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Draft Letter of Offer
Dated 09.01.2025
For Eligible Equity Shareholders only



CAPITAL TRUST LIMITED

Our Company was incorporated as Capital Trust Limited on August 23, 1985 under the provisions of Companies Act, 1956 with Registrar of Companies, Punjab, HP and Chandigarh. The certificate of commencement of business was received on September, 5, 1985. The registered office was subsequently changed from state of Punjab to State of Madhya Pradesh by was of fresh certificate of incorporation dated June 13, 1996. The registered office was finally shifted to the NCT of Delhi on October, 10, 2009.

Registered & Corporate Office: 205, Centrum Mall, Sultan Pur, MG Rod, New Delhi- 110030, India
Tel No: 9999074312; **Website:** www.capitaltrust.in
Contact Person: Ms.Tanya Sethi (Company Secretary & Compliance Officer), **E-mail:** cs@capitaltrust.in
Corporate Identity Number: - L65923DL1985PLC195299

OUR PROMOTERS: Mr. Yogen Khosla, M/s Moonlight Equity Private Limited	
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY	
ISSUE OF UP TO [•] FULLY PAID-UP EQUITY SHARES WITH A FACE VALUE OF ₹ 10/- EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [•] /- EACH INCLUDING A SHARE PREMIUM OF ₹ [•] PER RIGHTS EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT UP TO ₹ 4995 LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [•] RIGHTS EQUITY SHARES FOR EVERY [•] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [•], [•] (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [•] TIMES THE FACE VALUE OF THE EQUITY SHARES.	
WILFUL DEFAULTERS	
Neither our Company, our Promoters nor Directors are categorized as Wilful Defaulters or Fraudulent Borrowers.	
GENERAL RISK	
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to “Risk Factors” beginning on page 20 of this Draft Letter of Offer before making an investment in this Issue.	
Company’S ABSOLUTE RESPONSIBILITY	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of this Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.	
LISTING	
The existing Equity Shares of our Company are listed and traded on the, NSE Limited and BSE Limited. Our Company has received in-principle approvals from BSE and NSE for listing of the Right Shares pursuant to their letters dated [•].	
REGISTRAR TO THE ISSUE	
	
MAS SERVICES LIMITED T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 Tel No.: +91 11 2638 7282 Email: investor@masserv.com Contact Person: Mr. Sharvan Mangla SEBI Reg. No.: INR000000049	
ISSUE PROGRAMME	
ISSUE OPENS ON	[•]*
LAST DATE FOR MARKET RENUNCIATION	[•]*
ISSUE CLOSES ON	[•]**

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Further, Issue related terms used but not defined in this Draft Letter of Offer shall have the meaning ascribed to such terms under the General Information Document.

The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/Applicant only and is not exhaustive.

Notwithstanding the foregoing, the terms used in “*Industry Overview*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Terms of Issue*” beginning on pages 57, 105, 181 and 192 respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
“our Company” or “the Company”	Capital Trust Limited, CIN L65923DL1985PLC195299, incorporated under the Companies Act, 1956 having registered office at 205, Centrum Mall, Sultanpur, MG Road New Delhi-110030
“we”, “us” “CTL” or “our”	Unless the context otherwise indicates or implies, refers to our Company

Company related terms

Term	Description
AoA /Articles of Association/ Articles	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management</i> ” on page 85
Auditors/ Statutory Auditors	The statutory auditors of our Company, currently being M/s. JKVS & Co, Chartered Accountants
Board/ Board of Directors	Board of Directors of our Company, as described in “ <i>Our Management</i> ” on page 85
Chief Financial Officer/ CFO	Chief Financial Officer of our Company, being Mr. Vinod Raina
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company, being Ms. Tanya Sethi
CSR Committee/ Corporate Social Responsibility Committee	Corporate Social Responsibility Committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, and as described in “ <i>Our Management</i> ” on page 85
Director(s)	Directors on our Board as described in “ <i>Our Management</i> ” on page 85
Equity Shares	The equity shares of our Company of face value of ₹ 10 each.

Term	Description
Executive Director(s)/ Whole-time Directors(s)	Executive Directors or Whole-time Directors(s) on our Board, as described in “ <i>Our Management</i> ” on page 85
Independent Directors	Independent directors on our Board, and who are eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, please see “ <i>Our Management</i> ” on page 85
KMP/ Key Managerial Personnel	Key Managerial Personnel of our Company in accordance with Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 as applicable and as further disclosed in “ <i>Our Management</i> ” on page 85
Managing Director	The Managing Director of our Company i.e., Mr. Yogen Khosla
MOA/ Memorandum of Association	The memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	Nomination and Remuneration Committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management</i> ” on page 85
Promoter Group	Such individuals and entities which constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	The promoters of our Company, being Mr. Yogen Khosla, M/s Moonlight Equity Private Limited.
Registered Office	The Registered Office of our Company, situated at 205, Centrum Mall, Sultanpur, MG Road New Delhi-110030
ROC/Registrar of Companies	The Registrar of Companies, Delhi and Haryana
Shareholder(s)	Shareholders of our Company, from time to time
Stakeholders Relationship Committee	Stakeholders’ Relationship Committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management</i> ” on page 85
Subsidiary	Subsidiary as defined under section 2(87) of Companies Act, 2013

Issue Related Terms

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act.
Additional Rights Shares	The Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot/ Allotment/ Allotted	Allotment of Equity Shares pursuant to the Issue.
Term	Description
Allotment Advice	A note or advice or intimation of Allotment sent to all the Investors who has been allotted or is to be allotted the Equity shares in the Issue after approval of the Basis of Allotment by the Designated Stock Exchange.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee	A successful Investor to whom the Equity Shares are Allotted
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Draft Letter of Offer, including an ASBA Applicant.

Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable at the time of Application ₹ [●] (Rupees [●] Only) in respect of the Right Shares applied for in this Issue at the Issue Price;
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicants to make an application authorizing a SCSB to block the Application Money in the ASBA Account.
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers 'SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009', 'CIR/CFD/DIL/1/2011 dated April 29, 2011', and 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020';
Banker(s) to the Issue/Refund Bank	Collectively, the Escrow Collection Bank(s), Refund Bank(s) to the issue, in this case being [●], Sponsor Bank and Public Issue Account Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Applicants under the Issue and as described in "Terms of the Issue" beginning on page 193
Client ID	Client identification number maintained with one of the Depositories
Controlling Branches/Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and / or such other website(s) as may be prescribed by the SEBI / Stock Exchange(s) from time to time
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, used by the Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Designated Stock Exchange	BSE Limited
Draft Letter of Offer/ DLOF	This Draft Letter of Offer dated January 09, 2025
Eligible Equity Shareholder(s)	Holder(s) of Equity Shares of our Company as on the Record Date

Term	Description
Equity Share Capital	Equity Share capital of our Company
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the ASBA

Issue/ Rights Issues	Issue of up to [●] fully paid up equity shares with a face value of ₹ 10 each at a premium of ₹ [●] per Equity Share for an amount aggregating up to ₹ 4995 lakhs (Rupees Four Thousand Nine hundred and Ninety-Five Lakhs Only) on a rights basis to the existing Equity Shareholders in the ratio of [●] Equity Share for every [●] fully paid-up Equity Share(s) (i.e., [●]) held by the existing Equity Shareholders on the Record Date. The issue price is [●] times the face value of the Equity Shares.
Issue Price	₹[●]/- (Rupees [●]) per Right Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Equity Share);
Issue Opening Date	[●]
Issue Closing Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their applications, in accordance with the SEBI ICDR Regulations.
Issue Proceeds	The proceeds of the Issue shall be available to our Company. For further information about the use of the Issue Proceeds, please see “ <i>Objects of the Issue</i> ” beginning on page 51
Letter of Offer/LOF	The final letter of offer to be filed with the BSE after incorporating the BSE observations received from the BSE on the Draft Letter of Offer;
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Non-ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs registered with SEBI
ODR	Online Dispute Resolution
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered Stock Broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●].
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. [●]
Term	Description
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●]
Renouncees	Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation;

Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee prior to the issue closing date.
Registrar Agreement	The agreement dated December, 30, 2024 entered into amongst our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar to the Issue/ Registrar	MAS Services Limited
Retail Individual Investors or RII(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹2,00,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlement(s)	The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being [●] Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder. The Rights Entitlement with a separate ISIN [●] will be credited to Eligible Equity Shareholder's demat account before Issue Opening Date, against the Equity Shares held by the Equity Shareholders as on the Record Date.
Rights Entitlement Letter/ Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders
Rights Equity Shares	Equity Shares of our Company to be allotted pursuant to this Issue, on fully paid-up basis
SCORES	Securities and Exchange Board of India Complaints Redress System
SEBI Listing Regulations/ SEBI (LODR) Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Master Circular	Master circular dated June 21, 2023 issued by the Securities and Exchange Board of India in order to enable stakeholders to have access to all circulars/directions issued under the relevant provisions of the SEBI ICDR Regulations, 2018 at one place.
SEBI Regulations/ SEBI ICDR Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto
SEBI Takeover Regulations/ Takeover Code/ Regulations	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular(s) issued by SEBI in this regard.
Stock Exchanges	Stock Exchanges where the Equity Shares of the Company are presently listed, BSE Limited
Term	Description
Self-Certified Syndicate Bank(s)/SCSB(s)	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Banker to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

Working Day	All days on which commercial banks in New Delhi, India are open for business. Further in respect of Issue Period “Working Day” shall mean all days, excluding Saturdays, Sundays and public holidays on which commercial banks in New Delhi, India is open for business. Furthermore, the time period between the Issue Closing Date and listing of the Equity Shares on Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI
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Conventional and General Terms and Abbreviations

Term	Description
A/c	Account
AGM	Annual general meeting
AI	Artificial Intelligence
AIFs	Alternative investment funds as defined in and registered under the SEBI AIF Regulations
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31
CDSL	Central Depository Services (India) Limited
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
Competition Act	Competition Act, 2002, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
CST	Central Sales Tax
Depositories Act	Depositories Act, 1996
Depository or Depositories	NSDL AND CDSL
DIN	Director Identification Number
DP ID	Depository Participant’s Identification Number
DP/ Participant	A depository participant as defined under the Depositories Act
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EMS	Environmental Management System
EOU	Export Oriented Unit
EPS	Earnings per share
EUR/ €	Euro
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ FY/ F.Y.	Period of twelve months ending on March 31 of that particular year, unless stated otherwise
Term	Description
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined under SEBI FVCI Regulations
FVTPL	Fair Value Through Profit or Loss

FY	Financial Year
GDP	Gross Domestic Product
GOI	Government of India
GST	Goods and services tax
GVA	Gross value added
HUF	Hindu undivided family
I.T. Act	The Income Tax Act, 1961, as amended
IBC	Insolvency and Bankruptcy Code
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Ind AS Rules
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
INR	Indian National Rupee
IRDAI	Insurance Regulatory Development Authority of India
IT	Information technology
ITC	Input Tax Credit
LC	Letter of Credit
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
Mn/ mn	Million
MSME	Micro, Small & Medium Enterprises
Mutual Fund(s)	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NCDs	Non-Convertible Debentures
NEFT	National Electronic Fund Transfer
NFE	Net Foreign Exchange
NPCI	National Payments Corporation of India
NRE Account	Non-resident External Account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	NSE Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue

P/E Ratio	Price/earnings ratio
PAN	Permanent account number allotted under the I.T. Act
QMS	Quality Management System
R&D	Research and Development
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RONW	Return on Net Worth
Rs./ Rupees/ ₹ / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
State Government	Government of a State of India
STT	Securities Transaction Tax
TCS	Tax Collected at Sources
TDS	Tax Deducted at Sources
US GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
USA/ U.S. / US	The United States of America
USD / US\$	United States Dollars
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations
Wilful Defaulter or Fraudulent Borrower	Wilful Defaulter or Fraudulent Borrower as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations

NOTICE TO INVESTORS

The distribution of the Draft Letter of Offer, the, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer, Letter of Offer, or Application Form may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer / and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Eligible Equity Shareholders who do not communicate with the Registrar to the Issue in the manner provided in the chapter titled “*Terms of the Issue*” and on the website of the Registrar to the Issue at www.masserv.com to update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer / and Application Form and Rights Entitlement Letter, shall not be sent the Letter of Offer/ and Application Form and Rights Entitlement Letter.

Investors can also access the Draft Letter of Offer, the Letter of Offer and the Application Form from the websites of our Company, the Registrar and the Stock Exchange.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including the Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholders.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, the Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, the Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Draft Letter of Offer, the Letter of Offer and the Application Form must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Draft Letter of Offer, the Letter of Offer or Application Form should not in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Draft Letter of Offer, the Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Draft Letter of Offer, the Letter of Offer or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Draft Letter of Offer and the Letter of Offer. Envelopes containing an Application Form and Rights Entitlement Letter should not be dispatched from the jurisdiction where it would be illegal to make an offer and all the person subscribing for the Equity Shares in the Issue must provide an Indian address.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction.

Neither the delivery of the Draft Letter of Offer, the Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there

has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained is correct as at any time subsequent to the date of the Draft Letter of Offer, the Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THE DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended ("Securities Act"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof ("United States" or "U.S.") or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act ("Regulation S")), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements referred to in this Draft Letter of Offer are being offered in India, but not in the United States. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Letter of Offer / and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address.

Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which:

- i. Does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations;
- ii. Appears to us or our agents to have been executed in or dispatched from the United States;
- iii. Where a registered Indian address is not provided; or

- iv. Where our Company believes that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and
- v. Our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

PRESENTATION OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to “India” contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions. All references to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable. All references to the “U.S.”, “US”, “U.S.A” or “United States” are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time (“IST”). Further, unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated or the context requires otherwise, the financial information in this Draft Letter of Offer is derived from our Audited Financial Statements for full year and Limited Review Financial Results for stub period. The Financial Statement included in this Draft Letter of Offer comprises of the Audited Financial Statements for full year and Limited Review Financial Results of our Company, which comprise of the summary of assets and liabilities as at March 31, 2024 and Limited Review Financial Results as on 30th September, 2024 prepared in accordance with IND AS in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, each as amended. For further information, please see “*Financial Information*” beginning on page 104.

Our Company’s financial year commences on April 1 and ends on March 31 of that particular calendar year. Accordingly, all references to a particular financial year or fiscal, unless stated otherwise, are to the 12 months period ended on March 31 of such years.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, please see “*Risk Factors*” on page 20.

Unless the context otherwise requires or indicates, any percentage amounts (excluding certain operational metrics), as set forth in “*Risk Factors*” and “*Our Business*” on pages 21 and 74 respectively, and elsewhere in this Draft Letter of Offer have been derived from the Audited Financial Statements for full year and Limited Review Financial Results.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. Except as otherwise stated, all figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Currency and Units of Presentation

All references to “Rupees” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India.

All references to “US\$”, “US Dollar”, or “USD” are to United States Dollars, the official currency of the United States of America.

In this Draft Letter of Offer, our Company has presented certain numerical information. All figures have been expressed in lakhs. One lakh represents ‘lakhs’ or 100,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than lakhs, such figures appear in this Draft Letter of Offer expressed in such denominations as provided in their respective sources.

Exchange Rates

This Draft Letter of Offer contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Indian Rupee, are as follows.

(in ₹)

Currency	[Prior Date of submission of DLOF]	Exchange Rate as on	
		September 30, 2024	March 31, 2024
1 USD	84.93	83.78	83.37

Source: <https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>

FORWARD-LOOKING STATEMENTS

Certain statements in this Draft Letter of Offer are not historical facts but are “forward-looking” in nature. Forward-looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the section titled “*Risk Factors*”. Forward-looking statements include statements concerning the Company’s plans, financial performance etc., if any, the Company’s competitive strengths and weaknesses, and the trends the Company anticipates in the industry, along with the political and legal environment, and geographical locations, in which the Company operates, and other information that is not historical information.

Words such as “aims”, “anticipate”, “believe”, “could”, “continue”, “estimate”, “expect”, “future”, “goal”, “intend”, “is likely to”, “may”, “plan”, “predict”, “project”, “seek”, “should”, “targets”, “would” and similar expressions, or variations of such expressions, are intended to identify and may be deemed to be forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and assumptions about the Company, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved.

These risks, uncertainties and other factors include, among other things, those listed under the section titled “*Risk Factors*” of this Draft Letter of Offer, as well as those included elsewhere in this Draft Letter of Offer. Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited, to:

- Compliance with recently introduced laws and regulations, and any further changes in laws and regulations applicable to India;
- Availability of adequate debt and equity financing at reasonable terms;
- Our ability to effectively manage financial expenses and fluctuations in interest rates;
- Our ability to successfully implement our business strategy;
- Our ability to manage operating expenses;
- Performance of the Indian debt and equity markets;
- General, political, economic, social, business conditions in Indian and other global markets.

For a further discussion of factors that could cause the Company’s actual results to differ, please refer to the section titled “*Risk Factors*” of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, the Company cannot assure Eligible Investors that such expectations will prove to be correct. Given these uncertainties, Eligible Investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of the Company’s underlying assumptions prove to be incorrect, the Company’s actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements. As a result, actual future gains or losses could materially differ from those that have been estimated. The Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date hereof.

Forward looking statements speak only as of the date of this Draft Letter of Offer. None of the Company, its Directors, its officers or any of their respective affiliates or associates has any obligation to update or otherwise revise any statement reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

Neither our Company, our Promoters, our Directors, nor any of its respective affiliates or advisors have any

obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by Stock Exchanges for the Issue.

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of the certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer when filed, or all details relevant to investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including the sections titled “*Risk Factors*”, “*Capital Structure*”, “*Objects of the Issue*”, “*Industry Overview*”, “*Our Business*”, “*Financial Statements*”, “*Outstanding Litigation and Other Material Developments*” on pages 21, 49, 52, 57, 74, 105, 181, respectively of this Draft Letter of Offer.

Primary business of our Company

The Company was incorporated as Capital Trust Limited on August 23, 1985 under the provisions of Companies Act, 1956 with Registrar of Companies, Punjab, HP and Chandigarh. The certificate of commencement of business was received on September, 5, 1985.

The Company has provided affordable funding to over 15 Lakh Clients through its 300 branches in a transparent manner. Currently Capital Trust has ~1.00 Lakhs live customers being digitally served through established infrastructure developed in-house by the Company.

The Company is presently operating in 11 states viz. Delhi, Uttar Pradesh, Uttarakhand, Madhya Pradesh, Rajasthan, Punjab, Odisha, Jharkhand, Bihar, Andhara Pradesh and Chhattisgarh.

For further information, please see “*Our Business*” on page 73.

Industry in which our Company operates

Our Company operates in the Non-Banking Financial Company (NBFC) sector, a vital component of the financial services industry. NBFCs play a crucial role in bridging the credit gap by providing financial assistance to underserved segments, including small businesses and individuals, often excluded from traditional banking services. This sector is instrumental in promoting financial inclusion, supporting entrepreneurship, and driving economic growth. Through innovative solutions and a customer-centric approach, we strive to meet the diverse financial needs of our clients while adhering to regulatory standards and fostering sustainable development.

For further information, please see “*Industry Overview*” beginning on page 56.

Name of Promoters

As on the date of this Draft Letter of Offer, our Promoters are Mr. Yogen Khosla and M/s Moonlight Equity Private Limited.

Issue Size

Issue	Issue of up to [●] Fully paid-up Equity Shares aggregating up to ₹ 4995 lakhs (Rupees Four Thousand Nine hundred and Ninety-Five Lakhs Only)
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The Issue has been authorised by our Board pursuant to resolution dated November 14, 2024.

Objects of the Issue

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(in ₹ lakhs)

Particulars	Amount
Gross Proceeds from the Issue**	Upto 4,995
Less: Issue Related Expense**	[●]
Net Proceeds from the Issue	[●]

* Assuming full subscription in the Issue and receipt of all Call Monies with respect to the Rights Equity Shares. Subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

For further details, please see “Objects of the Issue” beginning on page 51.

Requirement of Funds

The details of the Net Proceeds are set forth in the following table:

(₹ In lakhs)

Sr. No.	Particulars	Estimated Amount
	To augment our capital base for our Company	Upto 4,995
	General Corporate Purpose	[●]
	Net Proceeds from the Issue	[●]

* Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.

Aggregate pre-Issue shareholding of Promoters and Promoter Group

The aggregate pre-Issue shareholding of our Promoters and Promoter Group as a percentage of the pre-Issue paid-up equity share capital of our Company as on December 17, 2024, date being closer to date of this Draft Letter of Offer is set out below:

S. No	Name of the Shareholder	No. of Equity Shares held	% of the pre-Issue paid up Equity Share capital
Promoters			
1	Yogen Khosla	5798917	34.09
2	Moonlight Equity Pvt Ltd	5234484	30.77
	Total	11033401	64.86

For further details, please see “Capital Structure” beginning on page 48.

Intention and extent of participation by our Promoter(s) and Promoter Group in the Issue:

Our Promoters and member of our Promoter Group have, vide their letters dated December 30, 2024 (“**Subscription Letters**”) have informed that they may or may not fully subscribe to their respective entitlements, arising out of the proposed Rights Issue and may renounce a part of their rights entitlement in the favour of third parties whom our Promoters and Promoter Group may identify in due course.

Therefore, if Promoter and Promoter group do not fully subscribe to their respective entitlements, the criteria required for exemption from minimum subscription of 90% of the Issue set out in the second paragraph to the proviso to Regulation 86(1) of the SEBI ICDR Regulations is not met by our Company.

Our Company must, therefore, will have to ensure a minimum subscription of 90% of the Issue in this proposed Rights Issue. In the event of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants / ASBA account unblocked forthwith, but not later than four days from the closure of the Rights Issue, in compliance with Pursuant to regulation 86(2) of the SEBI ICDR Regulations.

Summary of Financial Information

A summary of the financial information of our Company as per the Financial Statements is as follows:

(in ₹ lakhs, except per share data)

Particulars	As at and for the Fiscal		
	30 th September, 2024	31st March, 2024	31st March, 2023
Equity Share Capital	1686.58	1621.75	1621.75
Net worth (1)	8579.43	7670.00	7453.85
Revenue from operations	4985.96	7958.32	8691.42
Profit (loss) attributable to owners of the company	96.62	214.62	(4546.17)
Earnings per Equity Share (Basic) (in ₹) (2)	0.58	1.32	(28.14)
Earnings per Equity Share (Diluted) (in ₹) (3)	0.58	1.32	(28.14)
Net asset value per Equity Share (in ₹) (4)	50.46	46.87	45.55
Total Borrowings	11012.32	8008.45	9581.73

- (1) “*Net Worth*” means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account, as per the financial statement of assets and liabilities of our Company in the Audited Financial Statements for full year and Limited Review Financial Results;
- (2) *Basic EPS* = Net Profit after tax, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year/ period
- (3) *Diluted EPS* = Net Profit after tax, attributable to equity shareholders divided by weighted average no. of diluted equity shares outstanding during the year/ period.
- (4) *Net Asset Value per share* = Net Worth at the end of the year/period divided by total number of equity shares outstanding at the end of year/ period

For further details, please see “*Financial Statements*” on page 104.

Qualifications by the Statutory Auditors which have not been given effect to in the Financial Statements

There are no qualifications by the Statutory Auditors which have not been given effect to in the Financial Statements. For further details, please see “*Financial Statements*” on page 104.

Summary of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Directors and Promoters, to the extent applicable, as on the date of this Draft Letter of Offer is provided below:

For further details, please see “*Outstanding Litigation and Material Developments*” beginning on page 183.

(₹ in lakhs)

Sr. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Promoter	Material civil litigation	Aggregate amount involved
1.	Company						
	By the Company	NIL*	NIL	NIL	NIL	1200#	NIL
	Against the Company	NIL	NIL	NIL	NIL	NIL	NIL
2.	Director						
	By the Directors	NIL	NIL	NIL	NIL	NIL	NIL
	Against the Directors	NIL	NIL	NIL	NIL	NIL	NIL
3.	Promoter						
	By the Promoter	NIL	NIL	NIL	NIL	NIL	NIL
	Against the Promoter	NIL	NIL	NIL	NIL	NIL	NIL

**However the company have filed 7946 cases against default borrowers under section 138 of Negotiable Instrument Act. The maximum claim for any case does not exceed Rs. 3 Lakhs.*

#represents arbitration proceedings initiated by the company against the default borrowers,

Risk factors

Investors should please see “*Risk Factors*”, beginning on page 20 to have an informed view before making an investment decision.

Summary of contingent liabilities and commitments

There are no contingent liabilities and commitments”.

Summary of related party transactions

For details of related party transactions of our Company, as per the requirements under Ind AS 24 ‘Related Party Disclosures’ for the financial year ending March 31, 2024 please see Financial Statements - “Note 40”.

There has not been any issue of equity shares made in the last one year for consideration other than cash.

There has not been any split/consolidation of equity shares in the last one year.

SECTION II - RISK FACTORS

An investment in our equity shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares.

The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition, the price of our Equity Shares could decline, and investors may lose all or part of their investment.

In order to obtain a complete understanding of our Company and our business, investors should read this section in conjunction with “Our Business” and “Audited Financial Statements for full year and Limited Review Financial Results” on pages 74 and 105 respectively of this Draft Letter of Offer, as well as the other financial and statistical information contained in this Draft Letter of Offer. In making an investment decision, investors and purchasers of the Equity Shares must rely on their own examination of us and our business and the *terms of the Issue* including the merits and risks involved. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. Potential investors and purchasers of the Equity Shares should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue.

This Draft Letter of Offer also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, please see “Forward-Looking Statements” on page 14 of this Draft Letter of Offer.

Unless otherwise indicated, the financial information included herein is based on our Audited Financial Statements for full year and Limited Review Financial Results included in this Draft Letter of Offer. For further information, please see “Audited Financial Statements for full year and Limited Review Financial Results” on page 104 of this Draft Letter of Offer. We have, in this Draft Letter of Offer, included various operational and financial performance indicators, some of which may not be derived from our Financial Statements and may not have been subjected to an audit or review by our Statutory Auditors. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in same business as of our Company in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Financial Statements and other information relating to our business and operations included in this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to ‘we’, ‘us’, ‘our’ refers to our Company.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

1. Some events may not be material individually but may be found material collectively,
2. Some events may have material impact qualitatively instead of quantitatively, and
3. Some events may not be material at present but may have a material impact in future.

The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

The following risk factors have been determined by our Board of Directors on the basis of their materiality. In accordance with Clause (VI) in Part B of Schedule VI of the SEBI ICDR Regulations.

The risk factors are classified as under for the sake of better clarity and increased understanding.

Internal Risk Factors

Risks relating to our Business

BUSINESS RELATED RISKS

- 1. As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with observations made by RBI during these inspections could expose us to penalties and restrictions***

Under section 45N of the Reserve Bank of India, 1934 (“RBI Act”) we are subject to periodic inspections by the RBI to verify correctness or completeness of any statement, information or particulars furnished to the RBI for the purpose of obtaining any information or particulars which our Company has failed to furnish on being called upon to do so. While we may respond to RBI and address such observations; there can be no assurance that the RBI will not make similar or other observations in the future. If we are unable to resolve such deficiencies to RBI’s satisfaction, our ability to conduct our business may be adversely affected. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse impact on our business prospects, financial condition and results of operations. NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain approvals, licenses, registrations and permissions for operating our business. Such approvals, licenses, registrations and permissions must be maintained / renewed over time and we may have to comply with certain conditions in relation to these approvals. Moreover, the applicable requirements may change from time to time. We are required to obtain and maintain a license for carrying on business as an NBFC. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. RBI has the authority to change these norms/ criteria as and when required. Inability to meet the prescribed norms/ criteria, can adversely affect the operations and profitability of our Company.

The Reserve Bank of India (RBI) has not made any observations regarding non-compliance during its inspections of the company in the past. As of the date of the Draft Letter of Offer (DLOF), there are no pending non-compliance issues concerning the company.

- 2. Our business will require substantial funds, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.***

Our liquidity and profitability are, in large part, dependent upon our timely access to, and costs associated with raising capital including both debt and equity. Our business depends and will continue to depend on our ability to access diversified low-cost funding sources. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing from banks. Further, under Indian Law, foreign investors are subject to investment restrictions that may limit our ability to attract foreign investors or capital from overseas investors.

Pursuing our growth strategy and introducing new product offerings to our customers will have an impact on our long-term capital requirements. With the growth of our business, we may be increasingly reliant on funding from debt capital markets. The market for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors. If

we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, lack of liquidity in the market, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. If we are unable to obtain adequate financing or financing on terms satisfactory to us and in a timely manner, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, financial condition and results of operations would be materially and adversely affected.

3. *We operate in a highly competitive industry and our inability to compete effectively may adversely affect our business.*

We operate in a highly competitive industry. Given the diversity of our businesses, and the products and services offered by us, we face competition from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions, captive finance affiliates of players in various industries, small finance banks and other NBFCs who are active in SME, retail and individual lending. Many of our competitors may have greater resources than we do, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. They may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide. Competition in our industry depends on, amongst others, the ongoing evolution of government and regulatory policies, the entry of new participants and the extent to which there is consolidation among banks and financial institutions in India. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in our increasingly competitive industry and our inability to compete effectively may adversely affect our business.

4. *We are affected by volatility in interest rates for both our lending and fund raisings operations, which could cause our net interest income to decline and adversely affect our results of operations and profitability.*

A significant component of our revenue is the interest on loans and other financing activity we receive from the loans we disburse. Our net interest margins are affected by any volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including competition from other banks and NBFCs, the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Persistently high inflation in India may discourage the Government from implementing policies that would cause interest rates to decrease. Moreover, if there is an increase in the interest rates, we pay on our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors, who may have access to funds at a lower cost or lower cost deposits. To the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. Further, our ability to pass on any increase in interest rates to borrowers may also be constrained by regulations implemented by the Government or the RBI. In a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income and net interest margin.

5. *Our profitability depends on our ability to effectively manage financial expenses and fluctuations in interest rates*

Our ability to effectively manage financial expenses and fluctuations in interest rates poses a significant risk to our operations and profitability. Changes in interest rates, whether due to macroeconomic conditions, regulatory actions, or market dynamics, can directly affect our borrowing costs and the rates at which we provide loans to customers.

Given our BB+ credit rating, the cost of borrowing is already elevated, forcing us to offer loans at higher interest rates. This could limit our competitiveness in the market, impact customer acquisition and retention, and reduce our overall loan portfolio growth. Additionally, adverse movements in interest rates could lead to mismatches between our funding costs and income generated from loans, further straining our financial stability.

Failure to manage these risks effectively may lead to increased financial expenses, reduced net interest margins, and weakened profitability, which could adversely impact our business, financial condition, and results of operations.

6. ***We depend on the accuracy and completeness of information about customers and counterparties for certain key elements of our credit assessment and risk management process. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.***

In deciding whether to extend credit or enter into other transactions with customers, for certain key elements of the credit assessment process, we rely on information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given, may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

7. ***High levels of customer defaults or delays in repayment of loans could adversely affect our business, financial condition and results of operations.***

Our business involves lending money and accordingly we are subject to customer default risks including default or delay in repayment of principal and/or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan contracts, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

8. ***We may not be able to recover, on a timely basis or at all, as the company provides unsecured loans and also the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans.***

The company provides unsecured loans, where we may not be able to recover the principal and/or interest from the defaulting customers. The company does not have any security for these loans. Further in case of secured loans, the value of the security provided to us, may be subject to reduction in value on account of other extraneous reasons. Consequently, the realizable value of the security for the loans provided by us, when liquidated, may be lower than principal amount outstanding along with interest and other costs recoverable from such customers.

9. ***Our Company's inability to obtain, renew or maintain the statutory and regulatory permits and approvals which are required to operate its existing or future businesses may have a material adverse effect on its business, financial condition, cash flows and results of operations.***

NBFCs in India are subject to regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as an NBFC with the RBI, we are also required to comply with certain other regulatory requirements for its business imposed by the RBI. In the future, there could be circumstances where our Company may be required to renew applicable permits and approvals and obtain new permits and approvals for its current and any proposed operations or in the event of a change in applicable law and regulations. There can be no assurance that RBI or other relevant authorities will issue any such permits or approvals in the time-frame anticipated by our Company, or at all. In addition, we require several registrations to operate our branches in the ordinary course of business. These registrations include those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax, GST registrations etc. Some of these approvals may have expired in the ordinary course, and our Company has either applied, or is in the process of applying for renewals of them. Failure by our Company to renew, maintain or obtain the required permits or approvals may result in an interruption of its operations and may have a material adverse effect on its business, financial condition, cash flows and results of operation.

As a Non-Banking Financial Company (NBFC), the company is required to obtain a Certificate of Incorporation from the Ministry of Corporate Affairs and registration as an NBFC from the Reserve Bank of India. As of the date of filing the Draft Letter of Offer (DLOF), the company holds the necessary permissions from both authorities.

10. *Our borrowers may transfer loan balances to other banks or financial institutions, resulting in a loss of expected interest income expected from such loans.*

If interest rates rise, borrowers with variable interest rates on their loans are exposed to increased equated monthly instalments (“EMIs”) when the loans’ interest rate adjusts upward. Such borrowers may seek to refinance their loans through balance transfer to other banks and financial institutions to avoid increased EMIs that result from an upwards adjustment of the loans’ interest rate. Even if interest rates do not increase, our borrowers may seek to transfer loans to banks or other financial institutions that offer lower interest rates.

Loan balance transfers result in a loss of interest income expected from such loans over the course of their tenure. Even where we are allowed to charge a prepayment penalty, the amount of such penalty will not make up for all of the loss of interest income expected from such loans. Some of our borrowers may be able to find balance transfer options at comparably lower interest rates or other financing alternatives, which could have an adverse effect on our business, results of operations and financial condition.

11. *Our financial performance may be materially and adversely affected by an inability to maintain and upgrade our information technology systems, and respond promptly and effectively to new technological innovations*

Our financial performance and operational efficiency heavily depend on the robustness and adaptability of our information technology (IT) systems. The inability to maintain and upgrade these systems could lead to inefficiencies, operational disruptions, or security vulnerabilities, which may materially and adversely affect our business.

The technology landscape evolves rapidly, with new innovations, tools, and methodologies emerging frequently. Failure to respond promptly and effectively to these advancements could hinder our ability to meet customer expectations, compete effectively in the market, or comply with regulatory requirements.

Additionally, delays or failures in implementing IT upgrades, integration challenges with legacy systems, or dependence on outdated technologies could expose us to risks, including data breaches, cyberattacks, and system downtimes. These risks could lead to reputational damage, financial loss, and regulatory scrutiny.

12. ***We rely on third-party information technology vendors for software and information technology solutions, and they may not perform their obligations satisfactorily.***

Our reliance on third-party vendors for certain IT solutions and services also poses risks, as disruptions in their services or inability to deliver timely upgrades could directly impact our operations. Thus, sustained investments in IT infrastructure and capabilities, as well as proactive measures to address technological trends, are critical for mitigating these risks and ensuring business continuity.

13. ***Any downgrade of our credit ratings could increase borrowing costs and constrain our access to capital and lending markets and, as a result, could negatively affect our net interest margin and our business.***

Any downgrade in our credit ratings by recognized rating agencies could adversely impact our financial health and operational flexibility. A lower credit rating would likely result in higher borrowing costs, as lenders and investors may perceive increased risk associated with our financial stability. This could, in turn, restrict our access to debt markets and other sources of capital, particularly in periods of economic uncertainty or tightening credit conditions.

Such constraints may force us to rely on less favorable financing options, further elevating costs and potentially reducing profitability. Additionally, higher borrowing costs may compel us to raise interest rates on loans extended to our customers, which could diminish demand, strain customer relationships, and reduce our competitiveness in the market.

14. ***We depend on our Key Managerial Personnel and Senior Management Personnel, as well as our experienced employees, and any failure to attract, motivate, and retain our employees could adversely affect our business, results of operation, cash flows and financial condition, or harm our ability to maintain and grow our business***

Our business operations and success are significantly reliant on the expertise, vision, and leadership of our Key Managerial Personnel (KMP), Senior Management, and experienced employees across various levels. These individuals play a critical role in strategic decision-making, maintaining operational efficiency, ensuring regulatory compliance, and fostering innovation to address evolving market demands.

The loss of any key personnel, whether due to resignation, retirement, or unforeseen circumstances, could disrupt our operations and impair our ability to execute business strategies effectively. Moreover, attracting, motivating, and retaining skilled professionals in a competitive job market is crucial for sustaining and expanding our business. Any failure to provide adequate incentives, growth opportunities, or a conducive work environment may lead to increased attrition, weakening our talent pool and institutional knowledge base.

15. ***Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, cash flows, results of operations and financial condition.***

While we maintain insurance coverage to protect against various risks and hazards inherent to our business operations, such coverage may not be sufficient to mitigate all potential losses or adequately protect us against material hazards. Our insurance policies are subject to terms, conditions, exclusions, and coverage limits, which may result in certain risks being either partially covered or entirely uncovered.

In the event of unforeseen incidents such as natural disasters, accidents, cyber-attacks, theft, fraud, or litigation, the financial impact could exceed the limits of our insurance coverage. Additionally, there may be instances where claims are denied by insurers or delayed due to procedural disputes, which could further strain our resources and adversely affect cash flows.

16. ***Any failure by us to comply with applicable anti-money laundering, counter-terrorist financing and economic sanction laws and regulations could lead to penalties and may damage our reputation.***

We are subject to stringent anti-money laundering (AML), counter-terrorist financing (CTF), and economic sanction laws and regulations in the jurisdictions where we operate. These legal frameworks impose significant obligations on us to implement robust compliance programs, conduct due diligence, monitor transactions, and report suspicious activities to regulatory authorities.

Any failure on our part to comply with these laws and regulations—whether due to inadequate internal controls, lapses in monitoring systems, or human error—could result in severe consequences. These may include regulatory investigations, monetary penalties, restrictions on operations, or legal proceedings. Such outcomes could adversely impact our financial performance and erode shareholder value.

The company has not been subject to any regulatory actions under Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF), or economic sanction laws and regulations in India. As of the date of filing the Draft Letter of Offer (DLOF), no such regulatory actions are pending against the company.

17. *Our operations could be adversely affected by strikes or increased wage demands by our employees or any other kind of disputes with our employees.*

Our operations rely heavily on the contributions of our employees across various levels and functions. Any disruptions arising from labor-related issues, including strikes, protests, or disputes over wages, benefits, or working conditions, could significantly affect our ability to maintain seamless operations.

Increased wage demands or changes in labor laws that mandate higher compensation or additional benefits could escalate our operating costs and impact our profitability. Prolonged negotiations or failure to reach agreements with employees or labor unions could result in work stoppages, reduced productivity, and delays in meeting our business objectives.

