35TH ANNUAL REPORT
CAPITAL TRUST LIMITED

CONTENTS

Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have

been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove in accurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

MSME Sector

The Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. It contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost, next only to agriculture. MSMEs are complementary to large industries as ancillary units and this sector contributes significantly in the inclusive industrial development of the country. The MSMEs are widening their domain across sectors of the economy, producing diverse range of products and services to meet demands of domestic as well as global markets.

The Government of India has changed the definition of MSMEs in India in order to be realistic with time and to establish an objective system of classification and to provide ease of doing business. The new classification has come into effect from 1st July, 2020. The earlier criterion of classification of MSMEs under MSMED Act, 2006 was based on investment in plant and machinery / equipment. It was different for manufacturing and services units. It was also very low in terms of financial limits. Since then, the economy has undergone significant changes. a revision in MSME criteria of classification was announced in the Aatmnirbhar Bharat package on 13th May, 2020. This has been done . Now, there will be no difference between manufacturing and service sectors. Also, a new criterion of turnover has been added in the previous criteria of classification based only on investment in plant and machinery. The new criteria is expected to bring about many benefits that will aid MSMEs to grow in size.

Micro, small, and medium enterprises contribute a third of India's gross domestic product and provide employment to over 110 million workers. Using a mixed methods design to ascertain the level of sectoral distress at the peak of the nationwide lockdown, the production falling from an average of 75% of capacity to just 13%. On an average, firms retained only 44% of their workforce, and 69% of firms reported inability to survive longer than three months.

The Government and Reserve Bank of India had taken various steps to mitigate the effects of business disruption due to Covid - 19. Various packages were announced to boost the MSME sector.

- Rs 20,000 crores Subordinate Debt for Stressed MSMEs:
- Government of India will provide a support of Rs. 4,000 Cr. to Credit Guarantee 14 Annual Report 2020-21 Trust for Micro and Small Enterprise. It will make provisioning of Rs 20,000 crore as subordinate debt to provide equity support to the stressed MSMEs.
- Credit Guarantee Scheme for Subordinate Debt (CGSSD) for Stressed MSMEs has been Finalized and Launched on 24th June, 2020. As on 31.12.2020 12 banks have been extended guarantees amounting of Rs. 17.66 crore to 178 borrowers.
- Rs 50,000 cr. Equity infusion for MSMEs through Fund of Funds

- Government of India slashed interest rates, increased limits on Non-Performing Assets (NPAs) to prevent triggering insolvency, and offered payments from the government's share of Employee Provident Fund (EPF) to avoid layoffs

While these policy measures are encouraging, they are biased towards the larger, and more formal/organised firms. However, the measures are inadequate for the smaller, informal/unorganised firms, which form an overwhelming majority of India's industrial landscape. According to the Economic Census data, over 95% of firms (over 55 million firms) employed fewer than five workers, and 94% were not registered with the government. Thus, it is unlikely that these small firms contribute to EPF and may not benefit from the Government's contribution to EPFO.

A large fraction of India's firms are small, informal and operate in the unorganised sector. Recent annual reports on Micro, Small and Medium Enterprises (MSMEs) indicate that the sector contributes to around 30% of India's GDP, and based on conservative estimates, employs around 50% of industrial workers. Over 97% of MSMEs can be classified as micro firms (with an investment in plant and machinery less than ₹25 lakh), and 94% are unregistered with the government.

(Source - MSME Report, www.iimb.ac.in)

MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR

Finance available to rural borrowers in India has mostly been in the traditional cash based lending models. With the advent of JanDhan accounts, many people in rural areas have bank accounts.Capital Trust has been instrumental in digital loans and has started disbursements through banking channel in year 2015 and collection in digital mode in year 2019.

Dear Shareholders,

I am pleased to present you the 35th Annual Report of the company for the year 2020-21 Whole world is reeling under the Covid scenario. India's non-banking financial companies grew at a slower pace in second and third quarters of financial year 2020-21 on annual basis due to COVID-19-led disruptions and muted demand. The effects of the Covid 19 pandemic will be felt by non banking finance companies (NBFCs) in the coming year also.

Global economy and markets

The COVID-19 viral pandemic has impacted each person in the globe and had unpredented wide range repercussions. The pandemic has disrupted lives across all countries and communities and negatively affected global economic growth in 2020 beyond anything experienced in nearly a century. Estimates indicate the virus reduced global economic growth in 2020 to an annualized rate of -3.4% to -7.6%, with a recovery of 4.2% to 5.6% projected for 2021. Global trade is estimated to have fallen by 5.3% in 2020, but is projected to grow by 8.0% in 2021.The Organization for Economic Cooperation and Development (OECD) released an updated forecast in May 2021 that estimates that global economic growth declined by 3.5% in 2020, compared with a June 2020 forecast of a 6.9% decline under a single-wave scenario in 2020 and a 7.6% decline under a second wave scenario.In the updated estimate, the rate of GDP growth in developed economies declined by 4.8% in 2020 and by 2.3% in developing economies.

Domestic economy

The economy of India is characterised as a middle income developing market economy. It is the world's sixth-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP). According to the International Monetary Fund (IMF), on a per capita income basis, India ranked 145th by GDP (nominal) and 122th by GDP (PPP). Since the start of the 21st century, annual average GDP growth has been 6% to 7%, and from 2013 to 2018, India was the world's fastest growing major economy, surpassing China. Historically, India was the largest economy in the world for most of the two millennia from the 1st until the 19th century.

The long-term growth perspective of the Indian economy remains positive due to its young population and corresponding low dependency ratio, healthy savings, and investment rates, increasing globalisation in India and integration into the global economy.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's real gross domestic product (GDP) at current prices stood at Rs. 135.13 lakh crore (US$ 1.82 trillion) in FY21, as per the provisional estimates of annual national income for 2020-21.
India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.
According to data from the RBI, as of the week ended on June 04, 2021, the foreign exchange reserves in India increased by US$ 6.842 billion to reach US$ 605 billion

With an improvement in the economic scenario, there have been investments across various sectors of the economy. Private Equity - Venture Capital (PE-VC) sector recorded investments worth US$ 20 billion in the first five months of 2021, registering a 2x growth in value compared with the same period in 2020.

As indicated by provisional estimates released by the National Statistical Office (NSO), India posted a V-shaped recovery in the second half of FY21. As per these estimates, India registered an increase of 1.1% in the second half of FY21; this was driven by the gradual and phased unlocking of industrial activities, increased investments and growth in government expenditure.

As per the Reserve Bank of India's (RBI) estimates, India's real GDP growth is projected at 9.5% in FY22; this includes 18.5% increase in the first quarter of FY22; 7.9% growth in the second quarter of FY22; 7.2% rise in the third quarter of FY22 and 6.6% growth in the fourth quarter of FY22.
India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and have plans to increase its renewable energy capacity from to 175 gigawatt (GW) by 2022. In line with this, in May 2021, India, along with the UK, jointly launched a 'Roadmap 2030' to collaborate and combat climate change by 2030.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

Indian Financial Service Sector

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, 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 has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

Market size of Indian Financial service industry

As of April 2021, AUM managed by the mutual funds industry stood at Rs. 3,237,985 crore (US$ 444.11 billion). Inflow in India's mutual fund schemes via systematic investment plan (SIP) were Rs. 96,080 crore (US$ 13.12 billion) in FY21. Equity mutual funds registered a net inflow of Rs. 8.04 trillion (US$ 114.06 billion) by end of December 2019.

Another crucial component of India's financial industry is the insurance industry. Insurance industry has been expanding at a fast pace. The total first year premium of life insurance companies reached Rs. 2.59 lakh crore (US$ 36.73 billion) in FY20.

Furthermore, India's leading bourse, Bombay Stock Exchange (BSE), will set up a joint venture with Ebix Inc to build a robust insurance distribution network in the country through a new distribution exchange platform.

In FY21, US$ 4.25 billion was raised across 55 initial public offerings (IPOs). In FY21, the number of listed companies on the NSE and BSE were 1,793 and 5,647, respectively.

Government initiatives

Government has taken various initiatives in Financial services sector. These includes:

- The government has approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector to 74% from 49% under the Union Budget 2021-22.

- In January 2021, the Central Board of Direct Taxes launched an automated e-portal on the e-filing website of the department to process and receive complaints of tax evasion, foreign undisclosed assests and register complaints against 'Benami' properties.

- In December 2020, the Reserve Bank of India issued a draft circular on declaration of dividends by NBFCs, wherein it proposed that NBFCs should have at least 15% Capital to Risk Weighted Assets Ratio (CRAR) for the last 3 years, including the accounting year for which it proposes to declare a dividend.

- In November 2020, the Union Cabinet approved the government's equity infusion plan for Rs. 6,000 crores (US$ 814.54 million) in the NIIF Debt Platform funded by the National Investment and Infrastructure Fund (NIIF) consisting of Aseem Infrastructure Finance Limited (AIFL) and NIIF Infrastructure Finance Limited (NIIF) (NIIF-IFL).

- In November 2020, two MoUs were signed—one between India International Exchange (India INX) and Luxembourg Stock Exchange and another between State Bank of India and

Luxembourg Stock Exchange for cooperation in financial services, ESG (environmental, social and governance) and green finance in the local market.

- On November 11, 2020, The Cabinet Committee on Economic Affairs approved continuation and revamping of the scheme for financial support to public-private partnerships (PPPs) in 'Infrastructure Viability Gap Funding (VGF) Scheme' until 2024-25 with a total outlay of Rs. 8,100 crore (US$ 1.08 billion).

Road Ahead

- India is expected to be the fourth largest private wealth market globally by 2028.

- India is today one of the most vibrant global economies on the back of robust banking and insurance sectors. The relaxation of foreign investment rules has received a positive response from the insurance sector, with many companies announcing plans to increase their stakes in joint ventures with Indian companies. Over the coming quarters, there could be a series of joint venture deals between global insurance giants and local players.

- The Association of Mutual Funds in India (AMFI) is targeting nearly five-fold growth in AUM to Rs. 95 lakh crore (US$ 1.47 trillion) and more than three times growth in investor accounts to 130 million by 2025.

- India's mobile wallet industry is estimated to grow at a Compound Annual Growth Rate (CAGR) of 150% to reach US$ 4.4 billion by 2022, while mobile wallet transactions will touch Rs. 32 trillion (USD$ 492.6 billion) during the same period.

Source- ibef.org, media reports, RBI, IRDA, Union Budget

Capital Trust and Digitisation

Finance available to rural borrowers in India has mostly been in the traditional cash based lending models. With the advent of JanDhan accounts, many people in rural areas have bank accounts.

However they still do not have a "Banking Habit" and transact mainly through cash. So how does one lend and collect money digitally in customers who have the habit of cash earnings and cash expenditures?

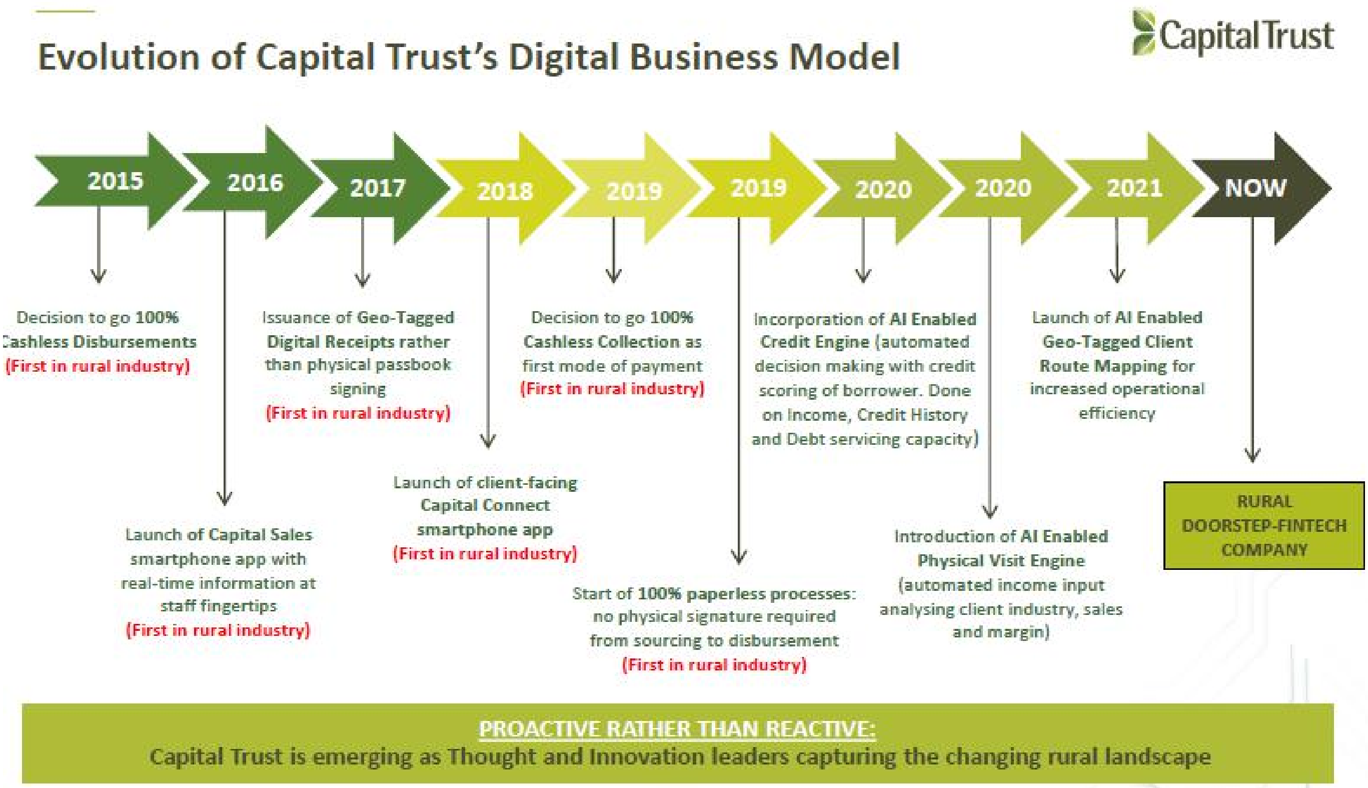
Enter the Capital Digital Initiative by Capital Trust Limited (CTL). Capital digital initiative is the process through which CTL provides loans in rural India using advanced technology, smart phones and a digital payments backbone.

Individual business loans are disbursed online and collected online without any hassle to the borrower. If online payment is not done, there is an automated cash pickup facility. Rural clients are being treated at par with the urban clients for the first time with the same choices & convenience of repayment. They can pay through NACH, Wallets, UPI, NEFT, IMPS or as a last resort through cash. There is a customized app for the client to see their loan details, transaction history and also to make online repayments.

This is done through an extensive communication process to educate and remind the clients. Traditional cash payment methods require the borrower to take out time from his work schedule and go to branches or center meetings to make payment. This is a loss of business for them. CTL educates the clients on the benefits of online payment and provides incentives for online payment, to which many of the rural borrowers have responded.

Today the rural customers pay approx. 50% of their EMIs of new Capital Digital loans through digital mode as against 0% to 10% for their other lenders. Capital Trust is driving processes to take this to 100% digital collection.

CDL as a product came through year of on field experience and the vision of the management to build India's first Rural Doorstep Fintech business. Capital Trust has been one step ahead in taking digital initiatives as is visible in its digital journey:



Capital Trust currently caters to over 1,50,000 customers across 63 districts through 229 branches in 10 states in India.

Capital Trust has successfully built a rural-doorstep fintech model, probably a first, for rural India's underserved population to earn their livelihoods. With the aim of digitalizing rural financing, the company started its Capital Digital Initiative in 2019. Merging best practices of fintech and traditional financing, the company has been offering 2 loan products: Capital Magic Loans (unsecured digital loans with a ticket size of INR 30,000 and tenure of 12months) and Micro Business Loans (unsecured digital loans with a ticket size of INR 60,000 and tenure of 24months).

With ~54% collections coming by the time the client's bank clearance data is received (NACH clearance + Advance collection) and non-requirement to physically meet most of its clients, the company has been able to tide over issues of lockdown and covid well. Collections for loans sourced post-first lockdown have never dipped below 92% despite the challenges faced due to disruptions caused by covid 19 pandemic and subsequent lockdowns. The company plans to continue its digital focus and hopes to revolutionize rural financing using digital processes and state of the art technology without compromising on its feet-on-street model.

Message to shareholders:

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

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

With Warm Regards,

Yogen Khosla
Chairman and Managing Director

CORPORATE SNAPSHOT

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

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

The Company has provided affordable funding to over 8 Lakh Clients through its 251 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 ~1.56 Lakhs live customers being digitally served through established infrastructure developed in-house by the Company. The Company also has a wholly owned subsidiarity for the purpose of providing Micro Finance Loans.

In the past, the company focus was on the business of providing Enterprise Loans to Micro and Small Enterprises. The company provided loans ranging from Rs.0.30 Lakh to Rs.10 Lakhs. However, in view of business disruptions associated with demonetization, introduction of GST and liquidity squeeze for the NBFCs, the CTL has been innovative in approach to find out alternative funding mechanism and introduction of digital loan products. Disbursement in demonetization era MSME loan products were stopped and CTL evolved new loan products with focus on shorter tenure, comparatively smaller ticket size and on-line payment modes (cash-less) including NACH, Wallets, Payment Gateways and Payment through links.

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.

Our digitized rural financing model offers income generating micro loans to MSMEs and caters to over 1,50,000 customers across 63 districts through 229 branches in 10 states in India.

Creating a Competitive Advantage to Increase Stakeholder Value

The processes adopted by the company have created given competitive advantage in the following manner:

- **Unique Business Model**

  - ✓ With a deep understanding of target customer segments, lean cost structures and differentiated business models we cater to underserved segments of the economy.

  - ✓ Our one-of-a-kind business model finds the perfect balance between technology and traditional financing, something not many other companies can do.

  - ✓ Having foot on the streets, our model is perfect blend of fintech and the traditional brick and mortal set up.

CapitalTrust

➢ **Technology Driven Operational Efficiency**

✓ By leveraging technology to penetrate underserved segments, we have capitalized on the inability of banks to rapidly scale operations and customize rigid policies in regard to providing business loans in rural India.

