154)		(0.01)	380	0.00
2/26/2016	8173		0.10	8553	0.10
3/4/2016	73417		0.86	81970	0.96
3/11/2016	4911		0.06	86881	1.02
3/15/2016	32597		0.38	119478	1.41
3/18/2016	49339		0.58	168817	1.99
3/25/2016	988		0.01	169805	2.00
3/31/2016	(115200)		(0.79)	54605	0.37
At the end of the year (March 31, 2016)				54605	0.37
<b>UPHAR HOMFIN PRIVATE LTD</b>					
At the beginning of the year (April 01, 2015)		-	-	-	-
Date wise increase/decrease in shareholding during the year					
3/31/2016	50000		0.34	50000	0.34
At the end of the year (March 31, 2016)				50000	0.34
<b>K L ENTERPRISES LLP</b>					
At the beginning of the year (April 01, 2015)		-	-	-	-
Date wise increase/decrease in shareholding during the year					
3/31/2016	75000		0.51	75000	0.51
At the end of the year (March 31, 2016)				75000	0.51





For Each of the top Ten shareholders	(Purchase/ Sale) during the year	Shareholding		Cumulative Shareholding during the year (April 01, 2015 to March 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>ASCRON CONSULTANT PRIVATE LIMITED</b>					
At the beginning of the year (April 01, 2015)		0	0	0	0
<b>Date wise increase/decrease in shareholding during the year</b>					
6/26/2015	2000		0.03	2000	0.03
9/30/2015	38000		0.45	40000	0.47
12/31/2015	(10000)		(0.12)	30000	0.35
At the end of the year (March 31, 2016)				30000	0.20
<b>NIRAV M SAPANI</b>					
At the beginning of the year (April 01, 2015)		69856	0.93	69856	0.93
<b>Date wise increase/decrease in shareholding during the year</b>					
4/17/2015	(2779)		(0.04)	67077	0.89
4/24/2015	(3500)		(0.05)	63577	0.85
5/1/2015	(4458)		(0.06)	59119	0.79
5/8/2015	(3964)		(0.05)	55155	0.74
5/22/2015	(578)		(0.01)	54577	0.73
5/29/2015	(4270)		(0.06)	50307	0.67
6/12/2015	(1000)		(0.01)	49307	0.66
6/19/2015	(3885)		(0.05)	45422	0.61
6/26/2015	(800)		(0.01)	44622	0.59
7/10/2015	(1100)		(0.01)	43522	0.58
7/17/2015	(445)		(0.01)	43077	0.57
At the end of the year (March 31, 2016)				43077	0.29
<b>DEEPAK S AGRAWAL</b>					
At the beginning of the year (April 01, 2015)		30502	0.41	30502	0.41
<b>Date wise increase/decrease in shareholding during the year</b>					
8/28/2015	100		0.00	30602	0.36
9/11/2015	594		0.01	31196	0.37
11/27/2015	(38)		0.00	31158	0.37
12/11/2015	329		0.00	31487	0.37
1/8/2016	3		0.00	31490	0.37
1/15/2016	1		0.00	31491	0.37
At the end of the year (March 31, 2016)				31491	0.21
<b>MAMTA AGRAWAL</b>					
At the beginning of the year (April 01, 2015)		17185	0.23	17185	0.23
<b>Date wise increase/decrease in shareholding during the year</b>					
7/31/2015	400		0.00	17585	0.21
At the end of the year (March 31, 2016)				17585	0.12

For Each of the top Ten shareholders	(Purchase/ Sale) during the year	Shareholding		Cumulative Shareholding during the year (April 01, 2015 to March 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>VASISTH KUMAR AGARWAL</b>					
At the beginning of the year (April 01, 2015)		0	0	0	0.00
Date wise increase/decrease in shareholding during the year					
8/21/2015	25522		0.30	25522	0.30
At the end of the year (March 31, 2016)				25522	0.17
<b>KINNER P SAPANI</b>					
At the beginning of the year (April 01, 2015)		67923	1	67923	0.91
Date wise increase/decrease in shareholding during the year					
7/17/2015	(6000)		(0.08)	61923	0.83
7/24/2015	(2300)		(0.03)	59623	0.79
8/14/2015	(1800)		(0.02)	57823	0.68
8/28/2015	(3000)		(0.04)	54823	0.64
9/11/2015	(1221)		(0.01)	53602	0.63
9/18/2015	(1221)		(0.01)	52381	0.62
10/16/2015	(2000)		(0.02)	50381	0.59
10/23/2015	(1000)		(0.01)	49381	0.58
11/20/2015	(3500)		(0.04)	45881	0.54
12/4/2015	(1000)		(0.01)	44881	0.53
12/18/2015	(2500)		(0.03)	42381	0.50
12/25/2015	(2500)		(0.03)	39881	0.47
1/8/2016	(2900)		(0.03)	36981	0.44
1/15/2016	(3000)		(0.04)	33981	0.40
1/22/2016	(1801)		(0.02)	32180	0.38
At the end of the year (March 31, 2016)				32180	0.22
<b>ASHISH KUKREJA</b>					
At the beginning of the year (April 01, 2015)		34400	0.46	34400	0.46
Date wise increase/decrease in shareholding during the year					
4/10/2015	(17400)		(0.23)	17000	0.23
4/24/2015	(16000)		(0.21)	1000	0.01
5/1/2015	1082		0.01	2082	0.03
5/15/2015	467		0.01	1615	0.02
5/22/2015	(1615)		(0.02)	0	0
At the end of the year (March 31, 2016)				0	0



For Each of the top Ten shareholders	(Purchase/ Sale) during the year	Shareholding		Cumulative Shareholding during the year (April 01, 2015 to March 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>AXIOM CAPITAL ADVISORS PRIVATE LTD</b>					
At the beginning of the year (April 01, 2015)		40000	0.53	40000	0.53
Date wise increase/decrease in shareholding during the year					
7/17/2015	(40000)		(0.53)	0	0
At the end of the year (March 31, 2016)				0	0
<b>ANKUR JHUNJHUNWALA</b>					
At the beginning of the year (April 01, 2015)		0	0	0	0
Date wise increase/decrease in shareholding during the year					
3/18/2016	12500		0.15	12500	0.15
3/25/2016	13557		0.16	26057	0.31
At the end of the year (March 31, 2016)				26057	0.18
<b>MATALIA STOCK BROKING PRIVATE LTD</b>					
At the beginning of the year (April 01, 2015)		23097	0.31	23097	0.31
Date wise increase/decrease in shareholding during the year					
4/10/2015	(7640)		(0.10)	15457	0.21
4/17/2015	(2891)		(0.04)	12566	0.17
4/24/2015	6550		0.09	19116	0.25
5/8/2015	250		0.00	19366	0.26
5/15/2015	(2115)		(0.03)	17251	0.23
5/22/2015	(10)		0.00	17241	0.23
5/29/2015	(249)		0.00	16992	0.23
6/5/2015	(1943)		(0.03)	15049	0.20
6/12/2015	(670)		(0.01)	14379	0.19
6/26/2015	(5360)		(0.07)	9019	0.12
6/30/2015	(261)		0.00	8758	0.12
7/3/2015	450		0.01	9208	0.12
7/10/2015	213		0.00	9421	0.13
7/17/2015	(95)		0.00	9326	0.12
7/24/2015	(2520)		(0.03)	6806	0.09
7/31/2015	(638)		(0.01)	6168	0.07
8/5/2015	(5968)		(0.07)	200	0.00
8/21/2015	3000		0.04	3200	0.04
8/28/2015	(1317)		(0.02)	1883	0.02
9/4/2015	(383)		0.00	1500	0.02
9/25/2015	(200)		0.00	1300	0.02
9/30/2015	100		0.00	1400	0.02

For Each of the top Ten shareholders	(Purchase/ Sale) during the year	Shareholding		Cumulative Shareholding during the year (April 01, 2015 to March 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10/23/2015	(304)		0.00	1096	0.01
10/30/2015	402		0.00	1498	0.02
11/6/2015	(98)		0.00	1400	0.02
2/5/2016	(250)		0.00	1150	0.01
2/12/2016	(350)		0.00	800	0.01
2/19/2016	2351		0.03	3151	0.04
2/26/2016	(2701)		(0.03)	450	0.01
3/4/2016	40		0.00	490	0.01
3/11/2016	210		0.00	700	0.01
3/15/2016	(500)		(0.01)	200	0.00
<b>At the end of the year (March 31, 2016)</b>				200	0.00
<b>EDELWEISS BROKING LTD</b>					
<b>At the beginning of the year (April 01, 2015)</b>		3385	0.05	3385	0.05
<b>Date wise increase/decrease in shareholding during the year</b>					
4/3/2015	15		0.00	3400	0.05
4/17/2015	110		0.00	3510	0.05
4/24/2015	4		0.00	3514	0.05
5/8/2015	4		0.00	3518	0.05
5/15/2015	160		0.00	3678	0.05
5/22/2015	(145)		0.00	3533	0.05
5/29/2015	(4)		0.00	3529	0.05
6/5/2015	10		0.00	3539	0.05
6/12/2015	190		0.00	3729	0.05
6/19/2015	44		0.00	3773	0.05
6/26/2015	(3603)		(0.05)	170	0.00
7/3/2015	20		0.00	190	0.00
7/10/2015	110		0.00	300	0.00
7/24/2015	30		0.00	330	0.00
7/31/2015	1149		0.01	1479	0.02
8/5/2015	1038		0.01	2517	0.03
8/7/2015	2061		0.02	4578	0.05
8/14/2015	478		0.01	5056	0.06
8/21/2015	656		0.01	5712	0.07
8/28/2015	(399)		0.00	5313	0.06
9/4/2015	(440)		(0.01)	4873	0.06
9/11/2015	509		0.01	5382	0.06



For Each of the top Ten shareholders	(Purchase/ Sale) during the year	Shareholding		Cumulative Shareholding during the year (April 01, 2015 to March 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9/18/2015	3686		0.04	1696	0.02
9/23/2015	2000		0.02	3696	0.04
9/30/2015	100		0.00	3596	0.04
10/16/2015	100		0.00	3696	0.04
10/23/2015	1593		0.02	5289	0.06
10/30/2015	799		0.01	4490	0.05
11/6/2015	200		0.00	4690	0.06
11/13/2015	100		0.00	4790	0.06
11/20/2015	93		0.00	4883	0.06
11/27/2015	200		0.00	4683	0.06
12/4/2015	132		0.00	4815	0.06
12/11/2015	89		0.00	4904	0.06
12/18/2015	2816		0.03	2088	0.02
12/25/2015	99		0.00	2187	0.03
12/31/2015	57		0.00	2244	0.03
1/1/2016	200		0.00	2444	0.03
1/8/2016	54		0.00	2498	0.03
1/15/2016	150		0.00	2648	0.03
1/22/2016	106		0.00	2542	0.03
2/5/2016	715		0.01	1827	0.02
2/12/2016	325		0.00	1502	0.02
2/19/2016	266		0.00	1768	0.02
2/26/2016	574		0.01	1194	0.01
3/4/2016	7228		0.09	8422	0.10
3/11/2016	10651		0.13	19073	0.22
3/15/2016	901		0.01	18172	0.21
3/18/2016	500		0.01	18672	0.22
3/25/2016	2780		0.03	21452	0.25
3/31/2016	4924		0.03	26376	0.31
<b>At the end of the year (March 31, 2016)</b>				26376	0.18
<b>ASAL INVESTMENTS PRIVATE LTD</b>					
<b>At the beginning of the year (April 01, 2015)</b>		18760	0.25	18760	0.25
<b>Date wise increase/decrease in shareholding during the year</b>					
<b>4/3/2015</b>	(18760)		(0.25)	0	0
<b>At the end of the year (March 31, 2016)</b>				0	0