18. *We may experience difficulties in expanding our products.*

Expanding our products portfolio with new or existing products can be costly and require significant management time and attention. Additionally, as our operations grow in size, scope and complexity and our product offerings increase, we will need to enhance and upgrade our systems and infrastructure to offer an increasing number of enhanced solutions, features and functionality. The expansion of our systems and infrastructure will require us to commit substantial financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

19. *We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.*

Assets and liability mismatch (“ALM”) represents a situation when financial terms of an institution’s asset and liabilities do not match. ALM is a key financial parameter indicative of an NBFC’s performance. We cannot assure you that we will be able to maintain a positive ALM always. We may rely on funding options with short term maturity periods for extending long term loans, which may lead to a negative ALM. Further, mismatches between our assets and liabilities are compounded in case of prepayment of financing facilities we grant to customers. Any mismatch in our ALM, may lead to a liquidity risk and have an adverse effect on our business prospects, financial condition, results of operations and profitability.

20. *We are exposed to operational and credit risks which may result in NPAs, and we may be unable to control or reduce the level of NPAs in our portfolio.*

Our Company's inability to control the number and value of its NPAs may lead to deterioration of the quality of its loan portfolio and may adversely impact its business. Further, if our customers default in their repayment obligations, our business, results of operations, financial condition and cash flows may be adversely affected.

21. *Our indebtedness and the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations in the manner we desire.*

We may incur additional indebtedness in the future. Many of our financing agreements include various restrictive conditions and covenants restricting certain corporate actions, and our Company may be required to take the prior approval of the lender before carrying out such activities. Our indebtedness could have several important consequences, including our cash flows being used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund our working capital, capital expenditures and other general corporate requirements. Moreover, our ability to obtain additional financing or renewal of existing facilities, in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates. There could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements and we may be more vulnerable to economic downturns, which may limit our ability to withstand competitive pressures and may reduce our flexibility in responding to changing business, regulatory and economic conditions.

The necessary approvals from the lenders are in place, and there are no restrictive agreements preventing further issuances.

As per the capital adequacy norms issued by the RBI, we are required to have a regulatory minimum CRAR of 15% consisting of Tier 1 and Tier II capital. Our CRAR as of March 31, 2024 and September 30, 2024 was 28.82% and 29.16%, respectively, of which Tier 1 was 28.51 % and 28.86% and Tier 2 was 0.32 % and 0.29 %, respectively.

22. *Our business is based on the trust and confidence of our customers; any damage to that trust and confidence may materially and adversely affect our business, future financial performance and results of operations.*

We are dedicated to earning and maintaining the trust and confidence of our customers and we believe that the good reputation is essential to our business. The reputation of our Company could be adversely affected by any threatened and/or legal proceedings and/or any negative publicity or news articles in connection with our Company. As such, any damage to our reputation could substantially impair our ability to maintain or grow our business. If we fail to maintain brand recognition with our target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, declines our market perception and customer acceptance of our brands may also decline.

23. *System failures or inadequacy and security breaches in computer systems may adversely affect our business.*

Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control including a disruption of electrical or communications services. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are

disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

24. *If we are unable to comply with the capital adequacy requirements stipulated by the RBI in connection with our lending business, our business, results of operations and cash flows may be materially and adversely affected.*

Our lending business, is subject to various regulations relating to the capital adequacy of NBFCs, which determine the minimum amount of capital we are required to maintain. There can be no assurance that we will be able to maintain CRAR within the regulatory requirements. Further, as we grow our lending business loan portfolio, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to such business. There can be no assurance that we will be able to raise adequate additional capital in the future on favourable terms, or at all. This could result in non-compliance with applicable capital adequacy ratios, which could have a material adverse effect on our business, results of operations and cash flows. Also, there is no assurance that RBI will not take any action for breaches in capital adequacy norms by our Company in the future. This could materially adversely affect our business, prospects, results of operations, financial condition and cash flows and could impair our ability to continue current operations and in extreme case, may lead to suspension/ cancellation/ withdrawal of our license to operate as an NBFC.

25. *Our success depends in large part upon key personnel and our ability to attract, train and retain such persons.*

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key operations personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure.

26. *We do not own registered office which is used by us currently.*

Our registered office situated at 205, Centrum Mall, MG Road, Sultanpur - 110030 is on lease vide agreement dated 20th June, 2024.

In the event, the permission to use under which we occupy the aforementioned premises or certain terms and conditions that are unfavourable to us are imposed on us in relation to the afore referred to premises, or if we are otherwise unable to occupy such premises, we may suffer a disruption in our operations, which could have an adverse effect on our business and financial results.

27. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.*

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations.

28. *There are outstanding legal proceedings involving our Company which may adversely affect our business, financial condition and results of operations.*

There are proceedings pending at different levels of adjudication before various courts, enquiry officers and appellate forums. Such proceedings could divert management's time, attention and consume financial resources in their defense. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of

operations. A summary of the outstanding proceedings involving our Company as disclosed in this Draft Letter of Offer, to the extent quantifiable, have been set out below:

(₹ in lakhs)

Sr. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Promoter	Material civil litigation	Aggregate amount involved*
1.	Company						
	By the Company	NIL*	NIL	NIL	NIL	1200#	7000
	Against the Company	NIL	NIL	NIL	NIL	NIL	NIL
2.	Subsidiary						
	By the Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL
	Against the Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL
3.	Directors						
	By the Directors	NIL	NIL	NIL	NIL	NIL	NIL
	Against the Directors	NIL	NIL	NIL	NIL	NIL	NIL
4.	Promoters						
	By the Promoter	NIL	NIL	NIL	NIL	NIL	NIL
	Against the Promoter	NIL	NIL	NIL	NIL	NIL	NIL

*However the company have filed 7946 cases against default borrowers under section 138 of Negotiable Instrument Act. The maximum claim for any case does not exceed Rs. 3 Lakhs.

#represents arbitration proceedings against the default borrowers,

Orders passed in such proceedings adverse to our interests may affect our reputation and standing and may have a material adverse effect on our business, results of operations and financial condition. For further details, please see "Outstanding Litigation and Material Developments" beginning on page 183 of this Draft Letter of Offer.

Issue Specific Risk

29. Our Company will not distribute the Draft Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.

In accordance with the SEBI (ICDR) Regulations and SEBI Rights Issue Circulars our Company will send, only through email, this Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the

rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

30. ***SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021 and May 19, 2022 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI in 2020. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020 and January 19, 2021, April 22, 2021 and May 19, 2022, as applicable (“**SEBI Rights Issue Circular**”) and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "**Terms of the Issue**" on page 193

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise of Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

31. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price.

32. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we

will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

33. ***There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

34. ***You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

35. ***The Issue Price, market capitalization to total revenue multiple and price to earnings ratio based on the Issue Price of our Company, may not be indicative of the market price of the Equity Shares on listing or thereafter.***

The market price of the Equity Shares, market capitalization to total revenue multiple and price to earnings ratio based on the Issue Price may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

36. ***Our funding requirements and the proposed deployment of Net Proceeds are based on management estimates and have not been appraised by any independent agency and may be subject to change based on various factors, some of which are beyond our control.***

We intend to use the Net Proceeds for the purposes described in “Objects of the Issue” beginning on page 51. Our funding requirements are based on internal management estimates and our current business plans and has not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control. We may have to revise funding requirements due to reasons which may not be within the control of our management. Furthermore, we may need to vary

the objects of the Issue due to several factors or circumstances including competitive and dynamic market conditions which may be beyond our control. Pursuant to Section 27 of the Companies Act, 2013, any variation in the objects of the Issue would require a special resolution of our shareholders, and our Promoter will be required to provide an exit opportunity to our shareholders who do not agree to such variation. If our shareholders exercise such an exit option, our share price may be adversely affected.

37. *We will continue to be controlled by our Promoters and members of the Promoter Group after the completion of the Issue.*

As on the date of this Draft Letter of Offer, our Promoters and members of the Promoter Group hold 64.87% of the issued, subscribed and paid-up equity share capital of our Company. After this Issue, our Promoters and members of the Promoter Group will continue to exercise significant control or exert significant influence over us which will allow them to vote together in capacity as shareholders of the Company on certain matters in general meetings of the Company. Accordingly, the interests of our Promoters and certain members of the Promoter Group in capacity as shareholders of the Company may conflict with your interests and the interests of other shareholders of the Company.

38. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

39. *The Rights Entitlements of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date (i.e., on or before [●]) to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

40. *Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sale of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

41. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The Income Tax Act levies taxes on such long-term capital gains exceeding ₹1 lakh arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax (STT), on the sale of any Equity Shares held for more than 12 months at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. STT will be levied on the seller and/or the purchaser of the Equity Shares and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

42. *The Issue Price of the Rights Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.*

The Issue Price of the Rights Equity Shares will be determined by our Company in consultation with the Lead Manager and the Designated Stock Exchange. This price may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

43. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us

would be reduced.

44. ***Fluctuations in the exchange rate between the Indian Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our results of operations.***

The Rights Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Indian Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend received by investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rate between the Indian Rupee and other currencies (such as the U.S. dollar and the Singapore dollar) has changed substantially in the past and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our results of operations.

45. ***There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.***

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

External Risk Factors

46. ***Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.***

Summary statements of assets and liabilities as at March 31, 2024 and summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2024 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Financial Information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this draft Letter of Offer should accordingly be limited.

47. ***Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.***

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

48. *A slowdown in economic growth in India could cause our business to suffer.*

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- Any increase in Indian interest rates or inflation;
- Any scarcity of credit or other financing in India;
- Prevailing income conditions among Indian consumers and Indian corporations;
- Changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- Prevailing regional or global economic conditions; and
- Other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

49. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the

way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- The General Anti Avoidance Rules (“GAAR”) have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- A comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

50. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors’ reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has

affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby

impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

51. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass onto our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GOI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

52. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

53. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

54. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations***

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect the insurance industry, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Accordingly, any adverse regulatory change in this regard could lead to fluctuation of price points of various input costs and thereby increase our operational cost.

The Taxation Laws (Amendment) Act, 2019, also prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate (on gross basis) for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/tribunals/courts would have an effect on our profitability. Due to COVID-19 pandemic, the Government of India had also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, among others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975. Furthermore, the Government of India announced the Union Budget for Fiscal 2023 ("Budget 2023"), pursuant to which the Finance Bill 2023 (defined below) has proposed various amendments which will only come into effect upon receipt of Presidential assent to the bill and notification in requisite acts. We have not fully determined the impact of these recent and proposed laws and regulations on our business.

There can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations in connection with GST. While we are and will comply with the GST rules and regulations, any failure to comply with the same may result in non-compliance with the GST and may adversely affect our business and results of operations. The GoI announced the union budget for fiscal year 2023, following which the Finance Bill, 2022 was introduced in the Lok Sabha on February 1, 2022. Subsequently, the Finance Bill 2022 received the assent from the President of India on March 30, 2022, and became the Finance Act, 2022 ("Finance Act 2022"). We cannot predict whether the amendments made and yet to be notified pursuant to the Finance Act 2022 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Any changes in the Finance Act 2022 or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws that are applicable to our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

Changes in other laws may impose additional requirements, resulting in additional expenditure and time cost. For instance, the GoI has announced four labour codes which are yet to come into force as on the date of this Draft Letter of Offer, namely, (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020; (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the

existing legal framework governing rights of workers and labour relations. While the rules for implementation under these codes have not been announced, we are unable to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work-arrangements, such as “gig workers” and “platform workers” and provides for the mandatory registration of such workers in order to enable these workers to avail themselves of various employment benefits, such as life and disability cover, health and maternity benefits and old age protection, under schemes framed under the Social Security Code from time to time. Any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future

55. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concerns regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

56. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.*

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- Any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- Any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India’s various neighbouring countries;
- Hostile or war like situations with the neighbouring countries;
- Macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- Decline in India’s foreign exchange reserves which may affect liquidity in the Indian economy;
- Downgrading of India’s sovereign debt rating by rating agencies; and

- Difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

57. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

SECTION III – INTRODUCTION

THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board of Directors on November 14, 2024 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms and conditions of the Issue including the Record Date, Rights Entitlement, Issue Price, timing of the Issue and other related matters have been approved by a resolution passed by the Board of Directors of our Company at its meeting held on [●].

The following table summarises the present Issue in terms of this Draft Letter of Offer. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “*Terms of the Issue*” on page 193 of this Draft Letter of Offer.:

Particulars	Details of Equity Shares
Rights Equity Shares being offered by our Company	[●] Equity Shares fully paid up
Rights Entitlement	[●] Rights Equity Shares for every [●] fully paid-up Equity Shares held on the Record Date.
Fractional Entitlement	<p>The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] (●) Right Equity Share for every [●] Equity Shares held as on the Record Date.</p> <p>As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored, hence the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement.</p> <p>Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements.</p> <p>However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.</p>
Record Date	[●]
Face Value per Rights Equity Shares	₹ 10/- per Equity Share
Issue Price per Rights Equity Share	₹ [●]/- (Rupees [●] Only) including a premium of ₹ [●]/- (Rupees [●] Only) per Rights Equity Share
Equity Shares outstanding prior to the Issue	[●] Equity Shares

Issue Size	Issue of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹[●](including a premium of ₹ [●] per Rights Equity Share) per Equity Share for an amount aggregating up to ₹ 4995 lakhs (Rupees Four Thousand Nine hundred and Ninety-Five Lakhs Only)
Voting Rights and Dividend	The Rights Equity Shares issued pursuant to the issue shall rank pari passu in all respects with the existing Equity Shares of our Company.
Equity Shares outstanding after the Issue	[●] Equity Shares
Terms of the Issue	Please refer to the chapter titled ‘Terms of the Issue’ on page 193 of this Draft Letter of Offer.
Use of Issue Proceeds	Please refer “Objects of the Issue” on page 51 of this Draft Letter of Offer.
Security Codes for the Equity Shares	ISIN: INE707C01018 BSE: 511505 NSE: CAPTRUST
ISIN for Rights Entitlements	[●]
Terms of Payment	The full amount of the Issue Price is payable on Application.

Issue Schedule

The subscription will open upon the commencement of the working hours and will close upon the close of working hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights	[●]
Issue Closing Date	[●]

GENERAL INFORMATION

Our Company was incorporated as Capital Trust Limited on August 23, 1985 under the provisions of Companies Act, 1956 with Registrar of Companies, Punjab, HP and Chandigarh. The certificate of commencement of business was received on September, 5, 1985. The registered office was subsequently changed from state of Punjab to State of Madhya Pradesh by was of fresh certificate of incorporation dated June 13, 1996. The registered office was finally shifted to the NCT of Delhi on October, 10, 2009. Capital Trust Limited is also registered with Reserve Bank of India and a Non Banking Finance Company. The shares of the company are listed on the National Stock Exchange and Bombay Stock Exchange.

Registered & Corporate Office:

205, Centrum Mall, Sultan Pur, MG Rod, New Delhi- 110030, India

Tel No: 9999074312;

Website: www.capitaltrust.in.in

Company registration number and corporate identity number

The registration number and corporate identity number of our Company are as follow:

Company registration number: 195299

Corporate identity number: **L65923DL1985PLC195299**

Address of the Registrar of Companies

Our Company is registered with the ROC situated at the following address:

Registrar of Companies, NCT of Delhi and Haryana

4th Floor, IFCI Tower, 61,
Nehru Place,
New Delhi - 110019

Board of Directors

The following table sets out the details of our Board as on the date of this Draft Letter of Offer:

Name	Designation	DIN	Address
Mr. Yogen Khosla	Chairman and Managing Director	00203165	Rambagh Farm Kh No. 1535, Asola Village, Chattarpur South Delhi 110074
Mr. Sanjiv Syal	Independent Director	00271256	C-102, Anand Niketan South Moti Bagh New Delhi 110021
Ms. Suman Kukrety	Independent Director	08730773	1185, Bahumanjila, Timarpur Civil Lines S.O. Delhi 110054
Mr. Vahin Khosla	Joint Managing Director	07656894	Rambagh Farm Kh No. 1535, Asola Village, Chattarpur, South Delhi-110074
Mr. Pawan Dubey	Independent Director	01767875	23 B, New Layal pur Extn, Krishna Nagar.Delhi110051
Mr. Govind Saboo	Independent Director	06724172	97, Dinanath Ji ka Rasta , Chand Pole Bazar , Jaipur-302001

For further details of our Board of Directors, please see “*Our Management*” on page 85.

Company Secretary and Compliance Officer

Ms. Tanya Sethi is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

Tanya Sethi

205, Centrum Mall, Sultan Pur,

MG Rod, New Delhi- 110030, India

cs@capitaltrust.in

Filing

The Draft Letter of Offer has been filed with BSE Limited and NSE Limited for obtaining in-principle approval. As the issue size is less than ₹ 50 Crore (Rupees Fifty Crores), the draft letter of offer is not filed with SEBI. However, a copy of the draft Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination.

DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE OF OUR COMPANY:

Registrar to the Issue:

M/s.MAS Services Limited
T-34, IInd Floor
Okhla Industrial Area
Phase-II
New Delhi 110020

Telephone: +91 11 2638 7281 82, 83

Fax no.:
+91 11 2638 7384

E-mail: info@masserv.com
InvestorGrievances: investor@masserv.com
Website: <https://www.masserv.com>
Contact Person: Mr Sharwan Mangla
SEBI Registration No.: INR000000049

Statutory Auditors of our Company:

M/s. JKVS & Co.. Chartered Accountants
Smartworks, Lower Ground Floor,
World Trade Tower
Sector -16, Noida, - 201301
Email:newdelhi@jkvs.in
Telephone: 9899751595
Firm registration number: 318086E
Peer review number: 013629

M/s. JKVS & Co.. Chartered Accountants were appointed as Statutory Auditors of the Company for a period of five years from hold office from the conclusion of the 36th Annual General Meeting of the company in 2022 to the conclusion of the 41st Annual General Meeting to be held in year 2027.

Bankers/ Lenders to our Company:

IDFC First Bank Limited

Banker(s) to the Issue:

[●]

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Sponsor Bank

[•]

Syndicate Members

[•]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and email address, is provided on the respective websites of the Stock Exchanges (www.bseindia.com), as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and email address, is provided on the websites of the Stock Exchange at <https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx> and any such other websites as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of the Stock Exchange at <https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx>, and any such other websites as updated from time to time.

Monitoring Agency

Since the Issue size does not exceed ₹ 10,000 Lakhs, the appointment of a monitoring agency as per Regulation 82 of the SEBI Regulations is not required. However, the Board of Directors and Audit Committee of our Company, would be monitoring the utilisation of the proceeds of the Issue.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an Issue of Equity Shares, there is no credit rating required for the Issue.

Debenture Trustee

As this is an Issue of Equity Shares, the appointment of a debenture trustee is not required.

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Issue Schedule:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights	[●]
Issue Closing Date	[●]

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Letter of Offer is set forth below:

(In ₹ except share data)

Sr. No.	Particulars	Aggregate Nominal Value	Aggregate value at Issue Price*
	Authorized Share Capital		
	6,70,10,000 Equity Shares of face value of ₹ 10 each	67,01,00,000	-
	Issued, Subscribed And Paid-Up Share Capital Before The Issue		
	17009702 Equity Shares of face value of ₹ 10 each	17,00,97,020	-
	Present Issue In Terms Of This Draft Letter Of Offer*		
	[●] ([●]) Issue of Equity Shares, each at a premium of ₹[●]- (Rupees [●] Only) per Equity Share, at an Issue Price of ₹[●]- (Rupees [●] Only) per Equity Share	[●]	[●]
	Issued, Subscribed And Paid-Up Capital After The Issue*		
	[●] Equity Shares of face value of ₹ 10 each	[●]	[●]
	SECURITIES PREMIUM ACCOUNT		
	Before the Issue	132,36,25,000	
	After the Issue	[●]	

**Subject to finalisation of Basis of Allotment.*

The Issue has been authorised by a resolution of our Board dated November 14, 2024

Notes to the Capital Structure:

- The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer.
- At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time

3. As on the date of this Draft Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights.
4. The ex-rights price arrived in accordance with the formula prescribed Regulation 10 (4) (b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹[●] (Rupees [●] Only);
5. **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares Further, our Company has not issued any Equity Shares out of revaluation reserves since incorporation.**

As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.

6. Details of stock option scheme of our Company

As on the date of this Draft Letter of Offer, our Company has one scheme in the name of CAPITAL TRUST EMPLOYEE STOCK OPTION SCHEME, 2016 operational. The Trust is having 143915 equity shares. However no grant has been allocated against the scheme

Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares

7. As on the date of this Draft Letter of Offer, the following shares of Moonlight Equity Private Limited are under Lock-in:

4914695 shares are Lock-in till 20th Feb, 2025

79789 equity shares are Lock-in till 31st May, 2026

As on the date of this Draft Letter of Offer, the following shares of Mr. Yogen Khosla, Promoter are under Lock-in:

5798917 shares are Lock-in - NIL

8. Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Draft Letter of Offer

Following are the details of Equity Shares acquired by the Promoter and Promoter Group of the Company in the last one year prior to the filing of this Draft Letter of Offer:

Sr.No.	Name of the Promoter and members of the Promoter Group	Details of Acquisition			Post-Transaction holding of Equity shares	
		Date of Acquisition	Number of Equity shares	Percentage of Equity shares acquired	Number of equity shares post-Acquisition	Percentage of equity shares post-Transaction
1	Moonlight Equity Private Limited	08.08.20204	79789	0.47%	5234484	30.79

9. Our Company has not issued or allotted any Equity Shares pursuant to any schemes of arrangement approved under Sections 391 to 394 of the erstwhile Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013, as applicable.
10. Our Company has issued following Equity Shares during the period of one year preceding the date of this Draft Letter of Offer.

Sr. No.	Name of the Shareholder with category	Category Category (Promoter/ Non - Promoter)	Date of allotment	No. Of shares
1	Moonlight Equity Private Ltd	Promoter	08.08.2024	79789
2	Prodigee Finance Limited	Non Promoter	08.08.2024	478736
3	Kamlesh Goel	Non Promoter	08.08.2024	79789
4	Komal Saboo	Non Promoter	08.08.2024	9973

Shareholding Pattern of our Company

Shareholding pattern of our Company as prescribed under Regulation 31 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and last submitted to the stock at the end of quarter ended December 31, 2024 to stock exchanges is available on below link:

<https://www.bseindia.com/stock-share-price/capital-trust-ltd/captrust/511505/shareholding-pattern/>

Other details of Shareholding of our Company

The statement showing shareholders holding more than 1% of the total number of Equity Shares for the period ended December 31, 2024 is as follows:

<https://www.bseindia.com/stock-share-price/capital-trust-ltd/captrust/511505/shareholding-pattern/>

Details of shareholding of our Promoters and members of our Promoter Group

The statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon, for the period ended December 31, 2024 can be accessed on the website of the BSE at:

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=511505&qtrid=124.00&QtrName=December%202024>

Statement showing shareholding pattern of the public shareholder:

The statement showing shareholding pattern of public shareholders for the period ended December 31, 2024 is as follows:

<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=511505&qtrid=124.00&QtrName=December%202024>

Except as disclosed in “*Our Management*” on page 85, none of our Directors or KMPs hold any Equity Shares in our Company.

Our Company will ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

The relevant regulations in respect of all preferential allotments issues undertaken by our Company in the ten years preceding the date of this Draft Letter of Offer, have been complied with. Further, we have not undertaken any qualified institutions placements in the ten years preceding the date of this Draft Letter of Offer.

OBJECTS OF THE ISSUE

The Issue comprises of issue of [●] Equity Shares, aggregating up to ₹ 4995 lakhs by our Company.

Our Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects:

1. Augmenting our capital base to meet future business requirements of our Company towards onward lending and
2. General Corporate Purposes (collectively, referred to as “Objects”)

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities and (ii) to undertake the activities proposed to be funded from the Net Proceeds.

Net Proceeds

The details of the Net Proceeds from the Issue are summarized in the following table:

Sr. No.	Particulars	Estimated Amount
1.	Gross Proceeds from the Issue	Upto 4995
2.	Less: Issue Related Expenses	[●]
	Net Proceeds of the Issue (“Net Proceeds”)*	[●]

(₹ in lakhs)

**Will be incorporated after finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the ROC.*

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details provided below:

Sr. No.	Particulars	Estimated Amount
1.	Augmenting our capital base to meet future business requirements of our Company towards onward lending	Upto 4500
2.	General Corporate Purpose	[●]
3	Issue Related Expenses	[●]
	Total	Upto 4995

(Rs. In Lakhs)

**Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.*

*** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

Proposed schedule of implementation and deployment of Net Proceeds:

Our Company proposes to utilise the Net Proceeds towards augmenting our capital base to meet its future capital requirements towards onward lending. We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

S. No.	Particulars	Amount to be funded from the Net Proceeds (₹ in lakhs)	Estimated deployment of the Net Proceeds in Fiscal 2025 (₹ in lakhs)	Estimated deployment of the Net Proceeds in Fiscal 2026 (₹ in lakhs)
1.	Augmenting our capital base to meet future business requirements of our	[●]	[●]	[●]

	Company towards onward lending			
2.	General corporate purposes*	[●]	[●]	[●]
	Total Net Proceeds**	[●]	[●]	[●]

*Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.

** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

The fund requirements, the proposed deployment of funds and the intended use of the Net Proceeds as described herein are based on current circumstances of our business, management estimates, prevailing market conditions and other commercial and technical factors. We may have to revise our funding requirements and deployment on account of various factors, such as financial and market conditions, business and strategy, competition, interest rate fluctuations and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, subject to compliance with applicable laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled Financial Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Financial Year, as may be determined by our Company, in accordance with applicable laws.

Details of the Objects of the Issue:

The details in relation to objects of the Issue are set forth herein below.

1. Augmenting the capital base of our Company to meet future business requirements towards onward lending:

As an NBFC, registered with RBI, we are subject to regulations relating to the capital adequacy, which determine the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio and of the risk adjusted value of off-balance sheet items, as applicable. As per the capital adequacy norms issued by the RBI, we are required to have a regulatory minimum CRAR of 15% consisting of Tier 1 and Tier II capital. Our CRAR as of March 31, 2024 and September 30, 2024 was 28.82% and 29.16%, respectively, of which Tier 1 was 28.51 % and 28.86% and Tier 2 was 0.32 % and 0.29 %, respectively. Our Company proposes to utilise the Net Proceeds towards augmenting its capital base to meet future capital requirements.

Capital Adequacy

Particulars	Rs. In Lakhs	
	As of 30 th September, 2024	As of 31 st March, 2024
Tier I Capital	4163.63	3125.58
Tier II Capital	42.47	34.61
Total Capital	4206.10	3160.19
Risk Weighted Assets	14425.43	10964.31
Capital Adequacy Ratio (%)	29.16%	28.82%
Tier I Capital (%)	28.86%	28.51%
Tier II Capital (%)	0.29%	0.32%

While our Company's CRAR during the periods/years as at September 30, 2024 and March 31, 2024 exceeds the regulatory thresholds prescribed by the RBI, we believe that in order to maintain our Company's growth rate, we will require further capital in the future in order to remain compliant with

such regulatory thresholds. Our Company's business is dependent on its ability to raise funds at competitive rates, which in turn, depends on various factors including our credit ratings. Considering that the higher CRAR would positively impact the credit ratings of our Company, which would lower the borrowing costs thereby positively impacting our interest margins and financial condition, we accordingly, propose to utilize an amount aggregating to [●] lakhs out of the Net Proceeds towards maintaining higher Tier 1 Capital in light of our onward lending requirements. We believe that maintaining higher Tier 1 Capital will help us remain competitive with our industry peers. We anticipate that the portion of the Net Proceeds allocated towards this object will be sufficient to satisfy our Company's future capital requirements, which are expected to arise out of growth of our business and assets and to ensure compliance with the requirements of the RBI for Fiscal 2026.

2. General Corporate Purpose

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes and business requirements of our Company, including but not restricted to meeting fund requirements which our Company may require in the ordinary course of business; strengthening marketing capabilities and brand building exercises; business requirements of our Company in the ordinary course of business towards salaries and wages, rent, administration expenses, future branch and business expansion, strategic initiatives including investment in information technology, repayment of indebtedness from time to time, meeting ongoing working capital requirements and general corporate contingencies and any other purpose as may be approved by our Board, subject to compliance with applicable law."

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time

1. Expenses for the issue

The Issue related expenses consist of fees payable to Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. Our Company will need approximately ₹[●] lakhs towards these expenses, a break-up of the same is as follows:

<i>(₹ in lakhs)</i>			
Activity	Estimat ed Expense	% of Total Expenses	As a % of Issue size
Fees payable to the intermediaries(including Legal Counsel fees, selling commission, registrar fees and expenses)			
Advertising, Printing, stationery and distribution Expenses			
Statutory and other Miscellaneous Expenses			
Total			

Appraisal

None of the Objects of the Issue have been appraised by any bank or financial institution.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Issue Proceeds.

Monitoring of Utilization of Funds

Since the proceeds from the Issue are less than ₹10,000 lakhs, in terms of Regulation 41(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI Listing Regulation, the Rights Issue Committee appointed by the Board would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the SEBI Listing Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI Listing Regulation, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

Interim Use of Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds, subject to compliance with applicable laws. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

Interest of Promoters, Promoter Group and Directors, as applicable to the objects of the Issue Our Promoters, Promoter Group and Directors do not have any interest in the objects of the Issue. Variation in objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, being the regional language of Rajasthan, where our Registered Office is situated in accordance with the Companies Act and applicable rules. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, in accordance with our Articles of Association, and the SEBI ICDR Regulations.

Appraising entity

None of the objects of this Issue, for which the Net Proceeds will be utilized, have been appraised by any bank or financial institution.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue

Other confirmations

None of our Promoters, Directors, Key Managerial Personnel or members of our Promoter Group will receive any portion of the Issue proceeds.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information contained in 'Industry Overview' in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

*Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this Draft Letter of Offer, including the information in the sections "**Risk Factors**" and "**Financial Information**" beginning on pages 21 and 105, respectively of this draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' beginning on page 20 of this Draft Letter of Offer.*

Global Economy

Global economic activity is softening amid the effect of tight monetary policies, restrictive financial conditions, and weak global trade growth. After a slowdown in 2022 and a decline in 2023, global output growth is expected to decrease again in 2024, marking the third consecutive year of deceleration. Recent conflicts in the Middle East have increased geopolitical risks and uncertainty in commodity markets, potentially negatively impacting global growth. The world economy is still grappling with the effects of the COVID-19 pandemic, the invasion of Ukraine by the Russian Federation, and rising inflation, leading to a sharp tightening of global monetary conditions.

Despite these challenges, the global economy proved to be more resilient than predicted or anticipated in 2023. Several large economies showed remarkable resilience, outperforming expectations. However, simmering geopolitical tensions and the growing intensity and frequency of extreme weather events have increased underlying risks and vulnerabilities. Tight financial conditions also pose growing risks to global trade and industrial production.

Near-term prospects are diverging. Growth in advanced economies and China is projected to slow in 2024, falling well below the average pace from 2010-2019. However, aggregate growth is expected to improve in emerging markets and developing economies (EMDEs) with strong credit ratings, which remain close to pre-pandemic average rates. Growth is also expected to strengthen somewhat in EMDEs with weak credit ratings from its 2023 low, but the outlook for many such countries remains precarious due to high debt, financing costs, and other unique challenges such as conflict.

Global headline and core inflation have continued to decline from their 2022 peaks. However, inflation remains above target in most advanced economies and about half of inflation-targeting EMDEs. Global inflation is projected to stay above its 2015-2019 average beyond 2024. Monetary tightening in advanced economies is concluding, but real policy interest rates are expected to remain elevated for some time as inflation returns to target only gradually. This will keep the stance of advanced-economy monetary policies restrictive in the near term.

The world economy continues to face multiple crises, jeopardizing progress towards the Sustainable Development Goals (SDGs). These challenges underscore the need for global cooperation and concerted efforts towards sustainable and inclusive growth.

Source: Global Economic Outlook Report 2024

Challenges For Global Economy

The economic survey identifies various challenges confronting the global economy:

1. **Israel- Hamas War and rising political tension-** Middle East wars of the past, the conflict between Israel and Hamas that broke out this past week has the potential to disrupt the world economy — and even tip it into recession if more countries are drawn in. Ongoing conflicts in Eastern Europe and the Middle East, considered crucial food and energy supply regions, pose substantial threats. The Middle East contributes about 30% of global oil production. Recent attacks in the Red Sea have disrupted shipping via the Suez Canal, which handles 30% of global container traffic.

These tensions create uncertainty, impacting investment and economic growth negatively. Conflicts often lead to a reduction in global supply capacity, potentially causing inflationary pressures. While oil prices are projected to decrease this year, any escalation in Middle East conflicts could push prices above the baseline forecast of \$81 per barrel in 2024, further exacerbating global inflation and dampening global growth.
2. **Declining China’s Growth-** With a projected growth rate of 4.5% this year, China is anticipated to experience its slowest economic expansion since 1990, excluding the COVID-19 period. This deceleration is likely to impact numerous advanced and developing economies that rely heavily on trade with China.
3. **US facing Challenges -** Geopolitics continues to create new challenges for US policymakers. US allies are asking the country to provide weapons, ammunition, and financing, which will further challenge the budget process.⁶ Supply shocks—particularly oil price-related might also derail the US economy.
4. **Inflation-** Headline inflation has continued to come down in many countries, driven by the decline of food and energy prices in the first half of 2023. However, core inflation – inflation excluding the most volatile components, energy and food – hasn’t significantly slowed. It remains well above central banks’ targets. A key risk is that inflation could continue to prove more persistent than expected, meaning interest rates need to tighten or remain higher for longer.

Indian Economy

India is a significant global economic player, with its nominal GDP at current prices estimated at Rs. 296.58 trillion (US\$ 3.56 trillion) in 2023-24. The country boasts the third-largest unicorn base globally, reflecting a vibrant startup ecosystem. The government is committed to renewable energy sources, aiming for 40% of energy from non- fossil sources by 2030 and striving for Net Zero Emissions by 2070 through the ‘Panchamrit’ strategy. India ranks third in the renewable energy country attractive index, indicating a favorable environment for renewable energy investments.

India’s GDP growth is projected to moderate to 6.8% in the upcoming fiscal year, down from the current fiscal’s better-than-expected 7.6%. This moderation is due to several factors. Firstly, higher interest rates, which are typically used to manage inflation by reducing borrowing and spending, can potentially alleviate inflationary pressures. Secondly, a reduced fiscal impulse, indicating a decrease in government spending or an increase in taxes, can affect inflation dynamics by impacting consumer spending and overall economic activity. Lastly, the normalizing effect of net taxes on demand refers to tax adjustments that could affect consumer purchasing power and, consequently, inflation trends.

India’s GDP growth is projected to moderate to 6.8% in the upcoming fiscal year, down from the current fiscal’s 7.6%. Despite this moderation, India is expected to retain its position as a significant global economic player.

The Interim Budget for 2024-25 allocates a significant amount for capital expenditure, focusing on infrastructure and development projects. This investment is expected to stimulate economic activity and contribute to GDP growth. Tax receipts are estimated to increase, with GST collections crossing significant benchmarks. This increase in tax collections indicates a robust economy.

The fiscal deficit is estimated at 5.1% of GDP in 2024-25, aligning with the goal of reducing it below 4.5% by 2025-26. This reduction in fiscal deficit is a positive sign of fiscal responsibility and economic stability.

According to the McKinsey Global Institute, India needs to create 90 million non-farm jobs between 2023 to 2030 to achieve 8-8.5% GDP growth. This indicates a strong focus on employment generation in the coming years.

The government's commitment to renewable energy sources and its aim for 40% of energy from non-fossil sources by 2030 shows a progressive approach towards sustainable development. Global uncertainties and domestic factors, such as the ongoing effects of previous interest rate increases and the Reserve Bank of India's measures, could pose challenges. However, these are being actively managed to ensure stable economic growth.

In conclusion, while there are challenges ahead, the article suggests that India is well-positioned to maintain strong economic performance in the future. The government's focus on infrastructure development, fiscal responsibility, employment generation, and sustainable energy sources are key factors that will contribute to this growth. However, it's important to note that these projections are based on current data and assumptions, and actual outcomes may vary.

In conclusion, while there are challenges ahead, India is well-positioned to maintain strong economic performance in the future. The government's focus on infrastructure development, fiscal responsibility, employment generation, and sustainable energy sources are key factors that will contribute to this growth. However, it's important to note that these projections are based on current data and assumptions, and actual outcomes may vary.

Source: Crisil Growth Marathon, Interim Budget 2024

India Inclusive Growth

The Survey highlights the importance of inclusive growth, particularly when it comes to job creation. It points out that both official and unofficial sources confirm a rise in employment levels in the current financial year. In rural areas, UR decreased from 5.3% in 2017-18 to 2.4% in 2022-23, while for urban areas, it decreased from 7.7% to 5.4%. UR for males in India decreased from 6.1% in 2017-18 to 3.3% in 2022-23, and the corresponding decrease in UR for females was from 5.6% to 2.9%. In rural areas, LFPR increased from 48.9% in 2017-18 to 56.7% in 2022-23, while for urban areas, it increased from 47.1% to 49.4%. LFPR for males in India increased from 75.1% in 2017-18 to 77.4% in 2022-23, and a corresponding increase in LFPR for females was from 21.1% to 31.6%. This improvement in the labor force participation rate (LFPR) further confirms the economy's emergence from the pandemic-induced slowdown early in FY24.

The Indian economy has sustained its growth momentum, with overall economic activity remaining resilient. MSME sector, which is the backbone of India's economy, reflects these trends and shows steady credit growth trajectory. This credit growth is broad-based, marked expansion is seen amongst semi-urban and rural MSMEs. Credit supply to MSMEs grew by 20% YoY by volumes in quarter Jul-Sep 2023 indicating improved lender confidence. Commercial credit lending continues to maintain its overall growth post initial boost provided by ECLGS Scheme (launched by Government of India to support credit to MSME sector). Availability of enriched and timely credit data and rapid implementation of digital lending infrastructure has contributed significantly towards enhancing lender confidence. 7% YoY growth is seen in borrowers who availed sub-INR 1 Crore loans (Micro segment) while growth of borrowers seeking greater than INR 10 Crores (Medium) has decreased by value.

Furthermore, the government's implementation of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been successful in rapidly creating more 26 assets related to "Works on individual's land" than in any other category. Additionally, schemes like PM-KISAN, benefiting households covering half the rural population, and PM Garib Kalyan Anna Yojana, have significantly contributed to reducing poverty in the country.