✓ This transformation is helping us create an agile and scalable business model.

➢ **Prudent Risk Management**

✓ Our conservative thought process towards financial engineering has helped us transform underwriting and decision making, thereby, helping drive competitive advantage and robust risk management.

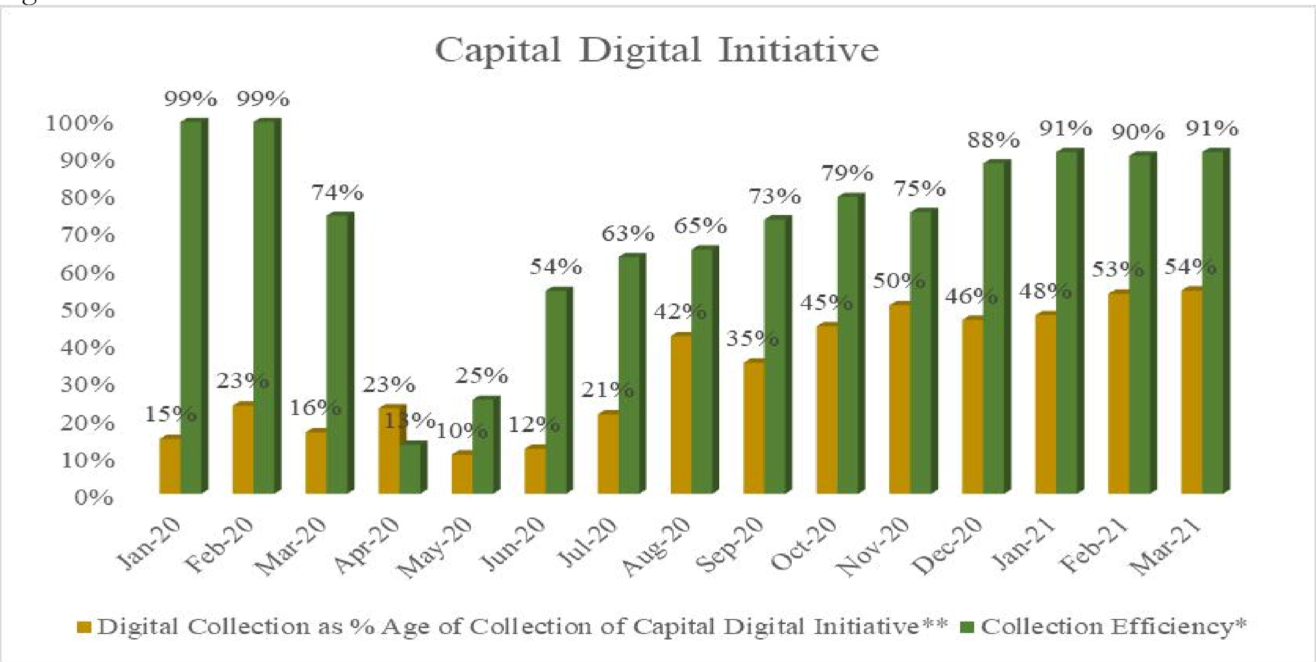
✓ Further, our risk management frameworks pro-actively detect, manage and mitigate internal and external risks.

➢ **Strong Governance**

✓ Being a publicly listed NBFC for the last 35 years, we have built a robust governance model to maintain stakeholder trust and improve resilience to survive in testing times.

✓ This has enabled us to develop strategic partnerships with key ecosystem players and leverage technology for meeting the demands of new consumers.

With our newly developed automated disbursement engine and algorithmic credit scorecard, our disbursements have increased consistently. Further, our turnaround time has improved to 48 hours as on FY21. The collection has seen a positive trend more partcularly riding on capital digital initiative.



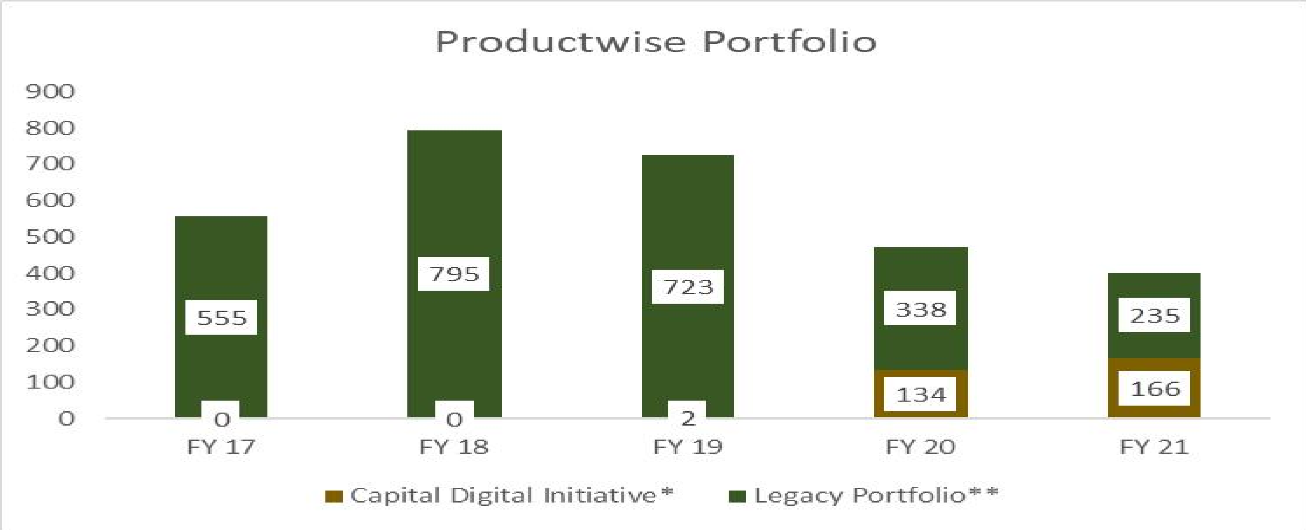
Product wise Portfolio

The company has discontinued the disbursements in Micro Enterprise Loans and Secured Enterprise Loans and started new products as Capital Digital initiatives. Under the Capital Digital Initiative, the company is providing only two products Capital Magic loan and Micro Business Loans.

Product Name	Capital Magic Loan	Micro Business Loan
Type of Loan	Unsecured Digital Business Loan	Unsecured Digital Business Loan
Ticket Size (₹)	30,000 – 50,000	60,000
Tenure	12-18 months	24 months
ROI	40%	32%
Repayment	Digital followed by physical cas h collection	Digital followed by physical ca sh collection

The product wise division of the portfolio is given hereunder

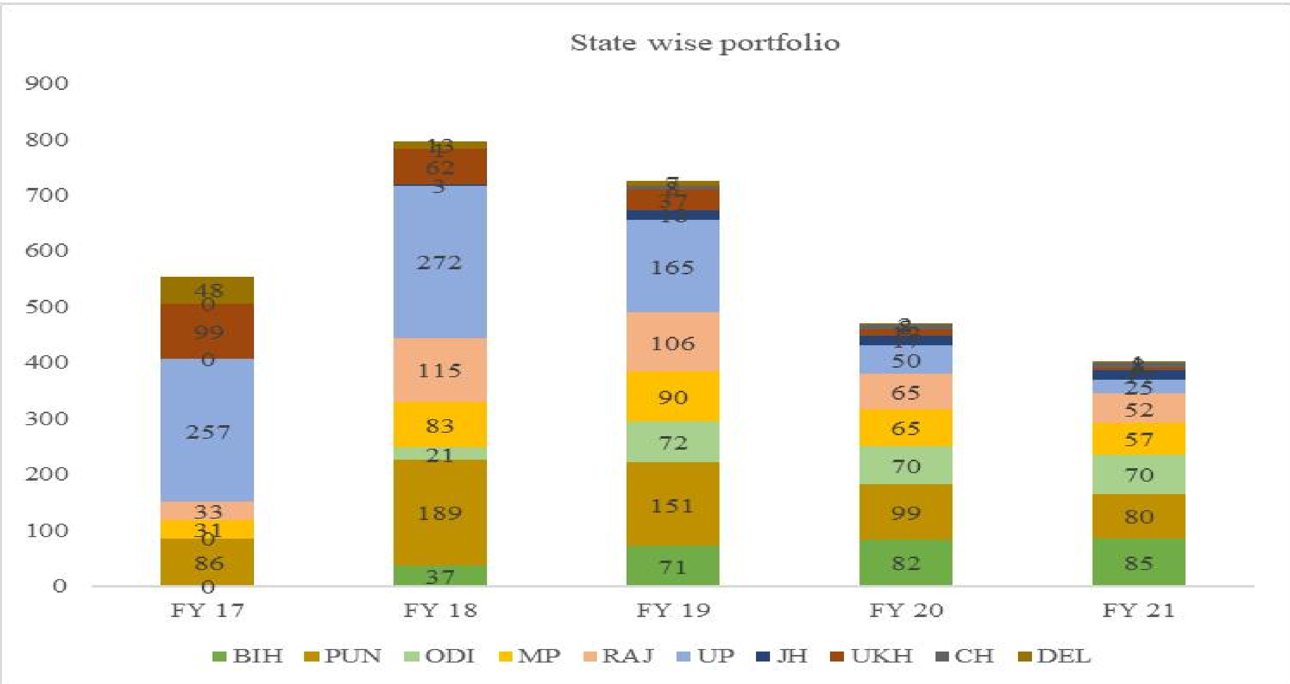
Year	Capital Digital Initiative*	Legacy Portfolio**	Total
FY 17	0	555	555
FY 18	0	795	795
FY 19	2	723	725
FY 20	134	338	471
FY 21	166	235	401



Geographic Reach

The company follows the hub – and Spoke model of operations through five branches (One in District Level branch and four other block level branches). The maximum distance between the branch and the client is not more than 21Kms. The distance between the location of the customer and the branch is geo tagged and if it is more than 21 Kms, the case is rejected.

The company is presently operating through 229 branches in 10 states. The company is not presently disbursing any loans in Western UP, Uttarakhand and Delhi as these states were badly affected in demonetization. The company is disbursing in Punjab, Rajasthan, MP, Bihar, Odessa, Jharkhand and Chatisgarh and are refered as Growth Focused States. The company is planning to start operation in new territories including Eastern UP. The statewise portfolio is given hereunder.



The geographic concentration have reduced and the company's portfolio is now evenly distributed with the maximum concentration in any state less than 21%.

Year	FY 19	FY 20	FY 21
BIH	10%	17%	21%
PUN	21%	21%	20%
ODI	10%	15%	17%
MP	12%	14%	14%
RAJ	15%	14%	13%
UP	23%	11%	6%
JH	2%	4%	4%
UKH	5%	3%	1%
CH	1%	2%	2%
DEL	1%	0%	0%
	100%	100%	100%

Sectors addressed

The company is providing financial assistance to the customers in Rural and Semi Urban Areas. The company has provided loans who are beyond the reach of Microfinance and too small for bank and bigger NBFCs. We call this segment as missing middle. Our clients are engaged in various activities like farming, dairy live stocks, small manufacturing firms, trade, etc. This has helped the company to have the varied portfolio. The details of the segment wise loan percentage to total loan outstanding as on 31st March, 2021 are provided below:

Sector services	**% of portfolio**
Agriculture	1.31%
Dairy and Livestock	47.13%
Food	2.85%
Manufacturing	3.36%
Retail	18.11%
Services	20.35%
Small Commercial Vehicle	0.02%
Trading	6.85%
Two Wheeler	0.01%
Home Improvement Loan	0.00%
Total	**100.00%**

Company Milestone

1985	Commenced operations by providing consultancy to foreign banks
1992	Forayed to 2-Wheeler financing through a JV with Kinetic Engineering
1995	Forayed to Stock Broking through JV with DBS Bank of Singapore
2008	Started Microfinance
2012	Started Enterprise Loans in MSE sector
2014	Business Correspondent of Yes Bank for Microfinance
2015	Branch Banking Model
2016	Started the disbursements through banking channel only. No cash disbursements made to the clients.
2016	Got first PE Fund investments of US$ 10 Millions
2016	Listed at NSE
2017	Assets size crossed Rs. 500 Crores on consolidated basis and company become Systematically important NBFC.
2017	Started Mobile Application connecting each employees with clients for real time reporting and data entry.
2017	Started issuing digital receipts to clients upon loan repayments, first of its kind in the segment.
2017	Awarded one of the 100 SME companies in India out of 41832 companies by India SME Forum, Axis Bank and Ministry of MSME
2018	Company ranked in top 1000 companies (FT1000 High-Growth Companies) Asia-Pacific ranking Financial Times Newspaper
2018	The company has opened 242 branches
2018	The company has started operating in Eastern India. The company has now presence in 10 states.
2018	Assets under Management size crossed Rs. 800 Crores on consolidated basis
2019	Starting of new digital products as Capital Magic Loan and Micro Business Loan
2019	Lending Partnership with IDFC First Bank Limited
2020	Lending Partnership with one of the leading NBFCs
2021`	Started the new CDL product where the collection efficiency has been 99.8% in general and about 96% during the lockdowns
2021	Entered into for new partnership arrangements

BOARD OF DIRECTORS AND LEADERSHIP TEAM

Board of Directors

Name	Designation	Brief Profile
Mr. Yogen Khosla	Chairman & Managing Director	Mr. Yogen Khosla is a finance veteran having more than 20 years of experience in Rural Finance industry. He holds a Bachelor's degree in Commerce from Loyala College, Chennai and has studied at the Ealing College in London. He has ensured evolution of Capital Trust from a brick-and-mortar traditional NBFC into India's first Rural-Doorstep Fintech company. He has led the company to top 100 MSME company declared by India SME Forum and fastest 1000 growing companies in Asia by FT-Asia.
Mr. Sanjiv Syal	Independent Director	Mr. Syal is a practicing Chartered Accountant with an experience spanning over 25 years in consulting and accountancy. Prior to setting up his accountancy practice in 2001, he set up and managed a leasing finance Company ABL Leasing for 9 years. He is also founder & Non-Executive Director in a software development company focussed on E-Learning solutions Compro Technologies. He has been a catalyst in start up of many successful projects in the BPO, IT & Financial Services space. Some of the successful startups where he has played a role include Yatra online, RAC, Gulliver Travels, DMI Finance & Cisco Systems Capital.
Ms. Suman Kukrety	Independent Woman Director	Ms. Suman is a competent professional with 17 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 1st position in Advocate-on-Record examination held by the Supreme Court of India, in June, 2009.
Mr. Govind Saboo	Independent Director	Mr. Govind Saboo is rank holder Chartered accountant with more than 16 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 13 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.
Mr. Vahin Khosla	Executive Director	Having done his schooling from The Doon School, Vahin Khosla graduated as a Roberts Day Scholar from Claremont Mckenna College, USA. He was selected into an accelerated program where he received his Bachelor's degree in Economics-Accounting and his Master's degree in Finance simultaneously. Prior to working with Capital Trust, he worked at Davita Healthcare Partners in their Corporate Finance team. He is an avid football player having represented club's at international levels.

Leadership team

Name	Designation	Brief Profile
Mr. Vinod Raina	CFO and Head-Compliances	Mr. Raina has more than 20 years of experience in the areas of Financial Management, Fund Raising through various modes, Legal Compliances, Litigation, Secretarial Functions, Statutory Compliances, Treasury, Corporate Governance, Taxation, Accounts and Liaison Work. Mr. Vinod has got variety of experience while working in organizations in the IT Services, Management Consultancy, Manufacturing and Financial sector. Mr. Raina is Fellow member of Institute of Company Secretaries of India and also a law graduate.
Mr. Yuv Vir Khosla	Chief Operating Officer	Mr. Yuv Vir Khosla has received a Bachelor of Arts degree from Williams College, a liberal arts college in the USA, with a double major in Economics and History. He has been working with Capital Trust Limited for the last four years in different capacities, the latest being Business Head. During his tenure at the company he has also worked in other departments like HR, Risk, Strategy and Business Intelligence. Before joining Capital Trust, Yuv has interned at 3i Debt Management in New York and Cantor Fitzgerald in Hong Kong. He has done schooling from The Doon School, Dehradun, where he was the head boy. He also holds a private pilot license.
Mr. Mukesh Aggarwal	Deputy Chief Operating Officer	Mr. Aggarwal is a Chartered Accountant and Company Secretary. He is a commerce graduate with more than 12 years of experience in credit. He has worked with organizations like Citibank, DHFL and HSBC prior to

		joining Capital Trust. He has been working with the company since December 2016 and has been instrumental in the company's shift towards more advanced data analysis and machine learning
Mr. Abhinav Sharma	Chief Risk Officer	Mr. Abhinav Sharma is a CFA Charter holder from CFA Institute, USA and a certified Financial Risk Manager from Global Association of Risk Professionals, USA. He received his MBA(Finance) from ICFAI Business School, Hyderabad and his B.A(Hons) Economics from Delhi University.His focus area is Debt Funding (Bank Loans, Project Finance,NCDs, Securitization, Cross border transactions) and Strategic Consulting (Risk Management, Credit Administration Systems, RBI Compliance,Capital Structure, Strategic Growth Planning).
Mr. Punit Sharma	Chief HRO	Following his graduation from Delhi University, Mr. Punit Sharma went on to do a Post-Graduation in Personnel Management & Industrial Relations at the Symbiosis Institute of Management Studies. Before joining Capital Trust, Mr. Sharma has almost 2 decades of incomparable experience in the Corporate HR turf across companies like Taraashna Financial Services (Satin Group), Premier Shield, Barclays Bank GRCB, Citigroup, Tech Mahindra & Securitas India. Mr Sharms has also been bestowed upon with the laurel of HR Achiever of the Year 2018, by World HRD Congress.
Mr. Pallav Majumdar	Training and Audit Head	Mr. Majumdar is an MBA and has a certificate in micro-finance from IIBF.With over 16 years of experience in learning and development across sectors (insurance, NBFC and pharma), Mr. Pallav has expertise in the areas of competency mapping and leadership development. Prior to Capital Trust, he has worked with Eli Lilly Ranbaxy, ICICI Lombard, L&T Insurance & Arohan Financial Services.
Mr. Sukumara Pillai	Chief Accounts Officer	The longest serving employee of Capital Trust, Mr. Pillai has been with the company since its inception in 1985. He graduated from Kerala University in 1980 with a degree in commerce and is responsible for the accounts and MIS reporting. He also coordinates with Statutory and Internal Auditor of the Company, submitting statutory reports to the Reserve Bank of India and Income Tax Department.
Mr. Karan Singh	Recovery Head	Mr. Singh is a political science graduate from Jamiya, Delhi and has been involved in the day-to-day functioning of the company for the last 27 years. He joined the company as Assistant Auditor and has risen to the ranks of Recovery Head through his hard work, dedication and loyalty to the company. As Recovery Head, he is responsible for overall collections of the branches.