For Each of the top Ten shareholders	(Purchase/ Sale) during the year	Shareholding		Cumulative Shareholding during the year (April 01, 2015 to March 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>CORNELIA INVESTMENTS P LTD</b>					
At the beginning of the year (April 01, 2015)		24830	0.33	24830	0.33
Date wise increase/decrease in shareholding during the year					
4/3/2015	(24830)		(0.33)	0	0
At the end of the year (March 31, 2016)				0	0
<b>LightHouse Emerging India Investors Limited</b>					
At the beginning of the year (April 01, 2015)		0	0	0	0
Date wise increase/decrease in shareholding during the year					
3/29/2016	2825000		19.26	2825000	19.26
At the end of the year (March 31, 2016)				2825000	19.26
<b>EMKAY Fincap Limited</b>					
At the beginning of the year (April 01, 2015)		0	0	0	0
Date wise increase/decrease in shareholding during the year					
3/29/2016	125000		0.85	125000	0.85
At the end of the year (March 31, 2016)				125000	0.85
<b>Seven Hills Capital</b>					
At the beginning of the year (April 01, 2015)		0	0	0	0
Date wise increase/decrease in shareholding during the year					
3/29/2016	125000		0.85	125000	0.85
At the end of the year (March 31, 2016)				125000	0.85

**Shareholding of Directors and Key Managerial Personnel**

Name of Shareholder	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the (April 01, 2015 to March 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Yogen Khosla Chairman cum Managing Director	At the beginning of the year (April 01, 2015)	2252024	30.03		
	Date wise increase/decrease in shareholding during the year				
	July 28,2015	1000000	11.76	3252024	38.26
	March 29,2016	3092500	21.08	6344524	43.26
	At the end of the year (March 31, 2016)	6344524	43.26	6344524	43.26



## V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits Total	Deposits Total
<b>Indebtedness at the beginning of the financial year (April 01,2015)</b>				
I. Principal Amount	578.07	7335.36	-	-
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	109.99	-	-	-
<b>Total (I + II + III)</b>	<b>688.06</b>	<b>7335.36</b>	-	-
<b>Changes in Indebtedness during the financial year</b>				
Addition	4119.60	1900.00	-	-
Reduction	559.13	6705.36	-	-
Net Change	3560.40	(4805.36)		
<b>Indebtedness at the end of the financial year (31-03-2016)</b>				
I. Principal Amount	4248.53	2530.00	-	-
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	28.89	38.25	-	-
<b>Total (I + II + III)</b>	<b>4277.42</b>	<b>2568.25</b>	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of Managing Director/ Executive Director	Total Amount (in ₹)
1.	Gross Salary	Yogen Khosla (Managing Director) Anju Khosla (Executive Director)	35,19,027 10,13,367
	(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		-
	<b>Total (A)</b>		<b>45,32,394</b>
	Ceiling as per the Act (@ 11% of profits calculated under section 198 of the Companies Act, 2013		₹ 1.62 Crores is the limit as per companies Act.

### B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (in ₹)
		Surendra Mahanti	Vijay Kumar	Hari Baskaran	Manpreet Singh Chawla	
1.	<b>Independent Directors</b>					
a.	Fee for attending board /committee meetings	20,000	7,000	10,000	-	37,000
b.	Commission	-	-	-	-	-
c.	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>20,000</b>	<b>7,000</b>	<b>10,000</b>	-	<b>37,000</b>

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (in ₹)
		Surendra Mahanti	Vijay Kumar	Hari Baskaran	Manpreet Singh Chawla	
<b>2.</b>	<b>Other Non-Executive Directors</b>	-	-	-	-	-
a.	Fee for attending board /committee meetings	-	-	-	-	-
b.	Commission	-	-	-	-	-
c.	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-	<b>45,69,394</b>

**Total Managerial Remuneration**

Overall ceiling as per the Act ₹ 1,00,000 per meeting) (sitting fees not to exceed 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**

Sl. No.	Particulars of Remuneration	Company Secretary	CFO	Total Amount (in ₹)
1.	Gross Salary	5,00,000	8,00,000	13,00,000
(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	-	-	-
	<b>Total (A)</b>	<b>5,00,000</b>	<b>8,00,000</b>	<b>13,00,000</b>

Ceiling as per the Act (@ 11% of profits calculated under section 198 of the Companies Act, 2013

₹ 1.62 Crores is the limit as per companies Act.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

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





# FORM No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[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-110 030

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 authorised 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 March 31, 2016 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 March 31, 2016 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;
- 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;
  - d) The securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999;- Not applicable to the company during the Audit Period.
  - 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;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;- Not applicable to 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 (RBI) Act, 1934.

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 authorised 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 Agreement/regulations entered into by the Company with Bombay 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.

**I further report that** during the audit period,

1. The Company has made allotment of 40,92,500 Equity Shares pursuant to exercise of option against 40,92,500 warrants out of 75,00,000 warrants issued on May 22, 2015 to promoter, Mr. Yogen Khosla.
2. The Company has made allotment of 30,75,000 Equity shares at ₹ 217/- Issue price on preferential basis to Non-Promoters,

the details of allottees which are as follows:

S. No	Name of allottees	Category	No of shares allotted
1	Lighthouse Emerging India Investors Ltd.	Foreign Body Corporate Bodies	28,25,000
2	Emkay Fincap Ltd	Corporate Partnership Firm	1,25,000
3	Seven Hills Capital		1,25,000

3. The company has Redeemed 30,00,000, 18% preference share capital of the company.
4. The company has re-classified Authorised Share Capital of ₹ 18,00,00,000 divided into 1,50,00,000 Equity Shares of ₹ 10/- each and 30,00,000, 18% Redeemable preference shares of ₹ 10/- to ₹ 18,00,00,000 divided into 1,80,00,000 Equity shares of ₹ 10/- each after obtaining shareholders approval in the Extra Ordinary General Meeting held on March 23, 2016.
5. The company has increased Authorised share capital of the company from ₹ 18,00,00,000 divided into 1,80,00,000 Equity Shares of face value of ₹ 10/- to ₹ 19,00,00,000 divided into 1,90,00,000 Equity Shares of ₹ 10/- after obtaining shareholders approval in the Extra Ordinary General Meeting held on March 23, 2016.
6. For Sudist Thakur & Associates Practicing Company Secretaries

**Sudist Kumar Thakur**

Place: New Delhi

ACS No.29936

Date: 14.06.2016

C P No.:14776

This Report is to be read with my letter of even date which is annexed as **Annexure A** and 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.

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.

- (3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) 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.
- (5) 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.

For **Sudist Thakur & Associates**  
Practicing Company Secretaries

**Sudist Kumar Thakur**

ACS No.29936

C P No.:14776



# Corporate Governance Report

## 1. Company's Philosophy on Corporate Governance

To us corporate governance is important as it increases the transparency and flow of information to all the stakeholders of the company.

Our corporate governance is not limited to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") 2015 and the Companies Act, 2013, but our philosophy about corporate governance is:

"Think about the action, discuss among various stakeholders, write down the policy about that action and then comply what has been written. If there is any change to be made, again repeat the process."

We believe that Corporate Governance gives opportunity to the company to share with various stakeholders about the Company's policies, ethics, accountability, structure and future outlook of the company. It also gives insight to the outsiders about the company, its policies, values and practices adopted so that they decide their further course of action.

The commitment of Capital Trust Limited to the highest standards of good corporate governance practices predates SEBI. Transparency, fairness, disclosure, compliances and accountability are central to the working of CTL. The Company maintains the same tradition and commitment.

## 2. Board of Directors:

The Company is in compliance with the corporate governance provisions, as contained under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") 2015 and the Companies Act, 2013, in connection with the following:

- a. the Board of Directors (the "Board");
- b. the Independent Directors on the Board;
- c. the Audit Committee;
- d. the Shareholders' Grievance Committee;
- e. the Nomination and Remuneration Committee; and
- f. the Corporate Social Responsibility Committee
- g. the Risk Management Committee

### I. Board Composition:

There is an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the professionalism and independence of the Board. The Independent Directors are eminent personalities with significant expertise in the fields of accountancy, banking, finance and strategy. At March 31, 2016,

the Company's Board of Directors consisted of six members. Out of the six members of the Board, four are Independent Directors and two are Executive Directors including the Managing Director cum Chairman. As per Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") 2015 and Section 149 of the Companies Act, 2013 the company has a woman director also.

### Composition of the Board of Directors

S. No.	Name of Director	DIN	Category
1	Mr. Surendra Mahanti	01077614	Non- Executive, Independent
2	Col. Vijay Kumar (Retd.)	05300541	Non- Executive, Independent
3	Mr. Hari Baskaran	02666053	Non- Executive, Independent
4	Capt. Manpreet Singh Chawla (Retd.)	07422608	Non- Executive, Independent
5	Mr. Yogen Khosla	00203165	Chairman and Managing Director
6	Mrs. Anju Khosla	03496484	Executive Director

- a) No Director is related to each other except Mrs. Anju Khosla, who is wife of Mr. Yogen Khosla.
- b) Not less than one-half of the board of directors of the Company comprise of non-executive directors
- c) All the directors have given information in MBP -1 about their other directorship or membership in committees in other companies.
- d) As per the information no director holds directorship in more than 10 (ten) public companies and no director holds more than 10 (ten) memberships in committees across all companies where he/she holds directorship.
- e) None of the directors of the Company is a chairman of more than five committees across all public limited companies in which he/she is a director.
- f) The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company [www.capital-trust.com](http://www.capital-trust.com).
- g) In terms of Schedule IV to the Companies Act, 2013 and regulation 25(3) of the SEBI (LODR) Regulations 2015, the independent directors in their meeting held on March 29, 2016 have inter – alia reviewed the performance of non-independent directors.
- h) The company has in place the familiarisation program for the independent directors where senior management is involved to appraise the directors about the company and its policies. The same is available on [www.capital-trust.com](http://www.capital-trust.com).

- i) The details of the directors, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2016 are given herein below.

Name of the Director	Category	Number of Board Meetings held/attended during the Year 2015-16		Whether attended last AGM held on September 30, 2015	Number of Directorships in other Public Companies		No of Committee positions held in other Public Companies	
					Chairman	Member	Chairman	Member
Mr. Surendra Mahanti	Non- Executive, Independent	12	11	Yes	Nil	Nil	Nil	Nil
Col. Vijay Kumar (Retd.)	Non- Executive, Independent	12	12	Yes	Nil	Nil	Nil	Nil
Mr. Hari Baskaran	Non- Executive, Independent	12	12	Yes	Nil	1	Nil	Nil
Capt. Manpreet Singh Chawla (Retd.)#	Non- Executive, Independent	3	3	Yes	Nil	Nil	Nil	Nil
Mr. Yogen Khosla	Chairman and Managing Director	12	12	Yes	Nil	Nil	Nil	Nil
Mrs. Anju Khosla	Executive Director	12	12	Yes	Nil	Nil	Nil	Nil

# Capt. Manpreet Singh Chawla (Retd.) was appointed as director of the company on February 11, 2016. During his tenure only three board meetings were held.

Note: The other directorships do not include directorships in:

- Foreign companies
- Private Limited Companies
- Section 8 of the Companies Act, 2013

- j) **Details of shareholding by directors is given hereunder:**

Name of director	Category	No. of equity shares
Mr. Yogen Khosla	Chairman and Managing Director	63,44,524

In addition to these equity shares, Mr. Yogen Khosla has 34,07,500 warrants convertible into Equity Shares.

None of the Non – Executive Directors holds shares in the company.