India's performance in FY24 was marked by resilient economic growth, prudent management of external balances, well-contained inflation, and a resilient financial market. These factors underscored India's economic prowess and its ability to withstand global shocks, positioning the country as a bright spot in the global economy.

As the third-largest economy in the world in PPP terms and the fifth-largest in market exchange rates, India has almost "recouped," "renewed," and "re-energized" what was lost, paused, or slowed during the pandemic and the European conflict. This reflects the strength and adaptability of the Indian economy in facing and recovering from challenging circumstances.

Source: pib.gov.in, transunioncibil.com

Fiscal policy amid rising interest rates and a cost-of-living squeeze:

Fiscal policies should be responsive to a multitude of global events and dynamics, including geopolitical factors such as wars and trade disputes, fluctuations in the political landscape such as changes in government or upcoming elections, evolving economic trends such as technological advancements, and recovery from the pandemic, particularly against the backdrop of rising interest rates and escalating debt levels.

However, prudence in fiscal management must not eclipse the imperative of addressing the needs of the most vulnerable segments of society. When governments have some leeway in their budgets and can't use typical tools like adjusting interest rates, they might need to consider spending more to help boost overall demand. Nevertheless, they must exercise caution with this approach to prevent exacerbating existing problems with supply and demand, as well as inflation. Conversely, in situations where governments don't have much room to maneuver with their budgets, they must carefully balance the need to cut spending with ensuring they still allocate resources to essential areas. This necessitates thoughtful consideration to maintain the country's financial health while safeguarding the well-being of its citizens.

Reskilling Revolution: Preparing 1 billion people for tomorrow's economy:

More than 600 million people around the world are set to be reached by the World Economic Forum's Reskilling Revolution platform by 2030. The ambitious program is preparing the global workforce with the skills needed to future-proof their careers, as technologies such as artificial intelligence (AI) enable greater automation. While most efforts are focused on digital skills such as AI, big data, and programming, business leaders strongly emphasize leadership, curiosity, and building resilience. Over half of the Reskilling Revolution efforts additionally place great weight on preparing workers for green jobs.

At the heart of the initiative is a longstanding commitment from over 70 CEOs who understand how a skilled and motivated workforce will benefit all stakeholders and the planet.

Indian Economy Outlook

India's financial sector is undergoing significant growth and diversification, comprising a wide range of entities, including commercial banks, insurance companies, non-banking financial companies, cooperatives, pension funds, mutual funds, and other smaller financial entities. The banking regulator has recently allowed the establishment of payment banks, further expanding the variety of financial services available in the country.

The financial sector in India is predominantly a banking sector, with commercial banks accounting for more than 64% of the total assets held by the financial system. The Government of India and the Reserve Bank of India (RBI) have introduced several reforms to liberalize, regulate, and enhance this industry. These measures aim to facilitate easy access to finance for Micro, Small, and Medium Enterprises (MSMEs), such as launching credit guarantee schemes, issuing guidelines on collateral requirements, and setting up a dedicated refinancing agency, Micro Units Development and Refinance Agency (MUDRA).

During the fiscal year 2024, the mutual fund (MF) industry witnessed a significant increase in new investors, up by 70% from the previous year, mainly due to the recovery in the equity market. This rise added 6.8 million unique investors, taking the total MF subscriber count to 44.5 million. The industry's assets under management (AUM) experienced a notable 35% growth, marking the second-highest increase in a fiscal year, while the number of folios reached a record high of 147.8 million, indicating the industry's healthy expansion.

The heightened investor interest extended beyond mutual funds to encompass other equity investment avenues, indicative of a broader trend towards increased participation in capital markets. Active SIP accounts observed a significant rise, with net additions doubling from the previous year and over 82% of these accounts being dedicated to active equity schemes. However, the MF customer base of 44.5 million remains only around half of the latest tally of income tax return filings, signalling substantial room for further expansion.

The fiscal year 2024 highlighted a notable shift towards an investment culture driven by market performance,

advancing financial literacy, and the ongoing transition from saving to investing in the economy. The recovery in equity market indices such as Nifty 50 and Sensex by over 25%, combined with the introduction of new fund options in popular categories, boosted investor confidence.

The adoption of mobile wallets is rapidly rising in India, outpacing traditional payment methods like cash and cards. Global Data forecasts mobile wallet transactions to exceed \$6.39 trillion (Rs. 531.8 trillion) by 2028, growing at a robust compound annual growth rate (CAGR) of 18.3% between 2024 and 2028. This growth is fuelled by government initiatives promoting digital payments, particularly through the unified payments interface (UPI), which saw transactions valued at \$2.5 trillion (Rs. 202.8 trillion) in 2023, with a staggering CAGR of 72.1% from 2019 to 2023.

India's financial sector is experiencing a significant transformation, characterized by the expansion and diversification of financial institutions, reforms initiated by the government, and the swift integration of digital payment technologies, notably mobile wallets. This evolution signifies a promising outlook for India's capital markets, showcasing vibrant growth prospects and abundant opportunities for both investors and enterprises.

Source: <https://www.ibef.org>

Market Share

As of November 2023, the assets under management (AUM) managed by the mutual funds industry stood at

\$588.31 billion, with inflows into India's mutual fund schemes through systematic investment plans (SIPs) reaching \$18.09 billion in FY23. Notably, equity mutual funds registered a net inflow of \$294.15 billion by the end of December 2021. Additionally, the Bombay Stock Exchange (BSE) will set up a joint venture with Ebix Inc. to build a robust insurance distribution network in the country. In FY23, \$7.17 billion was raised across 40 initial public offerings (IPOs), and the number of companies listed on the NSE increased from 135 in 1995 to 2,113 by FY23.

The country's private wealth management industry shows immense potential, with India projected to have 16.57 lakh high-net-worth individuals (HNWIs) by 2027, positioning it as the fourth-largest private wealth market globally by 2028. Furthermore, India's insurance market is anticipated to reach \$250 billion by 2025, offering an opportunity for an additional \$78 billion in life insurance premiums from 2020 to 2030.

In recent developments within the Financial Services Industry, the Unified Payments Interface (UPI) recorded a staggering 11.23 billion transactions amounting to Rs. 17.39 Lakh crore (US\$ 208.51 billion) in November 2023, while the immediate payment service (IMPS) facilitated 472 million transactions valued at Rs. 5.35 trillion (US\$ 64.14 billion) during the same period. Moreover, India witnessed a

significant surge in Private Equity/Venture Capital (PE/VC) investments, soaring to US\$ 77 billion in 2021, representing a remarkable 62% increase compared to the previous year. In 2023, the government revamped the credit guarantee scheme. The inflow of INR 9,000 crores into the corpus of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) will give MSMEs more access to collateral-free loans.

The National Stock Exchange of India Ltd. (NSE) emerged as the world's largest derivatives exchange in 2020 in terms of the number of contracts traded and was ranked 4th worldwide in cash equities by number of trades in 2020. The Association of Mutual Funds in India (AMFI) is targeting a nearly five-fold growth in AUM to \$1.15 trillion and more than three times growth in investor accounts to 130 million by 2025.

India's Fintech space is expected to further fuel the growth in various financial segments. The mobile wallet industry in India is estimated to grow at a Compound Annual Growth Rate (CAGR) of 150% to reach \$4.4 billion by 2022, with mobile wallet transactions expected to touch \$388.8 billion during the same period. According to Goldman Sachs, investors have been pouring money into India's stock market, which is likely to reach over \$5 trillion, surpassing the UK, and become the fifth-largest stock market worldwide by 2024.

There have been several growth drivers for the sustainable growth of financial services in India in future:

Growing Demand:

- Increasing income levels are fuelling the need for financial services across various income groups.
- The investment potential in the Indian insurance industry is projected to reach US\$ 1 trillion by 2025.
- With over 2,100 FinTech companies currently operational, India is poised to emerge as one of the largest digital markets due to the rapid expansion of mobile and internet usage.

Innovation in Services:

- India leverages a wide array of channels to extend the reach of financial services, fostering innovation.
- Emerging options for digital gold investments are gaining traction.
- In the Union Budget 2022-23, India unveiled plans for the introduction of a central bank digital currency (CBDC), referred to as Digital Rupee.

Policy Support:

- The government's approval of 100% Foreign Direct Investment (FDI) for insurance intermediaries and the increase in the FDI limit in the insurance sector from 49% to 74% under the Union Budget 2021-22 signify significant policy backing.

Growth Penetration

- Access to credit, insurance, and investment opportunities is on the rise in rural areas.
- High Net Worth Individual (HNWI) involvement is increasing in wealth management.
- Despite mutual fund penetration currently standing at 5-6%, there remains substantial room for growth, indicating latent opportunities.

NBFC Sector

The Indian financial sector features a robust ecosystem of non-banking financial companies (NBFCs), with 9,356 registered with the Reserve Bank of India (RBI) as of September 30, 2023. This underscores

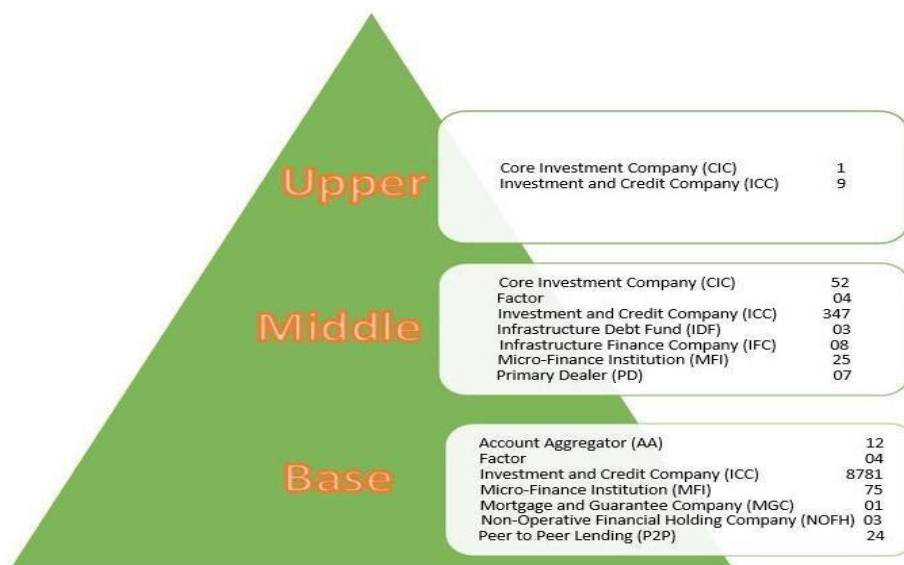
their significant role in the economy. The vast majority (8,799) are non-deposit-taking NBFCs (NBFC-NDs), driving financial inclusion by extending credit to underserved sectors and boosting economic growth. The RBI maintains vigilant oversight of NBFCs, particularly the subset designated as systemically important NBFC-ND-Sis (507), owing to their size and potential impact. This regulatory approach ensures financial stability. Additionally, the RBI regulates 27 Asset Reconstruction Companies (ARCs), specialized entities that resolve non-performing assets (NPAs) and support the financial sector's health. The RBI's comprehensive regulation across both NBFCs and ARCs promotes a financially inclusive and stable landscape in India.

NBFC Sector Analysis

The Non-Banking Financial Company (NBFC) sector has emerged as a vital source of finance for a diverse range of individuals and businesses, including Small and Medium Enterprises (SMEs) and economically unserved and underserved people. NBFCs have excelled in meeting the varied needs of borrowers with remarkable speed and efficiency, leveraging their extensive geographical reach, understanding of diverse financial requirements, and rapid turnaround times. By supporting the growth of millions of MSMEs and facilitating independent employment opportunities, nonbank money lenders have played a pivotal role in fostering financial inclusion.

A significant catalyst for the expansion of the NBFC sector has been the escalating demand for credit from MSMEs, who often face challenges in accessing loans from traditional banks due to stringent eligibility criteria. In response, digital lenders offering alternative financial solutions have emerged, playing a crucial role in driving the growth of the NBFC sector. This growth has been accompanied by the entry of numerous players with diverse business models, signalling a transformation in the Indian financial services landscape. The increasing adoption of neo-banking, digital authentication, the proliferation of UPI and mobile phone usage, and the spread of mobile internet have led to the modularization of financial services, particularly in the realm of credit.

The regulatory distinction between banks and NBFCs



Key reasons for growth

- Deep demographic and addressable market understanding: With their operations in the unorganized and underdeveloped segments of the economy, NBFCs have created a niche for themselves by understanding what customers want from them and guaranteeing last-mile delivery of goods and services.
- Tailored product offerings: NBFCs have adapted their product offering to meet the specific characteristics of a customer group and are focused on meeting appropriate needs by carefully analysing this target segment and customising pricing models.

- Wider and effective reach: NBFCs are now reaching out to Tier 2, Tier 3 and Tier 4 markets, distributing the loan across several customer touchpoints. In addition, they are building a connected channel experience that provides an omnichannel, seamless experience of sales and service 24 hours a day, seven days a week.
- Technology advancements and growing fintech ecosystem for improved efficiency and enhanced experience: The use of technology is helping NBFCs customise credit assessment.
- Co-lending: RBI, in November 2020, issued co-lending norms that enable banks and NBFCs to collaborate for priority sector lending (PSL).
- Government and central bank Initiatives: The Government of India also unveiled several initiatives aimed at addressing some of the structural issues stressing the small business lending segment. These include granting licenses to account aggregators, initiating the Pradhan Mantri Mudra Yojana (PMMY), launching UPI platforms, unveiling platforms such as TReDS, GeM and Open Network for Digital Commerce (ONDC) and implementing GST.

The COVID-19 pandemic and consequent acceleration in both adoption of technology and change in consumer habits, as well as increasing availability of data for credit decision-making, has made it possible to build an NBFC lending business without investing large sums to have brick-and-mortar presence on the ground. Overall, between FY23 and FY25, research shows NBFC credit will increase at a CAGR of 13–15 per cent.

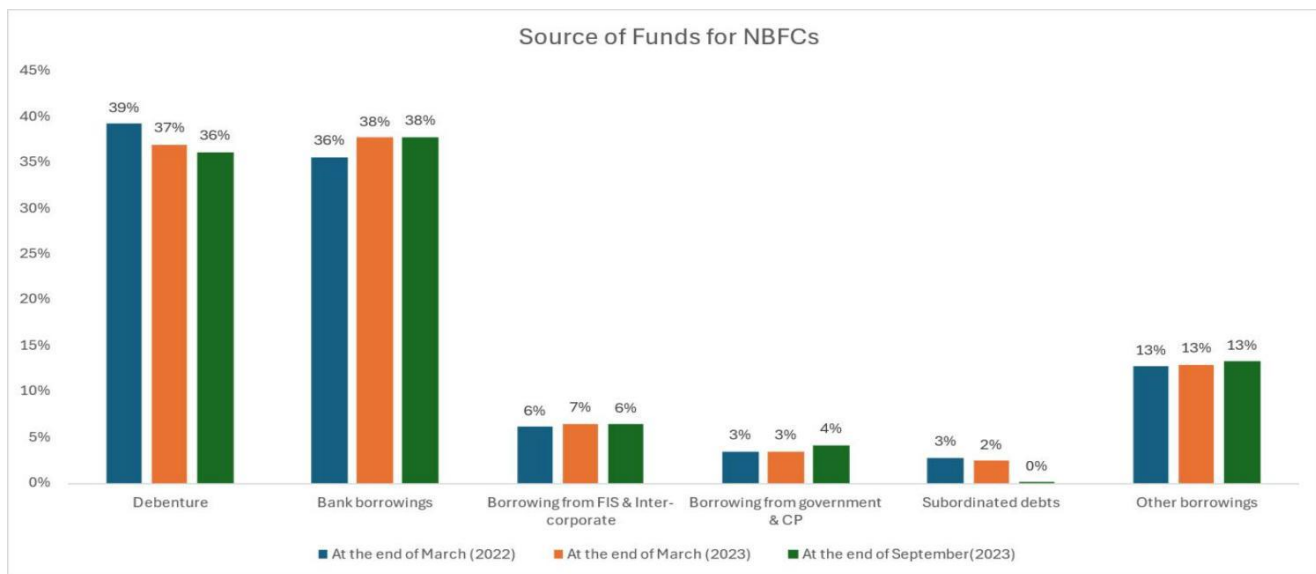
Navigating funding challenges: Emerging sources and regulatory impact for NBFCs in India.

Non-Banking Financial Companies (NBFCs) play a crucial role in India's financial landscape, yet they encounter evolving hurdles in accessing funds. This article investigates emerging fund sources and analyses how regulatory measures affect NBFCs' ability to raise capital.

Historically, NBFCs in India heavily depended on traditional financing avenues like bank loans and debenture issuance. However, recent regulatory interventions and expanded options have prompted NBFCs to explore alternative funding channels.

Sources of borrowings

In Fiscal 2023, there was a notable surge in NBFCs' borrowings from banks, leading to a significant uptick in their share of total funding to 36%, up from 29% at the conclusion of Fiscal 2022. Over the past decade, the proportion of bank lending to NBFCs has nearly doubled. However, it is anticipated that NBFCs will continue to rely heavily on funding from banks, as well as from other NBFCs and small finance banks, throughout Fiscal 2024 and Fiscal 2025.



Emerging sources of funds additional to the traditional options

- **Private equity and venture capital:** Private equity and venture capital have emerged as robust alternatives, injecting capital into NBFCs while also offering strategic guidance.
- **Securitisation and asset reconstruction:** Securitisation and asset reconstruction are increasingly adopted strategies by NBFCs, involving the sale of loan portfolios to investors and collaboration with Asset Reconstruction Companies (ARCs) to optimize balance sheets and manage risk.
- **Co-lending:** Co-lending, also known as co-origination, is gaining prominence as a collaborative lending model where multiple financial entities jointly extend loans to borrowers, sharing risks and rewards based on pre-agreed terms. This model, typically involving banks and NBFCs, offers increased liquidity and profitability opportunities if utilized effectively.
- **Green bonds and sustainable funding:** Green bonds and sustainable funding have become key avenues for climate-friendly financing. NBFCs inclined towards environmental sustainability can issue green bonds, attracting investors keen on making positive social and environmental impacts. Institutional investors, including banks, find green bonds particularly attractive, aligning with their sustainability goals and investment preferences.

Impact of regulatory measures on funding requirements:

- **Liquidity coverage ratio (LCR):** The implementation of Liquidity Coverage Ratio (LCR) by the RBI has compelled Non-Banking Financial Companies (NBFCs) to uphold high-quality liquid assets, ensuring short-term liquidity resilience. However, this necessitates a re-evaluation of liquidity management strategies.
- **Capital adequacy requirements:** Regulatory directives regarding capital adequacy requirements entail an increase in risk weights for consumer lending from 100 percent to 125 percent. Consequently, NBFCs with a higher proportion of such loans in their portfolio will be impacted. Maintaining a balanced mix of secured and unsecured assets becomes crucial to meet capital adequacy parameters effectively.
- **Bank borrowing for NBFCs with higher rating:** The revised risk weights for bank exposure to NBFCs with a credit rating of 'A' and above have been augmented by 25 percent. This signifies that banks will be required to maintain higher capital on loans extended to such NBFCs, potentially influencing the funding profile of

these entities. Additionally, the cost of borrowing funds from banks may escalate as banks could adjust interest rates to compensate for their elevated cost of capital.

Evolving business landscape and key growth sectors

The Indian economy persists in displaying robust growth, as indicated by the RBI's forecast of a 6.51 percent GDP growth rate. This economic resilience is facilitating substantial credit expansion for Non-Banking Financial Companies (NBFCs). Particularly noteworthy is the leading role played by the MSME sector and various retail credit segments, encompassing consumer durables, vehicle loans, microfinance, and affordable housing, in propelling the growth trajectory for NBFCs. Anticipated is a robust growth trajectory for the NBFC sector, buoyed by heightened credit demand across these segments.

Key growth sectors in NBFC

1. MSMEs

The MSME sector is anticipated to play a pivotal role in India's growth trajectory, with its contribution to the GDP projected to escalate from approximately 30% in FY23 to about 40% within the next five to seven years. Formal credit allocation will be a vital catalyst in fostering the expansion of this sector, with NBFCs poised to emerge as critical facilitators. The key contributors are as follows:

- **Trade:** The burgeoning e-commerce landscape, coupled with government initiatives such as the Open Network for Digital Commerce (ONDC) and Unified Logistics Interface Platform, alongside rising demand for indigenous products, is anticipated to propel growth in this domain.
- **Manufacturing:** Government impetus to augment manufacturing output, coupled with a focus on green energy initiatives and the burgeoning electronic vehicle (EV) ecosystem, is expected to galvanize MSME growth, consequently generating financing requisites for both capital and operational expenditures.
- **Services:** Sectors such as tourism and hospitality are projected to offer substantial avenues for NBFCs, presenting ample platform expansion and investment opportunities.

2. Retail Credit

Sub-sectors like consumer durables, vehicle loans, microfinance, and affordable housing are experiencing a surge in demand, buoyed by robust macroeconomic indicators and an uptick in private consumption. NBFCs,

renowned for their agile operational frameworks, are strategically positioned to meet this escalating demand.

To fortify the MSME and retail credit sectors, the government has introduced an array of reforms and initiatives. These encompass schemes such as the Pradhan Mantri Mudra Yojana (PMMY) and the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). Additionally, digitization endeavors like India Stack, the JAM (Jan Dhan-Aadhaar-Mobile) trinity, and Udyog Aadhaar for streamlined business registration are in place. Initiatives like the Open Network for Digital Commerce (ONDC) and the ambitious National Infrastructure Pipeline, under the Gati Shakti program, further bolster these efforts.

In the realm of retail credit, policies like the Pradhan Mantri Awas Yojana (PMAY) are driving growth in the affordable housing sector. Similarly, initiatives promoting vehicle electrification and the implementation of the Vehicle Scrappage Policy are propelling the vehicle loan segment forward. Furthermore, microfinance institutions are being strengthened through initiatives such as PMMY and a concerted focus on on-lending and co-lending models.

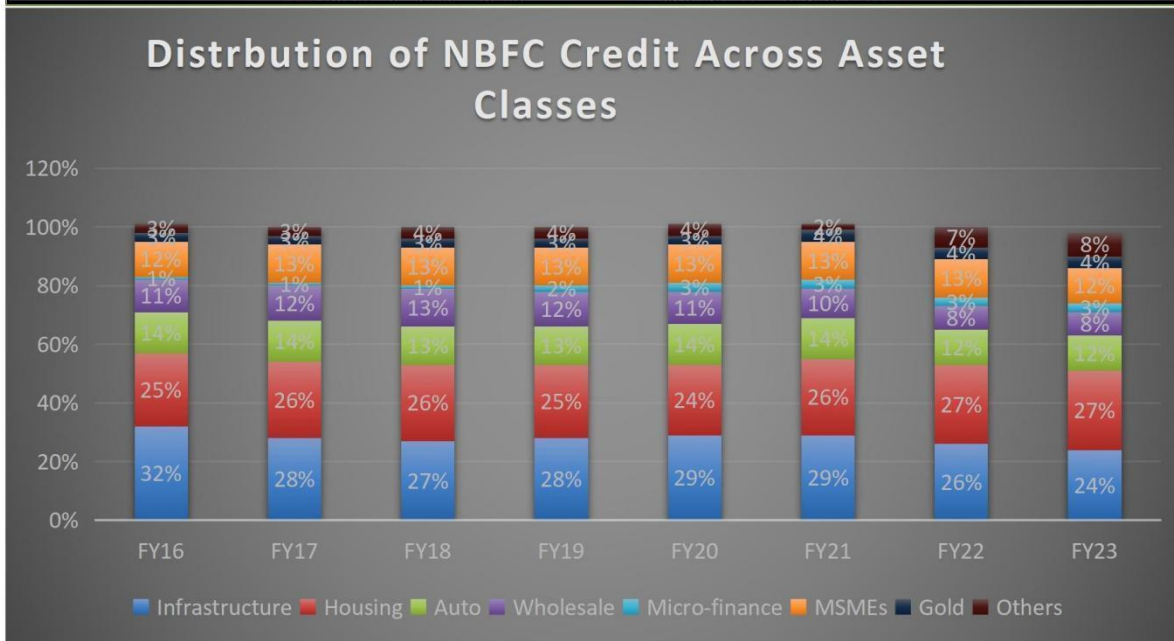
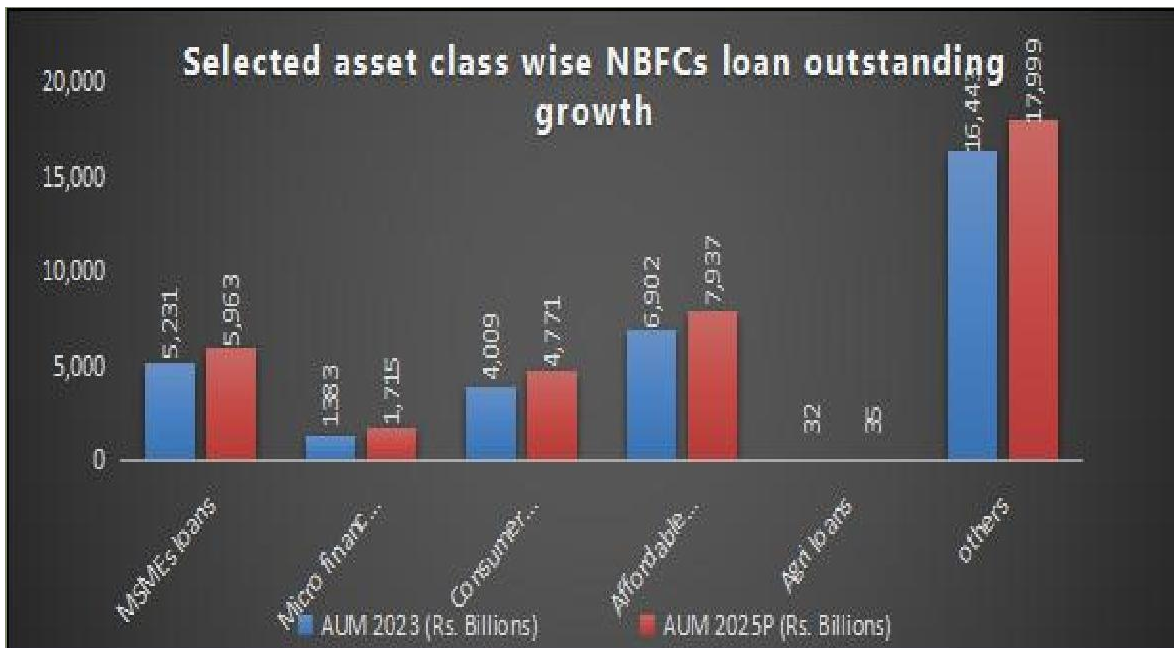
Ticket size and assets under management (AUM)

With the extensive adoption of technology and integration with the fintech ecosystem, disbursements across products have been very strong for NBFCs which is likely to continue in the coming years. Unsecured business loans with ticket size <5 lakh and secured MSME LAP with ticket size between 20–25 lakh will drive growth in the MSME credit space. Vehicle finance is expected to register strong growth along with affordable housing where the average ticket size is between 9 lakhs to 12 lakh for NBFCs. Gold loans with an average ticket size of up to 1.25 lakh have emerged as a popular and alternative route for financing and have seen participation from various fintech’s due to the secured nature of the product and same-day disbursals. As a result, the AUM for NBFCs is projected to grow by 12–14 per cent until FY25, reaching INR42 trillion.

The co-lending assets under management (AUM) of non-banking financial companies (NBFCs) in India are nearing Rs 1 lakh crore, showing healthy growth momentum at 35-40% annually over the medium term. Partnerships between NBFCs and banks are driving this growth, although they may shift focus to other asset classes like loans to micro, small, and medium enterprises (MSMEs) and home loans due to higher risk weights for personal loans.

Of the current overall co-lending book, personal loans alone account for about a third of the AUM, followed by housing loans at ~20% and unsecured MSME loans and gold loans each making up ~13% of the pie. Secured MSME (including loan against property) and vehicle loans comprise the rest ~20%

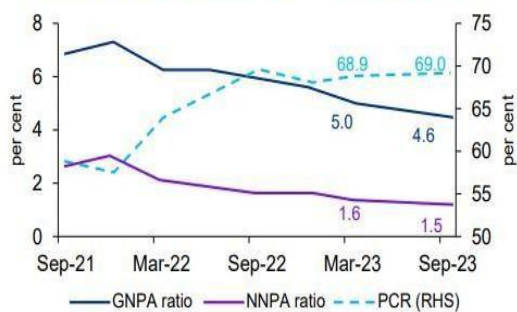
Parameters	Sub-Parameters	AUM ₹Billions (2023)	Loan (CAGR)	Outstanding
Selected class wise loan outstanding growth	MSME loans	5231	13-15%	
	Microfinance loans	1383	23-25%	
	Consumer Finance	4009	18-20%	
	Vehicle loans	3277	14-15%	
	Affordable housing loan	6902	14-16%	
	Agri loans	32	9-11%	



Asset quality improved on account of efficiency in the collection process and improvement in economic activity in Fiscal 2023

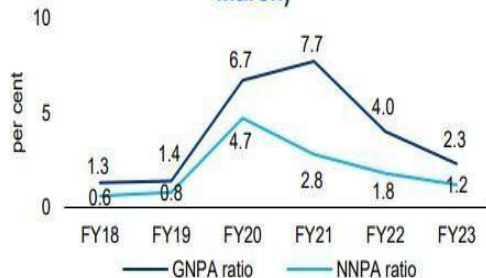
The RBI allowed NBFCs time till 30 September 2022 to follow NPA upgradation norms, which clarified that loan accounts classified as NPAs may be upgraded as standard assets only if the borrower pays the entire arrears of interest and principal. During FY22–23, the asset quality of NBFCs improved, with lower slippages leading to a decrease in the GNPA ratio to its lowest level in five years. PCR increased from 51.5 percent at the end of March 2020 to 68.9 percent at the end of March 2023 for NBFCs (please refer to the attached chart). As of the end of September 2023, the sector's asset quality showed further improvement as the GNPA and NNPA ratios fell to 4.6 percent and 1.5 percent, respectively. This trend is expected to be sustained only if the delinquencies and asset quality are maintained within acceptable limits, the composition of unsecured loans in the NBFC portfolio is in check, and collections are optimized with the use of technology and analytics.

Asset quality of NBFCs — NPA and PCR



Sources: RBI supervisory returns and staff calculations.

HFC's GNPA and NNPA ratios (at end-March)



Note: Data are provisional
Source: National Housing Bank (NHB)

Cost of funds

NBFCs need to keep a vigilant eye on the cost of raising funds for their operational expenses and lending. During the pandemic period, NBFCs became cautious in lending to preserve the asset quality, which restricted AUM growth. The restricted demand drove AUM growth, especially across higher-yielding segments, which impacted profitability positively. The low-interest environment translated into lower cost of funds, resulting in higher spreads, which further impacted profitability positively. The microfinance segment also witnessed equity infusion from private equity and Alternative Investment Funds (AIFs). This in turn has helped the NBFCs to increase their spreads and decrease their debt levels in FY23 which is expected to remain consistent for the next

~2 years with a marginal increase in the cost of funds only due to the rate hikes.

MSMEs Scenario

Our small business lending division has experienced remarkable growth, achieving a noteworthy 15% Compound Annual Growth Rate (CAGR) between Fiscal 2018 and 2023. This growth is attributed to enhanced data accessibility and government initiatives like the Goods and Services Tax (GST), which have facilitated lending. Notably, our focus on underserved Micro, Small, and Medium Enterprises (MSMEs) has expanded our customer base and fueled economic empowerment. We've seen dynamic growth in both secured and unsecured loans, particularly in the non-loan against property (LAP) segment, driven by rapid industrialization and increased lending to the micro-segment. As economic conditions improve, we've prioritized funding in the unsecured segment while maintaining caution in LAP lending. Looking forward, we anticipate sustaining a robust 15% CAGR in Small Business Loans from Fiscal 2023 through 2026, reflecting our confidence in the resilience of the MSME sector and our commitment to its growth.



Small Business Loans to grow at 15% CAGR over Fiscal 2023 and 2026
(Source-Crisil Report)



(NBFCs increasing their presence in the small business loans segment)
(Source-Crisil Report)

NBFCs are gaining market share from banks in small business loans. Here is why it's happening. The information you provided perfectly explains why NBFCs are gaining market share from banks in small business loans. Here's how each point connects to the trend:

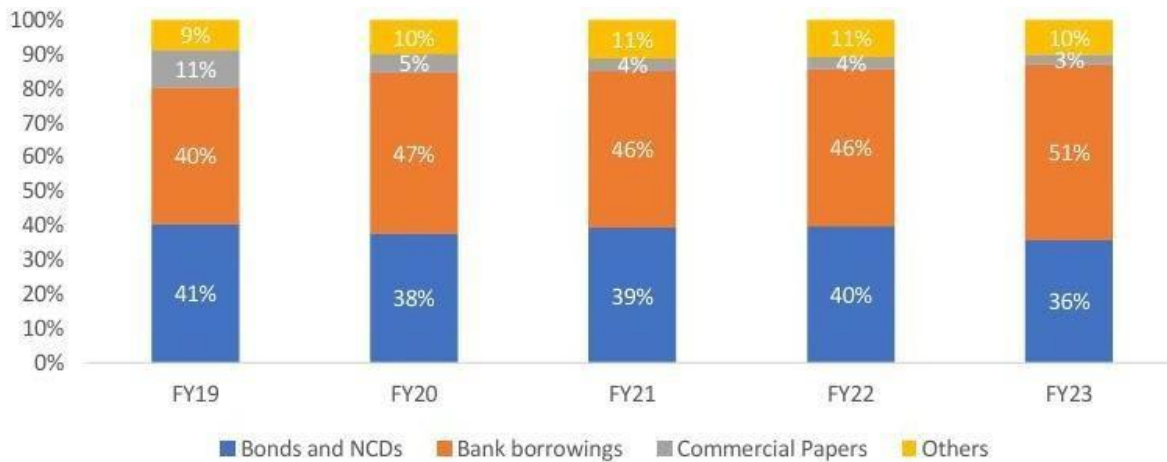
- **Flexible Eligibility Criteria:** Many small businesses, especially startups or those in their early stages, may not meet the strict credit score or business history requirements of traditional banks. NBFCs, with their more relaxed approach, open the door for these businesses to access much-needed funding and fuel their growth.
- **Quick Disbursal of Funds:** Small businesses often operate with tight cash flow and may need capital quickly to seize opportunities or address emergencies. NBFCs' streamlined processes ensure faster loan approvals and disbursements, allowing businesses to act swiftly and not miss out on crucial moments.
- **Competitive Interest Rates & Lower Fees:** For small businesses, keeping costs down is essential. NBFCs' competitive interest rates and lower processing fees compared to banks make borrowing more affordable. This allows businesses to invest a higher proportion of their capital back into growth initiatives.
- **Digital Loan Processing:** The digital approach of NBFCs makes the loan application process simpler and more convenient for small businesses. Entrepreneurs can apply online, saving them time and resources that would otherwise be spent on paperwork and lengthy bank visits.
- **Pre-Approved Loan Limits:** Pre-approved loan limits from NBFCs provide small businesses with financial flexibility. Businesses can access funds as needed, managing their cash flow efficiently and keeping loan repayments manageable. This also offers a safety net for unexpected expenses.

By offering these advantages, NBFCs cater more effectively to the specific needs of small businesses. This, in turn, is leading them to gain significant market share in the small business loan segment, posing a growing challenge to traditional banks.

(Source- IIFL Securities Article)

Bank borrowings continue to gain market share in the borrowing mix of NBFCs focused on small business loans.

"Bank borrowings" shows a clear upward trend over the five years. This indicates that bank borrowings are making up an increasingly larger portion of the borrowing mix for NBFCs focused on small business loans. The graph shows a decrease in the share of bonds and NCDs, while Commercial Papers (CPs) and Others seem to fluctuate. This suggests that NBFCs might be relying less on these funding sources and turning more towards bank borrowings.



The graph shows several lines representing different borrowing sources for NBFCs.

(Source- Crisil Report)

Portfolio Growth

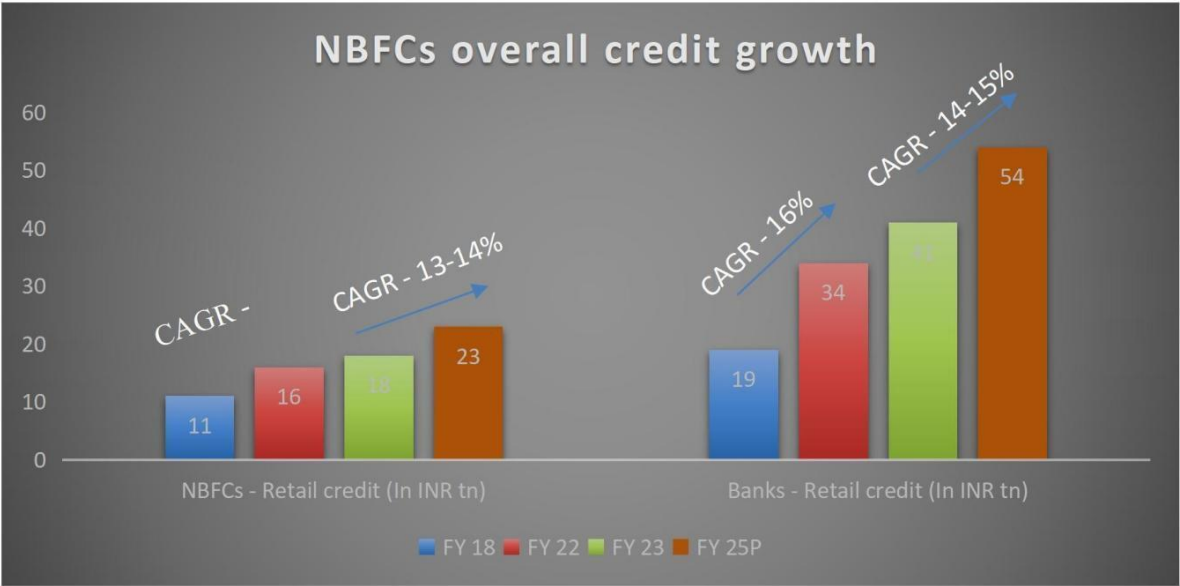
In Fiscal Year 2024, the Non-Banking Financial Companies (NBFCs) sector continues to exhibit resilience and growth across various asset classes. The sector's Assets Under Management (AUM) have seen a steady increase, with projections indicating a CAGR of 12-14% between Fiscal 2023 and Fiscal 2025. This growth is primarily driven by the retail vertical, including housing, auto, and microfinance segments, reflecting the sector's ability to adapt to changing market conditions and evolving customer demands.