Ms. Tanya Sethi	Company Secretary	Ms. Sethi is a qualified Company Secretary with over 8 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

CORPORATE INFORMATION

Corporate Identification No.	:	L65923DL1985PLC195299
Registered & Corporate Office	:	205 Centrum Mall Sultanpur MG Road New Delhi - 110030 Ph: +91-97168 44571 Email: info@capitaltrust.in cs@capitaltrust.in *(Erstwhile: 307, Courtyard, Saket District Centre, New Delhi-1100317*
Board of Directors	:	• Mr. Yogen Khosla (Chairman and Managing Director) • Mr. Sanjiv Syal (Independent Director) • Ms. Suman Kukrety (Independent Woman Director) • Mr. Govind Saboo (Independent Director) • Mr. Pawan Dubey (Independent Director) • Mr. Vahin Khosla (Executive Director)
Board Committees **Audit Committee**	:	• Mr. Sanjiv Syal (Chairman) • Mr. Govind Saboo • Mr. Yogen Khosla • Mr. Pawan Dubey • Mr. Vahin Khosla
Nomination and Remuneration Committee	:	• Mr. Govind Sabooo (Chairman) • Mr. Sanjiv Syal • Mr. Pawan Dubey • Ms. Suman Kukrety
Stakeholders' Relationship Committee	:	• Mr. Govind Sabooo (Chairman) • Mr. Yogen Khosla • Ms. Sanjiv Syal • Mr. Pawan Dubey • Ms. Suman Kukrety
Risk Management Committee	:	• Mr. Govind Saboo (Chairman) • Mr. Sanjiv Syal • Mr. Yogen Khosla • Mr. Pawan Dubey • Mr. Vahin Khosla • Chief Risk Officer

Corporate Social Responsibility Committee	:	• Mr.Pawan Dubey (Chairman) • Mr. Sanjiv Syal • Mr. Yogen Khosla • Mr. Pawan Dubey • Mr. Vahin Khosla
Company Secretary	:	Ms. Tanya Sethi
Chief Finance Officer	:	Mr. Vinod Raina
Auditors	:	M/s Singhi & Co. Chartered Accountants Unit No.1704, 17th Floor, World Trade Tower (Tower-B), Delhi Noida Direct Flyway, C-01, Sector 16, Noida, Uttar Pradesh 201301
Registrar & Transfer Agent	:	**MAS Services Limited** T-34, IInd Floor Okhla Industrial Area, Phase-II New Delhi 110020 Tel. : 011-26387281 E-mail : info@masserv.com

PARTNERS

Equity: LIGHTHOUSE — DREAM | DARE | SCALE | CARE

Public Sector Banks: State Bank of India; Bank of India; UCO BANK; Union Bank of India; SIDBI — SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

Private Sector Banks: IDFC FIRST Bank; HDFC BANK

DFI / NBFCs: OIKO CREDIT; POONAWALLA FINANCE; MAS FINANCIAL SERVICES LTD. — EXCELLENCE THROUGH ENDEAVOURS; MAGMA; UGRO CAPITAL; SHRIRAM City — MONEY WHEN YOU NEED IT MOST; Samunnati; smc — Moneywise. Be wise.; NABKISAN FINANCE LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

It is one year since COVID -19 was declared a global pandemic, a year of terrible loss of lives and livelihoods. The accumulating human toll continues to raise concerns, even as growing vaccine coverage lifts sentiment. High uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. The contraction of activity in 2020 was unprecedented in living memory in its speed and synchronized nature. But it could have been a lot worse. IMF staff estimates suggest that the contraction could have been three times as large if not for extraordinary policy support. Much remains to be done to beat back the pandemic and avoid divergence in income per capita across economies and persistent increases in inequality within countries.

Improved outlook: After an estimated contraction of –3.3% in 2020, the global economy is projected to grow at 6.0% in 2021, moderating to 4.4% in 2022. The contraction for 2020 is 1.1% points smaller than projected in the October 2020 World Economic Outlook (WEO), reflecting the higher-than-expected growth out-turns in the second half of the year for most regions after lock-downs were eased and as economies adapted to new ways of working. The projections for 2021 and 2022 are 0.8% point and 0.2% point stronger than in the October 2020 WEO, reflecting additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of the year. Global growth is expected to moderate to 3.3% over the medium term—reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labor force growth in advanced economies and some emerging market economies. The COVID-19 recession is likely to leave smaller scars than the 2008 global financial crisis. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses. Among advanced economies, the United States is expected to surpass its pre-COVID GDP level this year, while many others in the group will return to their pre-COVID levels only in 2022. Similarly, among emerging market and developing economies, China had already returned to pre-COVID GDP in 2020, whereas many others are not expected to do so until well into 2023.

Divergent impacts: Output losses have been particularly large for countries that rely on tourism and commodity exports and for those with limited policy space to respond. The projected recovery follows a severe contraction that has had particularly adverse employment and earnings impacts on certain groups. Youth, women, workers with relatively lower educational attainment, and the informally employed have generally been hit hardest. Income inequality is likely to increase significantly because of the pandemic. Cumulative per capita income losses over 2020–22, compared to pre-pandemic projections, are equivalent to 20% of 2019 per capita GDP in emerging markets and developing economies (excluding China), while in advanced economies the losses are expected to be relatively smaller, at 11%. This has reversed gains in poverty reduction, with an additional 95 million people expected to have entered the ranks of the extreme poor in 2020, and 80 million more undernourished than before. Moreover, learning losses have been more severe in low-income and developing countries, which have found it harder to cope with school closures, and especially for girls and students from low-income households. Unequal setbacks to schooling could further amplify income inequality.

High uncertainty surrounds the global outlook: Future developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage (scarring); the evolution of financial conditions and commodity prices; and the adjustment capacity of the economy. In certain countries, policy support and lack of spending opportunities have led to large increases in savings that could be unleashed very quickly should uncertainty dissipate. At the same time, it is unclear how much of these savings will be spent, given the deterioration of many firms' and households' balance sheets (particularly among those with a high propensity to consume out of income) and the expiration of loan repayment moratorium. In sum, risks are assessed as balanced in the short term, but tilted to the upside later on.

Considering the large uncertainty surrounding the outlook, policy-makers should prioritize policies that would be prudent, regardless of the state of the world that prevails—for instance, strengthening social protection with wider eligibility for unemployment insurance to cover the self-employed and informally employed; ensuring adequate resources for health care, early childhood development programs, education, and vocational training; and investing in green infrastructure to hasten the transition to lower carbon dependence. Moreover, they should be prepared to flexibly adjust policy support, for example, by shifting from lifelines to reallocation as the pandemic evolves, and linked to improvements in activity, while they safeguard social spending and avoid locking in inefficient spending outlays. Where elevated debt levels limit scope for action, effort should also be directed at creating space through increased revenue collection (fewer breaks, better coverage of registries, and switching to well-designed value-added taxes), greater tax progressiveness, and by reducing wasteful subsidies.

Policy priorities: The factors shaping the appropriate stance of policy vary by country, especially progress toward normalization. Policies, therefore, will have to become better targeted to maintain the ability to support economic activity through this uncertain period as the race between the virus and vaccines unfolds. While the pandemic continues, policies should first focus on escaping the crisis, prioritizing health care spending, providing well-targeted fiscal support, and maintaining accommodative monetary policy while monitoring financial stability risks. Then, as the recovery progresses, policy makers will need to limit long-term economic scarring with an eye toward boosting productive capacity (for example, public investment) and increasing incentives for an efficient allocation of productive resources. It is a delicate balance, especially given the prevailing uncertainty. Therefore, when support is eventually scaled back, it should be done in ways that avoid sudden cliffs (for instance, gradually reducing the government's share of wages covered under furlough and short-time work programs while increasing hiring subsidies to enable reallocation as needed).

Once the health crisis is over, policy efforts can focus more on building resilient, inclusive, and greener economies, both to bolster the recovery and to raise potential output. The priorities should include investing in green infrastructure to help mitigate climate change, strengthening social assistance and social insurance to arrest rising inequality, introducing initiatives to boost productive capacity and adapt to a more digitalized economy, and resolving debt overhangs.

Strong international cooperation is vital for achieving these objectives and ensuring that emerging market economies and low-income developing countries continue to narrow the gap between their living standards and those of high-income countries. On the healthcare front, this means ensuring adequate worldwide vaccine production and universal distribution at affordable prices—including through sufficient funding for the COVAX facility—so that all countries can quickly and decisively beat back the pandemic. The international community also needs to work together to ensure that financially constrained economies have adequate access to international liquidity so that they can continue needed health care, other social, and infrastructure spending required for development and convergence to higher levels of income per capita. Countries should also work closely to redouble climate change mitigation efforts. Moreover, strong cooperation is needed to resolve economic issues underlying trade and technology tensions (as well as gaps in the rules-based multilateral trading system). Building on recent advances in international tax policy, efforts should continue to focus on limiting cross-border profit shifting, tax avoidance, and tax evasion.

(Source- World Economic Outlook, April 2021)

INDIAN ECONOMY

In 2020-21, the Indian Gross Domestic Product (GDP) contracted by 7.3% against the 4.2% expansion in 2019-20 (prior to COVID-19 pandemic), although it was marginally better than the 8% contraction in the economy, projected earlier. The fourth quarter of 2020-21 recorded a growth of 1.6% in GDP, the second quarter of positive growth, after the country had entered a technical recession in the first half of the year (-24.4% in Q1FY21, -7.4% in Q2FY21 and +0.5% in Q3FY21). The Gross Value Added recorded 3.7% growth in Q4, compared to 1% in Q3. GVA had contracted 22.4% and 7.3% in the first and second quarters of 2020-21.

The GVA in India's economy shrank 6.2% in 2020-21, compared to a 4.1% rise in the previous year. Only two sectors bucked the trend of negative GVA growth - Agriculture, Forestry and Fishing (3.6%) and Electricity, Gas, Water Supply and other Utility Services (1.9%). GVA from Trade, Hotels, Transport, Communication and Broadcasting-related services recorded the sharpest decline (-18.2%), followed by Construction (-8.6%), Mining and quarrying (-8.5%) and Manufacturing (-7.2%).

This is the worst performance of the Indian economy in any year since Independence. The GDP had contracted by 5.2% in 1979-80, when global oil prices had gone through the roof. In view of COVID pandemic the prime reasons for contraction were as follows:

- In India, the private consumption expenditure tends to form 55-60% of the overall economy. In 2020-21, private consumption contracted by 9.1%, much higher than 2.2% in 1979-80. During pandemic year, consumers cut down on their consumption and Individuals lost jobs. Many others were haunted by the fear of losing their jobs. Families had to spend heavily on health emergencies and so on.

  The total consumption expenditure in 2020-21 at ₹75.61 lakh crores was just 3.1% more than in 2017-18. So, in reference of consumption, the economy has gone back by three years. It also indicates that India's economic growth was slowing down even before the pandemic struck.

- When people cut down on their expenditure in the midst of a pandemic, it is but natural for corporates to not look for expansion. The investments made into the economy contracted by 10.8%. It doesn't make sense for corporates to expand when the existing capacities are not being properly utilized.

- In an environment where both individuals and corporates cut down on their spending, the government tends to spend more, in order to pump-prime the economy and get economic activity and growth going again. In 2020-21, the government spending rose by just 2.9%. vs 7.9% in 2019-20. This is understandable to some extent given that it isn't easy even for the government to spend money during the middle of a pandemic.

- Indian economy is primarily a service driven economy. The services sectors which make up around half of the Indian economy contracted by 8.4%. The remaining non-services part of the economy contracted by a smaller 6.1%.

  Most services are to be offered in person and that took a beating in the middle of a pandemic where lockdowns, curfews and quarantines are the order of the day. The total value added by services in 2020-21 stood at ₹67.54 trillion, which was almost similar to the value added in 2017-18, indicating, India's services economy pushed back due to pandemic by three years.

To counter the COVID related disruptions, several related measures were introduced:

- Economic activities were allowed in different phases based on localized containment zones coupled with revival of economic activities in less affected areas:
  - ✓ April 15: Relaxation measures in non-hotspot areas, with effect from April 20, 2020. On April 29, the government permitted inter-state movement of stranded people, including migrant workers, managed by the nodal authorities who are designated by the states. Some graded relaxations in economic activities were allowed in geographic areas designated as orange and green zones on May 4 and domestic air travel restarted on May 25.
  - ✓ July 29 ('Unlock 3.0'): Re-opening of activities across the country and limiting the lock-down only to containment zones till August 31.
  - ✓ August 29 ('Unlock 4.0'): To further re-open the economy in September, removing restrictions on metro rail in a graded manner and allowing for social, academic, sports, entertainment, and other congregations of up to 100 people.
  - ✓ September 30 ('Unlock 5.0'): Allow state/union territory governments to decide on reopening schools and coaching institutions after October 15 in a graded manner. Cinemas/theatres/multiplexes permitted to open with up to 50% of their seating capacity and entertainment parks permitted to open from October 15, 2020.
- On January 3, 2021, India's Central Drugs Standard Control Organization (CDSCO) provided emergency use authorization (EUA) to the AstraZeneca vaccine and the Covaxin (developed by Bharat Biotech). Both are manufactured domestically in India.
- On January 11, 2021, the Prime Minister announced the start of the world's biggest vaccination campaign from January 16th aiming to vaccinate about 30 crore people in the coming months.

In addition, several fiscal and monetary support measures were undertaken in view of economic hardship faced by a large section of Indian population with focus primarily on social protection and healthcare:

- On 12-May-20, the PM announced a relief package of around 10% of GDP, including previously announced monetary and fiscal measures:
  - ✓ In-kind (food; cooking gas) and cash transfers to lower-income households (1.2% of GDP);
  - ✓ Wage support and employment provision to low-wage workers (0.5% of GDP);
  - ✓ insurance coverage for workers in the healthcare sector; and healthcare infrastructure (0.1% of GDP).
- Additional measures announced later in October and November 2020:
  - ✓ Additional public investment (higher capital expenditure by the central government and interest-free loans to states, of about 0.2% of GDP) and support schemes targeting certain sectors. The latter includes a Production Linked Incentive scheme targeting 13 priority sectors and is expected to cost about 0.8% of GDP over 5 years

- ✓ Higher fertilizer subsidy allocation benefiting the agriculture sector (0.3% of GDP) and support for urban housing construction (0.1% of GDP)
- Postponing some tax-filing and other compliance deadlines, and a reduction in the penalty interest rate for overdue GST filings.
- Additional measures (without an immediate direct bearing on the government's deficit position) included credit support to businesses, specially for micro, small, and medium-sized enterprises and non-bank financial companies (1.9% of GDP), poor households, especially migrants and farmers (1.6% of GDP), distressed electricity distribution companies (0.4% of GDP), and targeted support for the agricultural sector (0.7% of GDP), as well as some miscellaneous support measures (about 0.3% of GDP).
- RBI reduced the Repo and Reverse Repo rates and announced liquidity measures comprising Long Term Repo Operations (LTRO), Cash reserve ratio (CRR) cut and increase in Marginal Standing facility (MSF).
- RBI provided relief via revised credit norms and moratorium to both borrowers and lenders (through end-August) and the Securities and Exchange Board of India (SEBI) temporarily relaxed the norms related to debt default on rated instruments and reduced the required average market capitalization of public shareholding and minimum period of listing.
- RBI introduced regulatory measures to promote credit flows to the retail sector and micro, small, and medium enterprises (MSMEs) and provided regulatory forbearance on asset classification of loans to MSMEs and real estate developers (later extended to loans from NBFCs).
- On August 6, RBI permitted banks to restructure existing loans to MSMEs classified as 'standard" (as of March 1, 2020) without a downgrade in the asset classification. The restructuring of the borrower account is to be implemented by March 31, 2021.
- On 1st February 2021, the central government budget for FY2021-22 expanded spending on health and well-being, including a provision for the country's COVID-19 vaccination program (Rs.35,000 crores).

In view of above measures, GDP grew by 1.6% in Q4FY21. Up until early February, when the second wave of covid hadn't really struck, most economists had been predicting a growth of 11-13% in 2021-22. As of now, they have cut their forecasts to around 9-10% growth. This, of course, comes with the assumption that there will be no third covid wave. Also, the real economic impact of the second wave of covid has not yet started to show up in the economic data, which it will over the next few months. Hence, the growth forecasts are more than likely to be revised downwards.

Second wave has been much bigger and much more disastrous than the first wave. Many families have ended up exhausting their savings in fighting the pandemic. Many other families are in debt. Those who haven't been directly impacted by the second wave are scared because of the possible third wave and are saving up for that.

Also, during the first wave, COVID spread was concentrated in urban areas. This time rural India has also been impacted on account of same. Given the weak data collection mechanism, it is very difficult to figure out how bad the situation really is in rural India. In this scenario, it is more than likely that consumer spending, which forms the bulk of India's economy, will continue to stagnate. Also, the state governments will be reluctant to open their economies quickly, because they don't want covid cases to start rising all over again. And more importantly, they fear the third wave. In this scenario, the services sector is expected to be sluggish in the near future.

Before 2021-22 started, many economists expected the GDP for this year to be greater than the GDP for 2019-20 (₹145.69 lakh crores). But as of current situation, we may have to wait for 2022-23 for achieving the same.