- h) During the Financial Year 2015-16, the Board had met twelve times and the meetings were held on May 09, 2015, May 22, 2015, June 10, 2015, July 13, 2015, July 28, 2015, August 12, 2015, September 28, 2015, October 15, 2015, January 19, 2016, February 11, 2016, February 25, 2016 and March 29, 2016. The gap between two board meetings is not more than 120 days as stipulated in Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) and Section 173 (1) of the Companies Act, 2016.

- i) In the meetings held on May 22, 2015, July 28, 2015 and March 29, 2016 presence of Mr. Yogen Khosla and Mrs. Anju Khosla was not counted for the purpose of quorum.

## II) BOARD COMMITTEES:

### a) Audit Committee

#### Constitution and Composition

With a view to comply with various requirements under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), the Audit Committee consisting majority of independent directors is already in place. The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) and NBFC regulations.

The terms of reference are extensive and go beyond what is mandated in Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), the Companies Act and under NBFC regulations. These broadly include review of financial statements, review of compliances and review of systems and controls.



The composition of the audit committee along with the meetings held/attended during the year 2015-16 is given hereunder:

S . No	Name	Category and Designation	Audit Committee meetings held	Audit Committee meetings attended
1.	Mr. Hari Baskaran	Non executive Independent Director (Chairman)	4	4
2.	Col. Vijay Kumar (Retd.)	Non executive Independent Director (Member)	4	4
3.	Mr. Surendra Mahanti	Non executive Independent Director (Member)	4	4
4.	Capt. Manpreet Singh Chawla (Retd.)#	Non executive Independent Director (Member)	-	-

# Capt. Manpreet Singh Chawla (Retd.) was appointed as member on Audit Committee on February 11, 2016. During his tenure no meeting was held.

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| <p>a) In compliance with the SEBI (LODR) Regulations and the Companies Act, 2013 all the members of the audit committee are Financial literate. The chairman of the committee is Financial Expert.</p> <p>b) During the year the audit committee met on four times on May 9, 2015, August 12, 2015, October 15, 2015, February 11, 2016. The gap between two audit committee meetings was not more than 120 days.</p> <p>c) The Company Secretary of the company acts as the secretary of the Audit Committee.</p> | <p>d) significant adjustments made in the financial statements arising out of audit findings;</p> <p>e) compliance with listing and other legal requirements relating to financial statements;</p> <p>f) disclosure of any related party transactions;</p> <p>g) modified opinion(s) in the draft audit report;</p> <p>5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;</p> |
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#### A. ROLE AND SCOPE OF AUDIT COMMITTEE

The Scope of the audit committee shall include the following:

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| <p>1. 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;</p> <p>2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;</p> <p>3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;</p> <p>4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:</p> <p>a) 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;</p> <p>b) changes, if any, in accounting policies and practices and reasons for the same;</p> <p>c) major accounting entries involving estimates based on the exercise of judgment by management;</p> | <p>6. 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;</p> <p>7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;</p> <p>8. approval or any subsequent modification of transactions of the listed entity with related parties;</p> <p>9. scrutiny of inter-corporate loans and investments;</p> <p>10. valuation of undertakings or assets of the listed entity, wherever it is necessary;</p> <p>11. evaluation of internal financial controls and risk management systems;</p> <p>12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;</p> |
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13. 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;
  14. discussion with internal auditors of any significant findings and follow up there on;
  15. 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;
  16. 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;
  17. 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;
  18. to review the functioning of the whistle blower mechanism;
  19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- b. The audit committee shall mandatorily review the following information:**
1. management discussion and analysis of financial condition and results of operations;
  2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
  3. management letters / letters of internal control weaknesses issued by the statutory auditors;
  4. internal audit reports relating to internal control weaknesses; and
  5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  6. Statement of deviations:
    - a) 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.
    - b) 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 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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations")

- i) constitution of the committee for the year 2015-16 alongwith meeting held/attended is given hereunder:

<b>S . No</b>	<b>Name</b>	<b>Category and Designation</b>	<b>Nomination and Remuneration Committee meetings held</b>	<b>Nomination and Remuneration Committee meetings attended</b>
1.	Mr. Hari Baskaran	Non executive Independent Director (Chairman)	3	3
2.	Col. Vijay Kumar (Retd.)	Non executive Independent Director (Member)	3	3
3.	Mr. Surendra Mahanti	Non executive Independent Director (Member)	3	3
4.	Capt. Manpreet Singh Chawla (Retd.)#	Non executive Independent Director (Member)	-	-

# Capt. Manpreet Singh Chawla (Retd.) was appointed as member on Nomination and Remuneration Committee on February 11, 2016. During his tenure no meeting was held.



- ii) all the members of the Nomination and Remuneration Committee are non-executive independent directors.
- iii) During the year, the committee met three times on June 1, 2015, October 1, 2015 and February 1, 2015. The meeting was attended by all the eligible members.
- iv) Role and of Nomination and Remuneration Committee:
  1. formulation of the 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;
  2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
  3. devising a policy on diversity of board of directors
  4. identifying persons who are qualified to become directors and who may be
  5. appointed in senior management in accordance with the criteria laid down, and
  6. recommend to the board of directors their appointment and removal.
  7. 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.

**v) Performance evaluation criteria for Independent Directors**

The Companies Act, 2013 has enabled an evaluation mechanism to appraise the performance of the

**vi) 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 : 21.25:1 Executive Director : 9.375:1
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 : Nil Executive Director : Nil Chief Financial Officer : 10% Company Secretary : 25%
3.	The percentage increase in the median remuneration of employees in the financial year;	17.65%

Independent Directors. The Board of Directors evaluate 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 on 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

S. No.	Details	Disclosure by the Company
4.	The number of permanent employees on the rolls of Company	848
5	The explanation on the relationship between average increase in remuneration and company performance	The year 2015-16 was a good year for the company, the profits of the company grew by 109.88%. The average salary increase of the employees was 20%.
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	The profits of the company increased by 109.88% and the turnover increased by 53%. The average remuneration of the Key managerial persons was only 8.75%
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 March 31, 2016 was ₹ 246.07 Crores as compared to ₹ 107.55 Crores on March 31, 2015. The net increase in market capitalization was 128.79% The Price Earning Ratio as on March 31, 2016 was 20.97 as compared to 11.15 as on March 31, 2015 thereby showing an increase of 88%. The market price of the equity shares of the company as on March 31, 2015 was ₹ 143.4 which increased to ₹ 289.5 showing a net increase of 101.88%  The percentage increase in market price of shares in comparison with the last public offer was 2795%.
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 20.33% whereas average increase in salary of KMPs was 8.75%.
9.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	The profits of the company have increased by 109.88% over the last year. There was no increase in the salary of Managing Director and Executive Director. Overall average increase in salaries of Key Managerial Persons was 8.75%.
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.

During the year the company has paid ₹ 37000 as sitting fee to the non-executive independent directors.

### C. SHAREHOLDERS' GRIEVANCE COMMITTEE

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 consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

- i. The chairman of the committee 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. No	Name	Category and Designation	Shareholders' Grievance Committee meetings held	Shareholders' Grievance Committee meetings attended
1.	Col. Vijay Kumar (Retd.)	Non executive Independent Director (Chairman)	4	4
2.	Mr. Hari Baskaran	Non executive Independent Director (Member)	4	4
3.	Mr. Surendra Mahanti	Non executive Independent Director (Member)	4	4
4.	Capt. Manpreet Singh Chawla (Retd.) <sup>#</sup>	Non executive Independent Director (Member)	-	-
5.	Mr. Yogen Khosla	Managing Director (Member)	4	4
6.	Mrs. Anju Khosla	Executive Director (Member)	4	4

<sup>#</sup> Capt. Manpreet Singh Chawla (Retd.) was appointed as member on Shareholders' Grievance Committee on February 11, 2016. During his tenure no meeting was held.

iii. During the year, the committee held four meetings on May 9, 2015, August 12, 2015, October 15, 2015, February 11, 2016. The gap between two committee meetings was not more than 120 days.

#### D. RISK MANAGEMENT COMMITTEE

The company has constituted a Risk Management Committee for which the roles & responsibilities have been delegated by the Board of Directors. The committee shall ensure that the appropriate systems for risk management are in place.

- The chairman of the committee is a non-executive independent director.
- The committee was constituted on October 1, 2015. There was no meeting held during the year 2015-16.

### III. GENERAL MEETINGS OF SHAREHOLDERS

- In terms of SEBI (LODR) Regulations, Location and time where last three Annual General Meetings (AGMs) held and the Special resolutions passed in the AGMs

S. No.	Financial Year	Day and Date of AGM	Place of AGM	Time (IST)	Whether any Special Resolution passed
1	2012-13	Monday, 23 <sup>rd</sup> day of September, 2013	MCD Community Centre, Gautam Puri, Badarpur, New Delhi-110044	9.00 A.M	Yes 1. Approval for issue of Preference Shares on Preferential basis
2.	2013-14	Tuesday, 30 <sup>th</sup> day of September, 2014	MCD Community Centre, Gautam Puri, Badarpur, New Delhi-110044	9.00 A.M	Yes 1. Approval for redemption of Preference Shares 2. Approval Under Section 180(1)(C) Of The Companies Act, 2013 to increase the limits of borrowing powers
3.	2014-15	Wednesday, 30 <sup>th</sup> day of September, 2015	MCD Community Centre, Gautam Puri, Badarpur, New Delhi-110044	9.00 A.M	Yes 1. Approval Under Section 180(1)(C) Of The Companies Act, 2013 to increase the limits of borrowing powers

- There was no resolution passed through Postal Ballot during in the year 2015-16.
- The company held two Extra Ordinary General Meetings on August 12, 2015 and March 23, 2016 in the year 2015-16.

### IV. MEANS OF COMMUNICATION

The Board of Directors believe in transparency and has a functional website where all the information is placed.

The quarterly results are published in "The Pioneer" both English and Hindi. The results are also available on the website of the company [www.capital-trust.com](http://www.capital-trust.com). The results are also sent to the Bombay Stock Exchange immediately after the meeting through portal [www.listing.bseindia.com](http://www.listing.bseindia.com).

All the notices, annual reports, information for shareholders etc. are also available on Company's website.

News Reports are shared with Bombay Stock Exchange on regular basis. The presentations are available on the website of the company.

The company has a separate page in the name of "Investor Relations" on the website where all the information relevant for the stakeholders is available.

## V. GENERAL SHAREHOLDER INFORMATION

### a. Annual General Meeting – Date, Time and Venue

Date	Monday, September 26, 2016
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 ₹ 1.50 per equity share, if declared, will be paid within 30 days of AGM.
- d. The equity shares of the company are listed at Bombay Stock Exchange Ltd (BSE), 25<sup>th</sup> Floor, P.J. Towers, Dalal Street, Mumbai – 400 001.

The listing fee for the year 2015-16 has been paid by the company within due date.

- e. The Stock code of the company at BSE is 511505.  
Demat ISIN No for equity shares at NSDL and CDSL is INE707C01018.

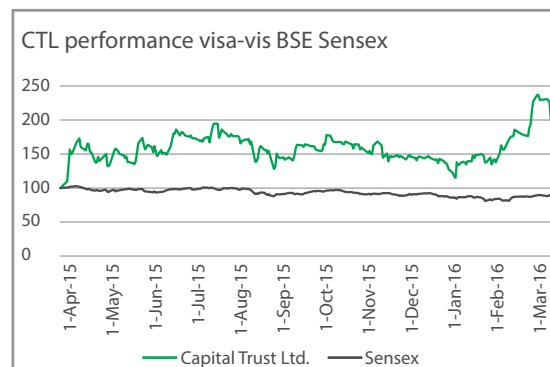
- f. Market price date (In Rupees).