Retail segment to support NBFCs overall credit growth

The non-banking financial company (NBFC) sector in India has experienced significant growth and evolution in recent years, marked by expansion in size, operations, technological advancements, and diversification into new financial services and products. This growth has been accompanied by the emergence of numerous players with diverse business models entering the market.

Despite facing a slowdown in growth following the COVID-19 pandemic, NBFCs have regained momentum, with an estimated credit growth of 12-13% during Fiscal Year (FY) 2023. Looking ahead, CRISIL MI&A anticipates this growth trend to persist, with credit growth expected to reach 13-14% in FY 2024. The industry is also witnessing the rise of niche NBFCs targeting specific customer segments.

The pandemic has accelerated the adoption of technology and prompted changes in consumer behaviour, leading to increased availability of data for credit decision-making. This shift has enabled the establishment of NBFC lending businesses without the need for substantial investments in physical infrastructure. As a result, CRISIL MI&A forecasts an overall NBFC credit growth at a Compound Annual Growth Rate (CAGR) of 12%-14% from FY 2023 to FY 2025.



Moreover, the retail credit segment provided by NBFCs is projected to grow at an even faster pace, with a CAGR of 13%-15% over the same period. This indicates a positive trajectory for the NBFC sector, driven by technological advancements, changing consumer preferences, and increasing access to credit data.

Housing finance remains a key focus area for NBFCs, with home loans accounting for 46% of overall retail loans as of March 31, 2023. The housing finance market has been posting healthy growth, supported by higher affordability and pent-up demand for housing. The sector has witnessed a significant increase in demand for real estate, particularly in tier 2 and 3 cities, driving the growth of housing finance companies (HFCs) and NBFCs operating in this segment.

In the vehicle financing segment, growth has been robust, especially in commercial vehicle (CV) sales. NBFCs have maintained a market share of approximately 57% in CV financing, indicating their strong presence in this sector. The sector's AUM for CV financing is projected to require around 870 billion in capital over the next three years, highlighting the sector's potential for further expansion and market penetration.

Consumer finance loans, including personal loans and consumer durable finance, have also seen significant growth, with disbursements increasing by 32% in Fiscal 2023. NBFCs have been able to capture a substantial market share in two-wheeler financing, accounting for 65% of the market as of March 2023. This data underscores the sector's ability to cater to diverse consumer needs and provide financing solutions tailored to specific customer segments.

The Micro, Small, and Medium Enterprises (MSME) sector has been a key focus area for NBFCs, with loan outstanding growth in MSME loans projected at 13-15%. The sector's GNPA for NBFC MSMEs stands at 5.30%, reflecting a healthy asset quality and risk management framework. NBFCs have been able to tap into the under-penetrated MSME market, offering tailored financial products and services to support the growth of small businesses.

In terms of profitability, NBFCs have seen improvements in their Return on Assets (RoA) in Fiscal 2023,

with projections indicating further improvement in the near term. The sector's ability to manage credit costs and enhance operational efficiency has contributed to the overall profitability of NBFCs. Additionally, the sector's borrowing mix for large, medium, and small NBFCs reflects a strategic approach to capital management and funding strategies, ensuring sustainable growth and financial stability.

Overall, the NBFC sector's portfolio analysis in Fiscal Year 2024 highlights a resilient and dynamic industry landscape, characterized by steady AUM growth, strategic focus on key asset classes, and a strong market presence across various lending segments. The sector's ability to adapt to changing market conditions, innovate in product offerings, and maintain strong risk management practices positions NBFCs for continued growth and success in the financial services industry.

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 14 of this Draft Letter of Offer for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" on page 20 of this Draft Letter of Offer, for a discussion and analysis of factors that may affect our business, financial condition, results of operations or cash flows. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular "Fiscal" are to the 12 months ended March 31 of that year. All financial information included herein is given on a consolidated basis unless stated otherwise.

Company outlook

Capital Trust Limited (CTL) is a publicly listed non-banking finance company (NBFC) that specializes in providing income generating digital business loans in tier 3-5 towns. Merging best practices of fintech and traditional financing, the company focuses on financial inclusion of the underserved in deep interiors of rural India. It does so by using digital processes without compromising on its "feet-on-street" model. As on March 31, 2023, Capital Trust has a Asset under Management of Rs. 28000 Lakhs and caters to over 106000 customers in 10 states in North and East India. This past year, growth was driven by the sustained demand for income-generating business loans in tier 3-5 towns. CTL's commitment to financial inclusion through its unique blend of digital processes and its established "feet- on-street" model has resulted in serving an even wider customer base.

Launched in FY 2019, the Capital Business Loan (CBL) continues to be the driving force behind Capital Trust Ltd.'s mission. Leveraging our ever-expanding 16 years of experience in rural India, CBL remains the core product empowering informal MSMEs with short-term business loans and rapid turnaround times. The commitment to a 100% digital assisted disbursement process fosters financial inclusion, and we've seen a continued increase in customers adopting online as their preferred repayment method. For those requiring non-digital support, our robust network of [update the number] field staff ensures efficient collection.

Capital Business Loans:

Capital Business Loans is the active product of the company that was launched in FY19. This represents the core segment of the company and the future of Capital Trust.


CBL is a unique MSME lending product that has been developed by the company using its 12- year experience with dealing with clients in rural India. It provides clients access to a short tenure business loan with quick turnaround time. Already having 100% digital disbursement, through this product, the company has been able to push clients to have digital repayment (NACH) as first mode of repayment. Non digitally cleared cases are then met for collection through cash mode by the 2000+ member field staff.

Name of Product	Capital Business Loan
Loan Amount (range of ticket size)	Rs 30,000 - 100,000
Range of Tenor	12 - 24 months
Repayment Frequency	Monthly
ROI	32%+
PF	2%+
Security	Unsecured
Product Optimization	Small ticket size, short tenure, optimal EMI amount, short turn-around-time, high yield, digital collection enabled, full cash collection setup, geo-tagged and analytics backed

The company is also in the process of launching secured loans upto 5 lakhs.

Target Clientele:

Comprising of the Informal Micro Enterprises, the target clientele has an annual household income between 3Lacs – 4Lacs per year. As they are right above the microfinance sector and below the Formal MSME sector, they are underserved by MFI, banks or larger NBFCs. The RBI formally recognized this sector by placing it on par with the Formal MSME Sector, classifying it as Priority Sector Lending on May 9, 2023 (RBI/2023-24/27: FIDD.MSME & NFS.BC.No.09/06.02.31/2023-24).

<u>CLASSIFICATION</u>	<u>DOCUMENTATION</u>	<u>TICKET SIZE</u>	<u>ANNUAL INCOME</u>	<u>UNSECURED</u>	<u>SECURED</u>
Formal MSME	<ul style="list-style-type: none"> - Income Tax Return - GST Certificate - Shop & Establishment - PAN Card - Udyam Aadhaar 	> ₹ 10 Lakh	> ₹ 10 Lakh	New Age Fintechs	Banks / Large SME Focused NBFCs
		₹ 1Lac - 10 Lakh	₹ 4Lac - 10 Lakh	Geography Focused MSME NBFCs	Product Focused MSME NBFCs
Informal MSME	<ul style="list-style-type: none"> - Aadhaar Card - Udyam Assist - Bank Account 	₹ 30,000 – 1 Lac	₹ 3Lac - 4 Lakh		
Microfinance	<ul style="list-style-type: none"> - Aadhaar Card 	₹ 20,000 – 60,000	< ₹ 3 Lakh	NBFC-MFIs	

Product Features: Driving Innovation & Accessibility

Capital Trust consistently enhances its loan products to empower rural businesses. Our commitment to streamlining processes and maximizing customer convenience is demonstrated in the following features:

End-to-End Digitization: The entire loan process, from documentation to disbursement and repayment, is fully digital. Clients have flexible repayment options, including NACH, payment gateways, and at-the-branch advance payments, resulting in approximately 60% of collections being processed digitally.

Advanced Decision-Making Engine: Our proprietary credit scoring system leverages multiple data points, including income, credit history, debt capacity, and region-specific insights, to ensure informed lending decisions.

Accessibility and affordability: Loan amounts ranging from Rs. 30,000-75,000 and short tenures up to 24 months cater to a broader customer base desiring a faster repayment cycle.

Hybrid Approach: While prioritizing digital processes, we maintain the value of human interaction. On-site visits ensure quality control, while a sophisticated AI-driven system powers underwriting decisions.

Capital Trust further strengthened its digital capabilities in FY 2024. Integration with [mention any new payment gateways or platforms] broadened our reach, and refinements to our underwriting engine, incorporating additional data sources and [mention specific refinements to credit scoring methodology], increased both accuracy and efficiency. These innovations reaffirm our position as a leader in accessible and responsible financial services for India's underserved MSMEs.

Performance of Capital Business Loans:

Company has disbursed a total of Rs. 88600 Lakhs in the CBL product. Owing to short tenure of loans, outstanding portfolio is Rs. 280 Cr. 90+ stands at 1.45% on POS and 0.4% on total disbursement. 30+ stands at 2.5% on POS and 0.8% on total disbursement. Owing to tenure of all loans being less than 18 months, the product has already seen 3-4 full cycles, including a high impact market event

	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q4 FY24	On Disbur sal
AUM (Rs Cr)	115	142	162	181	179	152	110	280	886
30+ PAR %	4.3%	3.8%	3.4%	3.4%	3.0%	2.8%	1.8%	2.5%	0.8%
90+ PAR %	1.7%	2.3%	2.3%	2.5%	2.2%	2.1%	1.8%	1.4%	0.4%

Despite going through Covid, Capital Business Loans' Collection Efficiency too have been showing its resilience. Even during 2nd wave of covid (April 21, May 21 when rural India was most impacted), collection efficiency of this portfolio never dipped below 95% showing the strong fundamentals and asset quality of this product.

Key Performance Indicator

Our key financial performance indicator for the Financial Year 2024, Financial Year 2023 and Financial Year 2022 is detailed as below;

Particulars	Financials in lakhs			
	30 th Sept 2024	2023-24	2022-23	2021-22
Total Income from operations	4985.96	7958.23	8691.42	10598.28
EBIDTA	1064.50	1352.50	(3924.97)	1817.53
Less:				
Interest	918.84	1022.10	2162.03	3185.14
Depreciation	16.32	42.28	45.68	49.67
Profit Before Tax	129.23	288.12	(6132.68)	(1417.28)
Profit/(Loss) after tax	96.62	214.62	(4564.14)	(1082.05)
Available for appropriation	96.62	214.62	(4564.14)	(1082.05)

Transfer to Reserve fund u/s 45IC of RBI Act, 1934	19.32	43.23		
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Capital Trust remains committed to innovation in the financial services space. Our Capital Business Loans initiative, launched in 2020, has achieved impressive results. The company is on the growth track. The Asset under management has reached to Rs. 28000 Lakhs.

During the year 2023-24, the total income decreased from Rs. 8,691.42 Lakhs to Rs., 7,958.32 Lakhs. This is because that in March 2023, the company has written off a significant portion of portfolio. The income has shown an increasing trend since Quarter 1 of Financial year 2023-24.

Interest expenses have decreased to Rs. 1,022.10 Lakhs from Rs. 2,162.03 Lakhs. This positive trend is a direct result of our ongoing focus on reducing high-cost debt and optimizing our funding mix.

The company is back to profitability with net profit of Rs. 218 Lakhs against the loss of Rs. 4564 Lakhs in 2023. Capital Trust enjoys a positive reputation with stakeholders and a proven history of timely repayments. Our credit rating stands at BB+ (SO) by Care Ratings as of 31st March, 2024.

Capital Trust is well-positioned to navigate the evolving NBFC landscape. We are actively exploring opportunities in South India - for example MSME lending, secured lending, etc. Our focus remains on delivering value to our customers through tailored financial solutions, technological advancements, and an unwavering commitment to responsible lending.

Product Features:

- **Complete Digital process encapsulating every step:** From documentation & paperwork to onboarding and disbursement. First mode of repayment for all clients is NACH, in addition the Payment Gateway has been enabled to all the customers through the Company's App and payment link. Loans are disbursed online and ~60% collections done either online or by advance payment by client at the branch. Balance is done via individual cash collection using a geo-tagged route planning system.
- **Automated disbursement mechanism:** Decision of lending is done on the basis of a borrower's Credit Scoring, Income, Credit History and Debt servicing capacity. The engine further calibrates for regional differences in performance using pin-code level data.
- **Ticket Size & Tenure:** The Ticket size of this product is at Rs. 30,000 – 75,000 making it accessible across a broader customer base. Short tenure of upto 24 months makes the repayment faster.
- **Return Accretive:** Overall, NIM's for this product are higher than the Company's traditional portfolio. The Company has been focusing on increasing this product base to a broader market across existing and new geographies.

➤ **Enabling digital integration by blending with physical approach:** While the processes remain digital, to maintain stringent quality checks, physical visits are also conducted, enabling independence between credit officer's data entry and the backend automated decision-making process. The credit officer's role primarily is to propose a case with the system having final decision power. AI and Business Intelligence is used to automatically calculate the applicant's household income based on standardized business size, industry margin and expected expenses.

Credit Processes:

➤ **Hybrid Dual Credit:** Automated credit (credit bureau checks and preset algorithms) is supplemented with traditional safeguards of branch banking (physical verification of residence, business premise and cash flow analysis).

➤ Building upon our robust credit assessment framework, Capital Trust Ltd. continues to refine its approach in FY 2024. Our "Hybrid Dual Credit" system combines the efficiency of automated credit checks with the human expertise of on-site business verification. This dual approach minimizes risk while ensuring timely loan decisions. Furthermore, we've significantly expanded our data pool, leveraging insights from our 12 million+ customer base (up from 10 million in FY 2023) and a cumulative loan portfolio exceeding Rs. 4,000 crore (up from Rs. 3,500 Cr. in FY 2023). Our advanced credit engine, powered by AI and Machine Learning, utilizes this enriched data to deliver even more accurate borrower

➤ **Physical Visit Engine:** Capital Trust Ltd. remains at the forefront of data-driven lending in FY 2024. Our proprietary "Physical Visit Engine" seamlessly integrates field operations with our intelligent credit scoring system. Using historical data, we've further enhanced our industry classification to encompass 80+ unique business types commonly found in rural India. This granularity allows our field officers to quickly input key business parameters (scale and margin) into the system, which then automatically calculates the borrower's potential disposable income. Additionally, we've refined our business intelligence tools to leverage standardized business size and industry margins in estimating household income, streamlining the application process for both customers and staff.

➤ **Continuous Improvement:** FY 2024 witnessed a continued focus on optimizing our credit processes at Capital Trust Ltd. We actively monitor and improve our AI-powered "Credit Engine," incorporating new data sources and refining our algorithmic models to enhance predictive accuracy. This ongoing commitment ensures responsible lending practices while facilitating faster loan decisions for our rural MSME clients.

Key strengths

The company operates with the following key strengths:

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

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

client's credit history. There is also geo-tagging feature to capture Client premises location and digital receipt issuance to facilitate post disbursement operations. Documentaion is done through e signs.

- **Automation** - The services of an Android operating system are extended to clients that help them keep track of their loan progress, provide access to credit records, store KYC information and let clients repay instalments from their application with links to their bank accounts.
 - **Newer customer and staff channels** – Customers now get recorded calls for their due amount, arrears and newer eligible loans using OBD calls, SMS etc. Staff has been enabled with real-time information of customers demand sheet, arrears etc.
 - **New fintech products** - Capital Magic and Micro Business Loans are a mix of Fintech and regular product. The company provides Capital Magic Loan to Clients within same day.
2. **Focus of the company is on the 'Missing Middle'** – The Company continues to focus on missing middle, the economic segment that is excluded from the formal banking system as well the growing micro-finance industry.
 3. **Large Geographic Presence:** The Company is working on hub and spoke model. For every district branch, there are four block level branches. Thus the company is close to the customers. Even though the company has now started digital product, the company has not stopped regular connect with the client. The company mainly operates in Hindi belt areas so there is no language barrier.
 4. **Experienced Human Capital:** The company has strong human capital of more than 2000 people, who are full of knowledge and experience. The company has built a team of professionals, who have diversified experience and knowledge in their domain area. The Company has independent business, credit and compliance teams. Some of the employees in company have been with the company for more than 20 years showing great employment retention rate.
 5. **Effective Internal Audit:** The Company has strong internal audit teams who do frequent internal audits of the branches. The frequency being quite regular helps in reduction in frauds and implementation of company's policies.
 6. **Large no. of lenders:** The Company has current relationship (including past association) with more than 25 lenders, who have supported the company to reach to present level. The funders have supported the company even in the period when NBFC sector was in turmoil.
 7. **Liquidity of shares:** The shares of the company being listed on NSE and BSE, therefore the investment by investors in the company is liquid, which can be encashed anytime. The liquidity also offers company the opportunity to tie up with institutional investors and PE funds which generally look for listed entities for investment.
 8. **Strong Capital Adequacy:** Despite write-offs and provisions due to COVID-19, Capital Trust maintains a healthy capital adequacy ratio of 29% which positions us favourably for future fundraisings.
 9. **Strong Systems and Processes:** The Company has been in existence for more than 34 years. Over the years, the company has developed systems and processes which have been timely tested and implemented. The Company's audit team is capable enough to test the systems and enforce their implementation.

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

11. Credit Engine

Automated decision making with Credit Scoring of the borrower based on Income, Credit History and Debt servicing capacity. The engine calibrates regional differences in performance using pin-code level data

12. Physical Visit Engine

Enablement of Independent Credit Officer's data entry with backend automated decision making. System automatically calculates Household Income based on standardized business size, industry margin and expected expenses

13. Staff Engine

Integrated tool for real time monitoring of current staff availability and projected staff sufficiency at branch level by looking at past attendance this engine predicts staff shortfall in times to come.

14. Disbursement Engine

Developed Real-Time system of automated controls on disbursement to avoid risk build up in branches. This engine helps monitor internal and external parameters and ensures automatic stoppage of branch/staff disbursement where collection parameters fall below a prescribed level.

Key weakness

High Cost of Borrowings:

High borrowing costs increase the interest expenses for businesses, reducing overall profit margins. This can limit the company's ability to reinvest in growth and expansion activities.

Opportunities

The company has significant opportunities in rural India, particularly in providing small-ticket loans to Micro, Small, and Medium Enterprises (MSMEs) operating in rural areas. Here are some specific opportunities:

Unmet Demand: There is often a considerable unmet demand for credit in rural areas due to the limited presence of traditional banks. NBFCs can fill this gap by offering customized loan products tailored to the needs of MSMEs in these regions.

Technology Adoption: With the proliferation of digital technologies, Company leverages mobile banking, digital payments, and online application processes to reach remote rural areas cost-effectively and efficiently.

Threats:

Economic Downturns: Economic downturns pose a significant threat to NBFCs that cater to the MSME sector. During periods of economic slowdown, MSMEs often experience reduced cash flow and revenue, which can severely impact their ability to repay loans. This leads to higher default rates, affecting the

financial health of NBFCs. Additionally, certain MSME sectors are more vulnerable to market fluctuations, resulting in inconsistent repayment patterns and increased credit risk for lenders.

Regulatory Changes: Regulatory changes present another critical threat to NBFCs. New compliance requirements can increase operational costs and complicate business processes, thereby reducing profitability. The regulatory environment for financial institutions is constantly evolving, necessitating quick adaptation from NBFCs. Sudden shifts in government policies or financial regulations can create uncertainty, making strategic planning and consistent operations challenging.

Our Business Strategy

Maintain and Expand Long-term Relationships with Clients

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach. Our Company believes that long-term client relationship fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. It helps understanding the basic approach of our Company, its products and its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely.

Leveraging of our Marketing Skills and Relationships

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products.

We seek to diversify our credit risk and ensure that no individual credit product contributes a large portion to our overall credit book. We believe that this mitigates the risk of concentration to any particular product or sector and helps us to manage our risk exposure in a more effective manner.

Diversify our assets and liabilities

We intend to remain diversified in our loan book as well as off book by strategically focusing on adjacent high growth and profitable lending businesses and further expand our lending and other businesses. We intend to continue to focus on developing a diversified funding model to achieve optimal cost of funds while balancing liquidity and concentration risks. As our cost of borrowings is determined by our financial discipline and business performance, we intend to source funding at competitive rates. In particular, with respect to our credit business, a decrease in cost of borrowings will enable us to price our products in a more competitive manner. We intend to further diversify and strengthen our profile, strategically adding additional funding resources.

Growth of the business through increasing geographical presence across India

We intend to continue to grow our loan portfolio by expanding our network through the addition of new branches. A good reach to customers is very important in our business. Increased revenue, profitability and visibility are the factors that drive the branch network. Our strategy for branch expansion includes further strengthening our presence in various parts of India by providing higher accessibility to customers.

Investment in Subsidiaries

As on 31st March, 2024, there are no subsidiary companies of Capital Trust Limited.

INTERNAL CONTROL SYSTEM

The Company has well documented internal financial controls with risk control matrix for all the

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

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

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

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

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

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

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

These policies and procedures are well established and followed meticulously. The company adheres to audit process which encompasses risk identification, risk assessment, risk address and reviewing & reporting risk. The Company has established risk management and audit framework to identify, assess, monitor and manage credit, market, liquidity and operational risks. This is

extremely important as many of our borrowers do not have any assets and also do not have adequate literacy skills. The company has three levels of the audit which include surprise branch audit, Pre disbursement audit for client identification and checking of credit worthiness of the clients and post disbursement audit. Under the post disbursement audit, the loan utilization is checked. The internal audit department also tracks the attendance of client in the centre meeting.

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

INFORMATION TECHNOLOGY

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

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

- One of the first NBFCs to start cashless disbursement of all loans since 2015.
- Started process of cashless repayment for all loans (except Microfinance) in 2019.
- Automated closing of company and all branch books at 6PM daily through collation of issued Digital Receipts (SMSs sent to client on collection of any repayment).
- Client application with access to all details regarding the loan to promote transparency and authenticity.
- Staff and client-facing smartphone applications with access to all details regarding the loan to promote transparency and authenticity
- All staff have access to Capital Sales, the company application, that provides real-time information in even the most remote locations.
- All new staff onboarding through paperless, digitalized processes with joining formalities done within hours
- All warehousing of information on cloud.
- Smart credit enabling client on-boarding and in-principle approval from scanning of client's Aadhar card at his doorstep.
- 100% paperless processes. From onboarding to disbursement all processes are digitalized and through the application with no scope of any manual input into system
- No manual entry allowed for any clients

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

HUMAN RESOURCES

Capital Trust Limited is operating in eleven states within India and has 2428 employees as on 31st December, 2024. Capital Trust policy offers equal employment opportunity for all persons, without bias or discrimination. It applies to all employment practices including (but not limited to) recruitment, promotion and training. Selection of business partners is also guided by like

principles.

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

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

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

Category	No. of Employees
Executive Directors	2
Key Managerial Personnel (KMP's)	2
Head Office employees	99
Employees at branches	2327
Total	2428

Land and Properties

Our registered office situated at 205, Centrum Mall, MG Road, New Delhi- 110030 is on leased premises.

All our branches are on the leased premises.

Insurance:

The company has secured credit shield insurance for its borrowers and co-borrowers. Additionally, it has obtained Group Personal Accident (GPA) insurance for its staff, covering accidents and unfortunate death. Furthermore, the company has also arranged vehicle insurance. Some of the policies are:

	Type of insurance	Date From	To Date	Insurance Company
CAPITAL TRUST LTD	Vehicle	26/12/24	25/12/25	IFFCO TOKO GIC
CAPITAL TRUST LTD	Vehicle	13/02/24	02/12/25	TATA AIG
CAPITAL TRUST LTD	Vehicle	24/04/24	23/04/25	HDFC ERGO
CAPITAL TRUST LTD	Vehicle	26/06/24	25/06/25	Future Generali

CAPITAL TRUST LTD	Vehicle	09/07/24	08/07/25	Kotak GIC
CAPITAL TRUST LTD	Vehicle	30/09/24	29/09/25	Iffco Tokio
CAPITAL TRUST LTD	Vehicle	06/12/24	12/05/25	Future Generali
CAPITAL TRUST LTD	Group Credit Protect	09/08/23	03/09/25	Acko Life Insurance
CAPITAL TRUST LTD	GPA	28/06/24	27/05/25	ICICI Lombard

Intellectual properties: NA

OUR MANAGEMENT

Board of Directors

The provisions of Companies Act and the Articles of Association require that our Board shall comprise of not less than three Directors and not more than fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting.

As on the date of filing this Draft Letter of Offer, our Company currently has six (6) Directors out of which one (1) is a Chairman and Managing Director, one (1) is a Joint Managing Director, and four (4) are Independent Directors out of which one (1) is Woman Director. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and constitution of committees thereof. The following table sets forth the details of our Board as on the date of filing of this Draft Letter of Offer:

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (in years)	Other directorships
<p>Yogen Khosla</p> <p>Designation: Chairman and Managing Director</p> <p>Date of birth: May 22, 1963</p> <p>Address: Rambagh farm, Kh. no. 1535, Asola village,., Chattarpur, South Delhi-110074</p> <p>Occupation: Business</p> <p>Current term: April, 1, 2023, to March 31, 2028</p> <p>Period of Directorship: Since April 1, 2003</p> <p>DIN: 00203165</p>	61	<p>1. Ethos Limited</p> <p>2. Lendonline Private Limited</p> <p>3. Ontap Technologies Pvt Ltd.</p>
<p>Vahin Khosla</p> <p>Designation: Joint Managing Director</p> <p>Date of birth: March 1, 1993</p> <p>Address: Rambagh farm, Kh. no. 1535, Asola village,., Chattarpur, South Delhi-110074</p> <p>Occupation: Business</p> <p>Current term: June 29, 2023- June 28, 2028</p> <p>Period of Directorship: Since July 01, 2021</p> <p>DIN: 07656894</p>	31	Nil

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (in years)	Other directorships
<p>Sanjiv Syal</p> <p>Designation: Independent Director Date of birth: March 20, 1959 Address: C - 1 0 2 A n a n d N i k e t a n New Delhi -110021</p> <p>Occupation: Business</p> <p>Current term: June 29, 2024 to June 28, 2029</p> <p>Period of Directorship: Since May 7, 2024</p> <p>DIN: 00271256</p>		<ol style="list-style-type: none"> 1. Radiance Propmart Private Limited 2. Pardos Real Estate Private Limited 3. Pardos Affordable Housing Private Limited 4. Pardos Lucknow Developers Private Limited 5. Pardos Logistics Private Limited 6. Trait It Park Private Limited 7. Pardos Developers Private Limited 8. Pardos First Private Limited 9. Pardos Craft Homes Private Limited 10. Anagha Infrastructure Private Limited 11. Jhs Consulting Private Limited 12. Compro Technologies Private Limited 13. Emanant Technologies Private Limited 14. Compro Services India Private Limited
<p>Govind Saboo</p> <p>Designation: Independent Director</p> <p>Date of birth: October 24, 1983</p> <p>Address: 97, Dinanath Ji ka Rasta , Chand Pole Bazar , Jaipur-302001</p> <p>Occupation: Business</p> <p>Current term: September 30, 2021 to September 29, 2026</p> <p>Period of Directorship: Since February 08, 2021</p> <p>DIN: 06724172</p>	41	<ol style="list-style-type: none"> 1. Raghav Productivity Enhancers Limited 2. Artha Sarathi India Private Limited

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (in years)	Other directorships
<p>Pawan Dubey</p> <p>Designation: Independent Director</p> <p>Date of birth: November 09, 1985,</p> <p>Address: 23 B, Near Som Bazar Chowk, New Layal pur Extn, Krishna Nagar H.O., Delhi 110051</p> <p>Occupation: Professional</p> <p>Current term: September 30, 2021 to September 29, 2026</p> <p>Period of Directorship: Since February 08, 2021</p> <p>DIN: 01767875</p>	43	Nil
<p>Suman Kukrety</p> <p>Designation: Independent Director</p> <p>Date of birth: January 08, 1976</p> <p>Address: 1185, Bahumanjila, Timarpur Civil Lines Delhi 110054</p> <p>Occupation: Self employed</p> <p>Current term: August 08, 2020 to August 07, 2025</p> <p>Period of Directorship: Since March 28, 2020,</p> <p>DIN: 08730773</p>	42	Nil

Brief profiles of our Directors:

Name	Designation	Brief Profile
Mr. Yogen Khosla	Chairman & Managing Director	Yogen Khosla is Chairman and Managing Director of the company. He holds a bachelors degree from Loyola College, Chennai. He forayed the company into MSME lending and was instrumental in leading the company to be amongst the top 100 SME's amongst 41832 nominations by India SME 100 Awards. He was recognized by Insights Success magazine as the 10 most admired financial leaders to watch in 2017. He is also an avid ultra sportsman having done a half Ironman and many half and full marathons. He also regularly participates in long distance cycling events.
Mr. Vahin Khosla	Joint Managing Director	Mr. Vahin Khosla is the Executive Director of company. He holds a bachelor's degree in Economics- Accounting and a master's degree in Finance from Claremont McKenna College, CA, USA. He graduated as a Roberts Day Scholar from college and a School Prefect from The Doon School. He has been instrumental in the fundraising arm of the company having raised over 1000Cr in the last few years. Prior to working with Capital Trust, Vahin worked with DaVita Healthcare in the Corporate Finance team in Denver, USA. He has represented his football club at an international level and completed the Ironman triathlon in 2022.
Mr. Sanjiv Syal	Independent Director	Mr. Syal is a practicing Chartered Accountant with an experience spanning over 26 years in consulting and accountancy. He has been a catalyst in startup of many successful projects in the BPO, IT & Financial Services space. Some of the successful startups where he has played a role include Yatra online, RAC, Gulliver Travels, DMI Finance & Cisco Systems Capital.

Mr. Govind Saboo	Independent Director	Mr. Govind Saboo is rank holder Chartered accountant with more than 19 years of experience in Finance, Investment, Capital Budgeting and Compliance. Presently he is a Practising Chartered Accountant under firm M/s Govind Saboo & Co. He has been associated with many NBFCs in Advising them in their initial growth phase on capital allocation, governance, corporate finance & investor communication. He was also founding team member of IndiaNivesh Growth & Special Situation Fund, a Venture capital fund investing at early growth stage of the company.
Mr. Pawan Dubey	Independent Director	Mr. Pawan Dubey is a practising Advocate and Fellow Company Secretary having 16 years of experience. He has practiced before the Hon'ble Supreme court of India, Hon'ble Delhi High Court, National Company Law Tribunal (NCLT), National Company Law Appellate Tribunal (NCLAT), District Consumer Forums, State Commission, National Commission and various other District Courts of Delhi. He is a member of SSB working support group of ICSI. He was member of Corporate Law Committee, Study Session Committee and Training & Educational Facilities & Library Committee of NIRC of ICSI.
Ms. Suman Kukrety	Independent Woman Director	Ms. Suman is a competent professional with 20 years of quality experience in legal consultancy, legal documentation in civil and criminal cases before the Supreme Court of India, High Courts, District Courts, quasi-judicial tribunals, institutional arbitrations before Indian Council of Arbitration (ICA), International Centre for Alternate Dispute Resolution (ICADR). She secured 1 st position in Advocate-on-Record examination held by the Supreme Court of India, in June, 2009.

CONFIRMATIONS

As on the date of this Draft Letter of Offer

1. Relationship between our Directors

Except as mentioned below, none of our Directors are related to each other: Mr. Yogen Khosla and Mr. Vahin Khosla are father and son.

2. None of our Directors have been nominated, appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.
3. Our Executive Directors have not entered into any service contracts with our Company which include termination or retirement benefits. Except statutory benefits upon termination of their employment in our Company or superannuation, none of the Executive Directors is entitled to any benefit upon termination of employment or superannuation.
4. None of our Directors have been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.
5. None of our Directors have been identified as Wilful Defaulter or a Fraudulent Borrower, as defined under as defined under the SEBI ICDR Regulations.
6. Our Directors are not, and have not, during the five years preceding the date of this Draft Letter of Offer, been on our board of any listed company whose shares have been or were suspended from being traded on the BSE or NSE during their term of directorship in such company.
7. None of our Directors in the past ten years, have been or are directors on our board of listed companies which have been or were delisted from any stock exchange(s) during their term of directorship in such company.

Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

Our Company is in compliance with the requirements of corporate governance in accordance with the SEBI Listing Regulations and the Companies Act, including those pertaining to the constitution of the Board and committees thereof.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board of Directors

In addition to the committees of our Board of Directors detailed below, our Board of Directors may, from time to time constitute committees for various functions.

Audit Committee

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

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

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

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

Category and Composition

Name	Position in the Committee	Category
Mr. Govind Saboo	Chairman	Independent Director
Mr. Yogen Khosla	Member	Managing Director
Mr. Sanjiv Syal	Member	Independent Director
Ms. Suman Kukrety	Member	Independent Director
Mr. Pawan Dubey	Member	Independent Director

The Company Secretary of our Company shall serve as the secretary of the Audit Committee. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

Nomination and Remuneration Committee

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

The members of the Nomination and Remuneration Committee are:

Name of Director	Position in the Committee	Designation
Mr. Govind Saboo	Chairman	Independent Director
Mr. Sanjiv Syal	Member	Independent Director
Mr. Pawan Dubey	Member	Independent Director
Mrs. Suman Kukrety	Member	Independent Director

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

Stakeholders' Relationship Committee

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

The members of the Stakeholders' Relationship Committee are:

Name of Director	Position in the Committee	Designation
Mr. Govind Saboo	Chairperson	Independent Director
Mr. Yogen Khosla	Member	Managing Director
Ms. Suman Kukrety	Member	Independent Director
Mr. Sanjiv Syal	Member	Independent Director
Mr. Pawan Dubey	Member	Independent Director

The Company Secretary of our Company acts as the Secretary to the Committee. The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

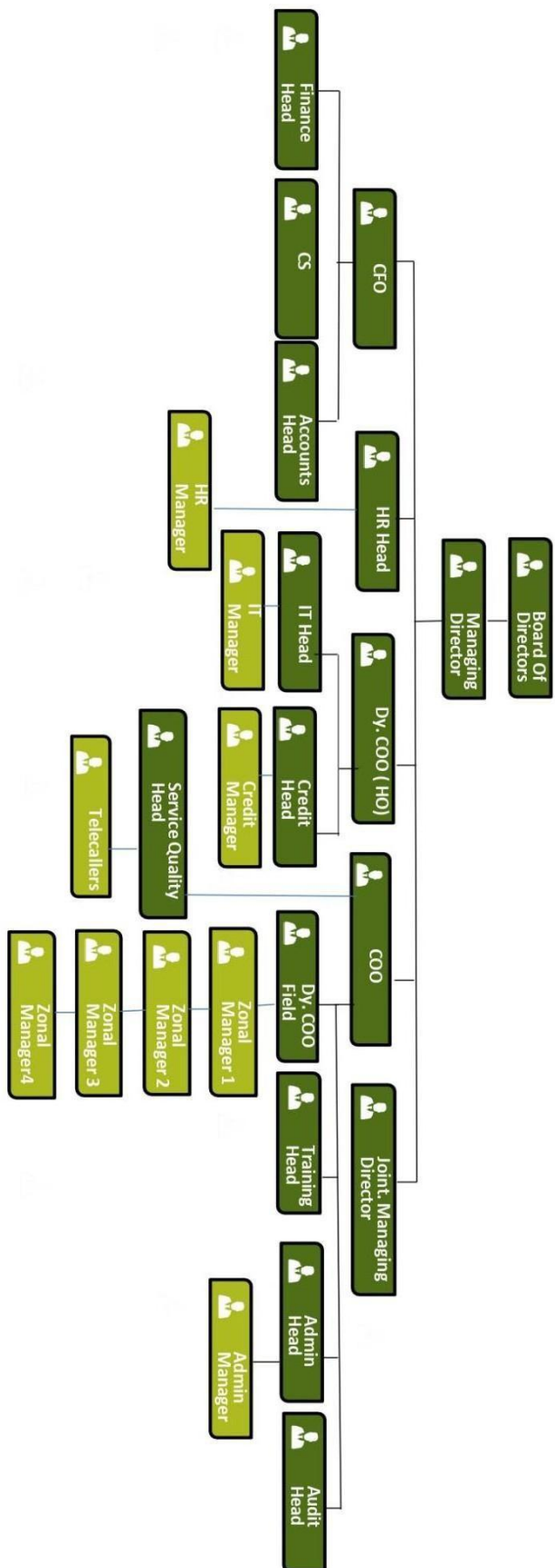
Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has been constituted by the board of directors. The members of the Corporate Social Responsibility Committee are:

Name of Director	Position in the Committee	Designation
Mr. Pawan Dubey	Chairman	Independent Director
Mr. Govind Saboo	Member	Independent Director
Mr. Yogen Khosla	Member	Managing Director

The scope and functions of the Corporate Social Responsibility Committee of our Company are in accordance with Section 135 of the Companies Act, 2013 and the applicable rules thereunder.