(Source: Media Reports, The Hindu, Livemint and IMF)

Indian Economy outlook

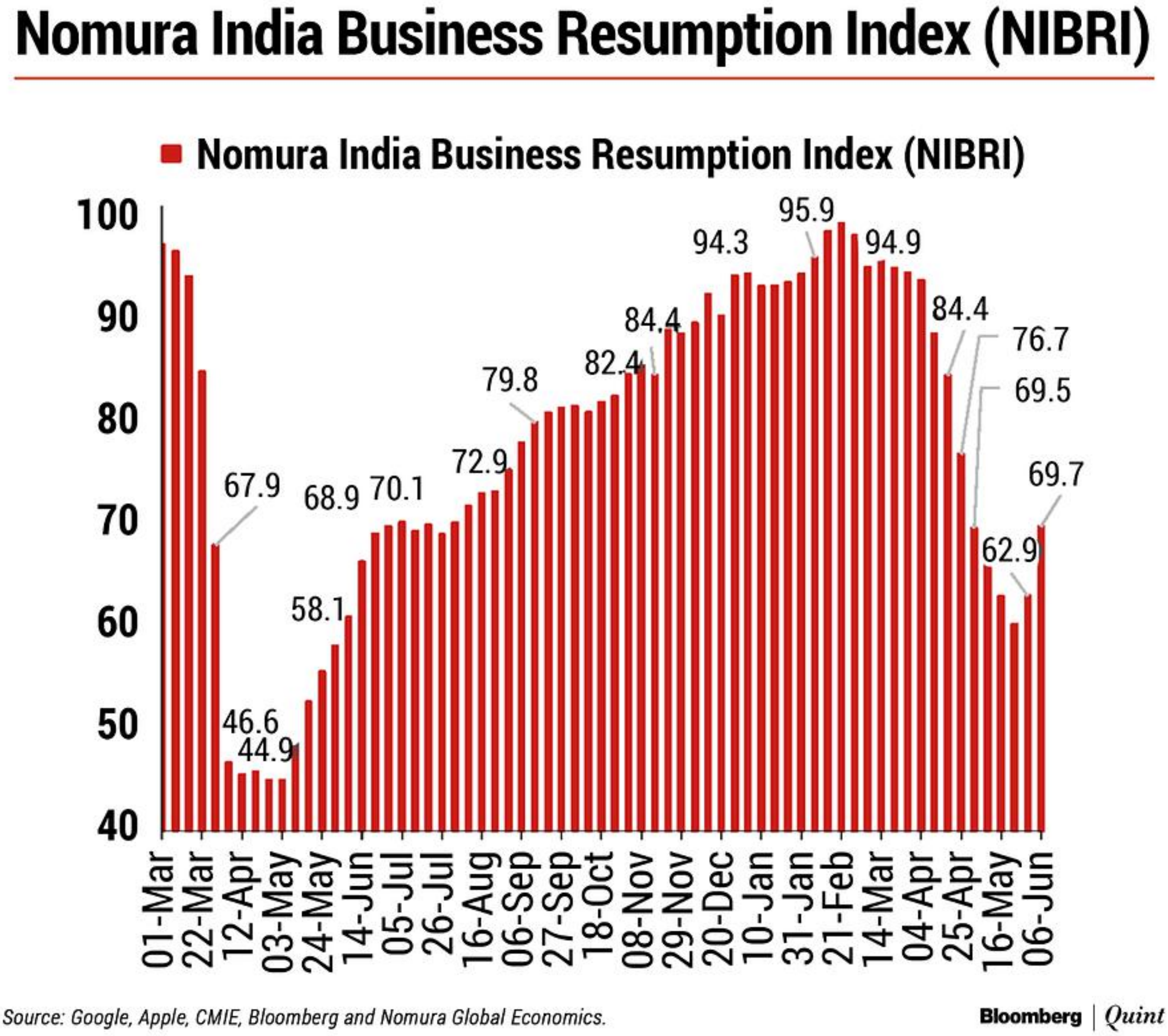
As per World Bank projections, Indian Economy is expected to expand 8.3% in fiscal year 2021-22. The forecast has been revised up by 2.9%, although it masks significant expected economic damage from the second wave of COVID-19. Besides, the global economy has been projected to grow 5.6% this year vs. 4.1% forecast in Jan-21. COVID vaccinations and stimulus given by various central governments are expected to power the fastest worldwide expansion in nearly five decades.

India shifted fiscal policy in the FY2021-22 budget toward higher expenditure targeted at healthcare and infrastructure to boost the post-pandemic recovery. However, In India, second COVID-19 wave is undermining the sharper than expected rebound in activity witnessed in second half of FY21, especially in services. With surging COVID cases, foot traffic around work and retail spaces has again slowed to more than one-third below pandemic levels, since March, in part due to the greater restrictions on mobility. Accordingly, the renewed outbreak, may require further targeted policy support to address the health and economic costs.

Several measures during second wave were announced to tackle the associated challenges:

- In April 2021, in response to the recent surge in infections, the central government announced free food grains to be provided to 80 crores individuals in May and June 2021 (with a cost of about Rs.26,000 crores) and same has been extended till November 2021.
- The central government extended the scheme for providing interest-free loans to states for capital expenditure to FY2021/22 (Rs.15,000 crores) and expedited the release of Disaster Response Fund to state governments (from June to May).
- Customs duties and other taxes on vaccines, oxygen and oxygen-related equipment were waived to boost their availability.
- On May 4,2021, the RBI introduced a set of further measures aimed at easing liquidity and financing conditions, including on-tap liquidity support to COVID - related healthcare infrastructure and services and special Long-Term Repo Operations (SLTRO) for small finance banks.
- The resolution scheme for COVID related stressed retail and MSME loans was re-introduced (extended for MSMEs)—with lenders allowed to invoke restructuring of loans until end-September 2021. Furthermore, for loans restructured under the previous (August 2020) resolution scheme, lenders can further extend moratoriums on repayments or the loan tenors up to a total of 2 years.
- In late May, the RBI extended the time-line prescribed for compliance with various payment system requirements and the ECLGS scheme till September 30, 2021.
- From 1st May 2021, all persons above 18 are eligible for vaccinations; and as per latest announcement, effective from 21st June 2021, vaccine manufacturers are now permitted to sell 25% in the open market with balanced to be directly procured by Central Government of India for further distribution to different states of India.

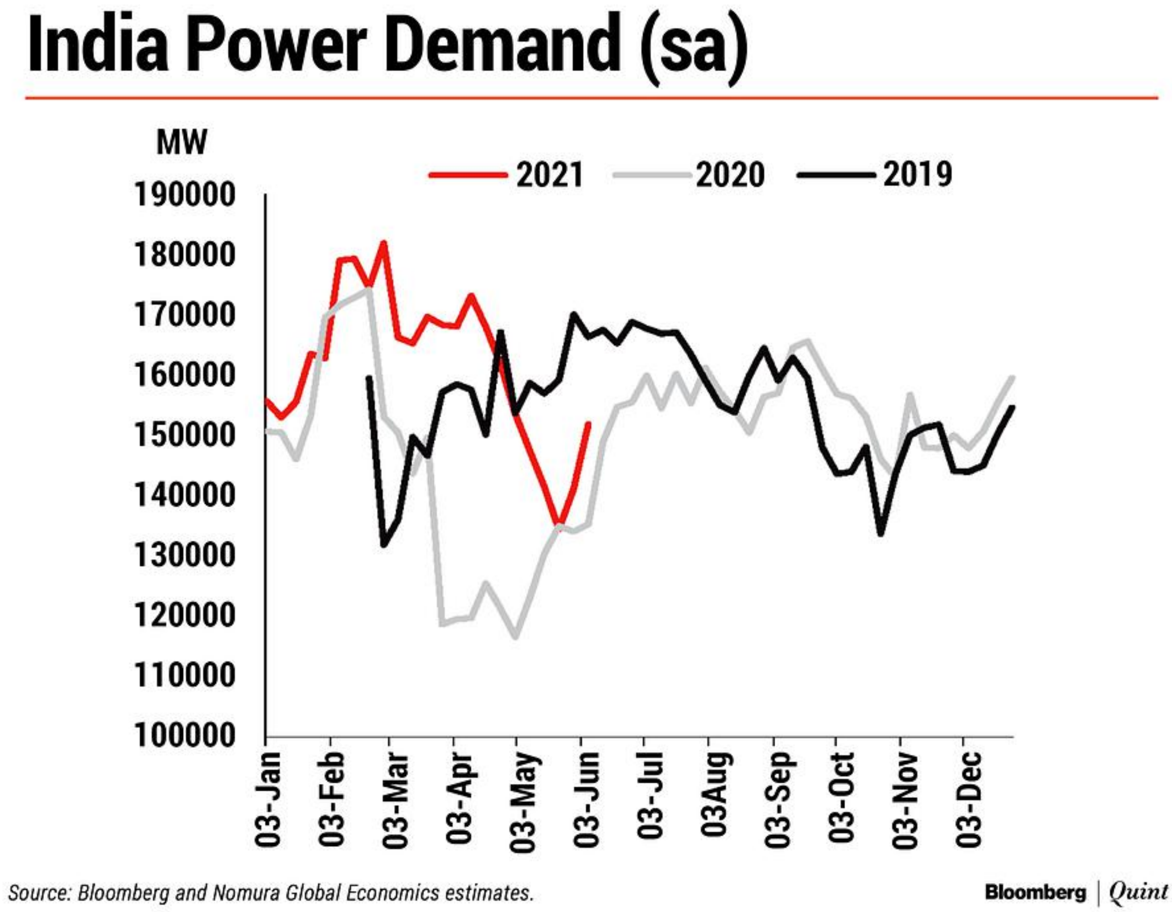
As the second wave of Corona virus in India continues to slow down in the recent times, with cases receding, several states with high contribution to national output, such as Maharashtra, Gujarat, Tamil Nadu and Delhi, are reopening. High-frequency economic indicators are showing early signs of a rebound. The turn, if it strengthens, will mean that the months of April-May were worst hit, with the economy set to rebound from June.



The Nomura India Business Resumption Index, a weekly tracker of the pace of economic activity normalisation, bottomed-out in end-May and has since registered two consecutive weeks of increase. For the week ended June 6, it rose to 69.7 from 62.9 in the previous week, and 60.2 at its nadir, as per research note by Nomura dated June 7. This indicates that over the last couple of weeks, the NIBRI has risen by about 9.5% from the bottom, and is currently about 30% below pre-pandemic levels.

Recovery, expectedly, is led by mobility, while other high-frequency indicators are picking up more gradually. Google workplace and retail and recreation mobility are up by over 8% from the previous week's levels, said Nomura. Traffic congestion has also started picking up and railway passenger daily revenues have risen to Rs.460 crores from a low of Rs.160 crores in mid-May.

GST e-way bills clocked the first week-on-week uptick in nearly two months, according to QuantEco Research. Power demand picked up by 7.6% on a weekly basis after rising by over 5% in the previous week, reversing several weeks of contraction, according to Nomura.



The pace of recovery, however, remains uneven. Railway freight revenues are picking up more gradually, rising to nearly Rs 2,700 crore per day from about Rs 2,600 crore a fortnight ago, according to Nomura. While the labour participation rate has remained stable at around 39%, unemployment rate rose to 13.6% for the week ended June 6 from 12.2% in the previous week. Notably, the rise is led by a higher unemployment rate in rural India while urban India recorded a decline from the previous week

Near-term growth dynamics, remain crucially contingent on two factors — the pace of relaxation of lockdowns and the pace of vaccinations, Nomura said. While the former will determine the speed of recovery in mobility and broader economic activity, the latter will be important for ensuring that the number of cases remains in check and the lockdown easing is sustained, it said.

However, in future India is expected to benefit from policy support, including higher spending on the infrastructure, rural development and health and stronger than expected recovery in services and manufacturing.

Indian domestic financial conditions are easier than they have been in the past. These conditions, may however change, if rapid recoveries in advanced economies lead to tightening monetary policy in these economies before recoveries are entrenched.
Growth in FY23 is expected to slow to 7.5% reflecting lingering impacts of COVID-19 on households, corporates and bank balance-sheets, possibly low levels of consumer confidence and higher uncertainty on job and income prospects.

Source:Media Report- TOI. Bloombergprint

Indian Financial sector

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

India's gross national savings (GDS) as a percentage of Gross Domestic Product (GDP) stood at 30.50% in 2019. During 2020 fund raising from the equity market grew by 116% to Rs.1.78 lakh crore in Initial public offering (IPOs), Offer for Sale (OFS) and other market issuances. As of Mar'21, AUM managed by the mutual funds industry stood at Rs.31.43 lakh crores. 16% assets in the mutual fund industry were generated from B30 locations in Feb'21. Inflow in India's mutual fund schemes via systematic investment plan (SIP) were Rs. 96,080 crore in FY21.

The number of ultra-high net-worth individuals (UHNWIs), with wealth of US$ 30Mn or more, is expected to rise 63% between 2020 and 2025 to 11,198. India has also scored a perfect 10 in protecting shareholders' rights on the back of reforms implemented by Securities and Exchange Board of India (SEBI) in the World Bank's Ease of Doing Business 2020 report.

In November 2020, the Reserve Bank of India (RBI) announced establishment of its Innovation Hub. In order to encourage access to financial services and goods and foster financial inclusion, this initiative would create an ecosystem. The Innovation Hub of the Reserve Bank (RBIH) is intended to promote innovation across the financial sector by leveraging technology and creating a conducive environment for innovation. In August 2020, the National Payments Corporation of India (NPCI) launched an international arm—NPCI International Payments (NIPL) with an aim to take its indigenously developed digital payment products such as RuPay and Unified Payments Interface (UPI) to a global level. In April 2021, UPI recorded 264 crore transactions worth Rs.4.93 lakh crore. The number of transactions through Immediate Payment Service (IMPS) increased to 32.30 crore and was worth Rs.2.99 lakh crore in April 2021. India's mobile wallet industry is estimated to grow at a Compound Annual Growth Rate (CAGR) of 150% to reach US$ 4.4Bn by 2022, while mobile wallet transactions are expected to touch Rs.32 lakh crore by 2022.

On demand side, Rising income is driving the demand for financial services across income brackets. Financial inclusion drive from the Reserve Bank of India (RBI) has expanded the target market to semi-urban and rural areas. Rural credit segment is a large market, which can be tapped by ensuring timely loans that are critical for the agricultural sector. Increasing use of technology to reach rural India is the paradigm-shifting enabler. Internet kiosk-based channels are expected to become the bridge that connects rural India to financial services.

The Government and Reserve Bank of India (RBI) have also taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA).

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

Demand:

- Increase in working population & growing disposable incomes
- Housing & personal finance are expected to remain key demand drivers.
- Rural banking is expected to witness growth in the future.

Innovation in Services:

- Mobile, internet banking & extension of facilities at ATM stations to improve operational efficiency.
- Vast un-banked population highlights scope for innovation in delivery.

Policy Support:

- Wide policy support in the form of private sector participation & liquidity infusion.
- Healthy regulatory oversight & credible monetary policy by the RBI have lent strength and stability to the country's banking sector.

Source: ibef

NBFC Sector

There were 9608 non-banking financial companies (NBFCs) registered with the Reserve Bank as on January 31, 2021. Out of above 9415 were non-deposit accepting (NBFCs-ND) while there were 64 deposit accepting NBFCs (NBFCs-D), 28 Asset reconstruction companies (ARCs) and 101 Housing Finance Companies (HFCs). Among NBFCs-ND, those with an asset size of Rs.500 crore or more are classified as non-deposit taking systemically important NBFCs (NBFCs-ND-SI). 9415 NBFCs-ND comprised 292 systemically important NBFCs-ND (NBFCs-ND-SI) and 9123 other NBFCs-ND. All NBFC-D and NBFCs-ND-SI are subject to prudential regulations such as capital adequacy requirements and provisioning norms along with reporting requirements.

NBFC Sector Analysis

NBFCs play an important role in facilitating credit intermediation in India as an alternative to bank financing, in addition to niche financing and last mile outreach. NBFCs complement banks in the credit intermediation process by offering diversified, tailor-made financial products through innovative service delivery mechanisms. Furthermore, they facilitate financial inclusion by providing credit to unbanked sections of the population. Over the years, NBFCs have assumed systemic importance due to their inter-linkages with the banking sector, capital market and other financial sector entities. They consolidated their positions in the lending space following asset quality concerns for banks.

NBFCs have served the unbanked customers by pioneering into retail asset-backed lending, lending against securities and micro-finance. Credit intensity, as measured by NBFCs' credit to GDP ratio increased from 8.6% in 2012-13 to 12.2% in 2018-19 before moderating slightly to 11.6% in 2019-20 in the wake of the pandemic.

During 2019-20, NBFCs faced headwinds in the aftermath of the IL&FS episode in the form of an erosion of confidence, rating downgrades and liquidity stress, all of which became exacerbated by the COVID-19 pandemic. A challenging macroeconomic environment, weak demand compounded by risk aversion and rising borrowing costs resulted in a substantial deceleration in asset growth in 2019-20. The impact was particularly pronounced for NBFCs-ND-SI. Although, in H1FY21 NBFC sector rebounded.

The NBFC sector is dominated by NBFCs-ND-SI that constitute 85.7% of the total assets of the sector. Few large government-owned NBFCs, mainly catering to the infrastructure space, comprise 43.3% of the total assets of NBFCs-ND-SI. Industry remained the largest recipient of credit extended by the NBFC sector, followed by retail loans and services. The share of the retail loan portfolio increased in 2019-20 with a corresponding fall in the shares of all other sectors. Credit to agriculture, industry and services recorded absolute declines, while the retail sector expanded at a slower pace during 2019-20. During 2019-20, retail loans were driven up by housing loans and vehicle loans.

Among key sub sectors, credit flow to micro and small industries exhibited revival in FY20, albeit from a low base. Credit to commercial real estate, around one-third of the credit extended by NBFCs to the services sector, declined sharply under the impact of the pandemic. Many companies shifted to working from home. The exodus of migrant labourers also posed impediments. Consumer durables credit continued to decline due to tepid demand. Housing, with a small share in NBFCs' loan books, continued to grow on the back of the government's scheme for affordable housing and the improvement brought about by the Real Estate Regulations and Development Act, 2016. During the year, NBFCs' industrial credit growth was impacted by the stress in thermal power projects, lower demand for finance owing to slowdown in construction activities, fall in manufacturing sector output as well as disruptions due to COVID-19. However, several NBFCs remained ahead of the curve in retail sector by diversifying into other areas of vehicles financing like used vehicles, two-wheelers and three- wheelers in place of commercial vehicles.