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

Month	High Price	Low Price	Volume
Apr-15	266.60	133.70	433547
May-15	245.00	183.30	114106
Jun-15	278.00	210.00	321868
Jul-15	298.00	202.20	567218
Aug-15	269.00	179.70	260017
Sep-15	249.80	171.80	483046
Oct-15	275.00	216.00	292029
Nov-15	244.90	198.00	302048
Dec-15	224.00	200.50	334073
Jan-16	219.40	160.10	348944
Feb-16	255.00	185.00	345198
Mar-16	350.00	242.20	795535

- 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, 2015)



- h. No shares were suspended from trading by the Stock Exchange in year 2015-16.
- 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, 2016

Category	Percentage
Promoters	62.66
Bank/Financial Institutions/Mutual Fund	0.00
NRIs/OCBs	19.33
Others	18.01

Distribution of Shareholding as on March 31, 2016

No of Share holders	% To Total	Share Holding of Nominal Value of ₹	No of Share	% to Total
5906	91.89	1 TO 5000	852655	5.81
266	4.14	5001 TO 10000	203294	1.39
113	1.76	10001 TO 20000	166838	1.14
34	0.53	20001 TO 30000	85657	0.58
21	0.33	30001 TO 40000	77075	0.53
15	0.23	40001 TO 50000	71131	0.48
39	0.61	50001 TO 100000	299452	2.04
33	0.51	100001 AND ABOVE	12911398	88.03
<b>6427</b>	<b>100</b>	<b>TOTAL</b>	<b>14667500</b>	<b>100</b>



**l) Dematerialisation of Shares**

As on March 31, 2016 45.78% of the total number of equity shares were held in dematerialized form. The company allotted 6167500 Equity shares on preferential basis on March 29, 2016.

- m) The Company does not have any Global Depository Receipts and American Depository Receipts. However the company has 3407500 warrants convertible into equal number of equity shares on or before November 21, 2016.
- 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:  
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

**VI. 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](http://www.capital-trust.com).

- d. The company has complied with all the mandatory and non mandatory requirements as provided.
- e. As of now, the company does not have any subsidiary.
- f. Policy on the related party is available on [www.capital-trust.com](http://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](http://www.capital-trust.com) wherein the information as required under Regulation 46 of the SEBI (LODR) Regulations has been disseminated.

**VII. 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](http://www.capital-trust.com).

I further confirm that the Company has received a declaration of compliance with the Code of Conduct as applicable to them from the Senior Management Team of the Company and the Members of the Board for the year ended March 31, 2016.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer and the Company Secretary.

For **Capital Trust Limited**

Date: April 26, 2016  
Place: New Delhi

**Yogen Khosla**  
Managing Director

**VIII. 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.

## CEO's and CFO's 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 year 2015-16 and that to the best of our 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 company'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

**Mukesh Sehgal**  
Chief Financial Officer

Date: April 26, 2016  
Place: New Delhi

## Certificate on Corporate Governance

TO THE MEMBERS OF CAPITAL TRUST LIMITED

1. We have examined the compliance of conditions of Corporate Governance by CAPITAL TRUST LIMITED (the company), for the year ended on March 31, 2016 as stipulated in SEBI (Listing and Disclosure Requirements) Regulations, 2015.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the Compliance with the conditions of the Corporate Governance; it is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing and Disclosure Requirements) Regulations, 2015.
4. As required by the Guidance Note issued by the Institute of Chartered Accountants of India in respect of 'Shareholders/ Investors Grievances, the Registrar of the Company, who have maintained the records pertaining to 'Shareholders/ Investors Grievances, have certified that there were no investor grievance remaining unattended/pending for more than 30 days.

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 **SGR & Associates**  
Chartered Accountants  
Firm Registration No. 022767N

Date: April 26, 2016  
Place: New Delhi

**(Rajesh Arora)**  
Partner  
Membership No. 076575



# Independent Auditor's Report

TO THE MEMBERS OF CAPITAL TRUST LIMITED

## Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Capital Trust Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in section 133 of the Act read with Rule 7 of Companies (Accounts) Rules 2014. 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.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these Standalone Financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit/loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. As required by the "Companies (Auditor's Report) Order, 2016", issued by the Central Government of India in terms of sub-section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 & Loss, and the Cash Flow Statements dealt with by this Report are in the agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SGR & Associates**  
Chartered Accountants  
FRN-022767N

**Rajesh Arora**  
(Partner)  
M.No.-076575

Date: April 26, 2016  
Place: New Delhi

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Capital Trust Limited on the standalone financial statements for the year ended March 31, 2016

### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Capital Trust Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for the Internal Financial Controls

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

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Capital Trust Limited on the standalone financial statements for the year ended March 31, 2016

### Auditors' Responsibilities

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conduct our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standard on auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating the effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the



assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

5. 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 over financial reporting.

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Capital Trust Limited on the standalone financial statements for the year ended March 31, 2016

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Capital Trust Limited on the standalone financial statements for the year ended March 31, 2016

### Opinion

8. In our Opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over the financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of the internal control stated in the Guidance Note o Audit of Internal Finance controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SGR & Associates**  
Chartered Accountants  
FRN-022767N

**Rajesh Arora**  
(Partner)  
M.No.-076575

Date: April 26, 2016  
Place: New Delhi

## Annexure B to Independent Auditors' report

Referred to in paragraph 9 of the Independent Auditor's report of the even date to the members of Capital trust Limited on the standalone financial statements as of and for the year ended March 31, 2016 :-

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the Management at reasonable intervals during the year. No material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property in his name. Therefore, paragraph 3 (i) (c) of the order is not applicable.
- (ii) The company is a Non- Banking Financial Company (NBFC), primarily providing services in Financial Sector. Accordingly it does not hold any physical inventory. Thus, paragraph 3(ii) of the order is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clauses 3 (iii) (a) and (iii) (b) and (iii) (C) of the said order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans and investments made and guarantees or security provided by it.
- (v) The Company has not accepted any deposits from the public, within the meaning of sections 73,74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- (vi) As per information & explanation given to us, the reporting requirements with regard to maintenance of cost records by the company as prescribed under section 148(1) of the Companies Act, 2013 are not applicable for any of the services rendered by the Company.
- (vii) (a) According to information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- (b) According to information and explanation given to us and the records of the Company examined by us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.
- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution and bank. The Company does not have any loans from Government. Further, the Company has not issued any debentures.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Term loans availed by the Company were duly applied for the purposes for which those are raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees noticed or reported during the year nor have we been informed of any such case by the management.
- (xi) The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provision of Clause 3 (xii) of the order are not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting standard (AS) -18, related Party Disclosures specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.





(xiv) During the financial year under review, the Company has made following preferential or private placement of Equity shares as per details below complying with the requirements of section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised.

No. of Equity Shares	Name of Share holders	Face Value per Share	Issue price per share	Premium per share	Total amount of Shares
28,25,000	Light House Emerging India Investor Limited	₹ 10/-	₹ 217/-	₹ 207/-	61,30,25,000
1,25,000	Emkay Fincap Limited	₹ 10/-	₹ 217/-	₹ 207/-	2,71,25,000
1,25,000	Seven Hills Capital	₹ 10/-	₹ 217/-	₹ 207/-	2,71,25,000
40,92,500	Mr. Yogen Khosla	₹ 10/-	₹ 117/-	₹ 107/-	47,88,22,500

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

(xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 and the relevant registration has been duly obtained by it.

For **SGR & Associates**  
Chartered Accountants  
FRN-022767N

**Rajesh Arora**  
(Partner)  
M.No.-076575

Date: April 26, 2016  
Place: New Delhi

# Balance Sheet

as at 31<sup>st</sup> March 2016

	Notes Reference	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
₹			
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) SHARE HOLDERS' FUNDS</b>			
(a) Share Capital	2	14,66,75,000	10,50,00,000
(b) Reserves and Surplus	3	1,36,26,25,420	11,47,01,480
(c) Money Received Against share Warrant		9,96,69,375	-
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	31,55,73,065	5,81,88,709
(b) Other Non-Current Liabilities	5	40,25,802	34,42,988
<b>(3) CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	6	11,59,43,526	71,24,90,861
(b) Trade payables	7	99,90,298	1,50,82,096
(c) Other Current Liabilities	8	36,05,98,283	22,98,90,777
<b>Total</b>		<b>2,41,51,00,769</b>	<b>1,23,87,96,911</b>
<b>II ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed assets			
(i) Tangible assets	9	1,12,70,583	86,73,723
(b) Non-current investments	10	15,00,005	5
(c) Deferred Tax Asset	11	43,05,239	29,57,355
(d) Long-term loans and advances	12	77,35,44,475	22,40,78,693
<b>(2) CURRENT ASSETS</b>			
(a) Trade receivables	13	3,57,24,526	2,86,80,304
(b) Cash and cash equivalents	14	78,72,04,626	26,93,08,966
(c) Short-term loans and advances	15	80,15,51,314	70,50,97,864
<b>Total</b>		<b>2,41,51,00,769</b>	<b>1,23,87,96,911</b>
Summary of significant accounting policies	1		
The accompanying notes are an integral part of financial statements.			

As per our Report attached

For **SGR & ASSOCIATES**

Chartered Accountants

Firm Registration No.022767N

**(RAJESH ARORA)**

Partner

Membership No.076575

**YOGEN KHOSLA**

CEO & Managing Director

DIN. 00203165

**HARI BASKARAN**

Director

DIN. 02666053

Place: New Delhi

Dated: April 26, 2016

**TANYA SETHI**

Company Secretary

**MUKESH SEHGAL**

Chief Financial Officer



# Statement of Profit and Loss

## for the year ended 31<sup>st</sup> March 2016

	Notes Reference	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015	
<b>Revenue</b>				
I	Revenue from operations	16	54,46,47,467	39,97,36,182
II	Other income	17	6,85,08,858	11,82,110
<b>III</b>	<b>Total revenue (I + II)</b>		<b>61,31,56,325</b>	<b>40,09,18,292</b>
<b>Expenses</b>				
IV	Expenses			
	Employee benefits expense	18	10,51,89,482	6,46,73,743
	Other expenses	19	7,38,56,142	4,77,06,351
<b>Total</b>			<b>17,90,45,624</b>	<b>11,23,80,094</b>
V	Profit before Depreciation, Interest and Tax		43,41,10,702	28,85,38,198
	Depreciation and amortization expense	20	20,90,774	11,48,518
	Finance costs	21	12,17,84,792	14,14,67,426
<b>VI</b>	<b>Profit/(loss) before tax</b>		<b>31,02,35,136</b>	<b>14,59,22,254</b>
<b>VII</b>	<b>Tax expense</b>			
	Current tax		10,91,31,166	5,00,00,000
	Deferred tax		(13,47,883)	(5,34,952)
	Income tax adjustments for prior year's (net)		-	-
<b>VIII</b>	<b>Profit for the year</b>		<b>20,24,51,853</b>	<b>9,64,57,207</b>
IX	EARNINGS PER EQUITY SHARE			
	Equity shares of par value ₹.10/- each			
(a)	Basic		24.46	12.86
(b)	Diluted		14.37	12.86
	Number of shares used in computing earnings per share			
(a)	Basic		82,28,149	75,00,000
(b)	Diluted		1,40,00,615	75,00,000
	Summary of significant accounting policies	1		
	The accompanying notes are an integral part of financial statements.			