Management organization chart:



Key Management Personnel and Senior Management

The details of Key Managerial Personnel and senior management of our Company are given below:

Name	Designation	Brief Profile
Mr. Vinod Raina	CFO (KMP)	Mr. Vinod Raina is the Chief Financial Officer of the company. He has been associated with the Company since 2016. He joined the company as Head of Compliances and later on took the role of CFO in 2019. Vinod is Fellow Member of Institute of Company Secretaries of India and is also a Law Graduate. He has 24 years of experience in Fund Raising, Financial Management, Mergers and Acquisitions, Statutory Compliances, Legal, Treasury Management, Taxation and Listing Compliances. He has been instrumental in managing relationship with Bankers, Investors, Auditors, Statutory authorities like RBI, SEBI, MCA, Income Tax etc. He has successfully created the partnership model for the company. Prior to joining Capital Trust, Vinod has worked in the Manufacturing sector, Software Development , Rating and BFSI sector. Vinod is an avid cricketer and plays the game every weekend.
Mr. Yuv Vir Khosla	Chief Operating Officer	Mr. Yuv Vir Khosla is the Chief Operating Officer of our company. He holds a Bachelor of Arts degree in Economics and History from Williams College, MA, USA. He graduated from The Doon School as the Head Boy. He has experience in the fields of business operations, analytics and risk, and has been with the company since 2017. Prior to working at Capital Trust Limited, Yuv has worked at 3i Debt Management in New York and Cantor Fitzgerald in Hong Kong. Yuv also holds a private pilot license and has completed the Ironman Triathlon.
Mr. Mukesh Aggarwal	Dy. Chief Operating Officer	Mr. Mukesh Aggarwal is the Deputy Chief Operating Officer of our Company. He holds a bachelor's degree in Commerce from University of Delhi and is also an associate of the Institute of Chartered Accountants of India ("ICAI") and the Institute of Company Secretaries of India ("ICSI"). He has experience in the field of Risk Management, Underwriting & Finance. He has previously worked at HSBC Bank as AVP - Risk, Dewan Housing Finance Limited as Manager - Credit, CitiFinancial (group company of Citibank) as Associate - Mortgages and Siddharth Petro products as Manager Accounts. He is responsible for various support functions of the company including Credit, Audit, Operations, Information Technology and Service quality. He also plays a key role in managing relationship with Investment Partners.
Mr. Naresh	Head HR	Mr. Naresh Koul Nazir is the Human Resources

Koul Nazir		Head of our company. He has done his Post-Graduation in Human Resource from Bhartiya Vidyapeeth (Pune University). Before joining Capital Trust he has had an extensive career of more than 20 years in Human Resource Management. His previous stints were with Equitas Small Finance Bank as Deputy Vice President HR, PNB MetLife as Regional Head HR, Mofoi Management (Ranstard Group) as State Head. He was the first employee of Equitas Small Finance Bank in North India and was instrumental in setting up company's operations in North India.
Ms. Tanya Sethi	Company Secretary (KMP)	Ms. Sethi is a qualified Company Secretary with over 11 years of experience. She has done her graduation in commerce from University of Delhi and has a Master's in Business Program and Corporate Governance from Indira Gandhi National Open University. Her association with Capital Trust includes taking care of Statutory and Regulatory compliances

Status of Key Managerial Personnel

All the Key Managerial Personnel and Senior Management are permanent employees of our Company.

Relationship amongst the Key Management Personnel

Except as mentioned below, none of our KMPs are related to each other:

Mr. Yuv Vir Khosla is son of Mr. Yogen Khosla and brother of Mr. Vahin Khosla.

Shareholding of the Key Management Personnel

None of our Key Managerial Personnel holds any shares of our Company as on the December 31, 2024 being closer to the date of this Draft Letter of Offer except as mentioned below:

Sr. No.	Name of the Shareholder	No. of Equity Shares held	Percentage of pre-Issue Capital (%)
1.	Vinod Raina	10	-

Related Party Transactions

For details of the related party transactions, during the last three Fiscals, as per the requirements under Ind AS 24 read with SEBI ICDR Regulations and as reported in the Financial Statements, see section titled "**Financial Information**" of this Draft Letter of Offer.

Dividend Policy

- Dividend Distribution Philosophy

- The Company believes in long term value creation for its shareholders while maintaining the desired liquidity and leverage ratios and protecting the interest of all the stakeholders. Accordingly, the focus will continue to be on sustainable returns in terms of dividend, in consonance with the dynamics of business environment.

- **The circumstances under which shareholders may not expect dividend**

- The Company shall comply with relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine dividend for a particular period after taking into consideration financial performance of the Company, advice of executive management and other parameters described in the Policy.

- **The financial parameters that shall be considered while declaring dividend**

- As in the past, subject to provisions of applicable law, the Company's dividend pay-out will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return.

- Based on above and, subject to factors mentioned in para 2.4 below, the Company will endeavour to maintain steady level of dividend.

- **The internal / external factors that shall be considered for declaration of dividend**

- When recommending / determining the dividend, the company will consider, amongst other matters:

- actual results for the year and the outlook for business operations
 - providing for anticipated capital expenditures or acquisitions to further enhance shareholder value or meet strategic objectives
 - setting aside cash to meet debt repayments
 - changes in cost and availability of external financing
 - level of dividends paid historically
 - retaining earnings to provide for contingencies or unforeseeable events
 - the overall economic environment including taxation
 - changes in government policy, industry rulings and regulatory provisions

- **Policy on utilization of retained earning**

- The utilization of retained earnings will include:

- Inorganic / organic growth
 - Diversification opportunities / capital expenditure
 - Fund based requirement of company, its subsidiaries, joint ventures and/or other investee companies
 - General corporate purposes including contingencies
 - Investments in the new/existing business
 - Any other permitted use under the Companies Act, 2013 and applicable laws

- **Provisions with regard to various classes of shares**

- The provisions contained in this policy shall apply to all classes of shares of the Company. It may be noted that currently the Company has only one class of shares, *namely*, equity shares.

vi. Review and Disclosure

- This policy will be reviewed and amended, as and when, required by the Board and/or under applicable laws. Any revisions in the Policy will be communicated to shareholders in a timely manner.

vii. **Limitation**

- In the event of any conflict between the Act or the SEBI Regulations or other statutory enactments (“the Regulations”) and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard, shall automatically apply to this policy.

viii. **Disclaimer**

- The Policy does not constitute a commitment regarding future dividends of the Company, but only represents a general guidance regarding payment of dividend.
- The statement of the policy does not in any way restrict right of the board to use its discretion in the recommendation of the dividend to be distributed considering various factors mentioned in the policy. Further, subject to the provisions of applicable laws, the board reserves the right to depart from the policy as and when circumstances so warrant.

JKVS & CO.

CHARTERED ACCOUNTANTS

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors,
Capital Trust Limited
205 Centrum Mall, Sultanpur,
M G Road, New Delhi-110030

Dear Sirs/ Madams,

Sub: Statement of possible special tax benefit (the "Statement") available to of Capital Trust Limited (the "Company") and its shareholders, prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 as amended (the "SEBI ICDR Regulations) in connection with the proposed right issue of equity shares of face value of ₹ 10 each (the "Equity Shares") of the Company

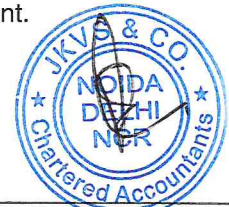
We, JKVS & Co., Chartered Accountants, Statutory Auditors of the Company, hereby confirm that the enclosed **Annexure A**, prepared by the Company and initialled by us for identification purpose ("**Statement**") for the right issue, provides the possible special tax benefits available to the Company and its shareholders under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961 read with Income Tax Rules, 1962, circulars, notifications as amended by the Finance Act (No. 2), 2024 (published on August, 16, 2024) as presently in force, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company and its shareholders operate and applicable to the Company and its shareholders, Customs Act 1962, the Customs Tariff Act, 1975 and Foreign Trade Policy 2023 (as extended) including the rules, regulations, circulars and notifications issued there under (collectively referred as "Taxation Laws"), relevant to the Financial Year ("FY") 2024-25 relevant to the Assessment Year ("AY") 2025-26 presently in force in India.

Several of these benefits are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company, its material subsidiary and/or its shareholders to derive these special direct and indirect tax benefits is dependent upon their fulfilling such conditions which is based on business imperatives that the Company and/or its shareholders may face in the near future and accordingly, the Company and its shareholders may or may not choose to fulfil.

This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company or its material subsidiary or its shareholders, the same would include those benefits as enumerated in the **Annexure A**. Any benefits under the taxation laws other than those specified in **Annexure A** are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in the **Annexure A** have not been examined and covered by this statement.

In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

The special tax benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and material subsidiary. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultants, with respect to the specific tax implications arising out of their participation in the Right issue offer. We are neither suggesting nor are advising the investor to invest money or not to invest money based on this statement.



We do not express any opinion or provide any assurance as to whether:

1. the Company or its shareholders will continue to obtain these benefits in the future; or
2. the conditions prescribed for availing of the benefits, where applicable have been/would be met with.
3. The revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We have conducted our review in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("ICAI") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this statement we have complied with the Code of Ethics issued by the ICAI.

We hereby give our consent to include this statement and the enclosed Annexure regarding the special tax benefits available to the Company and its shareholders in the Documents in relation to the Right Issue, which the Company intends to file with the Securities and Exchange Board of India and the stock exchange(s) (National Stock Exchange of India Limited and BSE Limited) where the equity shares of the Company are listed.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of taxation laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Annexure is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the Right Issue offer relying on the Annexure. This statement has been prepared solely in connection with the Right issue offer, as required under the ICDR Regulations.

For JKVS & Co.,
Chartered Accountants
Firm Registration Number: 318086E



Vineet Mahipal
(Partner)
Membership Number: 508133
UDIN: 24508133BKGQFU6607



Place: Noida (Delhi – NCR)
Date: November 29, 2024

ANNEXURE A

Statement of Tax Benefits

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

The information provided below sets out the possible special direct tax benefits available to Capital Trust Limited ("Company") and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership, and disposal of equity shares of the Company, under the Income-tax Act, 1961 (as amended by the Finance Act (No. 2), 2024 (published on August 16, 2024)) read with Income Tax Rules, 1962, circulars, notifications, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company and its shareholders operate and applicable to the Company and its shareholders, Customs Act 1962 and Foreign Trade Policy 2023 (as extended) including the rules, regulations, circulars and notifications issued there under (collectively referred as "Taxation Laws") presently force in India.

Several of these benefits are dependent on fulfilling the conditions prescribed under the relevant Taxation Laws. Hence, the ability of the Company, its material subsidiary and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business / commercial imperatives any of them face, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company, its material subsidiary and its shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing Taxation Laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

I. Special Direct tax benefits available to the Company under the Income tax Act, 1961

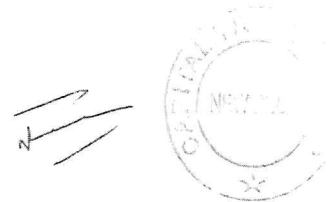
The statement of possible tax benefits enumerated below is as per the Income tax Act 1961 ("ITA") as amended from time to time and as applicable for Financial Year ("FY") 2024-25, relevant to Assessment Year ("AY") 2025-26 as per the provisions of Finance Act (No. 2), 2024 (published on August 16, 2024).

Lower corporate tax rate under Section 115BAA of the ITA

Section 115BAA inserted w.e.f. 1 April 2020 (i.e. AY 2020-21), provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess). In case the Company or material subsidiary opts for the concessional income tax rate as prescribed under Section 115BAA of the ITA, it will not be allowed to claim any of the following deductions/ exemptions:

- Deduction under the provisions of Section 10AA (deduction for units in Special Economic Zone);
- Deduction under clause (ii a) of sub-section (1) of Section 32 (Additional depreciation);
- Deduction under Section 32AD or Section 33AB or Section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund);

Page 1 of 4



- Deduction under sub-clause (ii) or sub-clause (ii a) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of Section 35 (Expenditure on scientific research);
- Deduction under Section 35AD or Section 35CCC (Deduction for specified business, agricultural extension project);
- Deduction under Section 35CCD (Expenditure on skill development);
- Deduction under any provisions of Chapter VI-A other than the provisions of Section 80JJAA (Deduction in respect of employment of new employees) and 80M (Deduction in respect of certain inter-
- corporate dividends);
- No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
- No set-off of any loss or allowance for unabsorbed depreciation deemed so under Section 72A, if such loss or depreciation is attributable to any of the deductions referred above.

The provisions of section 115JB regarding Minimum Alternate Tax ("MAT") are not applicable if the Company or material subsidiary opts for the concessional income tax rate as prescribed under Section 115BAA of the ITA. Consequently, the Company or material subsidiary will not be entitled to claim tax credit relating to MAT, if available from the year of adoption of such beneficial tax rate.

The Company have opted for the concessional rate of tax for the first time in the return of income filed for FY 2021-22 for which declaration in specified form (i.e., Form 10-IC) has been filed with the ITA.

II. Special Indirect tax benefits available to the Company

There are no special indirect tax benefits available to the Company under the Indirect tax laws.

III. Special Direct tax benefits available to the Shareholders

There is no special direct tax benefit available to the shareholders of Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the ITA. Further, it may be noted that these are general tax benefits available to equity shareholders, other shareholders holding any other type of instrument are not covered below.

1) Dividend Income

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, maximum rate of surcharge would be restricted to 15%, irrespective of the amount of dividend. Further in case shareholder is a domestic company, deduction under Section 80M of the ITA would be available on fulfilling the conditions as mentioned above. Further, if the shareholder is a tax resident of foreign country with which India has a Double taxation Avoidance Agreement ("DTAA"), it may claim benefit of applicable rate as stated in the DTAA, if more beneficial over rate is ITA.

2) Tax on Capital gains on sale of listed equity shares in an Indian company

As on date, as per Section 112A of the ITA, long-term capital gains arising from transfer of equity shares, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 12.5% (without indexation) and 20% (with indexation) of such capital gains subject to payment of securities transaction tax on transfer of equity shares through a recognized stock exchange and on the transfer of unit of an equity-oriented fund or a unit of a business trust under Chapter VII of Finance (No.2) Act 2004 read with Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018.

However, no tax under the said section shall be levied where such capital gains does not exceed INR 1,25,000 in a financial year if the shareholder is Individual and HUF.



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Further, as per Section 111A of the ITA, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 20% subject to fulfillment of prescribed conditions under the ITA.

The benefit of concessional tax rate of 12.5% and 20% shall be available even where STT is not paid, provided that

- transaction is undertaken on a recognised stock exchange located in any International Financial Service Centre, and
- consideration is paid or payable in foreign currency

3) **Simplified/New tax regime**

As per Section 115BAC of the ITA, a simplified/ new tax regime may be opted for by individuals, Hindu undivided family ("HUF"), Association of Persons, Body of Individuals, whether incorporated or not every artificial juridical person, wherein income- tax law shall be computed at the rates specified as under:

Total Income	Rate of tax
Upto INR 3,00,000	Nil
From INR 3,00,001 to 6,00,000	5%
From INR 6,00,001 to 9,00,000	10%
From INR 9,00,001 to 12,00,000	15%
From INR 12,00,001 to 15,00,000	20%
Above INR 15,00,000	30%

Pertinent to note that the above rates are subject to the assessee not availing specified exemptions and deductions as specified under said section.

Recently, the Finance (No.2) Bill 2024 has further proposed few changes in said section to make it more attractive. These proposals are as under:

- The outer limits of INR 6,00,000 and INR 9,00,000 as stated in above table have been proposed to be changed to INR 7,00,000 and INR 10,00,000 respectively.
- Standard deduction for salaried employees opting for new tax regime has been proposed to be increased from INR 50,000 to INR 75,000.
- Deduction of family pension is presently available at lower of 33% or INR 15,000. The said limit of INR 15,000 has been proposed to be increased to INR 25,000 under the new regime.
- Deduction for employer's contribution to NPS (for private sector employees) proposed to be increased from 10% to 14%. Section 36 (allowing for deduction of such contribution to employers) proposed to be amended correspondingly to enable companies to claim higher deduction.

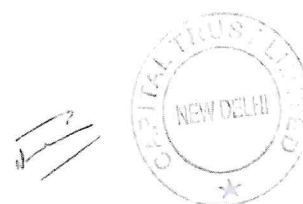
It may be noted that the shareholders have the discretion to exercise the simplified tax regime.

4) **Double Taxation Avoidance Agreement benefit**

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile and fulfillment of other conditions to avail the treaty benefit.

IV. **Special Indirect tax benefits available to the Shareholders**

There are no special indirect tax benefits available to the Equity Shareholders of Company under the Indirect tax laws.



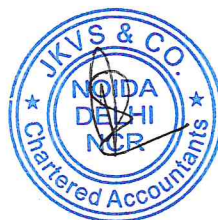
Notes:

- i. Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed right issue relying on this statement.
- ii. The above Statement of possible special tax benefits sets out the provisions of Indian tax laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- iii. All the above benefits are as per the current tax law and any change or amendment in the laws/regulation, which when implemented would impact the same.
- iv. The above Statement covers only certain possible special tax benefits under the Taxation Laws, read with the relevant rules, circulars and notifications applicable as on date and does not cover any benefit under any other law in force in India. This Statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
- v. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing taxation laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed right issue.
- vi. This statement has been prepared solely in connection with the proposed issue under the Companies Act, 2013 and Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018 and as amended.

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


Vahin Khosla
Joint Managing Director

Place: New Delhi
Date: November 29, 2024



SECTION V FINANCIAL INFORMATION

Sr. No.	Details	Page Number
1.	Financial Statements for the year ended March 31, 2024 along with Audit report	104
4	Half yearly Financial statements for the period ended on 30 th September, 2024	104

JKVS & CO.

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Capital Trust Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Capital Trust Limited ("the Company"), which comprise the balance sheet as at March 31, 2024, the statement of profit and loss, including other comprehensive income, the statement of changes in equity and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Key audit matters	How our audit addressed the key audit matter
Expected Credit Loss (ECL) on Loans	
<p>Company has total gross loans of Rs. 8693.54 Lakhs and allowance of ECL of Rs. 281.21 Lakhs as on March 31, 2024.</p> <p>Impairment of its financial assets is provided using expected credit loss (ECL) approach under Ind AS 109. The ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default for each of the stages of loans. Significant judgment and assumption is required by the management in respect of</p> <ul style="list-style-type: none"> - Classification of financial assets where significant increase in credit risk; - Statistics used to determine credit quality of loans; - Estimation of losses <p>In view of the high degree of management's judgment involved in estimation of ECL, it is considered as a key audit matter.</p>	<p>We assessed areas of significant estimates and management judgement in line with principles under Ind AS;</p> <p>We compared the reasonableness of management assumptions in respect of recognition and measurement of financial instruments, allowance for expected credit losses etc.</p> <p>We tested the ECL model, including assumptions and underlying computation.</p> <p>We tested assumptions used by the management in determining the overlay for macro-economic factors.</p> <p>We assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework; and</p> <p>We obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.</p>

Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. We have obtained all other information prior to the date of this auditors' report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



Responsibilities of management for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014;
 - (c) The balance Sheet, the statement of profit and loss including the other comprehensive income, statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;



- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report;
- (h) In our opinion, the remuneration paid/ provided by the Company for its directors for the year ended March 31, 2024 is in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations which would impact on 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. During the year, the Company has transferred Rs. 8.36 Lakhs to Investor Education and Protection Fund with delay of 18 days;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, no funds has been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) during the year by the company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding whether recorded in writing or otherwise that the intermediaries shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company during the year from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement;
 - v. The Company has not proposed, declared or paid any dividend during the year. Therefore, reporting in this regard is not applicable to the Company.



- vi. Based on our examination, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which does not have the feature of recording audit trail (edit log) facility.

Place: Noida
Date: May 28, 2024



For JKVS & Co.
Chartered Accountants
Firm Registration No. 318086E

A handwritten signature in blue ink, appearing to read "Sajal Goyal".

Sajal Goyal
Partner

Membership No. 523903
UDIN: 24523903BKDIIV1984

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

- (i) a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
(B) The Company is maintaining proper records showing full particulars of intangible assets.
- b. The Company physically verify its property, plant and equipment in every alternate year, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Accordingly, property, plant and equipment were not physically verified during the year.
- c. According to the information and explanations given to us and based on the examination of the records provided to us, the Company has no immovable properties other than leased properties. Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- d. On the basis of our examination of records of the Company, the Company has not revalued its property, plant and equipment or intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- e. According to information and explanations given to us, no proceedings have been initiated or is pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions (Prohibition) Act, 1988 and the rules made thereunder. Therefore, provisions of clause 3(i)(e) of the Order are not applicable to the Company.
- (ii) a. The Company has no inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable.
- b. As per the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions. Therefore, the provisions of clause 3(ii)(b) of the Order are not applicable.
- (iii) a. The Company's principal business is to give loans. Therefore, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company.
- b. According to the information and explanations given to us, the Company has not provided any guarantees or given any security or advances in the nature of loan during the year. Further, the investments made and the terms and conditions of the grant of all loans during the year, are not prima facie prejudicial to the interest of the Company.
- c. In respect of loans asset, the schedule of repayment of principal and payment of interest has been stipulated. Except for loans where there are delays or defaults in repayment of principal and / or payment of interest as at the balance sheet date, in respect of which the Company has disclosed the accounting policy in note no 3(e)(iv) and credit risk in note 40(a) to the Financial Statements in accordance with Ind AS and the guidelines issued by the regulators, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable. Having regard to the nature of the Company's business and the voluminous nature of loan transactions involved, it is not practicable to furnish entity wise list of loan assets where delinquencies in the repayment of principal and interest have been identified.



- d. The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans including interest thereon, as at March 31, 2024 is Rs. 41.02 Lakhs. As per information and explanation given to us, reasonable steps have been taken by the Company for recovery of the principal and interest, though provision for NPA as per applicable guidelines by the regulator and Accounting Standards have been made for these overdue amounts.
 - e. According to the records of the Company examined by us, the Company is engaged primarily in lending activities. Therefore, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company.
 - f. According to the records of the Company examined by us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Therefore, the provisions of clause 3(iii)(f) of the Order are not applicable to the Company.
- (iv) As per the records examined by us, the Company has not made any investment or granted any loan or provided any guarantee or security as covered under section 185 and section 186 of the Companies Act, 2013 during the year. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits or amount which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the requirement of maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable to the Company. Therefore, provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) a. According to the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value Added tax, Cess and other statutory dues as applicable, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable other than Provident Fund amounts to Rs. 4.27 Lakhs, Employees' State Insurance amounts to Rs. 1.06 Lakhs and Professional Tax amounts to Rs. 1.34 Lakhs.
- b. According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) are pending for deposit on account of any dispute.
- (viii) According to the information and explanation given to us and based on examination of the records, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) a. The Company has not defaulted in repayment of loan or other borrowings or in the payment of interest thereon during the year.



- b. According to information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or other lender.
 - c. Based on the books of account examined by us, term loans were applied for the purpose for which the loans were obtained during the year.
 - d. According to the information and explanation given to us and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis during the year have been used for long-term proposes by the Company.
 - e. The Company has no subsidiary, joint venture or associates during the year. Therefore, provisions of clause 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company.
- (x)
- a. During the year, the Company did not raised any money by way of initial public offer or further public offer (including debt instruments). Therefore, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
 - b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- (xi)
- a. Based upon the audit procedures performed and considering the principles of materiality outlined in Standards on Auditing, for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management during the course of audit except frauds discovered by the Company aggregating Rs. 5.40 Lakhs committed by employees by embezzlement of cash against which the Company has recovered Rs. 2.14 Lakhs and balance Rs. 3.26 Lakhs has been provided for doubtful in the statement of profit and loss.
 - b. According to the information and explanations given to us, no report under subsection (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
 - c. According to the information and explanations given to us, no whistle blower complaints received by the Company during the year.
- (xii)
- In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company and therefore, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii)
- According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties as identified by the Company are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details for the same have been disclosed in the financial statements as required by the applicable Accounting Standards.



- (xiv) a. Based on information and explanation given to us and our audit procedure, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business. However same need to be further strengthened;
- b. We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them as referred to in section 192 of the Companies Act, 2013. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) a. The Company was required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as NBFC and accordingly the Company has obtained the registration.
- b. The Company has conducted the non-banking financial activities with a valid Certificate of Registration ('CoR') from the RBI as per the RBI Act. The Company has not conducted any housing finance activities and is not required to obtain CoR for such activities from the RBI.
- c. In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.
- d. According to the representations given by the management, there is no CIC as part of the Group.
- (xvii) The Company has not incurred cash losses in current year. The Company has incurred cash losses of Rs. 1276.47 Lakhs in immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, expected dates of realization of financial assets and payment of financial liabilities, assets liability maturity (ALM) pattern and other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



JKVS & CO.

- (xx) The provisions of section 135 of the Companies Act, 2013 towards Corporate Social Responsibility is not applicable to the Company. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the Company.
- (xxi) The Company has no subsidiary, joint venture or associates during the year. Therefore, provisions of clause 3(xxi) of the Order are not applicable to the Company.

Place: Noida
Date: May 28, 2024



For JKVS & Co.
Chartered Accountants
Firm Registration No. 318086E

A handwritten signature in blue ink, appearing to read "Sajal Goyal".

Sajal Goyal
Partner

Membership No. 523903
UDIN: 24523903BKDIAV1984

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

We have audited the internal financial controls with reference to financial statements of Capital Trust Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial controls with reference to financial statements

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

Inherent Limitations of Internal Financial controls with reference to financial statements

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

Emphasis of Matters

The Company is required to update its internal financial control system over financial reporting in continuation of changing business environment and business model.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India however same need to be further strengthened.

Place: Noida
Date: May 28, 2024



For JKVS & Co.
Chartered Accountants
Firm Registration No. 318086E


Sajal Goyal
Partner

Membership No. 523903
UDIN: 24523903BKDIIV1984

(Amounts in ₹ in lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Financial Assets			
Cash and Cash Equivalents	4	1,220.60	812.21
Bank Balances other than Cash and Cash Equivalents	5	1,245.11	6,507.49
Receivables			
- Other Receivables	6	336.74	322.65
Loans	7	8,300.02	4,019.67
Investments	8	55.00	5.00
Other Financial Assets	9	1,271.46	1,340.80
Total Financial Assets		12,428.93	13,007.82
Non Financial Assets			
Current Tax Assets (Net)	10	405.24	601.82
Deferred Tax Assets (Net)	11	4,854.27	4,928.28
Property, Plant and Equipment	12	136.81	129.15
Right of use Asset	13	-	0.88
Intangible Asset under Development	14	18.89	18.89
Other Intangible Assets	15	-	-
Other Non Financial Assets	16	92.52	129.61
Total Non-Financial Assets		5,507.73	5,808.63
Total Assets		17,936.66	18,816.45
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade Payables	17		
Total outstanding dues of Micro Enterprises & Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		82.17	78.40
Other Payables			
Total outstanding dues of Micro Enterprises & Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		-	-
Debt Securities	18	918.26	2,998.04
Borrowings (other than debt securities)	19	7,090.19	2,094.29
Subordinated Liabilities	20	-	4,499.40
Lease Liabilities		-	1.05
Other Financial Liabilities	21	1,547.74	1,340.93
Total Financial Liabilities		9,638.36	11,012.11
Non-Financial Liabilities			
Provisions	22	145.77	122.36
Other Non-Financial Liabilities	23	482.53	228.13
Total Non-Financial Liabilities		628.30	350.49
EQUITY			
Equity Share Capital	24	1,621.75	1,621.75
Other Equity		6,048.25	5,832.10
Total Equity		7,670.00	7,453.85
Total Liabilities And Equity		17,936.66	18,816.45
Summary of Material Accounting Policies and other notes on Financial Statements	1-59		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date attached

For JKVS & Co.

Chartered Accountants

Firm Reg. No. 318086E


Sajal Goyal

Partner

Membership No. 523903

Place: Noida

Date: May 28, 2024



For and on behalf of the Board of Directors


Yogen Khosla
Managing Director
DIN: 00203165


Vinod Raina
Chief Financial Officer

Place: New Delhi

Date: May 28, 2024


Vahin Khosla
Executive Director
DIN: 07656894


Tanya Sethi
Company Secretary
M. No. A31566

Capital Trust Limited

Statement of Profit and Loss for the year ended March 31, 2024



(Amounts in ₹ in lakhs except EPS)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
INCOME			
Revenue from operations			
Interest Income	25	3,377.52	4,100.44
Fees and commission income	26	2,434.98	2,629.58
Net gain on fair value changes		-	-
Net gain on derecognition of financial instruments under amortised cost category	27	88.74	34.77
Other operating income	28	1,867.52	1,836.24
Total Revenue from operations		7,768.76	8,601.03
Other income	29	189.56	90.39
Total Income	(A)	7,958.32	8,691.42
EXPENSES			
Finance costs	30	1,022.10	2,162.03
Fees and commission	31	105.53	506.83
Employee benefits	32	3,671.77	3,774.84
Impairment / write offs of financial instruments	33	9.31	4,810.52
Net loss on fair value changes	34	-	56.44
Depreciation, amortization and impairment	35	42.28	45.68
Others	36	2,819.21	3,467.75
Total expenses	(B)	7,670.20	14,824.09
Profit/(Loss) before tax	(A - B)	288.12	(6,132.67)
Tax expense			
Current tax	37	-	-
Deferred tax charged/(credit)	11	73.50	(1,568.54)
Total Tax expense		73.50	(1,568.54)
Profit/(Loss) for the year (A)		214.62	(4,564.13)
Other comprehensive income (OCI)			
1. (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit liabilities/assets		2.04	18.98
(ii) Income tax relating to above		(0.51)	(4.78)
2. (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to above		-	-
Total other comprehensive income for year (B)		1.53	14.20
Total comprehensive income (A+B)		216.15	(4,549.93)
Earnings per equity share (Face value of ₹ 10 each)	38		
(a) Basic (₹)		1.32	(28.14)
(b) Diluted (₹)		1.32	(28.14)
Summary of Material Accounting Policies and other notes on Financial Statements			
	1-59		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date attached

For JKVS & Co.

Chartered Accountants

Firm Reg. No. 318086E

Sajal Goyal

Partner

Membership No. 523903



Place: Noida

Date: May 28, 2024

For and on behalf of the Board of Directors

Yogen Khosla

Managing Director

DIN: 00203165

Vinod Raina

Chief Financial Officer

Place: New Delhi

Date: May 28, 2024

Vahin Khosla

Executive Director

DIN: 07656894

Tanya Sethi

Company Secretary

M. No. A31566

Capital Trust Limited

Statement of Cash flows for the year ended March 31, 2024



(Amounts in ₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities		
Profit/(loss) before tax	288.12	(6,132.67)
Adjustments for:		
Depreciation, amortization and impairment	42.28	45.68
Provision for impairment of financial instruments	8.60	(983.11)
Loans written off	0.71	5,407.96
Net (gain)/loss on derecognition of property, plant and equipment	1.95	(2.53)
Net (gain)/loss on derecognition of right of use assets	(0.05)	(0.86)
Gain on sale of investments	-	(523.26)
Unrealised (gain)/loss on fair value changes of investments	-	579.70
Gain on sale of loan portfolio through assignment	(88.74)	(34.77)
Unwinding of loss on fair valuation of financial assets	5.54	8.43
Effective interest rate adjustment for financial instruments	(178.59)	197.76
Operating profit before working capital changes	79.82	(1,437.67)
(Increase)/ decrease of receivables	(14.09)	7.04
(Increase)/ decrease of loans	(4,192.73)	10,210.31
(Increase)/ decrease of other financial assets	158.08	704.74
(Increase)/ decrease of other non financial assets	31.55	34.42
Movement in fixed deposits	5,254.02	(1,267.52)
Increase/ (decrease) of trade payables	3.77	(13.52)
Increase/ (decrease) of other financial liabilities	206.81	(382.32)
Increase/ (decrease) of provisions	26.98	15.49
Increase/ (decrease) of other non-financial liabilities	262.74	(446.80)
Increase/ (decrease) of lease liabilities	(0.78)	(4.29)
Cash generated / (used) in operating activities	1,816.17	7,419.88
Income taxes (paid) /refund	196.58	5.50
Net cash inflow / (outflow) from operating activities	A 2,012.75	7,425.38
Cash flows from investing activities		
Purchase of property, plant & equipment	(52.50)	(14.84)
Proceed from sale of property, plant & equipment	1.29	3.94
Purchase of investments	(50.00)	(5.00)
Proceeds from sale of investments	-	4,223.26
Net cash inflow / (outflow) from investing activities	B (101.21)	4,207.36
Cash flows from financing activities		
Repayment of Non Convertible Debentures	(3,000.00)	-
Proceeds from issue of Non Convertible Debentures	935.00	-
Repayment of Subordinate Debt	(4,500.00)	-
Proceeds from securitised loans under pass through transactions	-	905.92
Repayment of securitised loans under pass through transactions	-	(4,396.72)
Proceeds from long term borrowings	8,359.46	1,150.00
Repayment of long term borrowings	(2,942.78)	(8,682.64)
Repayment of short term borrowings (Net)	(354.83)	(285.25)
Net cash inflow / (outflow) from financing activities	C (1,503.15)	(11,308.69)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	408.39	324.05
Cash and cash equivalents at the beginning of the year	812.21	488.16
Cash and cash equivalents at the end of the year (refer note 4)	1,220.60	812.21

Note 1: The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7.

Note 2: As per Ind AS 7, the Company is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Company did not have impact on the Statement of Cash Flows therefore reconciliation has not been given.

As per our report of even date attached

For JKVS & Co.

Chartered Accountants

Firm Reg. No. 318086E

Sajal Goyal

Sajal Goyal

Partner

Membership No. 523903

Place: Noida

Date: May 28, 2024



For and on behalf of the Board of Directors

Yogen Khosla

Yogen Khosla
Managing Director
DIN: 00203165

Vinod Raina

Vinod Raina
Chief Financial Officer

Place: New Delhi

Date: May 28, 2024

Vahin Khosla

Vahin Khosla
Executive Director
DIN: 07656894

Tanya Sethi

Tanya Sethi
Company Secretary
M. No. A31566

Capital Trust Limited

Statement of Changes in Equity for the year ended March 31, 2024



(Amounts in ₹ in lakhs)

(A) Equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of ₹ 10 each, fully paid up				
Balance at the beginning of the year	1,63,61,415	1,636.14	1,63,61,415	1,636.14
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	1,63,61,415	1,636.14	1,63,61,415	1,636.14
Changes in Equity during the year	-	-	-	-
	1,63,61,415	1,636.14	1,63,61,415	1,636.14
Less: Equity shares held by Capital Welfare Trust (shares transferred to the trust pursuant to the scheme of Employee Stock Option Scheme ("ESOP"))	(1,43,915)	(14.39)	(1,43,915)	(14.39)
Balance at the end of the year	1,62,17,500	1,621.75	1,62,17,500	1,621.75

(B) Other Equity

Particulars	Reserve & surplus						Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Statutory reserve (Reserve u/s. 45-IC of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"))	Retained Earnings	
Balance as at March 31, 2022	545.59	300.00	12,488.26	34.57	1,714.58	(4,700.97)	10,382.03
Profit for the year	-	-	-	-	-	(4,564.13)	(4,564.13)
Other Comprehensive Income (net of tax)	-	-	-	-	-	14.20	14.20
Total Comprehensive Income for the year	-	-	-	-	-	(4,549.93)	(4,549.93)
Transfer to Statutory Reserve	-	-	-	-	-	-	-
Balance as at March 31, 2023	545.59	300.00	12,488.26	34.57	1,714.58	(9,250.90)	5,832.10
Profit for the year	-	-	-	-	-	214.62	214.62
Other Comprehensive Income (net of tax)	-	-	-	-	-	1.53	1.53
Total Comprehensive Income for the year	-	-	-	-	-	216.15	216.15
Transfer to Statutory Reserve	-	-	-	-	43.23	(43.23)	-
Balance as at March 31, 2024	545.59	300.00	12,488.26	34.57	1,757.81	(9,077.98)	6,048.25

Nature and purpose of reserve
1. Capital Reserve

This reserve was created on forfeiture of share warrants in the previous years and can be utilized in accordance with the provisions of the Companies Act, 2013.

2. Capital Redemption Reserve

This Reserve was created on account of redemption of preference shares in earlier years and can be utilized in accordance with the provisions of the Companies Act, 2013.

3. Securities Premium

This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

4. General Reserve

It represents appropriation of profits by the board of directors and can be utilized in accordance with the provisions of the Companies Act, 2013.

5. Statutory Reserve (Reserve u/s. 45-IC of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"))

This reserve created as per the provision of the Section 45-IC of the Reserve Bank of India Act, 1934 (the "RBI Act"). Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Statutory reserve is permitted only for the purposes specified by RBI.

6. Retained earnings

Retained earnings are profits earned by the Company after transfer to general reserve, Statutory reserve in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 and payment of dividend to shareholders.

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

As per our report of even date attached.

For JKVS & Co.

 Chartered Accountants
Firm Reg. No. 318086E


Sajal Goyal
Partner
Membership No. 523903


For and on behalf of Board of Directors


Yogen Khosla
Managing Director
DIN: 00203165


Vahin Khosla
Executive Director
DIN: 07656894

 Place: Noida
Date: May 28, 2024


Vinod Raina
Chief Financial Officer


Tanya Sethi
Company Secretary
M. No. A31566

 Place: New Delhi
Date: May 28, 2024

1. Company Overview

Capital Trust Limited is a public Company incorporated in India under the provisions of the erstwhile Companies Act, 1956. The Company is a Non Deposit taking-Systemically Important (ND-SI) registered with the Reserve Bank of India ('RBI') and engaged in the business of providing loan to Small and Micro Enterprises. Equity Shares of the Company are listed on BSE Limited (BSE), India and National stock exchange of India limited.

2. Basis of Preparation**(i) Statement of compliance with Indian Accounting Standards (Ind AS)**

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

These financial statements were authorised for issue by the Board of Directors on their meeting held on May 28th, 2024.

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 42.

(ii) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for following assets and liabilities which have been measured at fair value

- i) financial instruments - fair value through profit and loss (FVTPL);
- ii) defined benefit liabilities/(assets): present value of defined benefit obligation less fair value of plan assets.

Fair value is the price that would be received to sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as value in use in Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices /net asset value (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(iii) Significant accounting Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- assessing the lease term (including anticipated renewals) and the applicable discount rate.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.



Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts.
- Useful life and residual value of property, plant and equipment, other intangible assets and Right of Use assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows
- Measurement of expected credit losses.
- Uncertainty relating to the global health pandemic

(iv) Functional and presentation currency

Indian Rupee (₹) is the Company's functional currency and the currency of the primary economic environment in which the Company operates. Accordingly, the management has determined that financial statements are presented in Indian Rupees (₹). All amounts have been rounded-off to the nearest lakhs upto two decimal places, unless otherwise indicated.

3. Material Accounting Policies**a Property, plant and equipment****Recognition and measurement**

Property, plant and equipment ('PPE') are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably.

Expenditure incurred after the PPE have been put into operations, such as repair and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

The estimated useful lives and residual values of the PPE are reviewed at the end of each financial year.

PPE, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Gains or losses arising from the retirement or disposal of PPE are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation on property, plant and equipment is provided on Straight Line Method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013. Depreciation on the Property Plant and Equipment added/disposed off/discarded during the year is provided from/upto the date when added/disposed off/discarded.

b Other Intangible Assets**Recognition and measurement**

Intangible assets, representing softwares are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Amortisation

The intangible assets are amortised using the straight line method over a period of three years [which is the management's estimate of its useful life] from the date when the asset is available for use or license period which ever is lower. Amortisation on the intangible asset disposed off during the year is provided on pro-rata basis with reference to the date of disposal. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.



c Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

d Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Interest and allied Income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

Late payment charges, prepayment charges etc. are recognised on a point-in-time basis, and are recorded when realised since the probability of collecting is uncertain and these receipts are reported under "Fees and commission income".

Net Gain/ Loss on Fair Value Changes

Any differences between the fair values of the investment in debt oriented mutual funds classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss.

Assignor's Yield on Direct Assignments

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss. EIS evaluated and adjusted for ECL and expected prepayment.