Lending to MSMEs by NBFCs picked up in FY20, attributable to the increased lending by NBFCs-MFI, especially in the micro and small credit segment. The Government's announcements in the Union Budget as well as other policy measures such as interest subvention scheme for all Goods and Services Tax registered MSMEs on fresh or incremental loans augured well for the sector during the year. The updated credit- linked Capital Subsidy Scheme for MSMEs launched in 2019-20 in which guarantees are provided for extending collateral free lending to MSMEs, incentivised NBFCs' on-lending, albeit dented by COVID-19.

During FY21, Industrial sector, seemed the worst hit by the pandemic. Imposition of lockdown, abrupt stoppage of economic activities and disruption in supply chains to contain the spread of the virus affected these sectors the most. Agriculture was the bright spot with the highest growth in disbursements in Q3FY21. Incremental credit flows (on y-o-y basis) to the retail sector continued to increase in Q2FY21 and Q3FY21, but at a slower pace, while services sector saw marginal increase in Q3FY21, wherein vehicle loans, gold loans, transport and tourism were the beneficial segments. With the need for observing social distancing norms, passenger vehicles sales increased by 13.6% in December 2020. Loans against gold also grew robustly as it filled in the cash requirements and possible working capital requirements of small firms. However, incremental credit to industries declined in the same period as the sector is yet to shake off the impact of the pandemic

NBFCs mobilise resources largely via debentures and bank borrowings. With the IL&FS default and the related downgrade cascade, market access shrank and NBFCs' reliance on banks for funds continued to rise. In H1FY21, market confidence revived and NBFCs' borrowings from banks and FIs accelerated, buoyed by various policy measures taken by the RBI and the government to combat COVID-19 impact. As the Reserve Bank required NBFCs to adopt a Liquidity Risk Management Framework from December 2020, NBFCs gradually swapped their short-term borrowings for long-term borrowings with the aim of maintaining adequate liquidity. In H1FY21 overall bank exposure to NBFCs continued to grow due to higher direct lending by banks as well as their investment in debentures, the latter shored up by ample liquidity and return of market confidence with the Partial Credit Guarantee Scheme (PCGS), Targeted Long-Term Repo Operations (TLTRO) and Special Liquidity Scheme (SLS). Growth in lending via CPs to NBFCs was in negative territory in September 2020 following a pick-up in Q1FY21.

NBFCs have gradually changed their borrowing profile and swapped short-term borrowings for long-term borrowings. To mitigate the temporary liquidity mismatches of NBFCs/ HFCs, the Partial Credit Guarantee Scheme (PCGS) was announced in the Union Budget 2019-20. PCGS aimed at providing government guarantee to public sector banks for purchase of pooled assets from financially sound NBFCs/ HFCs limited to first loss of up to 10 per cent of the fair value of assets or `10,000 crore, whichever is lower. While TLTRO specifically support banks' investment in investment grade paper of NBFCs of one to three year maturity, the Rs.30,000 crore liquidity scheme launched by the Government facilitated acquisition of short-term debts through a Special Purpose Vehicle.

NBFCs' income growth decelerated in FY20 and in the immediate aftermath of COVID-19 pandemic in Q1FY21, but they continued to grow on the back of fund income of NBFCs-ND-SI. On the other hand, their expenditures plummeted as businesses cut costs to trudge through the slump. The situation improved marginally in Q2FY21 and Net profits of NBFCs-ND-SI witnessed revival, attributable to low base effects and moderation in their cost to income ratio.

The GNPA ratio of NBFCs-ND-SI deteriorated in 2019-20. However, GNPA ratio of NBFCs was further elevated in Q1FY21 and Q2FY21 compared to the corresponding period in 2019-20. In Q3FY21, both GNPA and NNPA ratios fell compared to Q3FY20. Nevertheless, the true extent of NPAs in the sector may be gauged in the upcoming quarters as the interim order by the Supreme Court on asset classification standstill was lifted in March 2021

The system-level capital to risk-weighted assets ratio (CRAR) of NBFCs dipped marginally due to an uptick in NPAs in 2019-20. However, they remained well-capitalised maintaining Tier-1 capital of 16% at end March 2020, much higher than the regulatory stipulation of 10%.

Source: RBI report

Policy Measures

NBFCs are meshed into a web of inter-linkages with banks and financial markets. Consequently, asset quality concerns relating to NBFCs constrain them to access liquidity with spill overs to financial markets. In order to restore confidence and maintain stability, the Reserve Bank and the government responded with several measures as summarized below:

- The Finance Bill 2019 through amendments in the RBI Act, 1934 conferred powers on the Reserve Bank to strengthen governance of NBFCs so as to protect depositors'/creditors' interest and secure financial stability. The amendments empowered the Reserve Bank to remove the directors of NBFCs; supersede their board and appoint administrators in order to improve governance; impose penalties in case of non-compliance with various requirements; and to resolve an NBFC by amalgamation, reconstruction or splitting an NBFC into different units or institutions.

- The government amended the Companies (Share Capital and Debentures) Rules by removing Debenture Redemption Reserve (DRR) requirement for NBFCs and HFCs.
- Banks were allowed to provide partial credit enhancement (PCE) to bonds issued by NBFCs-ND-SI registered with RBI and HFCs registered with National Housing Bank, provided the tenor of the bonds is not less than three years, proceeds from such bonds shall only be utilised for refinancing existing debt of the NBFCs-ND-SI/HFCs.
- To encourage NBFCs to securitise/assign their eligible assets, the Reserve Bank has relaxed the minimum holding period (MHP) requirement till December 31, 2019 for originating NBFCs in respect of loans of original maturity above 5 years, subject to certain conditions.
- All scheduled commercial banks (excluding Regional Rural Banks and Small Finance Banks) were allowed to co-originate loans with NBFCs-ND-SI for the creation of eligible priority sector assets, facilitating sharing of risks and rewards.
- The Government of India rolled out the scheme to provide a one-time partial credit guarantee for the first loss up to 10 per cent to public sector banks (PSBs) for purchase of high-rated pooled assets amounting to Rs.1 lakh crore from financially sound NBFCs/HFCs.

In addition, during COVID first wave, several liquidity boosting measures were announced by RBI and the government with details as follows:

- Targeted Long-Term Repo Operation (TLTRO) of Rs 500 billion that targets mid- and small-sized nonbank financial companies (NBFCs) and microfinance institutions (MFIs).
- Reduction in Cash Reserve Ratio (CRR) of all banks by 100bps to 3.00% of net demand and time liabilities
- Reduction in the reverse repo rate of 25bp, lowering the rate to 3.75% and increasing the corridor relative to the MSF rate to 90bp.
- A special refinancing facility of Rs 500 billion to institutions, such as NABARD, SIDBI and NHB, to reduce their issuance pressure on markets.
- Permitted all commercial banks, co-operative banks, all-India Financial Institutions and NBFCs to allow moratorium of six months on payment of instalments in respect of all term loans outstanding as on March 1, 2020.
- In respect of all accounts for which lending institutions decide to grant moratorium/deferment, and which were standard as on March 1, 2020, the 90-day NPA norm shall also exclude the extended moratorium/deferment period. Consequently, there would be an asset classification standstill for all such accounts during the moratorium/deferment period from March 1, 2020 to August 31, 2020.

Source: RBI, media reports

Company outlook

Capital Trust Limited has been in the business of lending to Micro Enterprises since 2008. With an experience of more than a decade for loans financed to more than 8 lakh clients, Company has been dynamic in responses to various obstacles faced along the journey and evolved innovative solutions in response of each contingency faced for enhancing the profitability and sustainability of the economically viable business. .

To counter the challenges faced at the time of demonetization and after effects including GST, the Company entered into new territories and simultaneously evolved new loan products with focus on shorter tenure, comparatively smaller ticket size and on-line payment modes (cash-less) including NACH, Wallets, Payment Gateways and Payment through links.

The company continues to operate in 10 states through 229 branches in Delhi, Uttar Pradesh, Uttrakhand, Madhya Pradesh, Punjab, Rajasthan, Odisha, Bihar, Chatisgarh and Jharkhand. The company is not disbursing in the states of UP, Delhi and Uttrakhand which were impacted by the demonetization. However the company is planning to start operations in Eastern UP. The loan portfolio of the company is evenly distributed, thus mitigating the locational risk to portfolio concentration in single location.

The company introduced Capital Magic Loans and Micro Business Loans. Capital Magic Loan is a unsecured business loan with tenure of one year under quick disbursement mode offered by the Company through its mobile application Capital Connect. Micro business loan is a individual loan with 2 year tenure and higher ticket size to fulfil business related needs of the customer. All the loans are provided through digital modes without any paperwork and all agreements are signed through digital signatures.

Even under the prevailing COVID situation and associated lock-downs/ moratorium scenario Company was in touch with Clients through regular calls. More than 15 Lakh calls were made to 1.5 Lakh clients using in-house developed Calling Application and frequent messages, notifications and videos were sent through Client Facing Application. There was extensive daily monitoring at Company, Cluster and Branch level and field staff strength increased to tackle difficulty in collection. Use of technology has been enhanced to facilitate digital collection, online meetings and digital receipt issuance to operate under lockdown while also following moratorium related norms.

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. Documnetaion 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 1700 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 base:** The net worth of the company is Rs.117 Crores even after huge write offs and higher provisions due to covid. . The company is highly capitalized as the Capital Adequacy Ratio is 45%. The company can leverage this ratio to raise funds.

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.

Risk management

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

Risks may be avoided through pre-emptive action and hence the need to identify the risks and put in place various mitigation mechanisms.
Capital Trust has identified the following potential risks that could have an adverse impact on the company:

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

Credit Risk

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

This risk can result from:

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

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

Mitigation

1.1. Location Selection

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

1.2. Credit Bureau Check

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

1.3. Multi-Step Customer Verification

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

Operational Risk

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

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

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

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

Mitigation

2.1. Process Compliance

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

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

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

2.2. Employee Rotation Policy:

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

2.3. Document Storage and Retrieval:

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

Portfolio Concentration Risk

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

Mitigation

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

Compliance Risk

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

Mitigation

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

Reputation Risk

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

Mitigation

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

Strategic Risk

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

Mitigation

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

Contagion Risk

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

Mitigation

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

OPERATIONAL REVIEW

The company continues to operate in 10 states through 229 branches. The company has not entered into any new territory during the year. The maximum concentration in any state is not more than 25% indicating that the concentration risk has been reduced by the company.

Year	FY 19	FY 20	FY 21
BIH	10%	17%	21%
PUN	21%	21%	20%
ODI	10%	15%	17%
MP	12%	14%	14%
RAJ	15%	14%	13%
UP	23%	11%	6%
JH	2%	4%	4%
UKH	5%	3%	1%
CH	1%	2%	2%
DEL	1%	0%	0%
	100%	100%	100%

The company is not disbursing in the states of UP, Delhi and Uttrakhand ('Affected States') which were impacted by the demonetization. The loan portfolio of the company is evenly distributed, thus mitigating the locational risk to portfolio concentration in single location. The exposure in the states that were more impacted post demonetization (Uttar Pradesh, Uttarakhand and Delhi) has been reduced from 73% of AUM as on Mar-17 to 6% of AUM as on Mar-21. The highest exposure has been in Bihara among 10 states at 21 % of AUM

At aggregate level, although the portfolio has been reduced to Rs.401 Crores as on Mar'21 from Rs.471Crores as on Mar'20, the proportion of new loan products has increased from Rs 134 Crs, i.e. 28% of portfolio as on Mar'20 to Rs.166 Crs, i.e. 41% of portfolio as on Mar'21. After the Covid wave 1, the company has disbursed Rs. 129 Crs in Capital Digital initiatives since July, 2020. the collection efficiency of the that product has been 99.8%

At consolidated level 1.9% of portfolio is NPA (Stage 3 ECL). The majority of the same is concentrated in Affected States. The net NPA is 0% as the company has aggressively provided for due to present Covid crisis However The NPA of the company has been primarily concentrated in MEL and SEL portfolio. This portfolio is now rundown.

DIGITAL INITIATIVE

Company has been at the forefront of using technology and digitization to improve the client experience on a continuous basis. One of the key initiatives of the company has been to move the collection process of the borrower on the online mode since January 2019 for all new borrowers. Even though there was no sign of the COVID 19 crisis at the time of taking this decision, it proved to be a very positive strategic decision by the company.

The client segment of the company is in the rural and semi-urban areas. Other finance companies providing credit to the similar borrowers primarily offer cash-based repayment. Other repayment options are not actively provided to the clients by them.

Capital Trust Limited, as part of its Digital Initiative has provided online collection options to all new loans given since January 2019. Borrowers can repay the loans through Cheque, NACH, Online money transfer, UPI, wallets, debit cards or any other online model. Only if the client is not able to pay through any of these modes, the company offers doorstep cash collection service to the customers. There are multiple incentive and awareness programs to encourage more and more clients to start paying through the online mode.

Our company is fully aligned with the vision of the Digital India Programme of the Government of India. The vision of the Government is to transform India into a digitally empowered society and knowledge economy with one of the stated objectives of "Faceless, Paperless, Cashless" processes. Our company believes that transacting online should be right and not a privilege for our borrowers, as it promotes digital financial inclusion and transparency of operations.

In addition to the new borrowers, there are a large number of existing borrowers who took loans prior to the digital initiative and were on cash-based repayment model. The company has built a continuous process for converting these clients to the new products offering digital collection. This process was further expedited post the Covid19 crisis as even the borrowers saw the merit in having online repayment options.

Following data provides the details of the number of loans disbursed under the digital initiative since January 2019:

	New Clients	Cash to Digital Clients	Total Clients
FY19	673	0	673
FY20	37,849	1,639	39,488
FY21	22,755	16,235	38,990

The "Cash to Digital" conversion of clients was done through various schemes including an ongoing renewal scheme and some one-time schemes. From the company's perspective, digital collection also offers lower operating costs and it will be our endeavor to convert 100% of the borrowers to the digital collection mode as early as possible.

INVESTMENT IN SUBSIDIARIES

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

INTERNAL CONTROL SYSTEM

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

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

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

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

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

- Focusing on key business activities through motivated, skilled and experienced staff who are responsive to the customers' needs;
- Engaging with different entities to facilitate positive changes to existing processes, practices and systems;

- Adopting continuous improvement initiatives and implementing best practices in developing its plan, policies and methods;

- Creating a dynamic working environment which encourages innovation and maximizes the use of new technology;

- Ensuring that its performance is monitored, measured and reported in satisfying the expectations of the different stakeholders.

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

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

The audit recommendations are actively followed up and implemented. As part of the effort to evaluate the effectiveness of the internal control systems, our Company's internal audit department reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. In addition to 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 (expect Microfinance) in 2019.
- Automated closing of company and all branch books at 6PM daily through collation of issued Digital Receipts (SMSs sent to client on collection of any repayment).
- Client application with access to all details regarding the loan to promote transparency and authenticity.

- 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 is transparency and authenticity in transaction with the clients and reduction of frauds.

SEGMENT – WISE OR PRODUCT – WISE PERFORMANCE

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

HUMAN RESOURCES

Capital Trust Limited is operating in ten states within India and has more than 2000 employees. The company is market-driven, and technology-based, serving customers in ten states in northern, central and eastern part of India with financial products, and services. The company aims to be the first choice of customers, employees and shareholders.

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

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

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

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

All the employees of the company are equipped with smart phones. The employees mark their attendance through their mobile, apply for leaves, tours and tour claims through mobile app only.

This has smoothened the processes and reduced the time to settle the claims. This is also environmental friendly as a lot of paper is being saved in printing.

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

CAUTIONARY STATEMENT

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

DIRECTORS' REPORT 2020-21

Your Directors take pleasure in presenting the Thirty fifth Annual Report on the business and operations of your company along with the standalone and consolidated audited financial statements for the year ended March 31, 2021.

1. FINANCIAL RESULTS

The Company's financial performance for year ended 31st March, 2021 is summarized below:

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Income from operations	11,286.66	14,758.00	11,458.82	15,509.10
Interest expenses	3821.40	6,071.08	3311.91	5,880.75
Depreciation	57.63	89.46	57.63	89.46
Profit Before Tax	(3029.88)	850.37	(2937.73)	1,363.07
Profit/(Loss) after tax	(2377.25)	53.28	(2362.42)	427.39
Available for appropriation	(2377.25)	53.28	(2362.42)	427.39
Transfer to Reserve fund u/s 45IC of RBI Act, 1934	-	10.66	-	57.93
Additional provisions as per management discretion	2657.70	266.27	2657.70	266.27

2. FINANCIAL PERFORMANCE

The year 2020-21 has been a challenging year due to pandemic all over the world. The collection and disbursements were badly hit across the industry. However you company has been having a positive ALM, so there has not been any issue with the repayments. In fact the company has prepaid the high cost debts during the year. The company has now been started Capital Digital Loans where the repayment is taken from the customers digitally. The performance of the capital digital loans have been remarkable.

The income of the company has decreased from Rs. 15509.10 Lakhs to Rs. 11458.82 Lakhs mainly due to drop in portfolio. The company as a cautious step stopped disbursements during the months of April to June 2020. The interest expenses have come down to Rs. 3311.91 Lakhs from Rs. 5880.75 Lakhs during the year mainly due to prepayments of high cost debts. Your company has reported a loss of Rs 2362.42 Lakhs due to higher provisioning done as management discretion as compared to the profit of Rs. 427.39 Lakhs in year 2020. The company has estimated additional expected credit loss allowance amounting to Rs. 2657.70 lakhs (previous year ended Rs. 266.27 lakhs) over and above normal provision, based on information available to reflect, among other things, the deterioration in the macro-economic factors..

Your company has never failed in paying any instalments or interest to the lenders. The company enjoys good reputation with all its stakeholder. The credit rating of the company is BBB - with stable outlook by Care Ratings as on 31st March, 2021. The Company has also taken issued debentures of Rs. 3000 Lakhs, which are also rated as BBB- by Care Ratings.