As per our Report attached

For **SGR & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.022767N

**(RAJESH ARORA)**  
Partner  
Membership No.076575

**YOGEN KHOSLA**  
CEO & Managing Director  
DIN. 00203165

**HARI BASKARAN**  
Director  
DIN. 02666053

Place: New Delhi  
Dated: April 26, 2016

**TANYA SETHI**  
Company Secretary

**MUKESH SEHGAL**  
Chief Financial Officer

# Cash Flow Statement

## for the year ended 31<sup>st</sup> March 2016

	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extraordinary items	31,02,35,136	14,59,22,254
Adjustments for:		
Depreciation	20,90,774	11,48,518
(Profit)/Loss on Sale of Assets (Net)	-	-
Provision for NPA/ Doubtful Advances	44,40,611	16,45,798
Interest paid to Banks and Financial Institutions	12,17,84,792	14,14,67,426
	<b>43,85,51,313</b>	<b>29,01,83,996</b>
Adjustments for:		
Dividend Received	(20,000)	(25,000)
Income Tax Paid	(10,77,83,283)	(4,94,65,048)
Operating Profit before Working Capital Changes	<b>33,07,48,029</b>	<b>24,06,93,948</b>
Adjustments for:		
(Increase)/Decrease in Current Assets	(65,87,51,948.38)	(29,68,50,374)
Increase/(Decrease) in Current Liabilities & Trade Payable	12,61,98,522	21,31,49,175
(Increase)/Decrease in Net Current Assets	(53,25,53,426)	(8,37,01,199)
Cash generated from Operations	(20,18,05,397)	15,69,92,749
Net Cash Flow from Operating activities	<b>(20,18,05,397)</b>	<b>15,69,92,749</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(46,87,634)	(39,70,006)
Purchase of Investments	(15,00,000)	-
Sale of Fixed Assets	-	-
Dividend Received	20,000	25,000
Net Cash used in investing activities	<b>(61,67,634)</b>	<b>(39,45,006)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid to Banks and Financial Institutions	(12,17,84,792)	(14,14,67,426)
Issue of Equity Share Capital	1,14,60,97,500	-
Dividend on Equity-Pref Shares & Dividend Tax	(2,89,50,413)	(1,55,41,232)
Proceeds from Borrowings	(33,91,62,979)	24,94,80,370
Redemption of Preference Share	(3,00,00,000)	-
Issue of Share Warrants	9,96,69,375	-
Net Cash from Financing Activities	<b>72,58,68,691</b>	<b>9,24,71,712</b>
Net increase/ (Decrease) in cash and cash equivalents (A+B+C)	51,78,95,660	24,55,19,456
Cash and cash equivalents at the beginning of the year	26,93,08,966	2,37,89,510
Cash and cash equivalents at the close of the year	78,72,04,626	26,93,08,966
SIGNIFICANT ACCOUNTING POLICIES	1	
See accompanying notes forming part of financial statements		

As per our Report attached

For **SGR & ASSOCIATES**

Chartered Accountants

Firm Registration No.022767N

**(RAJESH ARORA)**

Partner

Membership No.076575

**YOGEN KHOSLA**

CEO & Managing Director

DIN. 00203165

**HARI BASKARAN**

Director

DIN. 02666053

Place: New Delhi

Dated: April 26, 2016

**TANYA SETHI**

Company Secretary

**MUKESH SEHGAL**

Chief Financial Officer



# Notes to financial statements

## for the year ended 31<sup>st</sup> March 2016

### SIGNIFICANT ACCOUNTING POLICIES

#### 1. Accounting Policies.

##### 1.1 Corporate Information

Capital Trust Limited is a public company incorporated in India under the provisions of the Companies Act, 1956. Its shares are listed on Mumbai Stock Exchange. The Company is engaged in the Business of Small Enterprise Loan.

##### 1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles(GAAP) These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 133 of Companies Act 2013 read with Rule 7 of Company (Accounts) Rules 2014 and the provision of RBI Act as applicable to NBFC. The financial statements have been prepared on an accrual basis and under the historical cost convention except interest on loan which is classified as non performing assets and are accounted for on realisation basis. The accounting policies adopted in the preparation of financial statements are consistent of those of the previous year.

##### 1.3 Use of estimates

- a) The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.
- b) Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.
- c) The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal.

##### 1.4 Recognition of Income & Expenditure

- a) Small Enterprise Finance Interest income is accounted in accordance with the terms of agreements with the Borrowers on Accrual basis
- b) All other incomes are accounted for on accrual basis.

##### 1.5 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.

##### 1.6 Depreciation

- a) Depreciation is provided on SLM as per schedule II to the Companies Act 2013 on pro-rata basis with reference to the period of use.
- b) Depreciation on additions to assets or on sale/discardment of assets is calculated on pro-rata basis from the date of such addition or up to the date of such sale/discardment, as the case may be.

##### 1.7 Fixed Assets

All Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Subsequent expenditure, which substantially enhances the previously assessed standard performance of the asset, is added to the carrying value.

##### 1.8 Foreign currency transaction

All incomes or expenditure in Foreign Currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

##### 1.9 Retirement Benefits

"The Company has subscribed the "Group Gratuity Scheme of LIC" for purpose of discharging the gratuity liability under the payment of Gratuity Act. The provision of Gratuity is made as per premium due/

## Notes to financial statements

### for the year ended 31<sup>st</sup> March 2016

payable for the year as per calculation of premium on Actuarial basis certified by a Certified Actuary as required by AS-15. Contributions to the Provident Fund and Superannuation Fund are charged to the Profit & Loss Account.

#### 1.10 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset is capitalized as part of the cost of that asset wherever applicable. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### 1.11 Earning Per 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.

#### 1.12 Impairment of Assets

At the Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there is any indication that those assets suffered an impairment loss and provides, if any.

#### 1.13 Taxation

- a) Provision for tax is created in view of taxes paid/payable during the Financial year.
- b) Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realized in future.

#### 1.14 Investment

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or non current based on Management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value of each investment individually. Non current investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

#### 1.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



# Notes to financial statements

## for the year ended 31<sup>st</sup> March 2016

	₹	
		₹
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>2. Share capital</b>		
<b>Authorized shares capital</b>		
19000000 (31 March 2015 :15000000) equity shares of ₹ 10/- each	19,00,00,000	15,00,00,000
NIL (31 March 2015 :300000) Preference shares of ₹ 10/- each	-	3,00,00,000
	<b>19,00,00,000</b>	<b>18,00,00,000</b>
<b>Issued, subscribed and paid-up capital</b>		
14667500 (31 March 2015 :7500000) equity shares of ₹ 10/- each	14,66,75,000	7,50,00,000
Nil (31 March 2015 :3000000) 18% Preference shares of ₹10/- each	-	3,00,00,000
Total issued, subscribed and fully paid-up shares capital	<b>14,66,75,000</b>	<b>10,50,00,000</b>

### Equity Shares

The Company has only one class of shares referred to as equity shares having a par value of ₹10/- each holder of equity shares is entitled to one vote per share

### Reconciliation of the shares outstanding

	₹	
		₹
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>Equity shares</b>		
At the beginning of the period	75,00,000	75,00,000
Add: Conversion of Share Warrant into Equity Shares	40,92,500	NIL
Add: Preferential issue of Equity Shares to non promoters	30,75,000	NIL
<b>Outstanding at the end of the period</b>	<b>Total 1,46,67,500</b>	<b>75,00,000</b>
<b>Preference shares</b>		
At the beginning of the period	30,00,000	30,00,000
Less : Redemption of preference shares	(30,00,000)	NIL
<b>Outstanding at the end of the period</b>	<b>Total NIL</b>	<b>30,00,000</b>

### Details of Terms/ rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share (previous year ₹ 10 per share). All issued shares rank pari-passu and have same voting rights per share. 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.

### Details of Terms/ rights attached to non- convertible redeemable preference shares

30,00,000 18% Preference Shares ₹ 10 each fully paid up were issued and redeemed on June 11, 2015.

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

	₹			
Name of Shareholder	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Yogen Khosla	6344524	43.26%	2252024	30.03%
Indo Crediop Private Ltd	2845885	19.40%	3151833	42.02%
Lighthouse Emerging India Investors Limited	2825000	19.26%	0	0
<b>Total</b>	<b>12015409</b>	<b>81.92%</b>	<b>5403857</b>	<b>72.05%</b>

## Notes to financial statements

### for the year ended 31<sup>st</sup> March 2016

	₹	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>3. Reserve and surplus</b>		
<b>(a) Capital Reserve</b>		
Balance as at beginning of the year	2,27,400	2,27,400
Add:/Less: Additions/Deletions	-	-
<b>Balance as at end of the year</b>	<b>2,27,400</b>	<b>2,27,400</b>
<b>(b) Capital Redemption Reserve</b>		
Balance as at beginning of the year	-	-
Add: amount transferred from profit and loss account	3,00,00,000	-
	<b>3,00,00,000</b>	-
<b>(c) Securities premium account</b>		
Balance as at beginning of the year	86,14,800	86,14,800
Add: Premium on conversion of Share Warrant into Equity Shares	43,78,97,500	
Add: Premium on Preferential issue of Equity Shares to non promoters	63,65,25,000	
<b>Balance as at end of the year</b>	<b>1,08,30,37,300</b>	<b>86,14,800</b>
<b>(d) General reserve</b>		
Balance as at beginning of the year	34,56,545	34,56,545
Add:/Less: Additions/Deletions	-	-
<b>Balance as at end of the year</b>	<b>34,56,545</b>	<b>34,56,545</b>
<b>(e) Reserve Fund</b>		
u/s 45 I C of RBI Act, 1934		
Balance as at beginning of the year	2,92,93,345	1,00,01,904
Add: additions during the period	4,04,90,371	1,92,91,441
<b>Balance as at end of the year</b>	<b>6,97,83,716</b>	<b>2,92,93,345</b>
<b>(f) Surplus/(deficit) in the statement of profit and loss</b>		
Balance as at beginning of the year	7,31,09,390	1,16,46,516
Profit for the year	20,24,51,853	9,64,57,207
Less: Transferred to Reservice Fund u/s 45 I C of RBI Act 1934	4,04,90,371	1,92,91,441
Less: Dividend Paid (Previous Year)	10,00,000	1,29,00,000
Less: Dividend Paid on Preference Shares	10,50,411	-
Less: Corporate dividend tax (Previous Year)	4,19,815	26,41,232
Less: Proposed dividend (Current Year)	2,20,01,250	
Less: Corporate dividend tax (Current Year)	44,78,937	
Less: Transitional impact of Depreciation on fixed Assests as per Companies Act 2013	-	1,61,659
Less: Transfer to Capital Redemption Reserve, on redemption of 30,00,000 preference shares of ₹ 10 each	3,00,00,000	
<b>Balance as at end of the year</b>	<b>17,61,20,459</b>	<b>7,31,09,390</b>
	<b>1,36,26,25,420</b>	<b>11,47,01,480</b>
<b>(g) Money Received Against Share Warrants</b>		
Upfront 25% of 7500000 Share warrants of ₹117/- each fully convertible in to equity share Face Value of ₹ 10 each, including premium of ₹ 107/- each	21,93,75,000	-
Less: 75% amount receivable on allotment of equity shares	65,81,25,000	-
Add: Balance 75% received on conversion of 4092500 share warrants in to equity shares	35,91,16,875	-
	<b>57,84,91,875</b>	-
Less: Conversion of 4092500 share warrants at ₹ 117/- each in to equity shares proportionate allotment money received transferred	47,88,22,500	-
<b>Balance as at end of the year</b>	<b>9,96,69,375</b>	-