Business Correspondent Operations

Income from business correspondent services is recognized as and when the services are rendered as per agreed terms and conditions of the contract.

e Financial Instruments

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

(i) Initial recognition and measurement

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability which is not recognised at Fair Value Through Profit and Loss, is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.



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(ii) Subsequent recognition**(A) Financial Assets**

On initial recognition, a financial asset is classified and measured at

- Amortised Cost;
- Fair Value Through Other Comprehensive Income (FVOCI); or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not recognised as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI) (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets.

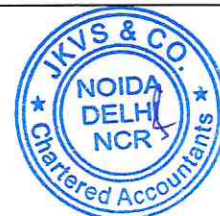
Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

Financial assets: Subsequent measurement and gains and losses

Financial assets measured at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.
Financial assets measured at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.
Financial assets measured at Amortised Cost	These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.
Investment in subsidiaries (Others)	These assets are recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment. The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

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(B) Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised as profit or loss respectively.

(iii) Derecognition**Financial Assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Impairment of Financial Assets

The Company assesses at each date of Balance Sheet whether a Financial asset or a group of Financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance.

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

Particulars	Criteria
Stage 1 (1-30 Days)	includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
Stage 2 (31-90 Days)	includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
Stage 3 (More than 90 Days)	includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD): The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD): LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD): EAD is based on the amounts the Company expects to be owed at the time of default.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

(v) Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

f Borrowing costs

Borrowing cost attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use. Ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings and recognised using the Effective Interest Rate (EIR) method. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

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g Employee benefits

(i) Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Define Contribution Plan

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

(iii) Define Benefit Plan

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields available on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit & Loss. Past service cost is recognised in the Statement of Profit & Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(iv) Other employee benefits

The Company has other employment benefit plans i.e. accumulated leave. As per Company's policy, unutilised leaves lapse at each year end.

h Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.



i Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in Other Comprehensive Income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

j Cash and cash equivalent

Cash and cash equivalents comprise cash on hand, cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

k Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the country, term and currency of the contract.

Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Company is reasonably certain to exercise these options. The lease liability is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lease transfers the ownership of the underlying asset to the Company at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur. In the statement of financial position right-of-use assets and lease liabilities are classified on the face of the Balance Sheet.

l Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one business segment viz. "Financing Activities".

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m **Earning per equity share**

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

n **Upfront servicers fees booked on direct assignment**

Servicer fees payable for servicing loan contracts under direct assignment are discounted at the applicable rate entered into with the assignee and recognised upfront in the balance sheet and amortised on a straight line basis over the remaining contractual maturity of the underlying loans.



JKVS & CO

Capital Trust Limited
Notes to the Financial Statements



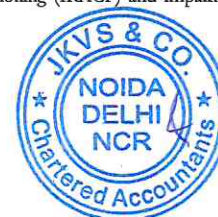
(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
4 Cash and cash equivalents		
Cash on hand	81.65	78.16
Balances with banks in current accounts	1,138.95	734.05
	<u>1,220.60</u>	<u>812.21</u>
5 Bank balances other than Cash and cash equivalents		
Bank deposits	1,231.78	6,485.80
Earmarked balances with banks		
On dividend accounts	13.33	21.69
	<u>1,245.11</u>	<u>6,507.49</u>
<p>\$\$ Includes deposits amounts to Rs. 931.78 Lakhs (Previous Year Rs. 2,132.69 Lakhs) placed as margin money to avail term loans from banks and financial institutions.</p>		
6 Other Receivables (Unsecured - considered good)*		
At Amortised Cost		
Service fee from business correspondents receivables	336.74	322.65
	<u>336.74</u>	<u>322.65</u>
<p>* No debts are due from directors or other officers or any of them either severally or jointly with any other person, from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member.</p>		
7 Loans		
At Amortised Cost		
a) Portfolio Loans	8,692.11	4,291.64
b) Minimum Retention on Direct Assignments of Portfolio Loans	-	49.18
c) Loan to employees	1.43	3.34
Gross Loans	<u>8,693.54</u>	<u>4,344.16</u>
Less: Unamortization of processing fees	(112.31)	(15.38)
Less: Impairment loss allowance	(281.21)	(309.11)
Net Loans	<u>8,300.02</u>	<u>4,019.67</u>
7.1 Breakup of total loans		
Secured by tangible assets	-	1.48
Unsecured	8,693.54	4,342.68
Gross Loans	<u>8,693.54</u>	<u>4,344.16</u>
Less: Unamortization of processing fees	(112.31)	(15.38)
Less: Impairment loss allowance	(281.21)	(309.11)
Net Loans	<u>8,300.02</u>	<u>4,019.67</u>
7.2 Loans in India		
Public Sector	-	-
Others	8,693.54	4,344.16
Gross Loans	<u>8,693.54</u>	<u>4,344.16</u>
Less: Unamortization of processing fees	(112.31)	(15.38)
Less: Impairment loss allowance	(281.21)	(309.11)
Net Loans	<u>8,300.02</u>	<u>4,019.67</u>

7.3 There are no loans and advances to Promoters/Directors/KMP/Related Parties as on March 31, 2024 and March 31, 2023.

7.4 Additional disclosure under RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

A comparison between provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 is given in Note 58.



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(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
8 Investments		
Fair Value through Profit and Loss		
In equity instruments (Unquoted)		
2,400 Equity Shares (March 31, 2023: 2,400 Equity Shares) of Rs. 10 each/- fully paid up of Indo Duch Proteins Limited ^	-	-
3,600 Equity Shares (March 31, 2023: 3,600 Equity Shares) of Rs. 10 each/- fully paid of Tina Electronics Limited ^	-	-
2,000 Equity Shares (March 31, 2023: 2,000 Equity Shares) of Rs. 10 each/- fully paid of Parasrampur Industries Limited ^	-	-
14,800 Equity Shares (March 31, 2023: 14,800 Equity Shares) of Rs. 10 each/- fully paid of Naina Semiconductors Limited ^	-	-
^ Carrying value is ₹ 1 each		
At Amortized Cost		
In Debentures (Unquoted)		
5 (March 31, 2023: 5) 8% Optionally Convertible Debentures of Arthmatetech Private Limited having Face Value of Rs. 100,000 each	5.00	5.00
Investment Portfolio of Transactree Technologies Private Limited having Face Value of Rs. 25,000 each	50.00	-
	55.00	5.00
Breakup of total investments		
In India	55.00	5.00
Outside India	-	-
	55.00	5.00
9 Other Financial Assets		
(Unsecured, considered good)		
Interest accrued	70.87	175.61
Security deposits @	460.72	80.56
Recoverable against employee embezzlement	6.94	106.42
Other recoverables*	1,164.45	1,478.35
Total Gross (a)	1,702.98	1,840.94
Less: Impairment loss allowance (b)	424.58	393.72
Less: Provision for recoverable against employee embezzlement	6.94	106.42
Total Net (a - b)	1,271.46	1,340.80
Recoverable against embezzlement		
@ Represents deposits placed as margin money to avail loans from financial institutions and direct assignment.		
* Includes Rs. 1,005.46 Lakhs (Previous year: Rs. 1,035.67 Lakhs) recoverable against assigned portfolios.		
10 Current Tax Assets (Net)		
Advance Income Tax (Net of Provision)	405.24	601.82
	405.24	601.82



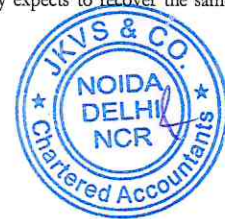
(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
11 Deferred Tax Assets (Net)		
Deferred tax assets		
Property, plant and equipment	9.91	9.73
Origination and reversal of temporary differences	36.69	30.80
Impairment loss allowance	179.38	203.67
Financial assets measured at amortized cost	28.27	3.87
Business losses	4,610.80	4,691.00
Others	-	0.04
Total deferred tax assets	4,865.05	4,939.11
Deferred tax liabilities		
Fair Valuation of Financial Instruments	-	-
Others	10.78	10.83
Total deferred tax liability	10.78	10.83
Deferred tax assets (net)	4,854.27	4,928.28

11.1 Change in Deferred tax assets (net)

Particulars	As at March 31, 2023	(Charged)/ credit to P&L	(Charged)/ credit to OCI	As at March 31, 2024
Deferred tax assets				
Property, plant and equipment	9.73	0.18	-	9.91
Origination and reversal of temporary differences	30.80	6.40	(0.51)	36.69
Impairment loss allowance	203.67	(24.29)	-	179.38
Financial assets measured at amortized cost	3.87	24.40	-	28.27
Business losses	4,691.00	(80.20)	-	4,610.80
Others	0.04	(0.04)	-	-
Total deferred tax assets	4,939.11	(73.55)	(0.51)	4,865.05
Deferred tax liabilities				
Fair Valuation of Financial Instruments	-	-	-	-
Others	10.83	(0.05)	-	10.78
Total deferred tax liability	10.83	(0.05)	-	10.78
Deferred tax assets (net)	4,928.28	(73.50)	(0.51)	4,854.27

11.2 The Company has unutilized business losses under the Income Tax Act, 1961 due to substantial portfolio written off in previous years. The Company has concluded that the deferred tax assets recognized on business losses will be recoverable basis the estimated future taxable income based on the approved business plans. The Company is expected to generate taxable income in near future. The business losses can be carried forward and adjusted against future taxable profit within the period as specified in the Income Tax Act, 1961 and the Company expects to recover the same within the specified period.



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12 Property, plant and equipment
For the financial year 2023-24

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at March 31, 2023	Additions	Disposals	As at March 31, 2024	As at March 31, 2023	Charged during the year	Disposals	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Land and Building	-	-	-	-	-	-	-	-	-	-
Plant and equipment	0.45	-	-	0.45	0.36	-	-	0.36	0.09	0.09
Computer	53.94	10.36	-	64.30	31.60	13.67	-	45.27	19.03	22.34
Furniture and fixtures	73.93	29.82	10.89	92.86	39.37	8.41	7.67	40.11	52.75	34.56
Vehicles	110.69	10.13	-	120.82	50.99	14.05	-	65.04	55.78	59.70
Office equipment	48.64	2.19	-	50.83	36.18	5.49	-	41.67	9.16	12.46
Total	287.65	52.50	10.89	329.26	158.50	41.62	7.67	192.45	136.81	129.15

For the financial year 2022-23

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at March 31, 2022	Additions	Disposals	As at March 31, 2023	As at March 31, 2022	Charged during the year	Disposals	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land and Building	-	-	-	-	-	-	-	-	-	-
Plant and equipment	0.45	-	-	0.45	0.36	-	-	0.36	0.09	0.09
Computer	55.54	2.20	3.80	53.94	21.77	13.41	3.58	31.60	22.34	33.77
Furniture and fixtures	73.93	-	-	73.93	31.05	8.32	-	39.37	34.56	42.88
Vehicles	104.73	12.64	6.68	110.69	43.69	12.79	5.49	50.99	59.70	61.04
Office equipment	48.64	-	-	48.64	29.15	7.03	-	36.18	12.46	19.49
Total	283.29	14.84	10.48	287.65	126.02	41.55	9.07	158.50	129.15	157.27



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13 Right of use Asset (Refer Note 46)
For the financial year 2023-24

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK	
	As at March 31, 2023	Additions	Disposals	As at March 31, 2024	Charged during the year	Disposals	As at March 31, 2024	As at March 31, 2023
Leaschold Buildings	8.46	-	8.46	-	7.58	8.24	-	0.88
Total	8.46	-	8.46	-	7.58	8.24	-	0.88

For the financial year 2022-23

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK	
	As at March 31, 2022	Additions	Disposals	As at March 31, 2023	Charged during the year	Disposals	As at March 31, 2023	As at March 31, 2022
Leaschold Buildings	25.69	-	17.23	8.46	4.13	7.38	7.58	14.86
Total	25.69	-	17.23	8.46	4.13	7.38	7.58	14.86

14 Intangible assets under development

Intangible assets under development ageing

Particulars	As at March 31, 2024			Total
	Amount in Intangible asset under development for a period of			
	Less than 1 year	1 - 2 years	2 - 3 years	
Projects in progress	-	-	-	-
Projects temporarily suspended*	-	-	5.06	13.83
				18.89

* During the year Projects have been temporarily suspended due to upgradation of software with latest technologies by vendor.

Particulars	As at March 31, 2023			Total
	Amount in Intangible asset under development for a period of			
	Less than 1 year	1 - 2 years	2 - 3 years	
Projects in progress	-	-	13.83	18.89
Projects temporarily suspended	-	-	-	-



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15 Other Intangible Assets
For the financial year 2023-24

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK	
	As at March 31, 2023	Additions	Disposals	As at March 31, 2023	Charged during the year	Disposals	As at March 31, 2024	As at March 31, 2023
Software	29.58	-	-	29.58	-	-	29.58	-
Total	29.58	-	-	29.58	-	-	29.58	-

For the financial year 2022-23

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK	
	As at March 31, 2022	Additions	Disposals	As at March 31, 2022	Charged during the year	Disposals	As at March 31, 2023	As at March 31, 2022
Software	29.58	-	-	29.58	-	-	29.58	-
Total	29.58	-	-	29.58	-	-	29.58	-



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(Amounts in ₹ in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
16 Other Non Financial Assets (Unsecured, considered good)		
Prepaid expenses	5.31	0.84
Input tax credit	87.21	128.77
	<u>92.52</u>	<u>129.61</u>
17 Trade Payables		
Total outstanding dues of Micro Enterprises & Small Enterprises**	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	82.17	78.40
	<u>82.17</u>	<u>78.40</u>

** Based on the information available and as identified by the management, there is no vendor registered under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, disclosures relating to dues of Micro and Small enterprises are not given.

17.1 Trade Payables ageing

Particulars	Outstanding for following periods from due date of payment				
	As at March 31, 2024				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	82.17	-	-	-	82.17
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Unbilled dues	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment				
	As at March 31, 2023				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	78.40	-	-	-	78.40
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Unbilled dues	-	-	-	-	-

18 Debt Securities

Valued at Amortised Cost

Debentures (Secured)

3000, 11.50% Non Convertible Debentures of Rs. 100,000 each (refer note 18.1)	-	3,000.00
600, 18.00% Non Convertible Debentures of Rs. 100,000 each (refer note 18.1)	435.00	-
600, 18.00% Non Convertible Debentures of Rs. 100,000 each (refer note 18.1)	500.00	-
Others (Secured)		
Less: Unamortised Ancillary cost of arranging the borrowings	(16.74)	(1.96)
	<u>918.26</u>	<u>2,998.04</u>

18.1 Secured by way of exclusive charge on book debts and guaranteed by promoter director of the Company in his personal capacity.

Breakup of Debt securities

In India	918.26	2,998.04
Outside India	-	-
	<u>918.26</u>	<u>2,998.04</u>



(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
19 Borrowings (other than debt securities)		
Measured at Amortised Cost		
Term loan		
Secured		
from banks	1,139.20	695.95
from financial institutions	5,820.18	842.93
Unsecured		
from Corporate entities (Related Parties)	-	229.75
from a Director (Related Party)	-	79.00
from other Corporate entities	200.00	250.00
Vehicle loan		
Secured		
from banks	15.67	15.57
Less: Unamortised Ancillary cost of arranging the borrowings	(84.86)	(18.91)
	<u>7,090.19</u>	<u>2,094.29</u>
Breakup of Borrowings		
In India	7,090.19	2,094.29
Outside India	-	-
	<u>7,090.19</u>	<u>2,094.29</u>
19.1 Borrowings are secured by way of hypothecation of portfolio loans arising out of its business operation, cash collateral in the form of fixed deposits and mutual funds.		
19.2 Vehicles are hypothecated for respective borrowings.		
19.3 Following loans have also been guaranteed by promoter director of the Company in his personal capacity and corporate guarantee of Moonlight Equity Private Limited (Shareholders and related parties):		
Term Loan		
from banks	197.83	695.96
from financial institutions	5,752.02	-
	<u>5,949.85</u>	<u>695.96</u>
20 Subordinated Liabilities (Unsecured)		
At Amortised Cost		
From bank	-	4,500.00
Less: Unamortised Ancillary cost of arranging the borrowings	-	(0.60)
	<u>-</u>	<u>4,499.40</u>
Breakup of Subordinated Liabilities		
In India	-	4,499.40
Outside India	-	-
	<u>-</u>	<u>4,499.40</u>



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Term of repayment of debt securities and other borrowings as at March 31, 2024

Particulars	Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		More than 3 years		Total
			No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	
Debt Securities	Monthly	18.00%	39	815.00	7	120.00	-	-	-	-	935.00
			39	815.00	7	120.00	-	-	-	-	935.00
	Less: Unamortised Ancillary cost of arranging the borrowings										
											(16.74)
											918.26
Borrowings other than Debt Securities	Monthly	8.00% to 10.00%	28	12.69	12	2.31	12	2.52	9	2.06	19.58
	Monthly	10.50% to 12.50%	9	197.83	-	-	-	-	-	-	197.83
	Monthly	12.70% to 16.00%	71	3,143.44	29	1,052.96	-	-	-	-	4,196.40
	Monthly	Above 16%	118	2,448.47	12	312.77	-	-	-	-	2,761.24
			226	5,802.43	53	1,368.04	12	2.52	9	2.06	7,175.05
	Less: Unamortised Ancillary cost of arranging the borrowings										
											(84.86)
											7,090.19

Term of repayment of debt securities, other borrowings and subordinated liabilities as at March 31, 2023

Particulars	Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		More than 3 years		Total
			No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	
Debt Securities	Bullet Payment	11.50%	1	3,000.00	-	-	-	-	-	-	3,000.00
			1	3,000.00	-	-	-	-	-	-	3,000.00
	Less: Unamortised Ancillary cost of arranging the borrowings										
											(1.96)
											2,998.04
Borrowings other than Debt Securities	Monthly	8.00% to 10.00%	24	8.90	15	6.67	-	-	-	-	15.57
	Monthly	10.50% to 12.50%	24	347.28	24	338.48	1	10.20	-	-	695.96
	Monthly	12.70% to 16.00%	44	1,016.27	5	385.40	-	-	-	-	1,401.67
			92	1,372.45	44	730.55	1	10.20	-	-	2,113.20
	Less: Unamortised Ancillary cost of arranging the borrowings										
											(18.91)
											2,094.29
Subordinated Liabilities	Bullet	Above 16%	2	4,500	-	-	-	-	-	-	4,500.00
			2	4,500	-	-	-	-	-	-	4,500.00
	Less: Unamortised Ancillary cost of arranging the borrowings										
											(0.60)
											4,499.40



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(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
21 Other Financial Liabilities		
Interest accrued	37.09	137.76
Employees emoluments	402.13	249.56
Interest and principle payable on pass through transactions	-	34.56
Recovered premium payable to insurance company	71.63	61.44
Unpaid dividend	13.33	21.69
EMI collection payable on business correspondence arrangements	1,011.49	760.26
Other liabilities	12.07	75.66
	1,547.74	1,340.93
22 Provisions		
Provision for employee benefits (Refer note 47)	145.77	122.36
	145.77	122.36
23 Other non-financial liabilities		
Advance EMI received	338.16	62.60
Refundable amount under scheme for grant of ex-gratia (refer note 53)	-	45.59
Statutory dues payable	144.37	119.94
	482.53	228.13



JKVS & CO.

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
24 Equity Share capital				
(a) Authorised				
Equity shares of ₹10 each	6,70,10,000	6,701.00	6,70,10,000	6,701.00
		<u>6,701.00</u>		<u>6,701.00</u>
(b) Issued, subscribed and fully paid-up				
Equity shares of ₹10 each	1,63,61,415	1,636.14	1,63,61,415	1,636.14
Less: Equity shares held by Capital Welfare Trust	(1,43,915)	(14.39)	(1,43,915)	(14.39)
(Shares transferred to the trust pursuant to the scheme of Employee Stock Option Scheme("ESOP")) (Refer note (c) below)				
		<u>1,621.75</u>		<u>1,621.75</u>
(c) Reconciliation of the Equity share capital				
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
Balance at the beginning of the year	1,63,61,415	1,636.14	1,63,61,415	1,636.14
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	<u>1,63,61,415</u>	<u>1,636.14</u>	<u>1,63,61,415</u>	<u>1,636.14</u>

(d) **Terms, rights and restrictions 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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) **Trust Shares**

The Company has created a Employee Benefit Trust ('EBT'). EBT holds equity shares of the Company for the benefit of the employees of the Company. Considering conservative interpretation of Ind AS 32, number of equity shares held by the EBT are reduced from total number of issued equity shares. Equity shares that are held by the trust is deducted from Equity / Other Equity. No gain or loss is recognised in statement of profit and loss on the sale or cancellation of the Company's own equity instruments.

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

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	Number	%	Number	%
Yogen Khosla	60,38,917	36.91%	60,38,917	36.91%
Moonlight Equity Private Limited	49,14,695	30.04%	49,14,695	30.04%
India 2020 II Investors Limited	24,21,519	14.80%	24,21,519	14.80%

(g) **Details of equity shareholding of Promoter**

Name of Promoter	As at March 31, 2024		
	Number of shares	% of total shares	% Change during the year
Yogen Khosla	60,38,917	36.91%	-
Moonlight Equity Private Limited	49,14,695	30.04%	-

Name of Promoter	As at March 31, 2023		
	Number of shares	% of total shares	% Change during the year
Yogen Khosla	60,38,917	36.91%	-
Moonlight Equity Private Limited	49,14,695	30.04%	-



(Amounts in ₹ in lakhs except EPS)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
25 Interest Income		
(On financial assets measured at Amortised cost)		
Interest income on loan portfolio	3,308.10	3,812.85
Interest income on security deposits	8.47	12.70
Interest income on investments	4.03	-
Interest income on fixed deposits	56.92	274.89
	<u>3,377.52</u>	<u>4,100.44</u>
26 Fees and commission Income		
Service fee & facilitation charges	3.35	58.09
Service fee from business correspondents	2,431.63	2,571.49
	<u>2,434.98</u>	<u>2,629.58</u>
27 Net gain on derecognition of financial instruments under amortised cost category		
Gain on sale of loan portfolio through assignment	88.74	34.77
	<u>88.74</u>	<u>34.77</u>
28 Other Operating Income		
Assignor's Yield on Direct Assignments of Portfolio	16.12	-
Recovered against portfolio written off in earlier years	1,851.40	1,836.24
	<u>1,867.52</u>	<u>1,836.24</u>
29 Other income		
Cheque Bouncing Charges Received	78.08	50.50
Gain on derecognition of right of use assets	0.05	0.86
Interest on income tax refund	19.19	26.54
Liabilities no longer required written back	83.51	-
Profit on sale of property, plant and equipment	0.30	2.67
Miscellaneous income	8.43	9.82
	<u>189.56</u>	<u>90.39</u>
30 Finance costs (on financial liabilities measured at amortised cost)		
Interest expenses:		
- on Debt Securities	72.66	563.43
- on Borrowings (other than debt securities)	783.77	623.88
- on Subordinate Debts	64.93	790.00
- on Unwinding of loss on fair valuation of financial assets	5.54	8.43
- on Lease Liability	0.03	0.74
- on Others	11.35	1.82
Other borrowing costs	83.82	173.73
	<u>1,022.10</u>	<u>2,162.03</u>
31 Fee and Commission Expense		
Professional Fee and consultancy	16.12	392.04
Commission	89.41	114.79
	<u>105.53</u>	<u>506.83</u>



(Amounts in ₹ in lakhs except EPS)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
32 Employee benefit expense				
Salaries, wages and bonus		3,101.10		3,258.25
Gratuity		27.50		6.55
Contribution to provident and other funds		235.35		262.39
Staff welfare expenses		307.82		247.65
		<u>3,671.77</u>		<u>3,774.84</u>
33 Impairment / written off of financial instruments (On financial assets measured at amortised cost)				
Loan Portfolio written off	0.71		8,288.31	
Less: Impairment loss allowance created in earlier years	-	0.71	2,880.35	5,407.96
Impairment / (reversal) on Loans portfolio		(27.90)		(983.11)
Impairment on Other Financial Assets		36.50		385.67
		<u>9.31</u>		<u>4,810.52</u>
34 Net Loss on fair value changes				
Net loss on financial instruments measured at fair value through profit or loss		-		56.44
		-		<u>56.44</u>
Fair value change:				
Realised loss / (gain)		-		(523.26)
Unrealised loss / (gain)		-		579.70
		-		<u>56.44</u>
35 Depreciation, amortization and impairment				
On property, plant and equipment		41.62		41.55
On right of use assets		0.66		4.13
On other intangible assets		-		-
		<u>42.28</u>		<u>45.68</u>
36 Other expenses				
Rates & Taxes		14.24		12.76
Electricity		14.32		13.83
Rent		318.64		288.65
Reversal of input GST Credit		70.66		80.33
Repairs and maintenance - Others		22.91		20.22
Insurance		0.88		0.79
Advertisement expenses		89.20		16.17
Directors sitting fee		1.50		1.60
Travelling and conveyance		1,402.45		1,448.16
Other Professional Charges		234.79		242.84
Communication costs		38.69		32.64
Cloud service charges		49.88		49.29
Printing and stationery		19.41		16.16
Payment to auditors (Refer note (i) below)		16.37		12.44
Bank charges		23.19		31.43
Loss on sale of Property, plant and equipment		2.25		0.15
Written off of recoverable against employee embezzlement	111.63		19.41	
Less: Provision created in earlier years	108.37	3.26	-	19.41
Waiver of loan instalments		472.59		1,149.15
Rebate and Claim		0.40		-
Sundry Balances written off	5.64	-	-	-
Less: Provision created in earlier years	5.64	-	-	-
Miscellaneous Expenses		23.58		31.73
		<u>2,819.21</u>		<u>3,467.75</u>



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(Amounts in ₹ in lakhs except EPS)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Payment to auditors		
As auditors		
Statutory audit	8.00	7.00
Tax audit	1.35	1.35
Limited Review certification	3.00	3.00
Certification fee	3.75	0.70
Reimbursement of Expenses	0.27	0.39
	<u>16.37</u>	<u>12.44</u>
(ii) Corporate Social Responsibility expense (CSR)		
The Company is not required to makes CSR Expenditure as specified under section 135 of the Companies Act, 2013.		
37 Tax Expense		
Current Tax		
Current Tax for the year	-	-
Current Tax adjustments for earlier year (Net)	-	-
	<u>-</u>	<u>-</u>
37.1 Components of Income Tax Expense:		
Amounts recognised in the Statement of Profit and Loss		
Current tax	-	-
Deferred tax charged/(credit)	73.50	(1,568.54)
Amounts recognised in the Other Comprehensive Income		
Income tax relating to items that will not be reclassified to profit or loss	0.51	4.78
Income Tax expense for the year	<u>74.01</u>	<u>(1,563.76)</u>
37.2 Reconciliation of effective tax :		
Income before Income Tax	288.12	(6,132.67)
Income Tax Rate	25.168%	25.168%
Expected Income Tax Expense	72.51	(1,543.47)
Tax effect of adjustments:		
Impact of allowable and disallowed income and expenses	1.50	(20.29)
Taxes adjustments related to earlier years	-	-
Total Tax expense	<u>74.01</u>	<u>(1,563.76)</u>
38 Earning Per Share		
Net Profit for the year	214.62	(4,564.13)
Face value per share (₹)	10.00	10.00
Equity shares outstanding at the beginning of the year	1,62,17,500	1,62,17,500
Equity shares allotted during the year	-	-
Equity shares outstanding at the end of the year	1,62,17,500	1,62,17,500
Weighted Avg. No. of Equity Shares	1,62,17,500	1,62,17,500
Basic EPS (₹)	1.32	(28.14)
Diluted EPS (₹)	1.32	(28.14)



39 Fair value of Financial assets & Financial liabilities

- (i) The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Measured at amortized cost				
Financial Assets				
Investments	55.00	55.00	5.00	5.00
Cash and Cash Equivalents	1,220.60	1,220.60	812.21	812.21
Bank Balances other than Cash and Cash Equivalents	1,245.11	1,245.11	6,507.49	6,507.49
Receivables - Others	336.74	336.74	322.65	322.65
Loans	8,300.02	8,300.02	4,019.67	4,019.67
Other Financial Assets	1,271.46	1,271.46	1,340.80	1,340.80
	12,428.93	12,428.93	13,007.82	13,007.82
Financial Liabilities				
Trade Payables	82.17	82.17	78.40	78.40
Debt Securities	918.26	918.26	2,998.04	2,998.04
Borrowings (other than debt securities)	7,090.19	7,090.19	2,094.29	2,094.29
Subordinated Liabilities	-	-	4,499.40	4,499.40
Lease Liabilities	-	-	1.05	1.05
Other Financial Liabilities	1,547.74	1,547.74	1,340.93	1,340.93
	9,638.36	9,638.36	11,012.11	11,012.11

Fair value of cash and bank, loans, other receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) Fair value hierarchy

The fair value of financial instruments as referred (i) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:-

Level 1: Quoted prices / net assets value for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(a) Financial Assets and liabilities measured at fair value – recurring fair value measurements

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Investments at fair value through profit and loss

Particulars	Level 1	Level 2	Level 3	Total
Investments				
As at March 31, 2024	-	-	-	-
As at March 31, 2023	-	-	-	-

Valuation technique used to determine fair value

During the year ended March 31, 2024 and March 31, 2023, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements, and no transfer into and out of Level 3 fair value measurements.



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(b) **Fair value of instruments measured at amortised cost**

For the purpose of disclosing fair values of financial instruments measured at amortised cost, the management assessed that fair values of short term financial assets and liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. Further, the fair value of long term financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

40 **Financial Risk Management**

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The financial risks are managed in accordance with the Company's risk management policy. The Company's Board of Directors has overall responsibility for managing the risk profile of the Company. The purpose of risk management is to identify potential problems before they occur, so that risk-handling activities may be planned and invoked as needed to manage adverse impacts on achieving objectives.

The Audit Committee of the Company reviews the development and implementation of the risk management policy of the Company on periodic basis. The Audit Committee provides guidance on the risk management activities, review the results of the risk management process and reports to the Board of Directors on the status of the risk management initiatives. The Company has exposure to the following risks arising from Financial Instruments:

Risk	Exposure for
Credit Risk	Cash and cash equivalents, loans, investments and other financial assets
Liquidity Risk	Borrowings, debt securities, subordinated liabilities, trade payables and other financial liabilities
Market Risk - Interest Rate	Change in interest rate of variable rates borrowings, debt securities and subordinated liabilities
Market Risk - Price	Investment in Debt Securities

In order to avoid excessive concentration of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

a **Credit Risk**

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Cash and Cash Equivalents

The Company holds cash and cash equivalents and other bank balances as per note 4 and 5. The credit worthiness of such bank is evaluated by the management on an ongoing basis and is considered to be high.

Loans

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each client. However, management also considers the factors that may influence the credit risk of its client base, including the default risk of the industry and locations in which clients operate. The Company Management has established a credit policy under which each new client is analysed individually for creditworthiness through internal systems and appraisal process to assess the credit risk. The Company's review includes client's income and indebtedness levels including economic activity which ensures regular and assured income. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a three stage model approach for the purpose of computation of expected credit loss for Loan portfolio.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime expected credit loss (ECL). The assumptions underlying the ECL are monitored and reviewed on an ongoing basis. Gross carrying value and associated allowances for ECL stage wise for loan portfolio is as follows :



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Loans - Staging Analysis:

Analysis of change in gross carrying amount of loans is as follows:

Particulars	As at March 31, 2024			
	Stage ^1	Stage ^2	Stage ^3	Total
Opening gross carrying amount	4,330.12	12.92	1.12	4,344.16
Increase in EAD - new asset originated	8,358.85	-	-	8,358.85
Asset paid in part or full (excluding write off) (net)	(3,096.76)	(10.42)	(0.47)	(3,107.65)
Asset derecognised/co-lending	(901.82)	-	-	(901.82)
Asset written off	-	-	(0.71)	(0.71)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	(160.88)	160.88	-	-
Transfer to stage 3	(37.87)	(2.50)	41.08	0.71
Closing gross carrying amount	8,491.64	160.88	41.02	8,693.54

Particulars	As at March 31, 2023			
	Stage ^1	Stage ^2	Stage ^3	Total
Opening gross carrying amount	21,317.68	482.26	1,119.95	22,919.89
Increase in EAD - new asset originated	2,487.93	-	-	2,487.93
Asset paid in part or full (excluding write off) (net)	(11,888.10)	(326.56)	(240.67)	(12,455.33)
Asset derecognised/co-lending	(320.02)	-	-	(320.02)
Asset written off	-	-	(8,288.31)	(8,288.31)
Transfer to stage 1	6.27	(5.70)	(0.57)	-
Transfer to stage 2	(12.33)	12.33	-	-
Transfer to stage 3	(7,261.31)	(149.41)	7,410.72	-
Closing gross carrying amount	4,330.12	12.92	1.12	4,344.16

ECL - staging analysis

Particulars	As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	8,491.64	160.88	41.02	8,693.54
Allowance of ECL	166.09	97.85	17.27	281.21

Particulars	As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	4,330.12	12.92	1.12	4,344.16
Allowance of ECL	307.77	0.81	0.53	309.11

Loans secured against collateral

The Company's secured portfolio pertains to Secured Enterprise loans (SEL), which are secured against tangible assets. The Company does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are overdue, the Company initiate the legal proceedings against the defaulted customers. The exposure to credit risk is Nil as on March 31, 2024 (March 31, 2023 ₹ 1.48 Lakhs).

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and other recoverables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.



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b Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. The Company has developed internal control processes for managing liquidity risk.

The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company.

The table below analyse the Company financial liabilities into relevant maturity grouping based on their contractual maturities.

As at March 31, 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Financial Liabilities					
Trade Payables	82.17	-	-	-	82.17
Debt Securities	798.26	120.00	-	-	918.26
Borrowings (other than debt securities)	5,717.57	1,368.04	2.52	2.06	7,090.19
Other Financial Liabilities	1,547.74	-	-	-	1,547.74
Total	8,145.74	1,488.04	2.52	2.06	9,638.36

As at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Financial Liabilities					
Trade Payables	78.40	-	-	-	78.40
Debt Securities	2,998.04	-	-	-	2,998.04
Borrowings (other than debt securities)	1,353.54	730.55	10.20	-	2,094.29
Subordinated Liabilities	4,499.40	-	-	-	4,499.40
Lease Liabilities	1.05	-	-	-	1.05
Other Financial Liabilities	1,340.93	-	-	-	1,340.93
Total	10,271.36	730.55	10.20	-	11,012.11

c Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as interest rates, other prices). The Company is exposed to market risk primarily related to interest rate risk and price risk.

(i) Interest Rate Risk

The company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow and interest rate risk. Below is the exposure of the Company to interest rate risk:

Particulars	As at March 31, 2024	As at March 31, 2023
Liabilities		
Borrowings (other than debt securities)	197.83	695.96
Total	197.83	695.96

Sensitivity Analysis

Particulars	As at March 31, 2024	As at March 31, 2023
Interest rates - increase by 0.50%	0.99	3.48
Interest rates - decrease by 0.50%	(0.99)	(3.48)



(ii) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate change whether caused by factors specific to an individual investment, its issuer or the market. The Company's exposure to price risk arises from investments in debts securities are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Investments		
Maximum exposure to price risk	55.00	5.00
Total	55.00	5.00

Sensitivity Analysis

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Investments at FVTPL - increase by 1%	0.55	0.05
Investments at FVTPL - decrease by 1%	(0.55)	(0.05)

41 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, lender and market confidence and to sustain future development of the business. The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account of portfolio and strategic Investments. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings. The following table summarises the capital of the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
Debt Securities	918.26	2,998.04
Borrowings (Other than Debt Securities)	7,090.19	2,094.29
Subordinated Liabilities	-	4,499.40
Interest Accrued	37.09	137.76
Less: Cash and Cash Equivalents	(1,220.60)	(812.21)
Less: Bank Balances other than Cash and Cash Equivalents	(1,245.11)	(6,507.49)
Net Debt	5,579.83	2,409.79
Equity	1,621.75	1,621.75
Other Equity	6,048.25	5,832.10
Total Capital	7,670.00	7,453.85
Net debt to equity ratio	0.73	0.32



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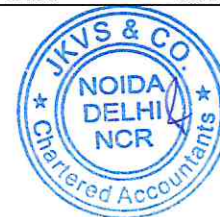
42 Maturity analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2024		As at March 31, 2023	
	within 12 months	after 12 months	within 12 months	after 12 months
ASSETS				
Financial Assets				
Cash and Cash Equivalents	1,220.60	-	812.21	-
Bank Balances other than Cash and Cash Equivalents	1,225.11	20.00	5,843.78	663.71
Receivables - Others	336.74	-	322.65	-
Loans	6,074.66	2,225.36	1,990.13	2,029.54
Investments	55.00	-	5.00	-
Other Financial Assets	1,271.16	0.30	1,307.62	33.18
Total	10,183.26	2,245.67	10,281.39	2,726.43
Non Financial Assets				
Current Tax Assets (Net)	405.24	-	601.82	-
Deferred Tax Assets (Net)	-	4,854.27	-	4,928.28
Property, Plant and Equipment	-	136.81	-	129.15
Right of use Asset	-	-	-	0.88
Intangible Assets	-	-	-	-
Intangible Asset under Development	-	18.89	-	18.89
Other Non Financial Assets	92.52	-	129.61	-
Total	497.76	5,009.97	731.43	5,077.20
Total Assets	10,681.02	7,255.64	11,012.82	7,803.63
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Trade Payables	82.17	-	78.40	-
Debt Securities	798.26	120.00	2,998.04	-
Borrowings (Other than Debt Securities)	5,717.57	1,372.62	1,353.54	740.75
Subordinated Liabilities	-	-	4,499.40	-
Lease Liabilities	-	-	1.05	-
Other Financial Liabilities	1,547.74	-	1,340.93	-
Total	8,145.74	1,492.62	10,271.36	740.75
Non-Financial Liabilities				
Provisions	16.31	129.46	18.24	104.12
Other Non-Financial Liabilities	482.53	-	228.13	-
Total	498.84	129.46	246.37	104.12
Total Liabilities	8,644.58	1,622.08	10,517.73	844.87
Net Equity	2,036.44	5,633.56	495.09	6,958.76

43 Movement of Impairment Loss Allowance

	As at March 31, 2024		As at March 31, 2023	
	on Loans	on Other financial assets	on Loans	on Other financial assets
Opening Allowance	309.11	393.72	4,172.57	8.05
Created/(reversed) during the year	(27.90)	36.50	(983.11)	385.67
Adjusted against written off	-	(5.64)	(2,880.35)	-
Closing Allowance	281.21	424.58	309.11	393.72



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(Amounts in ₹ in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023

44 **Contingent liabilities not provided for**
Claims against the Company not acknowledged as debts

45 **Segment Information**

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one business segment viz. "financing activities". Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

46 **Leases disclosures**

As a Lessee

- The Company incurred ₹ 318.64 Lakhs for the year ended March 31, 2024 (Previous year ₹ 288.65 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.
- There are no subleasing of right-of-use assets during the year ended March 31, 2024 and March 31, 2023.
- There are no variable lease payments for the year ended March 31, 2024 and March 31, 2023.
- Total cash outflow on right to use assets for the year ended March 31, 2024 of Rs. ₹ 0.81 Lakhs and March 31, 2023 ₹ 5.04 Lakhs.