3. FUND RAISING

The company has raised Rs. 3000 Lakhs from State Bank of India through Secured listed Non Convertible debentures. HDFC bank has also given term loan and OD limit to the company. The company has also entered into DA and PTC transactions during the year. In total the company has raised Rs. 14070 Lakhs during the year in the form of Term loans, PTCs, NCDs and Direct Assignments from Banks and NBFCs.

4. SHARE CAPITAL

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

5. DIVIDEND

As there has been loss during the the year, your directors have not recommended any dividend during the year.

Your Company has formulated Dividend Distribution Policy in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') for bringing transparency in the matter of declaration of dividend and to protect the interest of investors. The Dividend Distribution Policy forms part of this Report.

6. RESERVE FUNDS

As there has been loss in the company, the company has not transferred any amount to reserve fund as per section 45 IC of RBI Act 1934.

7. CREDIT RATING

The Credit Rating of the Company was BBB - stable outlook from Care Ratings on 31st March, 2021.

8. CONSOLIDATED FINANCIAL STATEMENT

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

9. PARTICULARS OF SUBSIDIARY COMPANIES

The Company has two Wholly Owned Subsidiaries in the name of Capital Trust Microfinance Private Limited and Capital Trust Housing Finance Private Limited. The Audited Annual Financial Statements of Subsidiary Companies are tabled before the Audit Committee and Board of Directors of the company. Copies of the Minutes of the Board Meetings of Subsidiary Companies are tabled at the subsequent Board Meetings held. Your directors are planning to merge these companies in Capital Trust Limited.

10. COMPLIANCE WITH RBI GUIDELINES:

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

11. CAPITAL ADEQUACY

The Capital Adequacy Ratio of the company on consolidated basis was 46.60% as of March 31, 2021. The company is having adequate capital to sustain the future growth.

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

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report. However Covid-19 has impacted the business as the disbursements had stopped for the time being upto the month of June 2020. The company has disbursed Rs. 12915 Lakhs since July, 2020 under new Capital Digital Initiative loans.

13. COVID 19 RESPONSE STRATEGY CAPITAL TRUST LIMITED

Covid- 19 has impacted all the economy and the business all around the globe. Your company is working mainly in semi urban and Rural areas has been impacted by the pandemic.

- COVID 19 IMPACT ON BUSINESS

The client base is from the semi-urban / rural segment and are occupationally mainly in the self-employed services segment. The company had done the Impact analysis based on current data which is as follows:

A. Low Geographic Correlation: Geographically our operations are not in the urban areas where the incidence of cases was high in the first wave. Our branches are in the rural areas of these districts and majority of cases discovered are from urban centers. The second wave has reached to the Rural India, which have impacted the company.

B. Borrowers dependent on local economy & providing essential services: Most of the customers are self-employed and linked to the local economy. Many are providing essential services (like dairy, grocery shops etc). These segments came under essential services and they were allowed to operate.

C. Cash collections stopped: In line with Government of India guidelines, initially all cash collections had stopped. The employees were not able to reach to the client. Only digital collections were continuing. However with the opening of economy, the collection percentage has increased.

D. Moratorium of 6 months given by RBI: Given the exceptional circumstances, the RBI has allowed lenders to give moratorium of 6 months on loan repayments. The company has also given the option of moratorium to its customers.

E. Pushing for Digital Collection: Since August 2019 your company had stopped disbursing loans with cash collection model and new loans originated were focusing only on digital collection. This was our Capital Digital initiative which is at the core of our organizations future strategy. The company has originated Rs. 17124 Lakhs of portfolio under this model with high degree of success. However there is still a large part of our portfolio which was originated before the new model where collection is cash based. During this period we focused on training and educating clients on the digital mode of repayment. The company have already started this exercise and have started training our staff for conversion to digital payment.

F.Staff Training & Calling: the company had been supporting its staff during this difficult time as they are a critical part of the company and the society. Logistics and financial support is being provided wherever required.

G. Constant Monitoring & Analysis: the company had constantly monitoring the portfolio and increasing the contact with the client telephonically. The company had prepared the action plans for post-lockdown and post-moratorium periods. The HODs do atleast 4 meeting through video conferencing to be on top of the crisis.

H. Constant Touch with customer: During the lockdown period all Capital Trust staff had to make phone call to the clients. The company had reached a calling about 50000 clients per day. The calls are regarding training the clients for option of paying the instalments through digital payments, updation of contact numbers, Arrear calls etc.

I. Business Continuity: As per our BCP, the company has access to all information through cloud based servers and work from remote location is on . Each employee of the company is involved in work and are in touch with their departmental heads through daily conference calls.

J. Disbursement after Covid 1st wave: After the fist way of Covid - 19, since July- 20, the company has disbursed Rs. 12915 Lakhs. The collection efficiency of these loans have been 99.70%.

- **COVID-19 – REGULATORY PACKAGES AND RESOLUTION FRAMEWORK FOR COVID-19-RELATED STRESS**

The Reserve Bank of India (RBI) issued 'COVID-19 – Regulatory Packages' dated March 27, 2020, April 17, 2020 and May 23, 2020 to mitigate the impact of COVID-19 pandemic on the financial services sector. Under stipulated guidelines, the Company implemented a 'Policy on Deferment of PEMI/ EMI (COVID-19)' and offered moratorium on the payment of instalments and/or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers of the Company. The RBI issued 'Resolution Framework for COVID-19 related Stress' dated August 06, 2020 for granting relief to borrowers impacted by COVID-19, by providing the facility of rescheduling of loans and/or for conversion of outstanding interest into a separate credit facility. The Company framed and implemented a 'Policy on Resolution Framework for loans of borrowers affected by COVID-19',

➢ ORDER OF SUPREME COURT OF INDIA ON DECLARING ACCOUNTS AS NON-PERFORMING ASSET (NPA)

The matter of declaring defaulting accounts as NPAs (not declared as NPAs till August 31, 2020 as per RBI guidelines) was kept on hold by the Hon'ble Supreme Court of India vide orders dated September 03, 2020 and September 28, 2020. Accordingly, the Company did not classify any account covered under the said orders as NPA. Thereafter the Hon'ble Supreme Court of India in Small Scale Industrial Manufactures Association (Regd.) vs Union of India and others vide a judgement dated March 23, 2021 ("Judgement") directed that the interim order granted on September 03, 2020 stands vacated. In this regard, RBI vide its circular dated April 07, 2021 issued instructions in accordance to which your Company resumed recognizing overdue accounts as NPA as per regulatory guidelines.

➢ SCHEME FOR GRANT OF EX-GRATIA PAYMENT

To provide relief to the borrowers in difficulty due to COVID-19, the Central Government on October 23, 2020, approved to provide ex-gratia payment of difference between compound interest and simple interest by way of relief for the period from March 01, 2020 to August 31, 2020 to borrowers in specified loan categories. In accordance with the above, the Company implemented the 'Policy on Scheme for Grant of Ex-gratia Payment' to extend the benefit to eligible borrowers of the Company. Further in conformity with the judgement, the RBI vide its circular dated April 07, 2021, advised all lending institutions to refund/adjust the 'interest on interest' charged to all the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020. In accordance with the above, the Company implemented the 'Policy on refund/adjust the Interest on interest' to extend the benefit to all the borrowers of the Company.

14. CHANGES IN NATURE OF BUSINESS

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

15. CORPORATE SOCIAL RESPONSIBILITY

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

Name	Designation	Category
Mr. Pawan Dubey	Chairman	Independent Director
Mr. Sanjiv Syal	Member	Independent Director
Mr. Yogen Khosla	Member	Managing Director
Mrs. Anju Khosla	Member	Executive Director

Your company is working with the people who are left by the Banks and large NBFCs as for them they are very small. The company provides financial assistance to these people to earn their livelihood and live their life with financial freedom. Your company is targeting missing middle. The company is also providing training to these poor people free of cost and providing them employment in the company. During the year, Capital Trust has implemented wide range of activities by providing training to people at Rural and semi urban areas in various fields in finance and credit sector free of cost for financial literacy and further facilitating employment opportunities to deserving candidates.

The calculation of the CSR for the year 2020-21 is given hereunder:

Amount (in Rs.)

Year	2019-20	2018-19	2017-18
Net Profit as per Section 198	75,938,601	118,660,650	119,977,848
Average net profit	104,859,033		
Minimum amount of CSR (@2% of profits)	2,097,181		

The company has entered into Agreement for Skill Development of Construction Workers under CSR Initiative as ongoing project. Under this project 400 construction workers were to get trained under still development. Upto March 31, 2021, 100 workers have been trained and balance 300 were under training. The company has paid Rs. 5.50 Lakhs upto 31st March and balance Rs. 15.60 Lakhs were spent in the month of April, 2021. the training of all the 400 construction workers were completed during the month of April.

16. RISK MANAGEMENT FRAMEWORK

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

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

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

17. CORPORATE GOVERNANCE

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

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

18. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. During the Financial Year under review, your Company had not entered into any arrangements, which constitutes Related Party Transactions covered within the purview of Section 188(1) of the Act. Accordingly, requirement of disclosure of Related Party Transactions in terms of Section 134(3)(h) of the Act is provided in Form AOC-2 is not applicable to the Company.

Further as required by RBI Master Directions, 'Policy on transactions with Related Parties' can be accessed on the website of the Company at www.capitaltrust.in

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

20. PUBLIC DEPOSITS

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

21. ANNUAL RETURN

The Annual Return in Form MGT-7, as per provisions of Section 92(3) and 134(3) (a) of Companies Act, 2013 and rules thereto, is available on website of the company at www.capitaltrust.in.

22. NUMBER OF MEETINGS OF THE BOARD

The Board met 5 (five) times during the financial year 2020-21 viz., on June 20, 2020, August 12, 2020, September 14, 2020, November 09, 2020, and February 08, 2021.

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

23. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, Your Directors state that:

i. in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

ii. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;

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

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

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

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

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

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

25. DIRECTORS & KEY MANAGERIAL PERSONNEL

A) RETIRE BY ROTATION

On 29th June, 2021, Mrs. Anju Khosla (DIN-03496484), has resigned from the directorship of the company. So there is no director who is liable to retire by rotation. On 29th June, 2021, Mr. Vahin Khosla was appointed as Executive Director of the Company with effect from 1st July, 2021. His appointment shall be upto the date of ensuing Annual General Meeting unless his appointment is approved by members. In case Mr. Vahin Khosla is appointed as executive director by the shareholders, then he shall be liable to retire by rotation every year.

b) APPOINTMENT/ RESIGNATION

During the year, Mr. Abhinav Sharma, Independent Director and Col. Vijay Kumar (Retd), Independent Director resigned from the board due to personal reasons. Their resignation was accepted by Board from February 01, 2021 and February 08, 2021 respectively.

The company has appointed Mr. Pawan Dubey and Mr. Govind Saboo as Independent Directors of the company with effect from February 08, 2021.

Brief profile of the new directors is given hereunder:

Mr. Pawan Dubey

Mr. Pawan Dubey is a practising Advocate and Fellow Company Secretary having 13 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.

Mr. Govind Saboo

Mr. Govind Saboo is rank holder Chartered accountant with more than 16 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.

26. BOARD'S INDEPENDENCE

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

1. Mr. Nikhel Kochhar (DIN 01021382)
2. Mr. Sanjiv Syal (DIN 00271256)
3. Ms. Suman Kukrety (DIN 08730773)
4. Mr. Pawan Dubey (DIN 01767875)
5. Mr. Govind Saboo (DIN 06724172)

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

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

The appointment of the directors of the company is as per the Policy framed for the Selection and Appointment of Directors. The policy is in compliance with the provisions of the Companies Act, 2013 and SEBI Listing (Obligations and Disclosure Requirements) Regulations. The directors are appointed on the recommendation of the Nomination and Remuneration Committee. The Policy is available on the website of the Company at www.capitaltrust.in

28. NOMINATION AND REMUNERATION POLICY

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

29. ANNUAL EVALUATION OF BOARD MEMBERS

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

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

The executive Directors are evaluated on the basis of

Organizational goals	Persistence	Continuous improvement	Decency
Humility	Integrity	Setting a vision for company's work	Managing execution
External communication and relationship building	Enhancing potability	Understanding of and commitment to the company	Building strong organisation

The Independent Directors are evaluated on the basis of:

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

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

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

Information on Directors Appointment /Re-appointment

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

30. COMMITTEES OF THE BOARD

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

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

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

31. EMPLOYEE STOCK OPTION SCHEME

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

32. VIGIL MECHANISM

The company has adopted Vigil Mechanism policy with a view to provide a mechanism for directors and employees of the Company to report to the appropriate authorities concerns about unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct policy and provides safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. The provisions of this policy are in line with the provisions of the Section 177(9) and (10) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015. The policy is available on the website of the company www.capitaltrust.in.

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

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

34. AUDITORS AND AUDITORS' REPORT

a) Statutory Auditors

The Statutory Auditors of the Company M/s Singhi & Co. Chartered Accountants (Firm Registration No. 302049E), were appointed as the statutory auditor of the from the conclusion of 31st Annual General Meeting held on 10th August, 2017 to hold office till the conclusion of Thirty Sixth Annual General Meeting in the year 2021-22 on such remunerations as may be mutually agreed between the Board of Directors of the Company and the Auditors.

b) Secretarial Audit

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

The Board has appointed M/s Shashank Sharma and Associates, firm of Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 forms part of this Report. The Report does not contain any qualification, reservation or adverse remark.

c) Internal Auditor

The Company had appointed SGR, Accountants as Internal Auditor. The Internal Auditor has submitted reports on quarterly basis which is placed before the audit committee of company.

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

(i) Statutory Auditor's report

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

However there were some comments in the audit report. Explanation to those comments are given hereunder:

:

Auditors' comment	Our reply
According to the information and explanations given to us and based on our examination of the records of the Company, Company has paid managerial remuneration to the Managing Director and Executive Director of the Company aggregating Rs. 244.55 Lakhs for the financial year which exceeds the prescribed limits under Section 197 read with Schedule V to the Act by Rs. 113.10 Lakhs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting.	The company has paid the remuneration to the Managing Director and Executive Director as per the limit approved by the members in the general meeting. However, during the current year, due to Covid situations prevailing in the country and due to uncertainty, the company has made an additional provisions in addition to ECL provisions in the month of March, 2021. The extra provision have resulted in current year losses. The company is seeking the approval of the shareholders for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment commencing to Managing Director and Executive Director of the Company.
According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues where deducted/ accrued in the books, with the appropriate authorities. There was no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable except Provident Fund Rs. 4.08 Lakhs, Employees' State insurance Rs. 0.70 Lakhs and Professional Tax Rs. 0.71 Lakhs.	The company has been regular in paying the statutory dues. There are certain employees where their Mobile Nos, UAN no. And Adhar are not matched. For those employees, the amount could not be deposited with the authorities. We have already written to statutory authorities for the same.

(ii) Secretarial Auditor's Report

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

(iii) Internal Auditors' Report

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

36. DETAILS OF FRAUDS REPORTED BY THE STATUTORY AUDITORS

During the year under review, the Statutory Auditors have mentioned that no fraud by the Company has been noticed or reported during the year. However, the Company has discovered instances of embezzlement of cash aggregating Rs. 22.81 Lakhs by some employees against which Company has recovered Rs. 10.95 Lakhs and Rs. 11.95 Lakhs has been written off in the statement of profit and loss.

37. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2021.

38. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN COMPANY'S SECURITIES

Your Company has formulated Code of Conduct for Prevention of Insider Trading in Company's Securities ('Code') in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The objective of this Code is to protect the interest of Shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by way of dealing in securities of the Company by its Designated Persons. Ms. Tanya Sethi, Company Secretary and Compliance Officer of the Company is authorized to act as Compliance Officer under the Code.

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

Conservation of Energy/ Technology Absorption

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

Foreign Exchange Earnings and Outgo

The Foreign exchange earnings for the FY 2020-21 were Nil.

Foreign Exchange Inflow: Nil
Foreign Exchange Outflow: Nil

40. EMPLOYEE REMUNERATION

A. The statement containing particulars of employees as required under Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given below:

S. No.	Details	Disclosure by the Company
1.	The ratio of the remuneration of each Whole	Managing Director : 101:1

	time director to the median remuneration of the employees of the company for the financial year	Executive Director : 60:1
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Managing Director : Nil Executive Director : Nil Chief Financial Officer : Nil Company Secretary: Nil
3.	The percentage increase in the median remuneration of employees in the financial year;	Nil
4.	The number of permanent employees on the rolls of Company	2031
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	There has not been no increase in remuneration of employees during the year.
6.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes

b. In accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of the top ten employees in terms of remuneration drawn are set out below:

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

S. No.	**Particulars**	**Details**
1.	Name and Designation	Mr. Yogen Khosla,Managing Director
2.	Remuneration received	Rs. 17294081 Including long term benefits
3.	Nature of Employment	Permanent
4.	Qualifications	Mr. Yogen Khosla is a finance veteran having more than 20 years of experience in Rural Finance industry. He holds a Bachelor's degree in Commerce from Loyala College, Chennai and has studied at the Ealing College in London. He has ensured evolution of Capital Trust from a brick-and-mortar traditional NBFC into India's first Rural-Doorstep Fintech company. He has led the company to top 100 MSME company declared by India SME Forum and fastest 1000 growing companies in Asia by FT-Asia.
5.	Date of Commencement of Employment	01-04-2003
6.	Age	58
7.	Last Employment	Associated with the company since inception
8.	Percentage of Equity Shares Held	36.91%

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

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

41. GRIEVANCE REDRESSAL

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

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

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

43. ADDITIONAL DISCLOSURES UNDER COMPANIES (ACCOUNTS) RULES, 2014

a. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year:

During the Financial Year under review, the Company has made neither any application nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016), therefore, it is not applicable to the Company.

b. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

During the Financial Year under review, it is not applicable to the Company.