# Notes to financial statements

## for the year ended 31<sup>st</sup> March 2016

	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>4. Long-Term Borrowings</b>		
<b>Secured</b>		
Vehicle Loans (secured) :		
- from banks		
i. HDFC Bank (Auto Premium Loan)	-	4,34,821
ii. HDFC Bank (Auto Premium Loan)	2,50,532	3,96,550
iii. HDFC Bank (Auto Premium Loan)	1,30,313	1,90,675
<b>Term Loans - secured</b>		
AU Financier (India) Ltd	3,69,84,223	2,66,66,662
Bank of Maharashtra	7,59,24,000	-
State Bank of India	17,17,83,997	-
<b>Unsecured</b>		
Subordinate debt *		
From Other	3,05,00,000	3,05,00,000
<b>Total</b>	<b>31,55,73,065</b>	<b>5,81,88,709</b>

₹

1. Vehicle Loans are secured against hypothecation of respective Vehicles
  - i. HDFC Bank Auto Premium Loan No.20464597 repayable in 60 monthly equal instalments of ₹ 41,852/-, including interest @11.57% PA commencing from March 5, 2012
  - ii. HDFC Bank Auto Premium Loan No. 25239755 repayable in 60 monthly equal instalments of ₹15,133/-, including interest @10.75% PA commencing from October 7, 2013
  - iii. HDFC Bank Auto Loan No.26837649 repayable in 60 monthly equal instalments of ₹ 6598/-, including interest @11.50% PA commencing from February 7, 2014 Company has raised secured term loan from A U Financier (India) Ltd, for small enterprise finance, against exclusive hypothecation of specific book debts:
    - (a.) Term Loan-I of ₹ 5,00,00,000 has been raised on 24.12.2014 having interest rate of 15.35% (revised rate), with interest bearing 10% FLDG in terms of security deposit (maturing at the end of loan), repayable in 30 equated installments, against personal guarantee of Managing Director and corporate guarantee of Indo Crediop private limited (shareholder company)
    - (b.) Term Loan-II of ₹ 5,00,00,000 with interest rate of 15.75% raised on 11.01.2016, repayable in 36 equated installments, against personal guarantee of Managing Director and corporate guarantee of Indo Crediop private limited (shareholder company)

Name	Loan Amount Outstanding ₹	Date of Disbursement	Rate of Interest	Monthly Principal ₹
Au Financiers (India) Limited-TL-1	2,65,68,682	24-Dec-14	15.35%	1666667
Au Financiers (India) Limited-TL-2	4,72,22,222	11-Jan-16	15.75%	1388889

Company has raised secured term loan of ₹ 10,00,00,000 from Bank of Maharashtra sanctioned on 30.09.2015, for small enterprise finance, against exclusive hypothecation of specific book debts, with interest bearing 15% FLDG in terms of security deposit (maturing at the end of loan) repayable in 54 equated monthly installments, against personal guarantee of Managing Director and corporate guarantee of Indo Crediop private limited (shareholder company)

Company has raised secured term loan of ₹ 20,00,00,000 from State Bank of India sanctioned on 20.01.2016, for small enterprise finance, against exclusive hypothecation of specific book debts, with interest bearing 15% FLDG in terms of security deposit (maturing at the end of loan)

\* Subordinate Debts for ₹ 30500000/- are taken from Moonlight Equity Private Ltd repayable after a period of 5 years, interest @18% will be paid on monthly basis.

## Notes to financial statements

### for the year ended 31<sup>st</sup> March 2016

	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>5. Other Long-Term Liabilities</b>		
Provision for Gratuity	40,25,802	34,42,988
<b>Total</b>	<b>40,25,802</b>	<b>34,42,988</b>
<b>6 Short Term Borrowings :</b>		
I. Secured Borrowing :		
a) Cash Credit from State Bank of India	5,01,10,183	94,54,915
II. Borrowings from Others (Unsecured)		
a) from Mas Financial Services Ltd	6,58,33,343	21,20,83,321
III. Loans and advances from related parties*		
a) Call Deposit from Corporate Bodies	-	49,09,52,625
<b>Total</b>	<b>11,59,43,526</b>	<b>71,24,90,861</b>

1. Cash Credit from State Bank of India secured against assignment of Small Enterprise Finance receivables on 1 charge on specific book debts and personal guarantee of Sh Yogen Khosla (managing director).

Cash Credit Limit for a period of 12 months repayable monthly along with interest @ 12.30% PA as per drawing power based on monthly stock statement.

Name	Loan Amount Outstanding(₹)	Date of Disbursement	Rate of Interest	Monthly EMI (₹)
Mas Financial Services Ltd	13750000	2-Feb-15	16.75%	1250000
Mas Financial Services Ltd	22916671	25-Feb-15	16.25%	2083333
Mas Financial Services Ltd	25000004	12-Mar-15	16.25%	2083333
Mas Financial Services Ltd	45000000	21-Sep-15	15.50%	2500000
Mas Financial Services Ltd	39583335	28-Oct-15	14.75%	2083333
Mas Financial Services Ltd	26250000	29-Dec-15	14.75%	1250000
Mas Financial Services Ltd	50000000	31-Mar-16	14.75%	2083333

	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>7 Trade Payables</b>		
(a) Trade payables ( Due within 1 year)		
Sundry creditors		
(i) Due to Micro, Small and Medium Enterprise	-	-
(ii) Due to Others	99,90,298	1,50,82,096
	<b>99,90,298</b>	<b>1,50,82,096</b>
<b>8 Other Current Liabilities</b>		
(a) Current Commitments of Long Term Borrowings	24,63,38,555	2,06,64,490
(b) Statutory dues payable		
- TDS payable	29,82,434	26,67,597
- PF payable	8,36,886	6,69,877
- ESI payable	3,69,534	2,73,688
(c) Other Current Liability	3,88,49,269	14,33,52,137
(d) Proposed Dividend & Dividend tax	2,72,94,637	1,55,41,232
	<b>31,66,71,314</b>	<b>18,31,69,021</b>
<b>(e) Provision</b>		
Provision for gratuity maturing within 12 months	12,49,624	11,52,077
Provision for Bonus	18,91,533	14,19,392
Provision for Salary	83,08,823	55,23,413
Provision for income tax (net of advance tax)	3,24,76,989	3,86,26,874
	<b>4,39,26,969</b>	<b>4,67,21,756</b>
	<b>36,05,98,283</b>	<b>22,98,90,777</b>



# Notes to financial statements

## for the year ended 31<sup>st</sup> March 2016

	₹	
		₹
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>10. NON CURRENT INVESTMENTS - UNQUOTED</b>		
(a) <b>Investments in Equity shares/Mutual Fund : Un Quoted</b>		
- Investment in others -unquoted shares	81,104	81,104
- Investment SBI Mutual Fund	15,00,000	-
	15,81,104	81,104
Less:-Provision for diminution	81,099	81,099
<b>Total</b>	<b>15,00,005</b>	<b>5</b>
<b>11. DEFERRED TAX ASSET (NET)</b>		
Deferred Tax Assets	50,27,147	33,14,051
Deferred Tax Liability	(7,21,908)	(3,56,696)
<b>Total</b>	<b>43,05,239</b>	<b>29,57,355</b>
<b>12. Long Term Loans and advances</b>		
(a) <b>Long Term Advances (Unsecured)</b>		
Small Enterprise Finance	77,35,44,475	22,40,78,693
<b>Total</b>	<b>77,35,44,475</b>	<b>22,40,78,693</b>
<b>13. Trade Receivables</b>		
<b>(Unsecured, considered good)</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	-	20000
Other Debts	3,57,24,526	2,86,60,304
<b>Total</b>	<b>3,57,24,526</b>	<b>2,86,80,304</b>
<b>14. Cash and Cash Equivalents</b>		
Cash on hand	62,210	56,75,083
Balances with banks:		
in current accounts	35,01,92,417	19,60,83,884
In Fixed Deposits	43,69,50,000	6,75,50,000
<b>Total</b>	<b>78,72,04,626</b>	<b>26,93,08,966</b>
<b>15. Short Term Loans and advances</b>		
(a) <b>Short Term Advances (Unsecured)</b>		
(i) Small Enterprise Finance	1,34,19,24,195	96,21,48,652
Less : Assignment of receivables by way of Managed Portfolio	76,16,28,749	47,50,83,893
	<b>58,02,95,446</b>	<b>48,70,64,759</b>
Less Contingent Provision Against Standard Assets/ Loan Loss Provision including Managed Portfolio	86,40,519	41,99,908
	<b>57,16,54,927</b>	<b>48,28,64,851</b>
	<b>57,16,54,927</b>	<b>48,28,64,851</b>
(b) <b>Security Deposits</b>		
Unsecured, considered good	18,52,66,232	20,70,73,941
	<b>18,52,66,232</b>	<b>20,70,73,941</b>
(c) <b>Advances recoverable in cash or kind (specify nature)</b>		
Unsecured, considered good	82,11,789	56,29,263
Less Provision for Doubtful Advances	12,81,511	12,81,511
	<b>69,30,278</b>	<b>43,47,752</b>
(d) <b>Other Loans and Advances</b>		
Loan to employees	-	38,653
Prepaid expenses	3,61,88,934	1,07,72,667
Service Tax Receivable	15,10,943	-
	<b>3,76,99,877</b>	<b>1,08,11,320</b>
<b>Total</b>	<b>80,15,51,314</b>	<b>70,50,97,864</b>

## Notes to financial statements

### for the year ended 31<sup>st</sup> March 2016

- a) In the opinion of the Board of Directors aggregate value of the Current Assets, Loans & Advances on realization in the ordinary course of the business shall not be less than the amount at which they are stated in the Balance Sheet.
- b) Contingent Provision Against Standard Assets/Loan Loss Provision had been Provided as per RBI Guidelines
- c) Aggregate amount of debtors/loans due from directors and companies in which they are directors/members are ₹ NIL. (Previous Year ₹ NIL)

	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>16. Revenue from operations</b>		
Interest Received on Small Enterprise Finance	28,34,19,456	25,42,93,033
Interest Received on Security Deposit/Loan	1,66,79,479	1,40,15,606
Interest Received on Managed Portfolio	7,02,37,543	9,18,75,589
Processing Fee Received	6,85,71,940	1,99,46,814
Commission Income	10,57,39,049	1,96,05,140
	<b>54,46,47,467</b>	<b>39,97,36,182</b>
<b>17. Other income</b>		
<b>Interest income</b>		
- from Bank Short Term Deposits	95,11,469	11,57,110
<b>Dividend income</b>		
- from Long-term investments	20,000	25,000
<b>Other Income</b>	5,89,77,389	-
	<b>6,85,08,858</b>	<b>11,82,110</b>
<b>18. Employee benefit expense</b>		
Salaries, wages and bonus and staff welfare	9,35,11,113	5,64,03,719
Contribution to provident fund and other funds	71,45,975	47,27,577
Directors Remuneration	45,32,394	35,42,447
<b>Total</b>	<b>10,51,89,482</b>	<b>6,46,73,743</b>
<b>19. Other expenses</b>		
Listing & Filing Fee	3,23,126	2,11,486
Electricity expenses	10,77,255	5,58,528
Rent Paid	1,68,58,189	93,46,945
Repairs and maintenance	93,33,322	52,90,098
Insurance	4,28,233	7,30,370
Vehicle Running Expenses	5,00,045	4,60,152
General Expenses	38,58,357	8,91,758
PROFESSIONAL & Consultancy charges	26,48,329	15,81,062
Legal & Professional fee	7,69,191	2,14,621
Directors sitting fee	37,000	32,750
Business Promotion Expenses	3,93,503	3,14,678
Postage & Stamps	10,84,022	7,58,144
Advertising and sales promotion	2,13,936	1,94,737
Travelling and conveyance Directors	4,23,948	8,15,082
Travelling and conveyance Others	1,82,75,785	1,41,80,291
Communication costs	40,80,417	22,08,230
Out of Pocket Exp. Audit	6,500	
Interest Paid on Income Tax/TDS	14,945	16,908
Printing and stationery	22,46,286	22,30,021
Commission Paid	40,200	-
Loss on sale / disposal of assets (Net)	-	-