47 **Employee Benefits**

a) **Defined Contribution Plan :**

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The company has been recognized following amounts in statement of Profit & Loss for the year:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Contribution to employees Provident fund	155.97	162.01

b) **Defined benefit plan**

The Company made provision for gratuity as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the company.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, was measured using the Projected Unit Credit Method.

- Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	153.59	127.72
Fair value of plan assets	7.82	5.36
Net defined benefit liability	145.77	122.36



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(Amounts in ₹ in lakhs)

(ii) Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount recognised in the statement of Profit & Loss		
Current service cost	18.24	20.70
Interest cost	7.64	6.09
Interest income on plan assets	-	-
	25.88	26.79

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount recognised in the other comprehensive income		
Actuarial (gain)/loss unrecognised during the year	(2.04)	(18.98)
	(2.04)	(18.98)
Movement in defined benefit obligation (DBO)		
Present value of DBO as at the beginning of the year	127.72	133.15
Current service cost	18.24	20.70
Interest cost	7.64	6.09
Remeasurements (gain)/loss	2.04	(19.50)
Benefit paid out of the fund	(2.05)	(12.72)
Present value of DBO as at the end of the year	153.59	127.72

Movement in the plan assets recognised in the balance sheet

Fair Value of Plan Assets at the beginning of the year	5.36	7.30
Actual Return on Plan Assets	0.41	0.60
Contributions by the employer	4.10	10.17
Benefits Paid	(2.05)	(12.71)
Actuarial gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets at the end of the year	7.82	5.36

(iii) Maturity profile of defined benefit obligation (based on discounted basis):

	As at March 31, 2024	As at March 31, 2023
Within next twelve months	78.67	44.70
Between one to five years	62.20	63.95
Beyond five years	12.72	19.07
Total	153.59	127.72

(iv) Actuarial assumptions

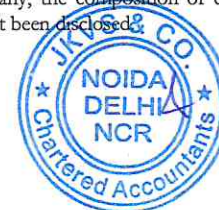
The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Discount rate (in %)	7.15%	7.30%
Expected rate of future salary increase (in %)	5.00%	5.00%
Expected average remaining working lives of employees (in years)	28.47	29.45

(v) Category of plan assets

Insurer managed funds	100%	100%
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In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.



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(Amounts in ₹ in lakhs)

(vi) **Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Discount Rate		Average salary escalation rate	
	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
- Impact due to increase of 1%	(2.70)	(3.01)	2.26	2.41
- Impact due to decrease of 1%	2.83	3.20	(2.26)	(2.28)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(vii) **Description of Risk Exposure:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

Salary Increases - Higher than expected increase in salary will increase the defined benefit obligation.

Investment Risk - Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.

Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

(viii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

48 Other Disclosures

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The Company has not advanced or loaned or invested funds during the year to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund during the year from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period except following where satisfaction is yet to be registered:

Lender Name	Charge ID	Date of Creation	Amount (Rs. in Lakhs)	Registrar
1. AU Financiers (India) Limited	10547168	17/12/2014	500.00	New Delhi
2. Bank Of India	100093930	24/03/2017	2,500.00	New Delhi
3. Moneywise Financial Services Private Limited	100125887	05/09/2017	1,000.00	New Delhi
4. Incred Financial Services Limited	100595837	24/06/2022	1,000.00	New Delhi
5. Usha Financial Services Private Limited	100613067	28/07/2022	500.00	New Delhi



(Amounts in ₹ in lakhs)

- (iv) The Company has not been declared willful defaulter by any Banks/Financial Institutions.
- (v) The Company has not traded or invested in Crypto currency or Virtual currency during the year.
- (vi) There is no income which is required to be recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (vii) There are no transaction with struck off companies during the current and previous year.
- (viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

49 Ratios for the year ended:

Particulars	March 31, 2024	March 31, 2023	Variance (%)	Reason for Variance exceeding 25%
Capital to risk-weighted assets ratio (CRAR)	28.82%	41.30%	-30.21%	Due to increase in portfolio loans
Tier I CRAR	28.51%	41.05%	-30.56%	
Tier II CRAR	0.32%	0.25%	26.27%	Due to increase in provision against standard assets
Liquidity Coverage Ratio	Not Applicable	Not Applicable	Not Applicable	

CRAR = Adjusted net worth divided by Risk weighted assets, calculated as per RBI guidelines.



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(Amounts in ₹ in lakhs)

50 Related party as identified by the Company

1 Name & Relationship of the related parties:

Key Management Personnel (KMP)	Mr. Yogen Khosla (Managing Director) Mr. Vahin Khosla (Executive Director) (Son of Managing Director) Mr. Sanjiv Syal (Independent Director) ceased to with effect from 13th February, 2024 Ms. Suman Kukretty (Independent Director) Mr. Govind Saboo (Independent Director) Mr. Pawan Dubey (Independent Director) Mr. Vinod Raina (Chief Financial Officer) Mrs. Tanya Sethi (Company Secretary)
Relatives of Key Management Personnel	Mr. Yuv Vir Khosla (Chief Operating Officer) (Son of Managing director) Mrs. Anju Khosla (Wife of Managing director)
Enterprise over which KMP and their relatives is having significant influence	Lendonline Private Limited (Formerly known as Capital Trust Infotech Private Limited) Moonlight Equity Private Limited

2 Transactions with related parties during the year

Particulars	Subsidiary	Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprise over which KMP and their relatives can exercise significant influence
Loan taken				
Moonlight Equity Private Limited	-	-	-	1,631.17 (110.00)
Lendonline Private Limited (Formerly known as Capital Trust Infotech Private Limited)	-	-	-	279.00 (425.00)
Mr. Yogen Khosla	-	602.68 (190.00)	-	-
Loan repaid				
Moonlight Equity Private Limited	-	-	-	1,631.17 (265.00)
Lendonline Private Limited (Formerly known as Capital Trust Infotech Private Limited)	-	-	-	279.00 (449.00)
Mr. Yogen Khosla	-	681.68 (349.00)	-	-
Interest Paid				
Moonlight Equity Private Limited	-	-	-	49.45 (19.65)
Lendonline Private Limited (Formerly known as Capital Trust Infotech Private Limited)	-	-	-	24.68 (16.12)
Mr. Yogen Khosla	-	29.73 (23.50)	-	-
Remuneration and other perquisites to Company's KMPs and their relatives*				
Short term employee benefit	-	266.32 (263.88)	121.97 (121.70)	-
Defined Contribution Plan	-	23.82 (23.65)	13.18 (13.17)	-
Directors Sitting Fees	-	1.50 (1.60)	-	-

* The above remuneration is excluding provision for Gratuity based on actuarial valuation done at year end.

3 Outstanding balance as at year end	As at March 31, 2024	As at March 31, 2023
Unsecured Loans:		
Mr. Yogen Khosla	-	79.00
Remuneration and other perquisites to Company's KMPs and their relatives		
Short term employee benefit	16.76	17.40

Apart from above Managing director of the company and Moonlight Equity Private Limited has given corporate guarantees to the bankers to secure loan availed by the company. (Refer Note 19.3)

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Particulars	For the year ended	
	March 31, 2024	March 31, 2023
51 a) Expenditure in foreign currency	-	-
b) Exposure to unhedged and hedged foreign currency	-	-
52 Pursuant to the master direction DNBR.PD. 088/03.10.119/2016-17 dated September 01, 2016 as amended from time to time (the NBFC Master Direction 2016), the Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company.		
53 In accordance with the instructions in the RBI circular dated 7 April 2020, all lending institutions shall refund/adjust 'interest on interest' to all borrowers including those who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants/bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Company has estimated the said amount and made provision for refund/adjustment. As on 31 March 2024, the Company holds the liability of Rs. Nil (Previous Year - Rs. 45.59 Lakhs) to meet its obligation towards refund / adjustment of interest on interest to eligible borrowers as prescribed by the RBI.		
54 During the previous year the Company has written off its loan portfolio amounting to Rs. 8,288.31 Lakhs (against which the Company had provision for impairment of Rs. 3,863.46 Lakhs) which was distinguished by joint liability, long tenure, and high ticket size loans which were disbursed before 2020. The Company granted moratorium on these loans as per RBI regulations but after moratorium period, the customers continued to default their scheduled repayments.		



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55 Additional disclosures pursuant to the RBI guidelines and notification:

1) Capital

Items	As at	As at
	March 31, 2024	March 31, 2023
Capital to risk / weighted assets ratio (CRAR) (%)	28.82%	41.30%
CRAR-Tier I capital (%)	28.51%	41.05%
CRAR-Tier II capital (%)	0.32%	0.25%
Amount of Subordinate debt raised as Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

2) Investments

Particulars

(1) Value of investments

Particulars	As at	As at
	March 31, 2024	March 31, 2023
i) Gross value of investments		
(a) In india	55.00	5.00
(a) Outside india	-	-
ii) Allowances for impairment		
(a) In india	-	-
(b) Outside india	-	-
iii) Net value of Investments		
(a) In india	55.00	5.00
(a) Outside india	-	-

(2) Movement of provisions held towards depreciation on investments

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

3) Derivatives

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

4) Disclosure relating to Securitisation

A) The Company has entered into various agreements for the securitisation of loans by way of direct assignment with assignees, wherein it has securitised a part of its loan portfolio amounting to Rs. 901.82 Lakhs during the year ended March 31, 2024 (March 31, 2023: Rs. 320.02 Lakhs), being the principal value outstanding as on the date of the deals. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyers. In terms of the said securitisation agreements, the Company pays to investor/buyers on agreed date basis the prorata collection amount as per individual agreement terms.

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

The Company has not sold any financial assets to Securitisation / Reconstruction company for assets reconstruction during the current and previous year.

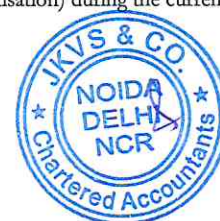
C) Details of Assignment transactions undertaken by applicable NBFCs

	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
(i) No. of accounts	4,393	1,699
(ii) Aggregate value (net of provisions) of accounts sold	901.82	320.02
(iii) Aggregate consideration	901.82	320.02
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate (gain) / loss over net book value	-	-

D) Details of non performing financial assets purchased / sold

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

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55 Additional disclosures pursuant to the RBI guidelines and notification:

5) Asset liability management

Maturity pattern of certain items of assets and liabilities as at year end

	As at March 31, 2024			As at March 31, 2023		
	Advances	Investments	Borrowings #	Advances	Investments	Borrowings #
Upto 30/ 31 days	606.80	-	595.59	287.31	-	3,099.08 *
Over 1 month upto 2 months	646.31	-	617.09	265.11	-	4,589.70 *
Over 2 months upto 3 months	645.85	-	621.06	245.16	-	90.62
Over 3 months and upto 6 months	1,846.94	-	1,801.44	681.96	-	278.00
Over 6 months and upto 1 year	2,722.29	55.00	2,978.30	835.08	5.00	815.05
Over 1 year and upto 3 years	1,629.01	-	1,494.53	961.03	-	740.75
Over 3 years and upto 5 years	596.35	-	2.04	1,068.51	-	-
Over 5 years	-	-	-	-	-	-
Total	8,693.54	55.00	8,110.05	4,344.16	5.00	9,613.20

excluding interest accrued thereon

* As on March 31, 2023, the Company had Bank deposits of Rs. 6485.80 Lakhs for the repayment of borrowings

6) Exposure

(a) Exposure to real estate sector

The Company does not have any real estate exposure in the current and previous year.

(b) Exposure to capital market

	As at March 31, 2024	As at March 31, 2023
--	-------------------------	-------------------------

Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; (Refer Note 8)

-

Advances against shares/ bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds;

-

Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as primary security;

-

Advances for any other purposes to the extent secured by the collateral security of shares of convertible bonds or convertible debentures or units of equity-oriented mutual funds, i.e., where the primary security other than shares / convertible bonds / convertible debentures / units of equity-oriented mutual funds does not fully cover the advances;

-

Secured and unsecured advances to stockholders and guarantees issued in behalf of stockbrokers and market makers;

-

Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;

-

Bridge loans to companies against expected equity flows / issues.

-

All exposures to Venture Capital Funds (both registered and unregistered)

-

(c) Details of financing of parent company products

The company does not have a parent company and accordingly no disclosure required.

(d) Details of single borrower limit (SGL) / group borrower limit (GBL) exceeded by the applicable NBFC

The company does not exceed any limit related to SGL and GBL in the current and previous year.

(e) Unsecured advances

All advances given by the company are unsecured advances to its customers except mentioned in note 7.



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55 Additional disclosures pursuant to the RBI guidelines and notification:

7) Miscellaneous

(a) Registration obtained from other financial sector regulators

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

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

(b) Disclosures of penalties imposed by RBI and other regulators

No penalties imposed by RBI or other financial sector regulators during the current and previous year.

(c) Related party transactions

Details of all material related party transactions are disclosed in note 50 to the financial statements.

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

The details of ratings

Particulars	Amount in ₹	Credit Rating Agency	Current Rating	Previous Rating
Long-term Bank facilities	50 Crores	CareEdge	BB+ (Outlook Stable)	BB+ (Outlook Negative)
Non Convertible Debentures	Nil	CareEdge	BB+ (Outlook Stable)	BB+ (Outlook Negative)

(e) Remuneration of Directors

Particulars	Remuneration		Provident Fund and Others		Sitting Fees	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Mr. Yogen Khosla	162.66	163.71	15.76	15.76	-	-
Ms. Anju Khosla	-	-	-	-	-	-
Mr. Vahin Khosla	56.34	42.38	6.05	3.94	-	-
Mr. Sanjiv Syal	-	-	-	-	0.30	0.40
Ms. Suman Kukretty	-	-	-	-	0.40	0.40
Mr. Govind Saboo	-	-	-	-	0.40	0.40
Mr. Pawan Dubey	-	-	-	-	0.40	0.40

8) Additional Disclosures

(a) Provisions and contingencies

Break up of 'provisions and contingencies' shown under the head expenditure in statement of Profit and Loss

	Current Year	Previous Year
Impairment / (reversal) on Loans Portfolio	(27.90)	(983.11)
Provision made towards income tax	-	-
Provision made/write off towards employees fraud (including for earlier years)	3.26	19.41
Provision for other advances/assets	36.50	385.67
Other provision and contingencies (employee benefits)	25.88	26.79
	<u>37.74</u>	<u>(551.24)</u>

(b) Draw down from reserves

There have been no instances of draw down from reserves by the company during the current and previous year.

(c) Concentration of advances, exposures and NPAs

(to the extent identified by the management)

a. Concentration of advances

Total advances to twenty largest borrowers	27.28	32.91
Percentage of exposure to twenty largest borrowers as total exposure	0.31%	0.76%
@ Advances have been taken as Gross Carrying Amount		

b. Concentration of exposure

Total exposure to twenty largest borrowers	27.28	32.91
Percentage of exposure to twenty largest borrowers as total exposure	0.31%	0.76%
@ Exposures have been taken as Gross Carrying Amount		

c. Concentration of non-performing assets

Total Exposure to top four non-performing accounts	4.61	0.19
@ Exposures have been taken as Gross Carrying Amount	0.05%	0.00%

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d. Sector-wise non-performing assets

	Current Year %	Previous Year %
Agriculture & allied activities	0.12%	0.01%
Micro Small and Medium Enterprises *	0.04%	-
Services	0.09%	-
Other loans	0.02%	-
Auto loans	0.00%	-

* Determination based on the information related to the nature and size of activity of the borrower and excluding loans to related parties as certified by the management.

e. Movement of non-performing assets

Net NPA to net Advances (%)	0.27%	0.01%
(i) Movement of non-performing assets (Gross)		
(a) Opening balance	1.12	1,190.08
(b) Additions during the year	40.61	7,099.35
(c) Reductions during the year #	0.71	8,288.31
(d) Closing balance	41.02	1.12
(ii) Movement of net non-performing assets		
(a) Opening balance	0.59	596.68
(b) Additions during the year	23.87	7,099.35
(c) Reductions during the year #	0.71	7,695.44
(d) Closing balance	23.75	0.59
(iii) Movement of provisions for non-performing assets (excluding provisions on standard assets)		
(a) Opening balance	0.53	593.40
(b) Provisions made during the year	16.74	-
(c) Write-off/ write-back of excess provisions	-	592.87
(d) Closing balance	17.27	0.53

Reduction includes write-offs and recoveries.

f. Overseas assets (for those with joint ventures and subsidiaries aboard)

The company did not have any overseas assets during the current and previous year.

g. Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The company did not sponsor any SPVs during the current and previous year.

9) Disclosure of customer complaints

(as identified by the management)

a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	215	493
c) No. of complaints redressed during the year	215	493
d) No. of complaints pending at the end of the year	-	-

10) Information on instances of fraud identified during the year

(as identified by the management)

cash embezzlement and snatching

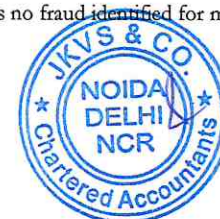
No. of cases	34	16
Amount of fraud	5.40	21.60
Recovery	2.14	2.19
Amount provided for/written off	3.26	19.41

Loans given against fictitious documents

No. of cases	-	-
Amount of fraud	-	-
Recovery	-	-
Amount provided for	-	-

RBI has been reported each fraud which are of the value of more than Rs. 1 Lakh. In Current year there is no fraud identified for more than Rs. 1 Lakh.

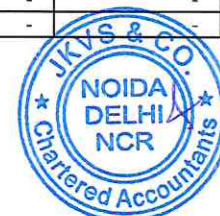
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56 Additional disclosure pursuant to Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 issued by RBI

Particulars	Current Year		Previous Year	
	Outstanding	Overdue	Outstanding	Overdue
1 Liabilities Side:				
1 Loans and advances availed by the NBFCs				
(a) Debentures				
:Secured	935.00	-	3,000.00	-
:Unsecured	-	-	-	-
(other than falling within the Meaning of public deposits)				
(b) Deferred credits	-	-	-	-
(c) Term loans	6,959.38	-	1,538.88	-
(d) Inter-corporate loans and borrowing	200.00	-	558.75	-
(e) Commercial paper	-	-	-	-
(f) Public deposits	-	-	-	-
(g) Subordinate loans	-	-	4,500.00	-
(h) Vehicle loans	15.67	-	15.57	-
(i) Loans repayable on demand	-	-	-	-
(h) Liabilities against securitised loans	-	-	-	-
2 Break-up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) :				
(a) In the form of unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e.	-	-	-	-
(c) Other public deposits	-	-	-	-
Assets side:				
3 Break-up of loans and advances including bills receivables (other than those included in (4) below:				
(a) Secured	-	-	1.48	-
(b) Unsecured - receivable under financing activity	8,693.54	-	4,342.68	-
4 Break-up of leased assets and stock on hire and hypothecation loans counting towards EL / HP activities				
(i) Lease assets including lease rentals under sundry Debtors:				
(a) Financial Lease	-	-	-	-
(b) Operating Lease	-	-	-	-
(ii) Stock on hire including hire charges under Sundry Debtors				
(a) Assets on hire	-	-	-	-
(b) Repossessed Assets	-	-	-	-
(iii) Hypothecation loans counting towards EL/HP activities				
(a) Loans where assets have been repossessed	-	-	-	-
(b) Loans other than (a) above	-	-	-	-
5 Break-up of investments:				
Current investments:				
1. Quoted:				
(i) Shares:				
(a) Equity	-	-	-	-
(b) Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others (please specify)	-	-	-	-
(2) Unquoted:				
(i) Shares:				
(a) Equity	-	-	-	-
(b) Preference	-	-	-	-
(ii) Debentures and bonds	55.00	-	5.00	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others (please specify)	-	-	-	-
Non Current investments:				
1. Quoted:				
(i) Shares:				
(a) Equity	-	-	-	-
(b) Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others (please specify)	-	-	-	-
(2) Unquoted:				
(i) Shares:				
(a) Equity	-	-	-	-
(b) Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others (please specify)	-	-	-	-

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

SN	Particulars	Current Year		Previous Year	
		Secured	Unsecured	Secured	Unsecured
6	Borrower group-wise classification of assets financed as in (3) and (4) above:				
	1. Related parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
	2. Other than related parties	-	8,693.54	1.48	4,342.68
	Total	-	8,693.54	1.48	4,342.68

SN	Particulars	Current Year		Previous Year	
		Market value / Break-up or fair value or NAV	Book value (net of provisions)	Market value / Break-up or fair value or NAV	Book value (net of provisions)
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :				
	1. Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
	2. Other than related parties				
	Shares	-	-	-	-
	Mutual fund	-	-	-	-
	Total	-	-	-	-

SN	Particulars		Current Year	Previous Year
8	Other information			
	(i)	Gross non-performing assets		
		(a) Related parties	-	-
		(b) Other than related parties	41.02	1.12
	(ii)	Net Non-performing Assets		
		(a) Related parties	-	-
		(b) Other than related parties	23.75	0.59
	(iii)	Assets acquired in satisfaction of debt	-	-

SN	Particulars		Current Year	Previous Year
9	Asset Classification			
	(i)	Standard	8,652.52	4,343.04
	(ii)	Sub-Standard & doubtful	41.02	1.12

57 Disclosure pursuant to RBI Notification dated September 24, 2021 on "Transfer of Loan Exposures" are given below:

(a) Details of loans transferred through direct assignment

Particulars	Amount
Total amount of loans transferred through direct assignment (Rs. in Lakhs)	901.82
Weighted average residual maturity (in months)	10
Weighted average holding period (in months)	8
Retention of beneficial economic interest	0%
Coverage of tangible security coverage	Nil
Rating wise distribution of rated loans	No Rating

(b) The Company has not acquired, any loans not in default during the year ended March 31, 2024.

(c) The Company has not transferred or acquired, any stressed loans during the year ended March 31, 2024.



58 Additional disclosure under RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March (Certified by management)

A comparison between provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 is as follows:

As at March 31, 2024

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	8,491.64	166.09	8,325.55	34.61	
	Stage 2	160.88	97.85	63.03		
Subtotal		8,652.52	263.94	8,388.58	34.61	229.33
Non-Performing Assets (NPA)						
Substandard	Stage 3	41.02	17.27	23.75	4.04	
Doubtful - upto 1 year	Stage 3					
1 to 3 years	Stage 3					
more than 3 years	Stage 3					
Subtotal for doubtful					0.64	
Loss	Stage 3				-	
Subtotal for NPA		41.02	17.27	23.75	4.68	12.59
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	-	-	-	
	Stage 2	-	-	-	-	
	Stage 3	-	-	-	-	
Subtotal						
Total	Stage 1	8,491.64	166.09	8,325.55	34.61	
	Stage 2	160.88	97.85	63.03		
	Stage 3	41.02	17.27	23.75		
	Total	8,693.54	281.21	8,412.33		

59 Previous year figures have been regrouped / rearranged wherever necessary to conform current year's figure. However same is not material.

As per our report of even date attached

For JKVS & Co.

Chartered Accountants

Firm Reg. No. 318086E

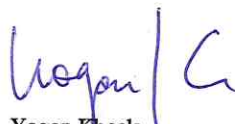

Sajal Goyal

Partner
Membership No. 523903



Place: Noida
Date: May 28, 2024

For and on behalf of the Board of Directors


Yogen Khosla

Managing Director
DIN: 00203165


Vinod Raina
Chief Financial Officer

Place: New Delhi
Date: May 28, 2024



Vahin Khosla
Executive Director
DIN: 07656894


Tanya Sethi
Company Secretary
M. No. A31566

JKVS & CO.

CHARTERED ACCOUNTANTS

Independent Auditor's Report on Unaudited Financial Results for the quarter and six months ended September 30, 2024 of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended

To the Board of Directors of Capital Trust Limited

1. We have reviewed the accompanying statement of unaudited financial results of Capital Trust Limited ("the Company") for the quarter and six months ended September 30, 2024 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("IND AS 34"), prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results read with notes therein, prepared in all material respects in accordance with the applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Place: Noida (Delhi-NCR)
Date: November 14, 2024

For JKVS & Co.
Chartered Accountants
Firm Registration No. 318086E

Vineet Mahipal
Partner

Membership No. 508133
UDIN: 24508133BKGQFR2226

Capital Trust Limited

CIN No.: L65923DL1985PLC195299

Regd & Corp. Office: 205, Centrum Mall, Sultanpur, M G Road, New Delhi - 110030

STATEMENT OF FINANCIAL RESULTS FOR QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2024

(Rs. in Lakhs except EPS)

	For the Quarter ended			For the Half Year ended		For the Year
	30-Sep-24	30-Jun-24	30-Sep-23	30-Sep-24	30-Sep-23	ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	31-Mar-24 Audited
Revenue from operations						
Interest Income	1,502.53	1,461.93	693.86	2,964.46	1,096.41	3,377.51
Net gain on fair value changes	10.34	-	-	10.34	-	-
Fees and commission Income	726.61	760.01	609.01	1,486.62	1,211.90	2,434.98
Net gain on derecognition of financial instruments under amortised cost category	-	35.76	-	35.76	88.74	88.74
Other revenues	250.87	192.65	598.11	443.52	1,257.85	1,867.52
Other income	20.79	24.47	56.43	45.26	75.29	189.55
Total Income	2,511.14	2,474.82	1,957.41	4,985.96	3,730.19	7,958.30
Expenses						
Finance costs	509.04	409.80	190.93	918.84	389.75	1,022.09
Fees and commission expense	25.50	33.17	22.23	58.67	57.98	105.53
Impairment / write offs of financial instruments	25.58	15.21	0.51	40.79	0.51	9.31
Employee benefits expense	1,060.47	1,078.86	926.40	2,139.33	1,805.46	3,671.77
Depreciation, amortization and impairment	8.39	7.93	10.41	16.32	20.59	42.28
Other expenses	851.32	831.35	738.06	1,682.67	1,322.57	2,819.21
Total expenses	2,480.30	2,376.32	1,888.54	4,856.62	3,596.86	7,670.19
Profit / (Loss) before exceptional items and tax	30.84	98.50	68.87	129.34	133.33	288.11
Exceptional items	-	-	-	-	-	-
Profit / (Loss) before tax	30.84	98.50	68.87	129.34	133.33	288.11
Tax expense						
Current tax	-	-	-	-	-	-
Deferred tax	(7.58)	(25.14)	(17.70)	(32.72)	(33.91)	(73.50)
Profit / (loss) for the period (A)	23.26	73.36	51.17	96.62	99.42	214.61
Other comprehensive income (OCI)						
Items that will not be reclassified to profit & loss						
Remeasurement of defined benefit liabilities/assets (net of tax)	-	-	-	-	-	1.53
Total other comprehensive income for period (B)	-	-	-	-	-	1.53
Total comprehensive income (A+B)	23.26	73.36	51.17	96.62	99.42	216.14
Earnings per equity share (of Rs. 10 each)						
- Basic & Diluted (not annualized) (Rs.)	0.14	0.45	0.32	0.58	0.61	1.32
Paid-up Equity Share Capital (Face Value of Rs. 10 per share)	1,686.58	1,621.75	1,621.75	1,686.58	1,621.75	1,621.75
Reserves						6,048.24

Capital Trust Limited

CIN No.: L65923DL1985PLC195299

Regd & Corp.Office: 205, Centrum Mall, Sultanpur, M G Road, New Delhi - 110030
STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER, 2024

Particulars	(Rs. in Lakhs)	
	As at	As at
	30-Sep-24	31-Mar-24
	Unaudited	Audited
ASSETS		
Financial Assets		
Cash and Cash Equivalents	1,998.30	1,220.60
Bank Balances other than above	1,113.04	1,245.11
Receivables		
- Other Receivables	499.68	336.74
Loans	10,385.65	8,300.02
Investments	258.47	55.00
Other Financial Assets	1,785.98	1,271.46
Total Financial Assets	16,041.12	12,428.93
Non Financial Assets		
Current Tax Assets (Net)	544.86	405.24
Deferred Tax Asset (Net)	4,821.55	4,854.27
Property, Plant and Equipment	182.11	136.81
Intangible Asset under Development	18.89	18.89
Other Intangible Assets	-	-
Other Non Financial Assets	102.79	92.52
Total Non Financial Assets	5,670.20	5,507.73
Total Assets	21,711.32	17,936.66
LIABILITIES		
Financial Liabilities		
Trade Payables		
Due to Micro Enterprises & Small Enterprises	-	-
Due to Other than Micro & Small Enterprises	47.90	82.17
Debt Securities	1,647.98	918.26
Borrowings (Other than Debt Securities)	9,364.34	7,090.20
Other Financial Liabilities	1,202.44	1,547.74
Total Financial Liabilities	12,262.66	9,638.37
Non Financial Liabilities		
Provisions	160.77	145.77
Other Non-Financial Liabilities	708.46	482.53
Total Non Financial Liabilities	869.23	628.30
EQUITY		
Share Capital	1,686.58	1,621.75
Other Equity	6,892.85	6,048.24
Total Equity	8,579.43	7,669.99
Total Liabilities And Equity	21,711.32	17,936.66

Capital Trust Limited

CIN No.: L65923DL1985PLC195299

Regd & Corp. Office: 205, Centrum Mall, Sultanpur, M G Road, New Delhi - 110030

STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2024

(Rs. in Lakhs)

Particulars	For the half year ended	
	30-Sep-24	30-Sep-23
	Unaudited	Unaudited
Cash flows from operating activities		
Profit before tax	129.34	133.33
Adjustments:		
Depreciation, amortization and impairment	16.32	20.59
Provision for impairment of financial instruments	40.79	-
Loans written off	-	0.51
Net loss on derecognition of property, plant and equipment	0.10	1.56
Net gain on derecognition of right to use asset	-	(0.05)
Gain on sale of investments	(6.87)	-
Unrealised loss/(gain) on fair value changes of investments	(3.47)	(1.54)
Gain on sale of loan portfolio through assignment	(35.76)	(88.74)
Unwinding of loss on fair valuation of financial assets	16.31	0.77
Effective interest rate adjustment for financial instruments	(5.20)	(47.73)
Operating profit before working capital changes	151.56	18.70
Decrease/ (increase) of receivables	(162.94)	80.64
Decrease/ (increase) of loans	(2,117.76)	(1,361.29)
Decrease/ (increase) of other financial assets	(478.76)	334.83
Decrease/ (increase) of other non financial assets	(26.58)	39.03
Movement in fixed deposits	123.94	5,756.24
Increase/ (decrease) of trade payables	(34.27)	(11.61)
Increase/ (decrease) of other financial liabilities	(345.30)	241.44
Increase/ (decrease) of provisions	15.00	10.00
Increase/ (decrease) of other non-financial liabilities	234.04	117.82
Increase/ (decrease) of lease liabilities	-	(0.78)
Cash generated/(used) in operating activities	(2,641.07)	5,225.02
Income taxes refund/(paid)	(139.62)	(109.52)
Net cash generated/(used) in operating activities	(2,780.69)	5,115.50
Cash flows from investing activities		
Purchase of property, plant & equipment	(61.87)	(15.33)
Proceeds from sale of property, plant & equipment	0.17	1.03
Purchase of investments	(1,000.00)	(50.00)
Proceeds from sale of investments	806.87	1.54
Net cash generated/(used) in investing activities	(254.83)	(62.76)
Cash flows from financing activities		
Proceeds from issue of Equity Share Capital including share premium	812.82	-
Repayment of Non Convertible Debentures	(570.00)	(3,000.00)
Proceeds from issue of Non Convertible Debentures	1,300.00	-
Repayment of Subordinate Debt	-	(4,500.00)
Proceeds from long term borrowings	5,594.95	3,615.15
Repayment of long term borrowings	(3,809.51)	(1,064.22)
Repayment of short term borrowings (Net)	484.96	-
Net cash generated/(used) from financing activities	3,813.22	(4,949.07)
Net increase/ (decrease) in cash and cash equivalents	777.70	103.67
Cash and cash equivalents at the beginning of the year	1,220.60	812.21
Cash and cash equivalents at the end of the year	1,998.30	915.88

Capital Trust Limited

CIN No.: L65923DL1985PLC195299

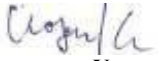
Regd & Corp.Office: 205, Centrum Mall, Sultanpur, M G Road, New Delhi - 110030

Notes:

1. The business activity of the Company falls within a single segment viz 'financing activities' and hence there is no other reportable segment as per Ind AS 108.
2. Disclosure pursuant to RBI Notification dated September 24, 2021 on "Transfer of Loan Exposures" are given below:
 - (a) The Company has not transferred or acquired, any loans not in default during the quarter ended September 30, 2024.
 - (b) The Company has not transferred or acquired, any stressed loans during the quarter ended September 30, 2024.
3. On 29th June 2024, the Shareholders of the Company approved issuance of 648,287 equity shares of face value of 10 each (the "Equity Shares") at a price of 125.38 per Equity Share (including premium of 115.38 per Equity Share) on preferential basis. The Company has received share application money of Rs. 800.32 Lakhs upto 30th June, 2024 and balance Rs. 12.50 Lakhs on 7th August, 2024. These shares have been allotted to the respective allottees on 8th August, 2024 and the same has been listed on National Stock Exchange and Bombay Stock Exchange.
4. The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on November 14, 2024. The Statutory Auditors have reviewed the above financial results for the quarter and half year ended September 30, 2024.



Place: New Delhi
Date: November 14, 2024

For and on Behalf of
Capital Trust Limited

Yogen Khosla
Chairman cum Managing Director



(CIN-L65923DL1985PLC195299)

Declaration pursuant to Regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015

I, Yogen Khosla, Managing Director of Capital Trust Limited, hereby declare that the Statutory Auditors of the Company, JKVS & Co., Chartered Accountants (Registration No: 318086E) have issued unmodified opinion on Standalone unaudited Financial Results of the Company for the quarter ended September 30, 2024

For Capital Trust Limited

Yogen Khosla
Managing Director
DIN: 00203165

Date: 14-11-2024
Place: New Delhi

STATEMENT OF FINANCIAL INDEBTNESS

The Company has availed borrowings in the ordinary course of business. Set forth below is a brief summary of our aggregate outstanding borrowings as on September 30, 2024

	Rs. In Lakhs		
Nature of Borrowing	O/s Amount	Adjustment of Unamortized Processing Fees \$	O/s Balance
Secured Borrowings	10,131.45	(98.13)	10,033.32
Unsecured Borrowings	979.00	-	979.00
Total	11,110.45	(98.13)	11,012.32

Secured Borrowings:

Sr. No.	Category of Borrowing	Date of Sanction / Renewal	Amount Sanctioned (₹ In Lakhs)	Interest Rate and Security	Amount outstanding as on Sept 30, 2024 (₹ In Lakhs)	Hypothecation cover	Tenure	Guaranteed by
(i)	OD facility							
	IDFC First Bank	31-Mar-2024	500.0	14%	484.9	111%	12 months	NIL
(ii)	Term Loan - Banks							
	UCO Bank	10-Mar-2020	1000.0	11.50%	0.6	133%	60 month	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
	IDFC Bank Limited	2- Jun-2023	1500.0	15.50%	562.5	111%	24 Months	NIL
	IDFC Bank Limited	06-May-2024	500.0	15.50%	444.4	111%	36 Months	NIL
(iii)	Term Loan - NBFC							
	Usha Financial Services Pvt Ltd	06-Feb-23	500.0	15.8%	11.0	110%	15 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
	ISF Limited	06-Jun-23	100.0	18.0%	3.7	110%	15 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
	Maxemo Capital	06-Jul-23	200.0	17.0%	26.6	110%	12 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
	Prodigee Finance	06-Jul-23	500.0	18.4%	152.9	110%	18 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
	Real Touch Finance	06-Sep-23	100.0	15.8%	35.5	110%	15 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)

Grow Money Capital	06-Oct-23	200.0	16.3%	57.7	110%	15 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
Vivriti Capital	06-Nov-23	1000.0	17.3%	500.0	110%	18 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
Usha Financial Services Pvt Ltd	06-Dec-23	500.0	15.8%	240.8	110%	15 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
Maanaveeya Development	06-Dec-23	1500.0	15.8%	1071.5	110%	24 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
Real Touch Finance	06-Feb-24	200.0	15.8%	127.8	110%	18 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
IBL Finance Ltd	06-Feb-24	300.0	16.3%	233.8	110%	18 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
MAS Finance	06-Mar-24	300.0	17.3%	216.7	110%	18 Months	PG by Mr. Yogen Khosla (Promoter)
Shinestar Build Cap Pvt Ltd	06-Mar-24	1000.0	15.9%	520.0	125%	15 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
Shinestar Build Cap Pvt Ltd	06-Mar-24	500.0	15.9%	342.0	110%	15 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
Shinestar Build Cap Pvt Ltd	06-Mar-24	500.0	15.9%	382.0	110%	15 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
Manba Finance	06-Jun-24	100.0	17.0%	77.8	110%	18 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
MK Ventures Pvt Ltd	06-Jun-24	750.0	15.9%	573.2	110%	15 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
MAS Finance	06-Jun-24	300.0	17.3%	283.0	110%	20 Months	PG by Mr. Yogen Khosla (Promoter)
Vivriti Capital	06-Jun-24	750.0	15.8%	678.6	110%	21 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)

	Usha Finance	30-Jul-24	400.0	18.7%	363.9	110%	15 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
	UC Inclusive	30-Jul-24	500.0	17.3%	482.4	110%	24 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
	Real Touch Finance	30-Aug-24	200.0	16.0%	191.2	110%	20 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
	Finstar Capital	30-Aug-24	100.0	17.2%	100.0	110%	18 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
	Profectus Capital	30-Aug-24	200.0	17.7%	200.0	115%	12 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
(iv)	NCDs							
	N+1 Capital Fund	06-Oct-23	600.0	18.0%	25.0	110%	13 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
	N+1 Capital Fund	06-Oct-23	300.0	18.0%	140.0	110%	15 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
	RevX Capital Fund	06-Nov-23	300.0	18.0%	50.0	110%	13 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
	RevX Capital Fund	06-Nov-23	300.0	18.0%	200.0	110%	18 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
	N+1 Capital Fund	30-Jul-24	300.0	17.8%	250.0	110%	18 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
	Vivriti Asset Management	30-Aug-24	1000.0	17.0%	1000.0	110%	19 Months	PG by Mr. Yogen Khosla (Promoter) and CG by M/s Moonlight Equity Pvt Limited (Promoter)
(v)	Auto loan							
	HDFC Bank	07-Feb-2020	25.0	8.14%	2.5	-	60 months	-
	HDFC Bank	08-02-2023	9.5	8.14%	7.9	-	48 months	-
	HDFC Bank	30-09-2024	25	8.85%	25.0	-	60 months	-
	Total Secured Borrowing					10,131.45		

Borrowings are secured by way of hypothecation of portfolio loans arising out of its business operation and cash collateral in the form of fixed deposits.