44. DIVIDEND DISTRIBUTION POLICY

(i) **Scope and Purpose**

a. **Capital Trust Limited** ("**the Company**") equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited.

b. This Dividend Distribution Policy ("**the Policy**") defines conditions to be considered by the Board for recommending / paying a dividend to the shareholders of the Company. The Board of Directors will recommend any interim / annual dividend based on this Policy, applicable laws, as well as any specific financial or market conditions prevailing at the time.

c. Subject to the factors mentioned in para (i) (b) above, the Company has a consistent dividend policy for "distribution of dividend out of profits and the Board may recommend the rate".

d. The Policy set out the broad criteria to be considered for determining the proposed dividend to appropriately reward shareholders through dividends while supporting the future growth of the Company.

(ii) **Dividend Policy**

a. Dividend Distribution Philosophy

i. 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.

b. The circumstances under which shareholders may not expect dividend

i. 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.

c. The financial parameters that shall be considered while declaring dividend

i. 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.

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

d. The internal / external factors that shall be considered for declaration of dividend

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

1. actual results for the year and the outlook for business operations
2. providing for anticipated capital expenditures or acquisitions to further enhance shareholder value or meet strategic objectives
3. setting aside cash to meet debt repayments
4. changes in cost and availability of external financing
5. level of dividends paid historically
6. retaining earnings to provide for contingencies or unforeseeable events

7. the overall economic environment including taxation
8. changes in government policy, industry rulings and regulatory provisions

e. Policy on utilization of retained earning

i. The utilization of retained earnings will include:

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

f. Provisions with regard to various classes of shares

i. 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.

(iii) **Review and Disclosure**

a. 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.

(iv) **Limitation**

a. 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.

(v) **Disclaimer**

a. The Policy does not constitute a commitment regarding future dividends of the Company, but only represents a general guidance regarding payment of dividend.

b. 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.

45. REGISTER E-MAIL ADDRESS

To contribute towards a greener environment, the Company again proposes to send documents like general meeting notices/other notices, annual report, audited financial statements, boards' report, auditors' report or any other document, to members in electronic form at the e-mail address provided by them and/or available to the Company by the Depositories. Members who have not yet registered their e-mail address (including those who wishes to change their already registered e-mail address) may get the same registered/updated either with his / her depository participants or by writing to the Company / RTA.

46. ACKNOWLEDGMENTS

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

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

FOR AND ON BEHALF OF THE BOARD
OF CAPITAL TRUST LIMITED

Sd/-

Yogen Khosla
Chairman and Managing Director
DIN-00203165

Dated: 29.06.2021
Place: New Delhi

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[Pursuant to section 204(1) of Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Capital Trust Limited
205 Centrum Mall, Sultanpur,
M G Road,
New Delhi-110030

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended **31st March, 2021** complied with the statutory provisions listed hereunder. The Company has proper Board – processes and compliance –mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
During the year, the company has suffered losses, therefore managerial remuneration paid to Managerial persons exceeds the limits as provided under the schedule V. The company is seeking approval from shareholders in ensuing General meeting.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2021 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
iii. The Depositories Act, 1996 and the Regulations and Bye- laws Framed there under;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **[Not applicable to the Company during the financial year under review]**;
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992('SEBI Act') :-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009 **[Not applicable to the Company during the financial year under review]**;
d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999; **[Not applicable to the Company during the financial year under review];**
e) The Securities and Exchange Board of India (Issue and Listing Of Debt Securities) Regulations, 2008
f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review]**;
g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not applicable to the Company during the financial year under review];**
h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable to the company during the financial year under review]**.

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

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

For the compliances of Labour Laws & other General Laws our examination and reporting is based on the documents, records and files as produced and shown to me and the information and explanations provided by the Company, its officers, agents and authorized representatives,
and to the best of my judgment and understanding of the applicability of the different enactments upon the Company, in my opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.
ii. The Listing Regulations entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

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

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

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

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

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

We further report that during the financial year under review:

a. The company issued 3000 rated, secured, listed, redeemable, non-convertible of face value Rs. 1,00,000 each on private placement basis;

b. As per the provision of Section 135 sub-section 5 of the Companies Act, 2013, the board shall ensure that the Company spends in every financial year at least 2% of the average net profit of the preceding 3 financial year for undertaking CSR activities. However it is further clarified as per the second proviso of Section 135(5), if the Company fails to spend such amount for its CSR Activities, then the Company shall specify in its Board Report the reason for not spending such amount.
The Company has incurred an expenses of Rs. 5.50 against the requirement of Rs. 20.97 Lakhs. However the project is an ongoing project and the balance was spent in the month of April, 2021.

c. The E Forms DPT-3 has not been filed by the Company during the period as the Company is a Non-banking Financial Company which is registered with Reserve Bank of India ('RBI") and as per the provisions of rule 3 of the Companies (Acceptance of Deposits) Rules, 2014, the said rule is not applicable to it.

SHASHANK SHARMA & ASSOCIATES
Company Secretaries

Shashank Sharma
Company Secretary
ACS 19311
CP No. 7221

Date: 28.06.2021
Place: New Delhi
UDIN: A019311B000353348

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

'Annexure A'

To,
The Members,
CAPITAL TRUST LIMITED

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

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

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

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

4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

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

SHASHANK SHARMA & ASSOCIATES
Company Secretaries

Shashank Sharma
Company Secretary
ACS 19311
CP No. 7221

Date: 28.06.2021
Place: New Delhi
UDIN: A019311B000353348

CORPORATE GOVERNANCE REPORT

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the report on Corporate Governance forming part of the Directors' Report for the Financial Year 2020-21 is presented below:

I. Our corporate governance philosophy

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Strong leadership and effective corporate governance practices have been the Company's hallmark.
The Company has a strong legacy of fair, transparent and ethical governance practices.
Corporate Governance is one of the essential pillars for building an efficient and sustainable environment. The Company follows the best governance practices with highest integrity, transparency and accountability. To adopt the best Corporate practices, the Company has adopted a Code of Conduct for its Directors and Senior Management.

The Company's corporate governance philosophy has been further strengthened through Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code"). The Company has in place an Information Security Policy that ensures proper utilisation of IT resources. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

The company has a robust grievance redressal system which is displayed on the website of the company and the notice boards of all the branches. In addition the company has whistle blower mechanism, where any mail can be made to chairman.

Details of CTL's board structure and the various committees that constitute the governance structure1 of the organization are covered in detail in this report.

II. Board of Directors

i. As on March 31, 2021, the Company has Seven Directors. Of the seven directors, five (i.e. 71.42 percent) are Non-Executive Independent Directors. The profiles of Directors can be found on https://www.capitaltrust.in/aboutus/boardmembers. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

ii. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors.

iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

iv. Five board meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on: June 20, 2020; August 12, 2020, September 14, 2020; November 09, 2020; February 08, 2021. The necessary quorum was present for all the meetings.

v. The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2021 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

Name of Director	**Category**	**No. of Board meetings attended during the year**	**Whether attended last AGM held on 10.08.2020**	**No. Of Directorships in other public companies**	**Number of Committee positions held in other Public Companies**	**Directorship in other listed entity (Category of Directorship)**
Mr. Yogen Khosla	Chairman and Managing Director	5	Yes	Nil	Nil	Nil
Mrs. Anju Khosla	Executive Director	5	No	Nil	Nil	Nil
Mr. Nikhel Kochhar	Non-Executive-Independent Director	5	Yes	Nil	Nil	Nil
Mr. Sanjiv Syal	Non-Executive-Independent Director	5	No	Nil	Nil	Nil
Ms. Suman Kukrety	Non-Executive-Independent Director	4	-	Nil	Nil	Nil
Col. Vijay Kumar (Retd)	Non-Executive-Independent Director	4	-	Nil	Nil	Nil
Mr.	Non-Executi	4	-	Nil	Nil	Nil

Abhinav Sharma	ve-Independent Director					
Mr. Govind Saboo	Non-Executive-Independent Director	1	-	1	Nil	Nil
Mr. Pawan Dubey	Non-Executive-Independent Director	1	-	Nil	Nil	Nil

Note:

1. Col Vijay Kumar (Retd.), Non-Executive-Independent Director resigned from Directorship w.e.f February 08, 2021.

2. Mr. Abhinav Sharma, Non-Executive Director resigned from Directorship w.e.f February 01, 2021.

3. Mr. Govind Saboo and Mr. Pawan Dubey were appointed as Non-Executive-Independent Director w.e f. February 08, 2021.

4. The other directorships do not include directorships in:
- Foreign companies
- Private Limited Companies
- Section 8 of the Companies Act, 2013

6. None of the directors of the company are related to any other director except Mr. Yogen Khosla and Mrs. Anju Kholsa.
7. None of the Directors has received any loans or advances from the company during the year.
8. Profile of Directors existing as on 31st March, 2021:

Name	**Designation**	**Brief Profile**
Mr. Yogen Khosla	Chairman & Managing Director	Mr. Yogen Khosla is a finance veteran having more than 20 years of experience in Rural Finance industry. He holds a Bachelor's degree in Commerce from Loyala College, Chennai and has studied at the Ealing College in London. He has ensured evolution of Capital Trust from a brick-and-mortar traditional NBFC into India's first Rural-Doorstep Fintech company. He has led the company to top 100 MSME company declared by India SME Forum and fastest 1000 growing companies in Asia by FT-Asia.
Mrs. Anju Khosla	Director	Mrs. Anju Khosla graduated from Delhi University and has a Masters degree in Business Economics. She joined Capital Trust in 1989 and was initially involved with the Consultancy division. Subsequently, she handled an authorized dealership for Honda two wheelers for 3 years, which was acknowledged as the second best dealership in North India
Mr. Sanjiv Syal	Independent Director	Mr. Syal is a practicing Chartered Accountant with an experience spanning over 25 years in consulting and

		accountancy. Prior to setting up his accountancy practice in 2001, he set up and managed a leasing finance Company ABL Leasing for 9 years. He is also founder & Non-Executive Director in a software development company focussed on E-Learning solutions Compro Technologies. He has been a catalyst in start up of many successful projects in the BPO, IT & Financial Services space. Some of the successful startups where he has played a role include Yatra online, RAC, Gulliver Travels, DMI Finance & Cisco Systems Capital.
Mr. Nikhel Kochhar	Independent Director	Mr. Nikhel Kochhar is a Practicing Chartered Accountant and at present in CEO – India Internal Auditors Association. He is also Member of the Indian Public Schools Society (IPSS) and Member Selection Committee for appointment of Board Members. His area of interest is Internal Controls & Audit, Risk Management, Corporate Governance, Organizational Systems & Processes and Corporate & Institutional Training.
Ms. Suman Kukrety	Independent Woman Director	Ms. Suman is a competent professional with 17 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 1st position in Advocate-on-Record examination held by the Supreme Court of India, in June, 2009.
Mr. Govind Saboo	Independent Director	Mr. Govind Saboo is rank holder Chartered accountant with more than 16 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 13 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.

vi. None of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

vii. During FY 2020-21, one meeting of the Independent Directors was held on June 20, 2020.

viii. The Board periodically reviews the compliance reports of all laws applicable to the Company.

ix. Details of equity shares of the Company held by the Directors as on March 31, 2021 are given below:

Name	Category	Number of equity shares
Mr. Yogen Khosla	Chairman and Managing Director	6038917
Mrs. Anju Khosla	Executive Director	-
		-
Mr. Nikhel Kochhar	Non-Executive-Independent Director	-
Mr. Sanjiv Syal	Non-Executive-Independent Director	-
		-
Ms. Suman Kukrety	Non-Executive-Independent Director	-
Mr. Govind Saboo	Non Executive Independent Director	-
Mr. Pawan Dubey	Non Executive Independent Director	-

The Company has not issued any convertible instruments.
Non-Executive Directors of the company are not holding any shares in the company.
The Board has been apprised/ familiarized about the business performance, product and processes, business model, nature of the industry in which the Company operates, roles and responsibilities of the Board Members under the applicable laws, etc., on a periodic basis and the details of such familiarization programmes are available at www.capitaltrust.in.
All new Directors inducted into the Board are introduced to the Company through appropriate orientation sessions. Presentations are made by senior management officers to provide an overview of the Company's operations and to familiarize the new Directors with the operations. They are also introduced to the organization's culture, services, constitution, Board procedures, matters reserved for the Board and risk management strategy.

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

Effectiveness of Board

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company.

A chart or matrix setting out the skills/expertise/competence of the Board is as below:

Skill/Name	Mr. Yogen Khosla	Mr. Nikhel Kochhar	Mr. Sanjiv Syal	Mrs. Anju Khosla	Mr. Govind Saboo	Mr. Pawan Dubey	Mrs. Suman Kukretty
Position held	Chairman and MD	Non Executive ID	Non Executive ID	Executive Director	Non Executive ID	Non Executive ID	Non Executive ID
Skills							
Strategy	√	√	√	√	√	√	√
Performance of Management:	√	√	√	√	√	√	√
Governance & Compliance	√	√	√	√	√	√	√
Technology up gradation	√	√	√	√	√	√	-
Finance	√	√	√	-	√	√	-
Internal Audit	√	√	√	√	√	√	√

Information Supplied to the Board

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

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

III. Committees of the Board

There are four statutory committees of Board as on March 31, 2021 details of which are as follows:

i. 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	Category	No. of meetings held	No. of meetings attended
Mr.Nikhel Kochhar(Chairman)	Non-Executive-Independent Director	4	4
Mr. Yogen Khosla	Executive Director	4	4
Col. Vijay Kumar (Retd) (Resg on 08.02.2021)	Non-Executive-Independent Director	3	3
Mr. Sanjiv Syal	Non-Executive-Independent Director	4	4
Mr. Abhinav Sharma (Resg on 01.02.2021)	Non-Executive-Independent Director	3	3
Mr. Govind Saboo	Non-Executive-Independent Director	-	
Mr. Pawan Dubey	Non-Executive-Independent Director		

- ✓ Four meetings were held during the year under review and the gap between two meetings did not exceed the limit as provided under the law. .
- ✓ The Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.
- ✓ The Company Secretary acts as a Secretary to the Audit Committee.
- ✓ Quarterly Internal Audit Reports are sent to the members of the committee.

Review of Information by the Audit Committee

1. The terms of reference of the Audit Committee shall include the following:

a) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   i) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

   ii) changes, if any, in accounting policies and practices and reasons for the same;

   iii) major accounting entries involving estimates based on the exercise of judgment by management;

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

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

   vi) disclosure of any related party transactions;

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

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

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

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

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

i) scrutiny of inter-corporate loans and investments;

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

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

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

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

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

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

p) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

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

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

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

2. Mandatory review of information by the Audit Committee:

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

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

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

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

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

f) Statement of deviations:

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

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

ii. 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' Relationshipe Committee has been formed to look into the mechanism of redressal of grievances of shareholders, and other security holders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, revalidation of dividend warrants, etc.

i. The Chairman of the committee Mr. Nikhel Kochhar is a Non-Executive Independent Director.
ii. ``The details of the committee members and the meetings held by them during the years is given hereunder:

Category and Composition

Name	**Category**	**Shareholders' Grievance Committee meetings held**	**Shareholders' Grievance Committee meetings attended**
Mr. Nikhel Kochhar (Chairman)	Non-Executive-Independent Director	4	4
Mr. Yogen Khosla	Managing Director	4	4
Mrs. Anju Khosla	Executive Director	4	4
Mr. Abhinav Sharma	Independent Director	3	3

- Four meetings were held during the year under review.
- The company secretary acts as the secretary of the committee.

Details of Shareholders' Complaints:
Name and Designation of Compliance Officer:
Ms. Tanya Sethi
Company Secretary
Capital Trust Limited
205 Centrum Mall, Sultanpur, M G Road
New Delhi-110030

Number of shareholders' compliant received for the year 2020-21:	4
Number of shareholders' compliant solved during the year to the satisfaction of shareholders	4
Number of complaints not solved to the satisfaction of shareholders	-
Number of pending complaints	-

iii. 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.

Category and Composition

Name	**Category**	**Nomination and Remuneration Committee meetings held**	**Nomination and Remuneration Committee meetings attended**
Mr. Nikhel Kochhar (Chairman)	Non-Executive-Independent Director	2	2
Col. Vijay Kumar (Retd) (Resg on 08.02.2021)	Non-Executive-Independent Director	1	1
Mr. Sanjiv Syal	Non-Executive-Independent Director	2	2
Mr. Abhinav Sharma (Resigned on 01.02.2021)	Non-Executive-Independent Director	-	-

- Two meetings were held during the year under review.
- All the members of the Nomination and Remuneration Committee are Non-Executive Independent Directors.

Term of Reference of Nomination and Remuneration Committee

a) Term of Reference :

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

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

iii. devising a policy on diversity of board of directors

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

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

a) Performance evaluation criteria for Independent Directors

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

The company evaluates the independent director on the following criteria:

a) Understanding the nature of the business.
b) Understanding of nature and role of independent directors' position.
c) Understanding of risks involved in business.
d) Help in developing strategies for the future growth of the company.
e) Application of knowledge for rendering advice to Management for resolution of business issues.
f) Commitment to role & fiduciary responsibilities as a board member.
g) Attendance at the meeting of the Board of Directors and Committee thereof.
h) Active participation in the meetings.
i) Proactive, strategic and lateral thinking.
j) Professionalism towards the company and the other independent directors.
k) Director is easily accessible when needed.
l) Work effectively with a diverse group of people.
m) Assist the board in achieving consensus on important issues.
n) Play the role of a facilitator outside the board room especially on contentious issues.

Meeting of Independent Directors

The meeting of Independent Directors was held on 20th June, 2020 as per the provisions of section 149(8) read with schedule IV of the Companies Act, 2013, Secretarial Standards -1 issued by The Institute of Company Secretaries of India and Regulation 25(3) and 25(4) of the SEBI LODR.

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

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

Pursuant to regulation 26(5) of the SEBI LODR, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the company at large. Pursuant to regulation 26(3) of the SEBI LODR, all the Board members and senior management of the Company as on March 31, 2021 have affirmed compliance with their respective codes of conduct.