# Notes to financial statements

## for the year ended 31<sup>st</sup> March 2016

	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>Auditors Remuneration</b>		
(a) Statutory Audit Fees	2,25,000	1,45,000
(b) Other matters	-	14,000
Loan Loss w/off	65,77,942	58,65,692
Loan Loss Provision	40,64,329	(2,74,409)
Provision for Doubtful Advances	-	12,81,511
Provision Against Standard Assets	3,76,282	6,38,696
	<b>7,38,56,142</b>	<b>4,77,06,351</b>
<b>20. Depreciation and amortization expenses</b>		
Depreciation of tangible assets	20,90,774	11,48,517
	<b>20,90,774</b>	<b>11,48,517</b>
<b>21. Finance costs</b>		
<b>Interest Expenses</b>		
Term Loan	5,67,31,036	3,82,50,709
Cash Credit	20,23,786	11,32,750
Intercompany Deposits	4,68,30,711	8,58,53,408
Processing Fee	1,43,57,527	1,47,60,597
Interest on Vehicle Loan	1,54,120	2,29,132
Bank Charges	16,87,612	12,40,829
	<b>12,17,84,792</b>	<b>14,14,67,426</b>
<b>22. EARNINGS PER EQUITY SHARE</b>		
<b>Equity shares of par value ` 10/- each</b>		
(a) Basic	24.46	12.86
(b) Diluted	14.37	12.86
<b>Number of shares used in computing earnings per share</b>		
(a) Basic	82,28,149	75,00,000
(b) Diluted	1,40,00,615	75,00,000
<b>23. GRATUITY</b>		
<b>Gratuity and other post-employment benefit plans</b>		
The Company has made provision in the Accounts for Gratuity based on Actuarial valuation. The particulars under the AS 15 (Revised) furnished below are those which are relevant and available to company for this year.		
<b>Statement of profit and loss</b>		
<b>Net employee benefit expense recognised in the employee cost</b>		
Current service cost	7,59,073	6,65,873
Past service cost	-	-
Interest cost on benefit obligation	4,53,612	4,14,641
Expected return on plan assets	(1,09,843)	(91,874)
Net actuarial (gain)/loss recognized in the year	(46,936)	2,55,558
<b>Net benefit expense</b>	<b>10,55,906</b>	<b>12,44,198</b>
Actual return on plan assets	(1,09,843)	(91,874)
<b>Balance sheet</b>		
<b>Benefit asset/liability</b>		
Present value of defined benefit obligation	66,93,116	58,15,540
Fair value of plan assets	14,17,690	12,20,475
<b>Plan asset/(liability)</b>	<b>52,75,426</b>	<b>45,95,065</b>

## Notes to financial statements

### for the year ended 31<sup>st</sup> March 2016

	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
₹		
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	58,15,540	46,07,123
Current service cost	7,59,073	6,65,873
Past Service cost	-	-
Interest cost	4,53,612	4,14,641
Benefits paid	(2,88,173)	(1,22,596)
Actuarial (gain)/losses on obligation	(46,936)	2,50,499
Closing defined benefit obligation	66,93,116	58,15,540
<b>The principal assumptions used in determining gratuity and Compensated absence benefit obligations for the company's plan are shown below:</b>		
Discount rate	7.70	7.80
Expected salary Escalation rate	10.00	10.00
Retirement Age	58	58
Mortality table	Indian Assured Lives Mortality (2006-2008) (modified)	Indian Assured Lives Mortality (2006-2008) (modified)
Withdrawal rate(%) All Ages	17.78% per annum	17.78% per annum
<b>Amounts for the currnt and previous available periods are as follows:</b>		
<b>Gratuity</b>		
Defined benefit obligation	66,93,116	58,15,540
Plan assets	14,17,690	12,20,475
Surplus/(deficit)	(52,75,426)	(45,95,065)
Experience adjustments on plan liabilities	73,024	7,545
Experience adjustments on plan assets	-	(5,059)
<b>Post employment medical benefit</b>		
Defined benefit obligation	-	-
Experience adjustments on plan liabilities	-	-

24. ₹1057.39 Lacs ( Previous Year ₹196.05 Lacs) received as Commission during the year from YES Bank Ltd on account of Business Correspondant (BC) agreement with Yes 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. Total exposure of Yes Bank on this Portfolio is ₹99.96 Crores as on March 31, 2016 (Previous Year ₹ 85.88 Crores).

25. Other Income includes fee based charges received from prospective borrowers on account of comprehensive and detailed search, valuation, verification and due diligence of the relevant documents.

26. a) Actual receipts of foreign currency is ₹NIL (previous Year ₹NIL).

b) Foreign currency outflow on travelling and business promotion expenses are ₹ 49,519/- (previous year ₹ 7,13,575/-)

#### 27. Contingent Liabilities

1) The company has entered into an agreement with MAS Financial Services Ltd for managing of portfolio on partnership basis as per terms of agreement with Mas Financial Services Ltd and is contingently liable to an extent of ₹ 82,90,23,526 (Interest & Principal) not accounted for in the Accounts.

2) There is one legal cases pending against the company pending with State Commission Disputes Redressal Commission, Delhi with a total amount involved is ₹ 61,300/-.



# Notes to financial statements

## for the year ended 31<sup>st</sup> March 2016

- 28.** Pursuant to enactment of Companies Act, 2013, the company has applied the estimated useful lives as specified in Schedule II, accordingly the unamortized carrying value is being depreciated/amortized over the revised/remaining useful life of the Asset In respect of the Fixed Assets whose life has been expired as at 1 of April 2014.
- 29.** The management is of the opinion that there is a virtual certainty of realizing DTA of ₹ 43,05,239/- created in the books (including ₹ 29,57,355/- for the previous year )
- 30.** Sundry debtors/ Advances as at the Balance Sheet date in view of management represent bonafide sums due from debtors for services arising on or before that date and advances for value to be received in cash or in kind respectively.
- 31.** Some borrower requested a change in their repayment schedule agreed by them at the time of granting of loan. Further, these customers also agreed to make fortnightly instead of monthly faster repayment of the loan. Considering, their request, the management agreed to restructure 363 no. of accounts after due verification.

### 32. Segment Reporting

The Company has only one business segment "Financing" as its primary segment and hence disclosure of segment-wise information is not required under Accounting Standard 17 - "Segmental Information" notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

The Company has only one Geographical Segment. The Company caters mainly to the needs of the domestic market.

- 33.** Schedule to the Balance sheet of NBFC (as required in terms of paragraph 9BB of Non Banking Financial Companies prudential norms (Reserve Bank ) directions, 1998

	Particulars	Amount in (₹)	
		Amount outstanding	Amount overdue
	<b>Liabilities Side:</b>		
1	Loans and advances availed by the NBFCs inclusive of interest thereon but not paid:		
	(a) Debentures : Secured	0	0
	: Unsecured (other than falling within the Meaning of public deposits)	0	0
	(b) Deferred Credits	0	0
	(c) Term Loans	627744963	0
	(d) Inter-corporate loans and borrowing	0	0
	(e) Commercial Paper	0	0
	(f) Public Deposits	0	0
	(g) Other Loans (Specify nature)	50110183	0
	Cash Credit Facility		
2	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :	0	
	(a) In the form of Unsecured debetures	0	
	(b) In the form of partly secured debentures i,e debentures where there is a shortfall in the value of security	0	
	(c) Other Public deposits	0	
	<b>Assets side:</b>		
3	Break-up of Leased Assets and Advances including Bills receivables (other than those included in (4) below:		
	(a) Secured	0	
	(b) Unsecured -Receivabe under financing activity	2123680459	
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	0	
	(b) Operating Lease	0	
	(ii) Stock on hire including hire charges under Sundry Debtors		
	(a) Assets on hire	0	
	(b) Repossed Assets	0	

## Notes to financial statements

### for the year ended 31<sup>st</sup> March 2016

	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed		0
	(b) Loans other than (a) above		0
5	Break-up of Investments:		
	Current investments:		
	1. Quoted:		
	(i) Shares: (a) Equity		0
	(b) Preference		0
	(ii) Debentures and Bonds		0
	(iii) Units of mutual funds		0
	(iv) Government Securities		0
	(v) Others (Please specify)		0
	(2) Unquoted:		
	(i) Shares: (a) Equity		0
	(b) Preference		0
	(ii) Debentures and Bonds		0
	(iii) Units of mutual funds		0
	(iv) Government Securities		0
	(v) Others (Please specify)		0
	Long Term Investments:		
	1. Quoted:		
	(i) Shares: (a) Equity		0
	(b) Preference		0
	(ii) Debentures and Bonds		0
	(iii) Units of mutual funds		0
	(iv) Government Securities		0
	(v) Others (Please specify)		0
	(2) Unquoted:		0
	(i) Shares: (a) Equity		5
	(b) Preference		0
	(ii) Debentures and Bonds		0
	(iii) Units of mutual funds		1500000
	(iv) Government Securities		0
	(v) Others (Please specify)		0
6	Borrower group-wise classification of all leases assets, Stock-on-hire and loans and advances:		
	<b>Category</b>	<b>Amount Net of Provisions</b>	
		<b>Secured</b>	<b>Total</b>
	1. Related Parties**		
	(a) Subsidiaries	0	0
	(b) Companies in the same group	0	0
	(c) Other related parties	0	0
	2. Other than related parties	2113758429	2113758429
	<b>Total</b>	<b>2113758429</b>	<b>2113758429</b>
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :		
	<b>Category</b>	<b>Market Value/ Break-up or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>
	1. Related Parties **		
	(a) Subsidiaries	0	
	(b) Companies in the same group	0	
	(c) Other related parties	0	
	(d) Other than related parties	0	
	Shares	5	5
	Mutual Fund	1500000	1500000
	<b>Total</b>	<b>1500005</b>	





# Notes to financial statements

## for the year ended 31<sup>st</sup> March 2016

8	Other information	
	Particulars	Amount
(i)	Gross Non-Performing Assets	32418922
	(a) Related parties	0
	(b) Other than related parties	32418922
(ii)	Net Non-performing Assets	27848403
	(a) Related parties	0
	(b) Other than related parties	27848403
(iii)	Assets acquired in satisfaction of debt	0

### 34. Related Party Information:

#### 1. Relationship

##### (a) Key Management Personnel

- 1 Mr. Yogen Khosla (Managing Director)
- 2 Mr. Surendra Mahanti (Director)
- 3 Col. Vijay Kumar (Retd.) (Director)
- 4 Mr. Hari Baskaran (Director)
- 5 Capt. Manpreet Singh Chawla (Retd.) (Director)
- 6 Mrs. Anju Khosla (Director)
- 7 Mr. Mukesh Sehgal (C.F.O)
- 8 Ms. Tanya sethi (C.S.)