Vehicles are hypothecated for respective borrowings.

\$ The Company has adopted IND AS in preparation of its financial statements and therefore processing fees related to borrowings has been amortized over the tenure of borrowings.

Unsecured Borrowings

Sr. No.	Category of Borrowing	Date of Sanction / Renewal	Amount Sanctioned (₹ In Lakhs)	Interest Rate and Security	Amount outstanding as on Sept 30, 2024 (₹ In Lakhs)	Hypothecation cover	Guaranteed by
(i)	Unsecured loans						
	Faridabad Paper Mills Pvt Ltd	06-Feb-23	200.0	14.0%	200.0	-	-
	Vishwas Welfare Foundation	06-Jun-24	320.0	16.0%	295.0	-	-
	Moonlight Equity Pvt Ltd	06-Jun-24	460.0	16.0%	50.0	-	-
	Yogen Khosla	30-Jul-24	434.0	16.0%	434.0	-	-
	Total Unsecured borrowings				979.00		

Certified by Statutory auditors vide UDIN 25022973BMLNBS4537 dated January 08, 2025

STATEMENT OF CAPITALISATION

The following table sets forth our capitalisation as at September 30, 2024 on the basis of our Unaudited Financial Results. This table should be read in conjunction with "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", and "*Financial Statements*".

(in ₹ lakhs, except ratios)

Particulars	Pre-Issue as at September 30, 2024	Post Issue [#]
Total borrowings		
Non-current borrowings (including current maturity) (A)	2,968.19	[●]
Current borrowings (B)*	8,142.26	[●]
Total borrowings (C) = (A)+(B) (D) (Before adjustment of Unamortized Processing Fees)	11,110.45	[●]
Unamortized processing fees (D)	(98.13)	[●]
Total borrowings (E) = (C)+(D)	11,012.32	[●]
Total equity attributable to equity holders of our Company		
Equity share capital	1,686.58	[●]
Other equity	6,892.85	[●]
Total equity attributable to equity shareholders of our Company (F)	8,579.43	[●]
Non-current borrowings / total equity attributable to equity shareholders of the Company (A) / (F)	0.3459	[●]
Total borrowings / total equity attributable to equity shareholders of the Company = (E) / (F)	1.2835	[●]

^{*}These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended from time to time).

[#]To be updated in the Letter of Offer.

Certified by statutory auditors vide UDIN 25022973BMLNBT5705 dated January 08, 2025

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Limited Review Unaudited Financial Results and Audited Financial Information on the basis of financials.

Accounting Ratios

(₹ in lakh except percentage data)

Particulars	As at and for	
	September 30, 2024	March 31, 2024
Earning per Equity Share		
a. Basic earnings per Equity Share	0.58	1.32
a. Diluted earnings per Equity Share	0.58	1.32
Return on Net worth	1.13%	2.82%
Net Asset Value per Equity Share	50.44	46.88
EBITDA	1,064.50	1,352.48

The ratios have been computed as below:

Ratios	Computation
Basic and Diluted Earnings Per Share	Profit attributable to shareholder / Total number of weighted average number of shares
Return on Net Worth (%)	Profit for the Year / Net Worth
Net Asset Value per Share	Net Worth / Number of shares as at the end of the relevant period
EBITDA	Profit before tax + depreciation and amortization expenses and finance cost + share of profit from associates-other income

Calculation of earning per equity share

(₹ in lakhs except per share data)

Particulars	As at and for	
	September 30, 2024	March 31, 2024
Profit attributed for Equity Shareholders* (A)	96.62	216.14
Weighted average number of equity shares outstanding at the end of the period (B)	1,70,09,702	1,63,61,415
Basic and Diluted EPS (A)/(B)*10 ⁵	0.58	1.32

* Profit after tax before other comprehensive Income

Calculation of Return on Net Worth

(₹ in lakh except percentage data)

Particulars	As at and for	
	September 30, 2024	March 31, 2024
Profit / (Loss) after tax (A)	96.62	216.14
Networth (B)	8,579.43	7,669.99
Return on Net-Worth (A/B)	1.13%	2.82%

Calculation of Net Worth and Net Asset Value per Equity Share

(₹ in lakhs except per share data)

Particulars	As at and for	
	September 30, 2024	March 31, 2024
Equity Share Capital (A)	1,686.58	1,621.75
Other Equity (B)	6,892.85	6,048.24

Net Worth (C) = (A+B)	8,579.43	7,669.99
No. of shares at the end of the relevant period (D)	1,70,09,702	1,63,61,415
Net Asset Value Per Share ((C*10⁵)/D)	50.44	46.88

Calculation of EBITDA

(₹ in lakhs)

Particulars	As at and for	
	September 30, 2024	March 31, 2024
Profit Before Tax	129.34	288.11
Depreciation & Amortization	16.32	42.28
Finance Cost	918.84	1,022.09
EBITDA	1,064.50	1,352.48

Certified by statutory auditors vide UDIN 25022973BMLNBU5773 dated January 08, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 104 of this Draft Letter of Offer.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on pages 21 and 14 respectively of this Draft Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this draft Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year.

Neither we, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information.

OVERVIEW OF OUR BUSINESS

Capital Trust Limited is a Delhi based Base layer Finance Company (NBFC) incorporated in 1985. The shares of the company are listed on the National Stock Exchange and Bombay Stock Exchange.

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

The Company has provided affordable funding to over 15 Lakh Clients through its 300 branches in a transparent manner. Capital Trust aggressively aims to serve the rural and semi-urban population of India in the SME and Micro Finance lending sector. Currently Capital Trust has ~1.00 Lakhs live customers being digitally served through established infrastructure developed in-house by the Company.

It's been 30 years since the 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 traditional banking mechanisms. Though these are the pillars of the country's economy, by providing financial assistance to them, Capital Trust strives to be the pillar to these pillars. With the new technological developments, the company is India's first "Rural Doorstep-Fintech" company. The company is focused on providing financial inclusion services to underserved India by merging fintech and traditional financing.

Capital Trust launched the Capital Business Loans (CBL) Initiative in FY19. CBL is a lending product that has been developed by the company using its 14-year experience with dealing with clients in rural India. It provides clients access to a short tenure business loan with quick turnaround time. Already having 100% digital disbursement, through this product, the company has been able to push clients to have digital repayment (NACH) as first mode of repayment. Non digitally cleared cases are then met for collection through cash mode by the 1800+ member field staff in 10 states.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

To the knowledge of our Company and except as disclosed herein, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.

- The financial stability of our clients may be affected owing to several factors such as demand and supply challenges, currency fluctuations, regulatory sanctions, geo-political conflicts and other macroeconomic conditions which may adversely impact our ability to recover fees for the services rendered to them.;
- Intense competition in the market for financial services could affect our win rates and pricing, which could reduce our market share and decrease our revenues and our profits;
- Our business will suffer if we fail to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technology and in the industries on which we focus;
- Our expenses are people centric and fixed in nature, which could cause fluctuations to our profitability;
- Our success depends largely upon our highly skilled professionals and our ability to hire, attract, motivate, retain and train these personnel;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;
- Changes in the policies of the government of India or political instability may adversely affect economic conditions in India generally, which could impact our business and prospects, andmGeneral, political, economic, social and business conditions in India and other global markets.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Compliance with environmental laws and regulations

We are subject to central and state environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from its operations. In case of any change in environmental or pollution laws and regulations, we may be required to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emissions management. In addition, failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities.

Results of Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated.

Rs. In Lakhs

	Six months ended on September 30, 2024		Six months ended on September 30, 2023	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from operations				
Interest Income	4,940.70	99.09%	3,654.90	97.98%
Other income	45.26	0.91%	75.29	2.02%
Total Income	4,985.96	100%	3,730.19	100.00%
Expenses				
Finance costs	918.84	18.43%	389.75	10.45%
Fees and commission expense	58.67	1.18%	57.98	1.55%
Impairment / write offs of financial instruments	40.79	0.82%	0.51	0.01%
Employee benefits expense	2,139.33	42.91%	1,805.46	48.40%
Depreciation, amortization and impairment	16.32	0.33%	20.59	0.55%
Other expenses	1,682.67	33.75%	1,322.57	35.46%
Total expenses	4,856.62	97.41%	3,596.86	96.43%
Profit before tax	129.34	2.59%	133.33	3.57%
Tax expense				
Deferred tax	(32.72)	-0.66%	(33.91)	-0.91%
Profit for the period	96.62	1.94%	99.42	2.67%

OVERVIEW OF RESULTS OF OPERATION

Comparison on results of 6 months ended September 30th, 2024 , compared to 6 months ended September 30th, 2023

Total Revenue

Our total revenue for the 6 months ended September 30, 2024 was ₹ 4,985.96 lakhs as compared to ₹3,730.19 lakhs for the 6 months ended September 30, 2023, representing a increase of 33.66 %.

Total Expenses

Our total expenditure for the 6 months ended September 30, 2024, was ₹4,856.62 lakhs as compared to ₹ 3,596.86 lakhs for the 6 months ended September 30, 2023, representing a decrease of 35.02%.

Finance Cost

Finance costs for the 6 months ended September 30, 2024, was ₹ 918.84 Lakhs at 18.43% of total income as compared to ₹ 389.75 Lakhs for the 6 months ended September 30, 2023 at 10.45% of the total income. This is due to incremental borrowing in the company.

Profit/(Loss) after Tax

The profit after tax for the 6 months ended September 30, 2024, was ₹ 96.62 Lakhs being 1.97% of total income as as compared to ₹ 99.42 Lakhs for the 6 months ended September 30, 2023, at 2.67% of total Income. .

Fiscal 2024 compared to Fiscal 2023

	Fiscal 2024		Fiscal 2023	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from operations				
Interest Income	7,768.76	97.62	8,601.03	98.96
Other income	189.56	2.38	90.39	1.04
Total Income	7,958.32	100.00	8,691.42	100.00
Expenses				
Finance costs	1,022.10	12.84	2,162.03	24.88
Fees and commission expense	105.53	1.33	506.83	5.83
Impairment / write offs of financial instruments	9.31	0.12	4,810.52	55.35
Net loss on fair value changes	-	-	56.44	0.65
Employee benefits expense	3,671.77	46.14	3,774.84	43.43
Depreciation, amortization and impairment	42.28	0.53	45.68	0.53
Other expenses	2,819.21	35.42	3,467.75	39.90
Total expenses	7,670.20	96.38	14,824.09	170.56
Profit / (Loss) before exceptional items and tax	288.12	3.62	(6,132.67)	(70.56)
Profit / (Loss) before tax	288.12	3.62	(6,132.67)	(70.56)
Tax expense				
Deferred tax	(73.50)	(0.92)	1,568.54	18.05
Profit / (loss) for the period	214.62	2.70	(4,564.13)	(52.51)

OVERVIEW OF RESULTS OF OPERATION

Total Revenue

The total revenue has decreased from Rs. 8691.42 Lakhs in year 2023 to Rs. 7958.32 Lakhs in year 2024 showing a decline of 8.43%.

Total Expenses

The total Expenses has decreased from Rs. 14824.09 Lakhs in year 2023 to Rs.7670.20 Lakhs in year 2024 showing a decline of 48.23%.

Interest Expences

Interest expenses have decreased to Rs. 1,022.10 Lakhs in year 2024 from Rs. 2,162.03 Lakhs in year 2023. The reduction is of 52.72%.

Profitability

The company is back to profitabilit with net profit of Rs. 218 Lakhs against the loss of Rs. 4564 Lakhs in 2023.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the FinancialStatements.

For details of our significant accounting policies, please refer section titled "*Financial Information*" on page 104

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter "*Financial Information*" on page 104, there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see section titled "*Financial Information*" on page 104.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS ACCOUNT REVENUE

The following descriptions set forth information with respect to the key components of the Financial Statements **Comparison of Half Year ended September 30, 2024 with Half Year ended September 30, 2023**

Total Revenue

Our total revenue for the 6 months ended September 30, 2024 was ₹ 4,985.96 lakhs as compared to ₹3,730.19 lakhs for the 6 months ended September 30, 2023, representing an increase of 33.66 %.

Total Expenses

Our total expenditure for the 6 months ended September 30, 2024, was ₹4,856.62 lakhs as compared to ₹ 3,596.86 lakhs for the 6 months ended September 30, 2023, representing a decrease of 35.02%.

Profit/(Loss) after Tax

The profit after tax for the 6 months ended September 30, 2024, was ₹ 96.62 Lakhs being 1.97% of total income as compared to ₹ 99.42 Lakhs for the 6 months ended September 30, 2023, at 2.67% of total Income.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this draft Letter of Offer, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in this draft Letter of Offer to our knowledge there are not any significant economic changes that materially affected or are likely to affect income from continuing operations

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as disclosed in the section titled "*Risk Factors*" beginning on page 20 of this draft Letter of Offer to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of

our Company from continuing operations.

4. Future relationship between Costs and Income.

Our Company's future costs and revenues will be determined by demand/supply situation, government policies, subsidies available and prices of raw material.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices.

Increase in revenue is by and large linked to increases in volume of business activity by the Company. Total turnover of each major industry segment in which the issuer company operates.

5. Status of any publicly announced new products/projects or business segments

Our Company has not announced any new projects or business segments, other than disclosed in the draft Letter of Offer.

6. The extent to which the business is seasonal

Our Company's business is not seasonal in nature.

7. Any significant dependence on a single or few suppliers or customers

There is no significant dependence on a single or few suppliers or customers

8. Competitive Conditions

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "*Our Business*" on page 73 of this Draft Letter of Offer.

MATERIAL DEVELOPMENTS

Other than as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 176, there have not arisen, since the date of the Limited Reviewed Financial Results disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by statutory and regulatory authorities; (iii) tax proceedings - claims related to direct and indirect taxes in a consolidated manner; (iv) issues of moral turpitude or criminal liability; (v) economic offences and (v) material civil litigation which are determined to be 'material' as per a policy adopted by our Board ("**Materiality Policy**"), in each case involving our Company, Subsidiary, Promoters or our Directors (collectively, the "**Relevant Parties**").*

It is clarified that for the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) shall, unless otherwise decided by our Board, not be considered as 'material' until such time that the Relevant Parties, as applicable, is impleaded as defendant in litigation proceedings before any judicial/arbitral forum.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. Any outstanding litigation involving our Company i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Draft Letter of Offer, if (i) the monetary claim involved in such proceedings is an amount determined to be material in terms of the Materiality Policy ("**Materiality Threshold**").*

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

I. LITIGATIONS INVOLVING OUR COMPANY

A. Outstanding criminal litigations involving our Company.

Criminal litigation against our Company

As on the date of this Draft Letter of Offer, there are no outstanding civil litigations initiated against our Company.

Criminal litigations initiated by our Company.

As on the date of this Draft Letter of Offer, there are 7946 outstanding criminal litigations initiated by our Company. These cases pertain to cheque bouncing cases under section 138 of the Negotiable are against the default borrowers. These are not material as individual case does not exceed Rs. 3 Lakhs.

B. Other outstanding Material litigation involving our Company

Civil litigations against our Company

As on the date of this Draft Letter of Offer, there are no outstanding Civil Litigations against our Company.

Civil litigations initiated by our Company

As on the date of this Draft Letter of Offer, there are 1200 arbitration cases outstanding as Civil Litigations initiated by our Company for the borrowers who have defaulted in their repayments.

C. Outstanding actions by Statutory or Regulatory Authorities against our Company

As on the date of this Draft Letter of Offer, there are no outstanding actions initiated by Statutory or Regulatory Authorities against our Company.

D. Outstanding tax proceedings involving our Company

As on the date of this Draft Letter of Offer, there are no outstanding tax proceedings involving our Company.

(₹ in lakhs)

Particulars	No. of Cases	Amount Involved
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

II. LITIGATIONS INVOLVING OUR PROMOTERS

A. Outstanding criminal litigations involving our Promoters

Criminal litigations against our Promoters

As on the date of this Draft Letter of Offer, there are no outstanding criminal litigations initiated against our Promoters.

Criminal litigations initiated by our Promoters

As on the date of this Draft Letter of Offer, there are no outstanding criminal litigations initiated by our Promoters.

B. Other outstanding litigations involving our Promoter

Civil litigations against our Promoters

As on the date of this Draft Letter of Offer, there are no outstanding civil litigations against our Promoters.

Civil litigations initiated by our Promoters

As on the date of this Draft Letter of Offer, there are no outstanding civil litigations initiated by our Promoters.

C. Outstanding actions by Statutory or Regulatory authorities against our Promoters

As on the date of this Draft Letter of Offer, there is no outstanding action initiated by Statutory or Regulatory authorities against our Promoters.

D. Outstanding tax proceedings against our Promoters

(₹ in lakhs)

Particulars	No. of Cases	Amount Involved
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

III. LITIGATIONS INVOLVING OUR DIRECTORS

A. Criminal litigations involving our Directors

Criminal litigations against our Directors

As on the date of this Draft Letter of Offer there are no outstanding criminal litigations against our Directors.

Criminal litigations initiated by our Directors

As on the date of this Draft Letter of Offer there are no outstanding criminal litigations initiated by our Directors.

B. Other outstanding litigations involving our Directors

Civil litigations against our Directors

As on the date of this Draft Letter of Offer, there are no outstanding civil litigations against our Directors.

Civil litigations initiated by our Directors

As on the date of this Draft Letter of Offer, there are no outstanding civil litigations initiated by our Directors.

C. Outstanding actions by Statutory or Regulatory Authorities against any of our Directors

As on the date of this Draft Letter of Offer there are no outstanding actions initiated by the Statutory or Regulatory Authorities against our Directors.

D. Outstanding tax proceedings involving our Directors

(₹ in lakhs)

Particulars	No. of Cases	Amount Involved
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

Outstanding dues to creditors

In terms of the Materiality Policy, creditors of our Company, to whom an amount exceeding 10% of our total outstanding dues (trade payables) as on 30th September, 2024 the date of the latest Financial Statements was outstanding, were considered 'material' creditors.

As per the latest Financial Statements, our total trade payables as on September 30, 2024 was ₹ 47.90 lakhs and accordingly, creditors to whom outstanding dues exceed ₹ nil have been considered as 'material creditors' for the purposes of disclosure in this Draft Letter of Offer.

Material Developments

No circumstances have arisen since September 30, 2024, the date of the last Financial Statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. It must, however, be distinctly understood that in granting the approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Following statements set out the details of licenses, permissions and approvals obtained by the Company under various central and state legislations for carrying out its business activities.

Our Company have obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time.

As on the date of this Draft Letter of Offer, there are no pending material approvals required for our Company to conduct our existing business and operations.

Since our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses towards augment our capital base for our Company and for general corporate purposes, no government and regulatory approval pertaining to the Objects of the Issue will be required.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by our Board pursuant to resolution dated November 14, 2024, pursuant Section 62(1)(a) and other applicable provisions of Companies Act, 2013.

The Board of Directors has at its meeting held on [●], determined the Issue Price as ₹ [●]/- per Rights Equity Share, and the Rights Entitlement as [●] Rights Equity Shares for every [●] Equity Shares held on the Record Date.

The Company has been allotted ISIN – [●] for the Rights Entitlement to be credited to the respective demat account of Equity Shareholders of the Company.

Our Company has received in-principle approval from BSE Limited in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Right Shares proposed to be allotted pursuant to issue, vide a letter bearing reference number [●] from BSE Limited dated [●]. Our Company will also make application to BSE Limited to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, members of the promoter group and our Directors have not been prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Our Directors and Promoters are not directors or promoters of any other company which is debarred from accessing the capital market under any order or direction passed by SEBI or any other authorities.

None of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against the Directors of our Company in the past five years preceding the date of this Draft Letter of Offer.

Our Company, Promoters or Directors have neither been declared as wilful defaulters nor declared as Fraudulent Borrower by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters and our Directors have not been declared as Fugitive Economic Offenders under section 12 of Fugitive Economic Offenders Act, 2018.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Directors, our Promoters and members of Promoter Group confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchange i.e., BSE and NSE. Our Company is eligible to undertake the Rights Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with the provisions specified in Part B of Schedule VI of the SEBI ICDR Regulations as stated below:

1. Our Company has been filing periodic reports, statements and information with the BSE in compliance with the Listing Agreement and/ or the provisions of the Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange.
2. The reports, statements and information referred to in point (1) above are available on the website of BSE.
3. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of powers by our Board of Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of the issue is not more than ₹5000 lakhs i.e, ₹4995 lakhs. However, the same shall be submitted to SEBI as a matter of record.

DISCLAIMER CLAUSES FROM OUR COMPANY

Our Company has no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and the respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

DISCLAIMER IN RESPECT OF JURISDICTION

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in New Delhi, India only.

The Issue is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended), including Indian nationals resident in India, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), systemically important non-banking

financial companies or trusts registered under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, permitted provident funds and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

Caution

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Right Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date of this Draft Letter of Offer.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of the Draft Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by the legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer may come are required to inform them about and observe such restrictions. We are making this Issue of Equity Shares on a rights basis to our Eligible Equity Shareholders and will dispatch the Draft Letter of Offer/ and Application Form to the Eligible Equity Shareholders who have provided an Indian address.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Draft Letter of Offer, or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

Receipt of the Draft Letter of Offer, Letter of Offer, or Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Draft Letter of Offer, Letter of Offer, or Application Form must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Draft Letter of Offer, Letter of Offer, or Application Form should not, in connection with the issue of the rights or Rights Equity Shares, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Draft Letter of Offer, Letter of Offer, or Application Form is received by any person in any such territory, or by their agent or nominee, they must

not seek to subscribe to the Rights Equity Shares or the rights referred to in the Draft Letter of Offer, Letter of Offer, or Application Form.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933 or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The rights entitlements and equity shares referred to in the Draft Letter of Offer are being offered in India, but not in the United States. The offering to which the Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any equity shares or rights entitlements for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, the Draft Letter of Offer should not be forwarded to or transmitted in or into the United States at any time.

Disclaimer clause of BSE

As required, a copy of this Draft Letter of Offer shall be submitted to BSE. The disclaimer clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer shall be included in the Letter of Offer prior to filing with the Stock Exchange.

Filing

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is not more than ₹5,000 lakhs i.e. ₹ ₹4995 lakhs which does not require Company to file Draft Letter of Offer with SEBI. The Company has filed Draft Letter of Offer with the BSE for obtaining in-principle approval.

Listing

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Consents

Consents in writing of our Directors, our Company Secretary and Compliance Officer, our Chief Financial

Officer, the Bankers/ Lenders to our Company, Statutory Auditors and the Registrar to the Issue have been obtained and such consents shall not be withdrawn up to the date of this Draft Letter of Offer.

Mechanism for redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a minimum period of eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Investors can contact the Company Secretary and Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints, Bidders may also write to the Registrar to the Issue, in the manner provided below.

Disposal of investor grievances by our Company

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 03, 2011 and shall comply with the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform dated November 07, 2022 (SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150), in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are tracked online by our Company. Furthermore, our Company has also registered itself on the Online Dispute Redressal portal (“ODR”) introduced by SEBI.

Our Company has also constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances including, redressing of security holder’s and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates, general meetings, services rendered by the Registrar to the Issue, For further details, please see “*Our Management*” on page 85.

Our Company has appointed Ms. Tanya Sethi, our Company Secretary, as our Compliance Officer. For details, please see the section entitled “*Our Management*” on page 85.

As on the date of filing of this Draft Letter of Offer, there are no investor complaint pending as on the date of filing of this Draft Letter of Offer.

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be twenty-one Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Investor Grievances arising out of this Issue

Our Company’s investor grievances arising out of the Issue will be handled by MAS Services Ltd, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post- Issue correspondence.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity

Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the renouncee should be furnished

The average time taken by the Registrar to the Issue for attending to routine grievances will be approx. ten (10) to twenty-one (21) days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), email address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled “*Terms of the Issue*” on page 193 of this Draft Letter of Offer.

For contact details of Company Secretary and Registrar to the Issue, please refer to the section “*Introduction*” on page 41 of this Draft Letter of Offer.

Disposal of investor grievances by listed Group Companies and Subsidiary

Our Company does not have any subsidiary or Group Company as on the date of this Draft Letter of Offer.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

As on the date of this Draft Letter of Offer, our Company has not been granted by SEBI any exemption from complying with any provisions of securities laws.

SECTION VII - ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in the Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Master Circular, Investors proposing to apply in the Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.

Investors are requested to note that application in the Issue can only be made through ASBA or any other mode which may be notified by SEBI.

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder. The Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the RBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchange and the terms and conditions.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations and SEBI Master Circular, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Further, this Draft Letter of Offer and the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

Investors can access this Draft Letter of Offer, the Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

- (i) Our Company at www.capitaltrust.in
- (ii) the Registrar at <https://www.masserv.com> and
- (iii) the Stock Exchange at www.bse.com and www.nseindia.com

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should t Follow below mentioned procedure.

Physical shareholder	Demat shareholder
Please send form ISR1, along with required annexure as mentioned in form . ISR2 (in case of change of signature) (all form can be download from website of RTA i.e. www.masserv.com)	Please contact with your DP where you have opened your demat account

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://www.masserv.com>) by entering their DP ID and Client ID or folio number. The link for the same shall also be available on the website of our Company (i.e., www.capitaltrust.in).

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or

the Application Form.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

Our Company is undertaking the Issue on a rights basis to the Eligible Equity Shareholders and will send this Draft Letter of Offer, the Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email addresses and an Indian address to our Company.

This Draft Letter of Offer is being provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Master Circular and the ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 205 of this Draft Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled in, stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see "*Grounds for Technical Rejection*" on page 201 of this Draft Letter of Offer.

Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details

provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in the Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in the Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements.

- **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each of the Eligible Equity Shareholders' Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at <https://www.masserv.com> and link of the same would also be available on the website of our Company at www.capitaltrust.in. Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholder can:

1. apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
2. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
5. renounce its Rights Entitlements in full.

- **Making of an Application through the ASBA process**

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in the Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in the Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, our directors, employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but

not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.0

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's:

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- (b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- (f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- (i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification.

Don'ts:

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- (c) Do not send your physical Application to the Registrar, the Banker to the Issue, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (e) Do not submit Application Form using third party ASBA account.
- (f) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (g) Do not submit multiple Applications.
- (h) Do not apply additional shares if you have renounce in part

• **Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to the Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs. Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchange to provide requisite details.

An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder from an address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Capital Trust Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
- Registered Folio Number/ DP and Client ID No.;
- CAF number (application number)
- Number of Equity Shares held as on Record Date;
- Allotment option - only dematerialised form;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for within the Rights Entitlements;
- Number of Additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹ [●] per Equity Share;
- Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- In case of Non-Resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in "*Restrictions on Foreign Ownership of Indian Securities*" shall include the following:

"I/We hereby make representations, warranties and agreements set forth in "Restrictions on Foreign Ownership of Indian Securities " of the Draft Letter of Offer.

I/We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein."

In cases where Multiple Application Forms are submitted for applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://www.masserv.com>.

Our Company and the Registrar shall not be responsible if the applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

- **Application for Additional Rights Equity Shares**

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "Basis of Allotment" on page 214.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making of an application:

- (a) Please read this Draft Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- (b) In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.
- (c) Please read the instructions on the Application Form sent to you.
- (d) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (e) Application should be made only through the ASBA facility.
- (f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- (g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" beginning on page 197.
- (h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- (i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (j) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please

note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE.

- (k) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar or the Lead Manager.
- (l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid.
- (o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (q) All communication in connection with Application for the Rights Equity Shares, including any change in address, contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the Date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in address, contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective Depository Participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable.
- (r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- (s) In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

• **Grounds for Technical Rejection**

Applications made in the Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application do not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, Registrar, Banker to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form have been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements
- (p) Rights entitlement not available in demat account as on closing date of Rights Issue.
- (q) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and "qualified purchasers" (as defined under the U.S. Investment Company Act of 1940, as amended and referred to in this Draft Letter of Offer as "QPs") or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-US. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- (r) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (s) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).
- (t) Applicants not having the requisite approvals to make application in the Issue.
- (u) **IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS**

ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER, FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

- (v) Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.
- (w) These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (x) The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.
- (y) In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID & Client ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

- **Multiple Applications**

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, such applications shall be liable to be rejected. A separate application can be made in respect of Rights Entitlements in each demat account of the Investors and such applications shall not be treated as multiple applications. Similarly, a separate application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further, additional applications in relation to additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate application can be made in respect of each scheme of a mutual fund registered with SEBI and such applications shall not be treated as multiple applications. For details, see “*Procedure for Applications by Mutual Funds*” on page 204.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper application or (b) multiple plain paper applications (c) or multiple applications through ASBA, such applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by our Promoter to meet the minimum subscription requirements applicable to the Issue.

- **Procedure for Applications by certain categories of Investors**

Procedure for Applications by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event.

(i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre - approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in the Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in the Issue. Other categories of AIFs are permitted to apply in the Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in the Issue under applicable securities laws. As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCT will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with Press Note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 -IA of the RBI Act, 1934 and (ii) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

- ***Last date for Application***

The last date for submission of the duly filled in the application form or a plain paper application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the application form is not submitted with an SCSB, uploaded with the Stock Exchange and the application money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may

be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "*Basis of Allotment*" on page 214.

Please note that on the Issue Closing Date, applications through ASBA process will be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by BSE. Please ensure that the application form and necessary details are filled in. In place of application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

- **Withdrawal of Application**

An Investor who has applied in the Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, can withdraw their application post 5:00 p.m. (Indian Standard Time) on the Issue Closing Date.

- **Disposal of Application and Application Money**

No acknowledgment will be issued for the application money received by our Company. However, the Designated Branches of the SCSBs receiving the application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each application form.

Our Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money will be unblocked in the respective ASBA Accounts. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Rights Equity Shares allotted, will be refunded/ unblocked in the respective bank accounts from which application money was received/ ASBA Accounts of the Investor finalisation of basis of allotment in consultation with Designated Stock exchange. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- **Rights Entitlements**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://www.masserv.com>) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.capitaltrust.in).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain

frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories from the date of closing of Issue..

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Rights Equity Shares offered under Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts as per procedure given above.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, ".....") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., by [●], [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard.

Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- **Renounees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renounee(s) as well.

- **Renunciation of Rights Entitlements**

The Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer.

- **Procedure for Renunciation of Rights Entitlements**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to Issue Closing Date, such that credit of REs in their demat account takes place at least one day before Issue Closing Date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

- **Payment Schedule of Rights Equity Shares**

₹ [●] per Rights Equity Share (including premium of ₹ [●] per Rights Equity Share) shall be payable as follows:

	Face Value (₹ Per Rights Equity Share)	Premium (₹ Per Rights Equity Share)	Total (₹ Per Rights Equity Share)
On Application	[●]	[●]	[●]

Each Rights Equity Share is being offered at a price of ₹ [●]/- per Rights Equity Share (including a premium of ₹ [●]/- per Rights Equity Share), for every 1 Rights Equity Share allotted in this Issue.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock-broker in the same manner as the existing Equity Shares of our Company. In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●], [●] to [●], [●] (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: [●] and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchange under automatic order matching mechanism and on T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

The Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on application mentioned in the Application Form. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company in accordance with sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in the Issue.

- **Mode of payment for Resident Investors**

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

- **Mode of payment for Non-Resident Investors**

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income tax Act. However, please note that conditions applicable at the time of original investment

in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THE ISSUE AND TERMS OF THE ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "*The Issue*" beginning on page 41.

• **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Rights Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their rights entitlement, if any.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to [●] Equity Share and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in the Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favor of third parties and the application forms shall be non-negotiable.

• **Ranking**

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock

Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under the Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

• **Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue**

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through its letter bearing reference number [●] dated [●], respectively. Our Company will apply to the Stock Exchange for final approval for the listing and trading of the Rights Equity Shares subsequent to its allotment.

No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof. The existing Equity Shares are listed and traded on BSE (Scrip Code: 539399) under the ISIN: INE344T01014. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange.

Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from BSE, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within the period as prescribed by applicable law or otherwise after receipt of intimation from BSE, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/unblocked within such time after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of such period as may be prescribed, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

• **Rights of Holders of Equity Shares of our Company**

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

- The right to receive dividend, if declared;
- The right to receive surplus on liquidation;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to free transferability of Equity Shares;
- The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited/ restricted by law and as disclosed in the draft Letter of Offer; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

- **Market Lot**
The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.
- **Joint Holders**
Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.
- **Nomination**
Nomination facility is available in respect of the Equity Shares in accordance with the provisions of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in the issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- **Arrangements for Disposal of Odd Lots**
The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.
- **Restrictions on transfer and transmission of shares and on their consolidation/splitting**
There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI LODR Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.
- **Notices**
In accordance with the SEBI ICDR Regulations and the SEBI Master Circular, our Company will send through email and speed post, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.
All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with nationwide circulation, one Hindi language national daily newspaper with nationwide circulation and one regional daily newspaper with statewide circulation. This Draft Letter of Offer, the Letter of Offer, and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.
- **Offer to Non-Resident Eligible Equity Shareholders/Investors**
As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated

January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out there in (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favor of a person named by them; or (iii) apply for the shares renounced in their favor. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice.

If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at their mail ID. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access this Draft Letter of Offer, the Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange.

Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions regarding the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis. In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened.

Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON page 215

VIII. ISSUE SCHEDULE

Issue Opening Date	[●]
Last date for Application Form and Market Renunciation*	[●]
Issue Closing Date	[●]
Finalisation the basis of allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the*

Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is

completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., [●], [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●], [●].

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favor, in full or in part, as adjusted for fraction entitlement.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favor, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful application;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations, if applicable or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at such rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event when there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

- (a) Unblocking amounts blocked using ASBA facility.
- (b) NACH - National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) National Electronic Fund Transfer ("**NEFT**") - Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"),

which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

- (d) Direct Credit - Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) RTGS - If the refund amount exceeds Rs. 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

- **Refund payment to non-residents**

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- **Receipt of the Rights Equity Shares in Dematerialized Form**

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates: tripartite agreements amongst our Company, NSDL and CDSL, and the Registrar to the Issue, each dated [●]

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our

Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with Investor Education and Protection Fund (IEPF) authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

- (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lacs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lacs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lacs or with both.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account;

- (b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested;
and
- (d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- (i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (ii) All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- (iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (v) No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- (vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non- ASBA Applications while finalizing the Basis of Allotment.
- (viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (x) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum Subscription

“If our Company does not receive the minimum subscription of 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 days from the Issue Closing Date. In the event that there is a delay in making refund of the subscription amount by more than four days after our Company becomes liable to pay subscription amount or such other period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rate prescribed under applicable laws.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for Rights Issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees Ten Crores to Rupees Fifty Crores. Since the size of this Issue falls below this

threshold, this Draft Letter of Offer has been filed with BSE Limited and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination purposes and shall be filed with the Stock Exchange.

Withdrawal of the Issue

Subject to the provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, our Company reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Important

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, draft Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in “Risk Factors” on page 20.

All enquiries in connection with this Draft Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “Capital Trust Limited– Rights Issue” on the envelope to the Registrar at the following address:

M/s.Mas Services Limited

T-34, IInd Floor

Okhla Industrial Area

Phase-II

New Delhi 110020

Telephone: +91 11 2638 7281 82, 83

Fax. No.: +91 11 2638 7384

Email: info@masserv.com

Investor grievance email: investor@masserv.com Website:

<https://www.masserve.com/>

Contact Person: Mr. Shrawan Mangla

SEBI Registration No.: INR000000049

The Issue will remain open for a minimum period of 7 (seven) days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

The Investors can visit following links for the below-mentioned purposes:

- a) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: Registrar website: www.masserve.com; Email: info@masserv.com

- b) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: Registrar website: www.masserve.com; Email: info@masserv.com

The above information is given for the benefit of the Applicants/ Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII: STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available for inspection at the registered office of our Company between 11:00 a.m. to 5:00 p.m. on any working day from the date of this Draft Letter of Offer until the Issue Closing Date.

A. Material contracts for inspection

1. Registrar Agreement dated December 30, 2024 between our Company and Registrar to the Issue;
2. Bankers to the Issue Agreement dated January 06, 2025 amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

B. Material documents for inspection

- (a) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time;
- (b) Certificate of incorporation dated August 23, 1985 issued by the ROC;
- (c) Resolution of our Board of Directors dated November 14, 2024, in relation to the Issue;
- (d) Consent of our Directors, Compliance Officer, Statutory Auditor, the Registrar to the Issue, Banker(s) to the Company, the Legal Advisor to the Issue and Banker to the Issue for inclusion of their names in this Draft Letter of Offer in their respective capacities.
- (e) Statement of Special Tax Benefits dated 29th November, 2024 issued by the Statutory Auditor included in this Draft Letter of Offer.
- (f) Annual report of our Company for the financial year ended March 31, 2024 and the limited review report of the Unaudited Financial Results for the half year ended September 30, 2024.
- (g) Tripartite Agreement dated December 29, 2000 between our Company, NSDL and the Registrar to the Issue.
- (h) Tripartite Agreement dated December 29, 2000 between our Company, CDSL and the Registrar to the Issue.
- (i) In principle approval dated [•] issued by BSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with applicable law.



Declaration

"We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be.

We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct. "

Signed by all the Directors of our Company

Name and Designation	Signature
Mr. Yogen Khosla Chairman and Managing Director DIN: 00203165	Sd/-
Mr. Vahin Khosla Joint Managing Director DIN: 01543446	Sd/-
Mr. Sanjiv Syal Independent Director DIN: 07106587	Sd/-
Mr. Govind Saboo Independent Director DIN: 07106619	Sd/-
Mr. Pawan Dubey Independent director DIN: 01127317	Sd/-
Mrs. Suman Kukrety Independent Director DIN: 07223400	Sd/-

Signed by the Company Secretary & Compliance Officer	Signed by Chief Financial Officer
 _____ Ms. Tanya Sethi	 _____ Mr. Vinod Raina

Dated: January 9, 2025

Place: New Delhi