##### (b) Relatives of Key Management Personnel

- 1 Mr. Vahin Khosla
- 2 Yogen Khosla & Sons (HUF)

##### (c) Other Related Parties where control exists:

- 1 M/S Moonlight Equity Private Ltd
- 2 M/S Italindian Trade & Financial Services Private Ltd
- 3 M/S Indo Crediop Private Ltd
- 4 M/S Vaibhav Farms Private Ltd
- 5 M/S Vishwas Credit & Livelihood Program
- 6 M/S Parikarma Investments & Financial Services Private Ltd
- 7 M/S Soter Capital India Private Ltd

#### Note:

- 1 Related party relationship on the basis of requirements of Accounting Standard 18 (AS-18) is identified by the Company and relied upon by the Auditors.
- 2 Transaction carried out with related parties referred in 1 above, in ordinary course of business:

Nature of Transactions	Related Parties			
	Year Ended	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
<b>Finance</b>	Loans & Advances			
	Unsecured Loans			
	(Loan Taken.)	3/31/2016		6758.48
		3/31/2015		6648.07
	(Loan Repaid)	3/31/2016		11568.00
		3/31/2015		2333.72
	(Loan Given.)	3/31/2016		0.00
		3/31/2015		0.00
(Loan Recd Back.)	3/31/2016		0.00	
	3/31/2015		0.00	

## Notes to financial statements

### for the year ended 31<sup>st</sup> March 2016

Nature of Transactions		Related Parties			
		Year Ended	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
<b>Expenses</b>	Interest Paid	3/31/2016			464.32
		3/31/2015			832.23
	Directors Remuneration	3/31/2016	45.32 (including Perquisites)		
		3/31/2015	35.42 (including Perquisites)		
	Directors Sitting Fee	3/31/2016	0.370		
		3/31/2015	0.328		
	Salary	3/31/2016	0	18.42	
		3/31/2015	3.57	10.6	
	Rent	3/31/2016		9.60	0
		3/31/2015		9.60	0
	Electricity	3/31/2016			0
		3/31/2015			0
	Water Charges	3/31/2016			0
		3/31/2015			0
Travelling	3/31/2016	4.24	0.00		
	3/31/2015	8.15	3.21		
Other reimbursement	3/31/2016	5.23	0.00	0	
	3/31/2015	0.58	1.83	0	
<b>Income</b>	Interest Received	3/31/2016			0
		3/31/2015			0
<b>Transaction</b>	Claim Receivable	3/31/2016			52.36
<b>Outstandings</b>	Finance				
	Loans & Advances	3/31/2016			
		3/31/2015			
	Unsecured Loans	3/31/2016			305.00
	3/31/2015			5159.53	

35. MSME undertakings as defined under the Micro, Small and Medium Development Act 2006, to whom the Company owes a sum are ₹ NIL (Previous year ₹ NIL)

36. Previous year figures have been regrouped/reclassified wherever considered necessary, to make them comparable with current year figures.

As per our Report attached

For **SGR & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.022767N

**(RAJESH ARORA)**  
Partner  
Membership No.076575

**YOGEN KHOSLA**  
CEO & Managing Director  
DIN. 00203165

**HARI BASKARAN**  
Director  
DIN. 02666053

Place: New Delhi  
Dated: April 26, 2016

**TANYA SETHI**  
Company Secretary

**MUKESH SEHGAL**  
Chief Financial Officer

# NOTICE

**NOTICE** is hereby given that the Thirtieth Annual General Meeting of the members of Capital Trust Limited "the Company" will be held on Monday, September 26, 2016 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 of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon.

### Item No. 2 DECLARATION OF DIVIDEND

To declare a final dividend at a rate of 15% i.e ₹ 1.50 per equity share for the financial year 2015-16.

### 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 APPOINTMENT OF STATUTORY 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 the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby appoint M/s Walker Chandoik & Co. LLP Chartered Accountants (Firm Registration No. 001076N/N500013), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Thirty Fifth Annual General Meeting in the year 2020-21 on such remuneration may be mutually agreed between the Board of Directors of the Company and the Auditors."

**"RESOLVED FURTHER THAT** appointment of the statutory auditors shall be subject to the ratification at each annual general meeting held after forthcoming annual general meeting."

## SPECIAL BUSINESS

### Item No. 5 INCREASE IN BORROWING POWERS UNDER SECTION 180(1)(c)

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 Section 180(1)(c) and other applicable provisions,

if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding ₹ 1000 Crores [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immovable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves."

### ITEM NO. 6. AUTHORISATION FOR CREATION OF MORTGAGE/ CHARGE/ HYPOTHECATION ETC.

To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution;

**"RESOLVED THAT** in pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company and the committee thereof for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board or committee may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully /

partly convertible debentures and/or non convertible debentures / bonds or other debt instruments), issued / to be issued by the Company subject to the limits of ₹ 1000 Crores approved under Section 180(1)(c) of the Companies Act, 2013 together with interest at the respective agreed rates.”

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

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

#### Item No. 7 APPOINTMENT OF DIRECTOR

To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. Sachin Kumar Bhartiya (having DIN 02122147) who was appointed as an Additional Director, pursuant to Section 161(1) of the Companies Act, 2013 and who holds office up to the date of ensuing Annual General Meeting and for the appointment of whom, the Company has received a notice under Section 160 of the Companies Act, 2013 alongwith the requisite deposit from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Non executive Director of the Company.”

By Order of the Board of Directors  
For Capital Trust Limited

Sd/-

**Tanya Sethi**

Company Secretary

Date: August 26, 2016

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 Tuesday, September 20, 2016 to Wednesday, September 26, 2016 (both days inclusive) for the purpose of payment of final dividend for the financial year 2015-16.
- 7) Dividend as recommended by Directors in their Board Meeting held on April 26, 2016, 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 19, 2016 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 19, 2016.
- 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 19, 2016.
- 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 physical or dematerialized form, as on the cut-off date, being Monday, September 19, 2016, through Electronic platform of National Securities Depository Limited (NSDL). The facility for casting votes through Ballot paper will also be made available at the AGM and members and members attending AGM, who have not 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 Friday, September 23, 2016 from 09: 00 am to Sunday, September 25, 2016 to 05:00 pm.
- 14) Ms. Atima Khanna, A.K. & Associates, Company Secretaries (ACS-28463), will act as the Scrutinizer to scrutinize the e-voting process and conducting the Ballot process in a fair and transparent manner.
- 15) Annual Report for the financial year 2015-16 including notice of thirtieth 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](http://www.capital-trust.com).

#### **EXPLANATORY STATEMENT RELATING TO THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

##### **Item No. 5 INCREASE IN BORROWING POWERS UNDER SECTION 180(1)(c)**

The Shareholders had authorized the Board of Directors of the Company to borrow from time to time a sum not exceeding ₹ 400 Crores (₹ Four Hundred Crores) from Mas Financial Services Ltd and ₹ 600 Crores (₹ Six Hundred Crores) from other sources. The company is at its growing phase. In view of the potential growth in business of the Company and anticipating the need of additional funds that may be required in the near future, it was considered essential to borrow monies from diverse sources for various business activities/initiatives undertaken by the Company, consequent to which the amount borrowed and outstanding could exceed the present limit of ₹ 400 Crores. The Board accordingly recommends the aggregate revised limit to the extent of ₹ 1000 Crores (Rupees One Thousand Crores only) under 180(1)(c) of the Companies Act, 2013 as set out in the Resolution for approval of the Members.

The Board recommends the Special Resolution set forth in Item No. 5 of the Notice for approval of the Members.

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

##### **ITEM NO. 6. AUTHORISATION FOR CREATION OF MORTGAGE/ CHARGE/ HYPOTHECATION ETC.**

Section 180(1) (a) of the Companies Act, 2013 provides, inter alia, that the Board of directors of a public company shall not, without the consent of a public company in general meeting, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking(s) of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking. Mortgaging/charging of the immovable and movable properties of the Company as aforesaid

to secure Rupee Term Loans and the various Cash Credit facilities and other borrowings may be regarded as disposal of the whole or substantially the whole of the said undertaking(s) of the Company and therefore requires consent of the Company pursuant to Section 180(1) (a) of the Companies Act, 2013.

Your directors recommend the resolutions for approval of the shareholders as special resolutions under Section 180(1) (a) of the Companies Act, 2013.

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

### Item No. 7 APPOINTMENT OF DIRECTOR

M/s Lighthouse Emerging India Investors Limited has invested into the equity of the company on March 29, 2016 and is now holding 19.26% stake in the company. That investor has nominated Mr. Sachin Kumar Bhartiya as its representative to the board of the company. Mr. Sachin Kumar Bhartiya was appointed as an additional director on the Board of the Company Director with effect from August 26, 2016 pursuant to provisions of Section 161(1) of the Companies Act, 2013, up to the date of the ensuing Annual General Meeting. The Company has received from Mr. Sachin Kumar Bhartiya, a consent in writing to act as Director in form DIR -2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013. The company has received a notice in writing under Section 160 of the Companies Act, 2013, along with requisite deposit proposing the candidature of Mr. Sachin Kumar Bhartiya for the office of Non-executive director of the company.

The nature of expertise of Mr. Sachin Kumar Bhartiya including his profile, name of companies in which he is holding directorship, membership, chairmanship, relationship with other directors is given hereunder. This statement may also be regarded as disclosure under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Your Board is of the view that company will benefit immensely by the presence of Mr. Sachin Kumar Bhartiya in the Board. Your Board recommends this resolution for your approval.

Except Mr. Sachin Kumar Bhartiya, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

### Brief Particulars of Mr. Sachin Kumar Bhartiya

1.	Name of Director	Mr. Sachin Kumar Bhartiya
2.	DIN	02122147
3.	Date of appointment	August 26, 2016
4.	Date of birth	March 1, 1978
5.	Brief Resume	Mr. Sachin Kumar Bhartiya is a Partner at Lighthouse. Prior to Lighthouse, he held senior positions at Infrastructure Leasing & Financial Services (IL&FS); GE Capital (India); and Industrial Development Bank of India (IDBI), where he led and managed more than USD 2.0 billion of transactions. Mr. Sachin Kumar Bhartiya is a Director of Bikaji Foods, Dhanuka Agritech, Indian Herbs, and Unibic Foods and also the Co-Founder of Gitanjali Express, a C.A. club.  He earned a Bachelor of Commerce from the University of Calcutta and is a Chartered Accountant.
6.	Other Directorship(s)	1. Dhanuka Agritech Limited 2. Unibic Foods India Private Limited 3. Bikaji Foods International Limited 4. Indian Herbs Specialties Private Limited 5. Oreo Capital Advisors Private Limited 6. Lighthouse Advisors (India) Private Limited 7. Bombay Central Holdings and Trading Co Pvt Ltd
7.	Name of companies in which director hold membership in committees	1. Dhanuka Agritech Limited (Audit Committee) 2. Bikaji Foods International Limited (Audit Committee)
8.	No. of shares held in the company	Nil
9.	Relationship between the directors	Nil

By Order of the Board of Directors  
For Capital Trust Limited

Date: August 26, 2016  
Place: New Delhi

Sd/-  
**Tanya Sethi**  
Company Secretary

### 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](http://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. 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: [atimakhanna@gmail.com](mailto:atimakhanna@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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):
  - (a) 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.
- iii. 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](http://www.evoting.nsdl.com) or contact NSDL at the following telephone No.1800-222-990.
- iv. 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.
- v. 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).
- vi. 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 i.e. Monday, September 19, 2016.
- vii. 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. Monday, September 19, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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](http://www.evoting.nsdl.com).
- viii. 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.
- ix. 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. Monday, September 19, 2016) only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- x. 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.
- xi. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the company [www.capital-trust.com](http://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

CIN: L65923DL1985PLC195299

Registered Office:

366 Sultanpur, MG Road, New Delhi-110030

Ph:9999074312 Email: cs@capital-trust.com 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 26, 2016 at 09:00 A. 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

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: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company to be held on Monday, the 26<sup>th</sup> day of September, 2016 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.**

1.

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 Limited  
CIN-L65923DL1985PLC195299  
366 Sultanpur, MG Road, New Delhi - 110030  
Ph: 09999074312 Email: [info@capital-trust.com](mailto:info@capital-trust.com)  
Web: [www.capital-trust.com](http://www.capital-trust.com)