C. Remuneration of Directors

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

S. No.	Details	Disclosure by the Company
1.	The ratio of the remuneration of each Whole time director to the median remuneration of the employees of the company for the financial year	Managing Director : 101:1 Executive Director : 60:1
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief	Managing Director : Nil Executive Director : Nil

	Executive Officer, Company Secretary or Manager, if any, in the financial year	Chief Financial Officer : Nil Company Secretary: Nil
3.	The percentage increase in the median remuneration of employees in the financial year;	Nil
4.	The number of permanent employees on the rolls of Company	2031
5.	The explanation on the relationship between average increase in remuneration and company performance	Due to the impact of the Covid -19, there has not been any increase in the remuneration of the employees.
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Due to the Covid-19, there had been losses in the company, so the there has not been any increase in remuneration.
7.	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	The market capitalization of the company as on 1st April, 2020 was Rs. 344.89 Crores. The market capitalization as on 31st March, 2021 was Rs. 154.70 Crores showing an increase of 86%. The Price Earning Ratio as on 31st March 2021 was Rs. -15.55 as compared to Rs. 19.24 as on 31st March, 2020. The market price of the equity shares of the company as on 29st March 2021 was Rs. 154.70 whereas the share price as on 31st March, 2020 was Rs.94.55. The percentage increase in market price of shares in comparison with the last public offer was 846%.
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	There has not been no increase in remuneration of employees during the year.
9.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Due to Covid impact on the the growth of the company, there was no increase in the salary of Managing Director and Executive Director.

10.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	The salary is fixed and there are no variable components in the salary.
11.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	There is no employee in the company who is drawing salary more than Directors of the company.
12.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes

IV. Details of the Remuneration for the year ended March 31, 2021:

a. Non-Executive Directors

Name	Sitting Fees (in Lakhs)
Mr. Nikhel Kochhar	0.4
Mr. Sanjiv Syal	0.4
Col. Vijay Kumar (Retd.)	0.3
Mr. Abhinav Sharma	0.4
Ms. Suman Kukrety	0.3
Mr. Govind Saboo	0.1
Mr. Pawan Dubey	0.1

Mr. Govind Saboo and Mr. Pawan Dubey were appointed as Non- Executive Independent Directors on the Board w.e.f February 08, 2021.

b. Managing Director and Executive Director

Name	Salary including perquisites
Mr. Yogen Khosla	172.94 Lakhs
Mrs. Anju Khosla	94.95 Lakhs

iv. Corporate Social Responsibility Committee Category and Composition

Name	Category
Mr. Sanjiv Syal	Non-Executive-Independent Director
Mr. Yogen Khosla	Executive Director
Mrs. Anju Khosla	Executive Director

- One meeting was held during the year under review.

Key Responsibilities of the CSR Committee:

i. Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company

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

V. Number of committee meetings held and attendance records

Name of Committee	**Audit Committee**	**Shareholders' Relationship Committee**	**Nomination and Remuneration Committee**	**Corporate Social Responsibility Committee**
No. of meetings held	4	4	2	1
Date of Meetings	20.06.2020 14.09.2020 09.11.2020 08.02.2021	20.06.2020 14.09.2020 09.11.2020 08.02.2021	20.06.2020 08.02.2021	08.02.2021
No. of Meetings attended				
Mr. Yogen Khosla	4	4	-	1
Mrs. Anju Khosla	-	4	-	1
Col. Vijay Kumar (Retd.) (Resg on 08.02.2021)	3	3	2	-
Mr. Nikhel Kochhar	4	4	4	-
Mr. Sanjiv Syal	4	-	4	1
Mr. Abhinav Sharma	3	3	-	-
Ms. Suman Kukrety	-	-	-	-

Mr. Abhinav Sharma was appointed as a member of Audit Committee w.e.f. February 04,2020.

IT Governance & Strategy Committee

In accordance with the provisions of Reserve Bank of India's Master Direction on the Information Technology Framework for the NBFC Sector, the company has constituted IT Governance & Strategy Committee ("IT Committee").

The committee met twice during the year on 8th July, 2020 and 3rd January, 2021

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

VI. General Body Meetings

i. General Meeting

a. Annual General Meeting ("AGM")

Financial Year	Date	Time	Venue
2020	August 10, 2020	09:00 a.m.	Video Conferencing
2019	September 30, 2019	09:00 a.m.	366 Sultanpur, M G Road, New Delhi-110030
2018	September 29, 2018	09:00 a.m	366 Sultanpur, M G Road, New Delhi-110030

b. Extraordinary General Meeting

No extraordinary general meeting of the members was held during FY 2020.

c. Special resolution

Year	Particulars
2020	For raising of funds through various options including qualified institutional placement/ non convertible debentures upto Rs. 1000 crores
2019	For raising of funds through various options including qualified institutional placement/ non convertible debentures upto Rs. 1000 crores
2018	For raising of funds through various options including qualified institutional placement/ non convertible debentures upto Rs. 1000 crores. Alteration in Object Clause of Memorandum of Association of the Company Alteration in Memorandum of Association of the Company to commensurate with Companies Act, 2013 Alteration in Articles of Association of the Company to commensurate with Companies Act, 2013. Payment of incentive to Mr. Yogen Khosla.

None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority.

VII. Means of Communication

Quarterly Results

Quarterly results are published in Financial Express or any other English Newspaper having a vide circulation in substantially the whole of the India and in Naya India or any other Hindi vernacular newspaper. The results are also available on the website of the company www.capitaltrust.in and the website of BSE and NSE.

Website Disclosure

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

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

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

SEBI Compliant Redress System (SCORES):

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

Presentation to the Institutional Investor or to the Analyst

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

VIII. General shareholder information

i. Annual General Meeting for FY 2021

Date : 30.09.2021

Time : 09:00 a.m.

Venue : The Company is conducting meeting through VC pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM.For details please refer to the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

ii. Date of Book Closure / Record Date

As mentioned in the Notice of this AGM

iii. Listing on Stock Exchanges :
Equity shares are listed at the following exchanges:

The National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex Bandra (East),
Mumbai-400 051

BSE Limited
P. J. Towers,
Dalal Street, Mumbai-400 001

The NCDs are listed at
BSE Limited
P. J. Towers,
Dalal Street, Mumbai-400 001

iv. Stock Codes / Symbol

NSE : CAPTRUST
BSE : 511505 (Equity)
BSE: 959941 (NCDs)

Listing Fees as applicable have been paid.

v. Corporate Identity Number (CIN) of the Company: L65923DL1985PLC195299

vi. Registrars and Transfer Agents Name and Address
MAS Services Private Limited
Address : T-34, II Floor, Okhla Industrial Area,
Phase-2, New Delhi-110020
E-mail : info@masserv.com
Website : www.masserv.com

vii. Place for acceptance of documents :
Documents will be accepted at the above address between 10.00 a.m. and 3.30 p.m. (Monday to Friday except bank holidays).

viii. Share Transfer System
In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

ix. Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 96.64 percent of the Company's equity share capital are dematerialized as on March 31, 2021. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE707C01018.

x. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2021, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

xi Commodity price risk or foreign exchange risk and hedging activities

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

xii. Address for correspondence

Capital Trust Limited
205 Centrum Mall, Sultanpur, M G Road
New Delhi-110030
Designated e-mail address for Investor Services: cs@capitaltrust.in
Website: www.capitaltrust.in

xiii. Market price date (In Rupees).

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

Month	High Price	Low Price	Volume
Apr- 20	80.85	53.20	54924
May- 20	65.80	53.25	35526
June - 20	100.05	60.50	220805
Jul - 20	85.30	68.70	67459
Aug - 20	74.95	61.10	207195
Sep - 20	66.70	56.05	110489
Oct - 20	62.90	53.65	39985
Nov- 20	57.80	50.00	196387
Dec- 20	120.95	67.05	661825
Jan-21	104.90	85.95	221666
Feb - 21	114.80	71.70	647877
Mar - 21	149.00	94.05	911457

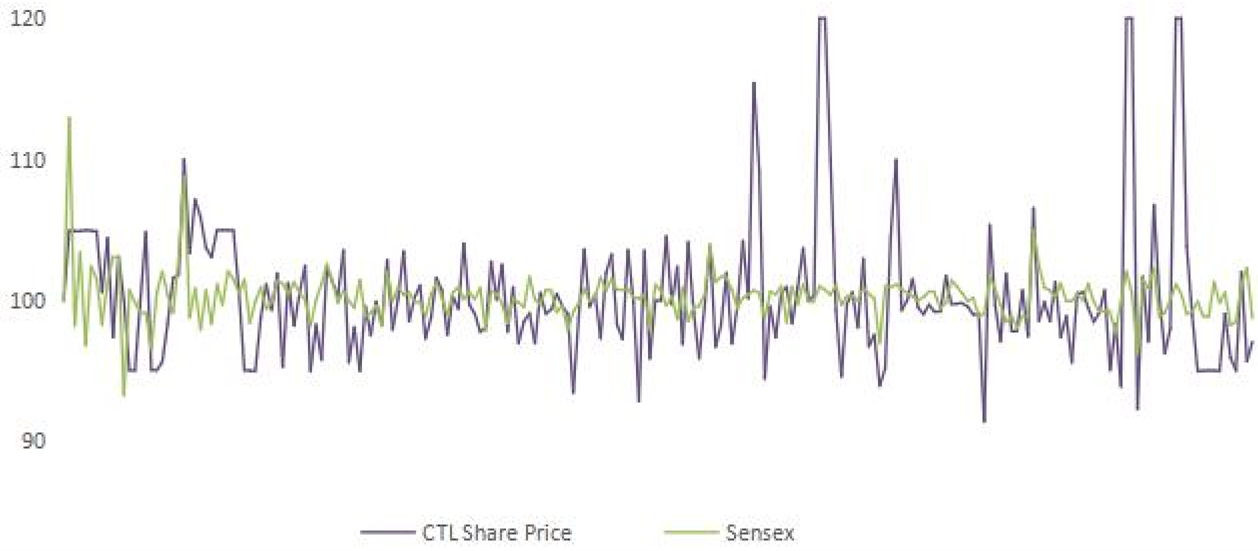
The monthly high low for the equity shares of the Company at BSE.

Month	High Price	Low Price	Volume
Apr- 20	72.00	49.40	18206
May- 20	69.65	56.10	638
June - 20	102.00	83.40	42254

Jul - 20	88.40	67.55	9392
Aug - 20	73.40	63.15	44850
Sep - 20	72.00	57.00	25932
Oct - 20	64.35	55.40	6032
Nov- 20	77.45	50.00	37646
Dec- 20	122.00	65.30	103569
Jan-21	106.95	88.00	50843
Feb - 21	115.20	72.50	124742
Mar - 21	153.85	90.30	169407

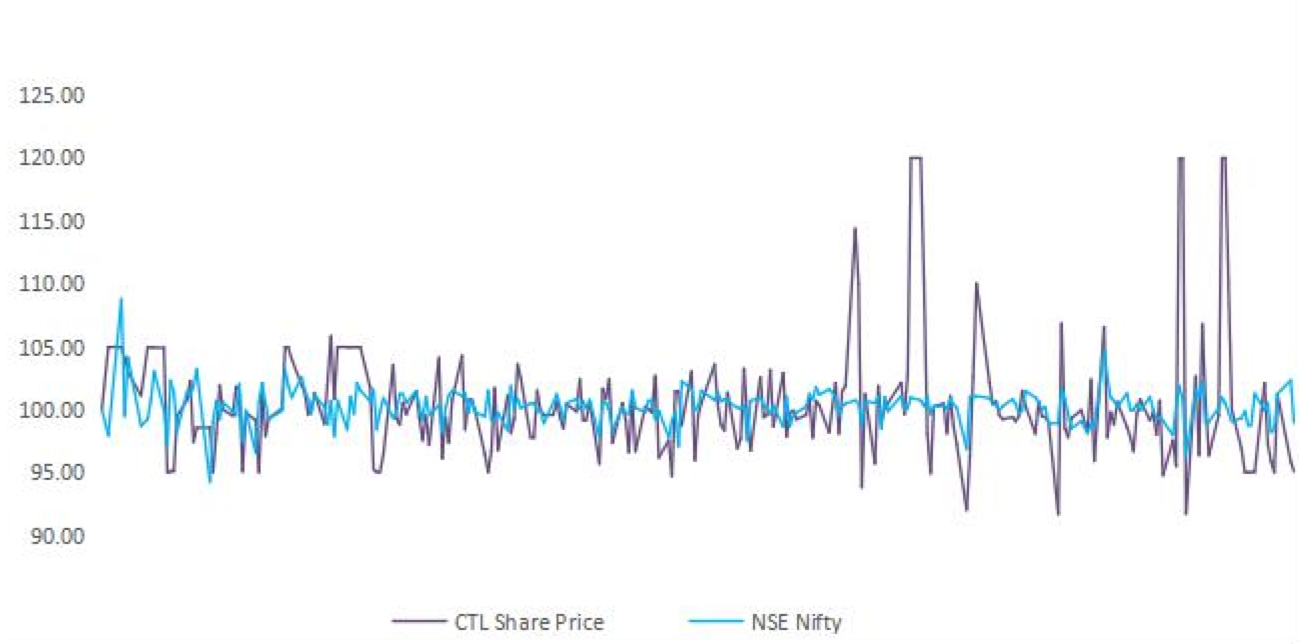
Performance of shares of Capital Trust Limited in comparison to BSE – Sensex (The share price is compared on the basis of closing price of each month v/s sensex on that day)
(Base is taken as 100 at April 1, 2020)

Capital Trust Share performance vis -a - viz BSE Sensex



Capital Trust Share performance vis -a - viz NSE Nifty

Performance of shares of Capital Trust Limited in comparison to NSE Nifty (The share price is compared on the basis of closing price of each month v/s Nifty on that day)
(Base is taken as 100 at 1st April, 2020)



xiv. Shareholding Pattern as on March 31, 2021

Category	Percentage
Promoter	66.17%
Bank/ Financial Institutions/ Mutual Funds	0.00%
NRIS/OCBs	17.34%
Others	16.49%

xv. Distribution of Shareholding as on March 31, 2021

No of shareholders	% to total	Shareholding of nominal value of (Rs.)	No of shares	Amount in (Rs.)	% to total
6587	92.971	1 to 5000	775354	7753540	4.739
268	3.783	5001 to 10000	200034	2000340	1.223
104	1.468	10001 to 20000	149655	1496550	0.915
37	0.522	20001 to 30000	94906	949060	0.58
21	0.296	30001 to 40000	73604	736040	0.45
16	0.226	40001 to 50000	73848	738480	0.451
27	0.381	50001 to 100000	209599	2095990	1.281
25	0.353	100001 and above	14784415	147844150	90.361
7085	**100**	**TOTAL**	**16361415**	**163614150**	**100**

xvi) Dematerialisation of Shares: As on March 31, 2021:
15811675 of the total number of equity shares were held in dematerialized form.

xvii) The Company does not have any Global Depository Receipts and American Depository Receipts.

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

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

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

IX. Other Disclosures

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

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

c. The Company has complied with Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations 2015 regarding the Whistle Blower policy/ Vigil Mechanism for the directors and employees. As per the mechanism, concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy are reported. The Audit Committee is open to all the employees. The policy is available on our website www.capitaltrust.in.

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

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

f. Policy on the related party is available on www.capitaltrust.in.

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

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

X. Disclosures with respect to demat suspense account / unclaimed suspense account

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

XI. Discretionary Requirements

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

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

XII. Declaration Regarding the Compliance with the Code of Conduct of Board of Directors and Senior Management.

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

I further confirm that the Company has received applicable to them from the Senior Management Team of the Company and the Members of the Board for the year ended March 31, 2021. For the purpose of this declaration, Senior Management Team means the Chief Financial Officer and the Company Secretary.

For **Capital Trust Limited**
Yogen Khosla
Chairman and Managing Director

Date: 29.06.2021
Place: New Delhi

CEO AND CFO CERTIFICATION

To
The Board of Directors
Capital Trust Limited
Subject: Compliance Certificate as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We hereby certify that:

We have reviewed financial statements and the cash flow statement of Capital Trust Limited for the 2020-21 and that to the best of their knowledge and belief, we state that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the auditors and the Audit committee:

i. significant changes in internal control over financial reporting during the year;
ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yogen Khosla	Vinod Raina
Managing Director	CFO
DIN: 00203165	
Date: 29.06.2021	

Capital Trust

Independent Auditor's Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

The Members of Capital Trust Limited
205, Centrum Mall, MG Road,
Sultanpur-New Delhi-110030

The Corporate Governance Report prepared by Capital Trust Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2021. This certificate is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

MANAGEMENT'S RESPONSIBILITY
The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The management along with the Board of Directors of the Company are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY
Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes (Revised) requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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.

OPINION
Based on the procedures performed by us and according to the information and explanations given to us, we are of the opinion that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 1 above.

OTHER MATTERS AND RESTRICTION ON USE

This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This report is addressed to and provided to the Members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Singhi & Co.
Chartered Accountants
ICAI Firm Registration Number: 302049E

Bimal Kumar Sipani

Partner
Membership Number 088926
UDIN: 21521263AAAAAZ4050

NOTICE OF ANNUAL GENERAL MEETING

NOTICE

NOTICE is hereby given that the Thirty Fifth Annual General Meeting (AGM) of Capital Trust Limited (the Company) will be held on Thursday, September 30, 2021, at 09:00 a.m. through Video Conferencing (VC) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (both standalone and consolidated) of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon.

SPECIAL BUSINESS

2. APPOINTMENT OF MR. GOVIND SABOO AS INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, Mr. Govind Saboo (DIN: 06724172), who was appointed as an Additional Independent Director of the Company with effect from February 08, 2021, and whose term expires at this AGM, and in respect of whom the Company has received a notice in writing along with a deposit from a member proposing his candidature for the office of an Independent Director not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years with effect from September 30, 2021."

3. APPOINTMENT OF MR. PAWAN DUBEY AS INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, Mr. Pawan Dubey (DIN: 01767875), who was appointed as an Additional & Independent Director of the Company with effect from February 08, 2021, and whose term expires at this AGM, and in respect of whom the Company has received a notice in writing along with a deposit from a member proposing his candidature for the office of an Independent Director not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years with effect from September 30, 2021."

4. RAISING OF FUNDS THROUGH VARIOUS OPTIONS INCLUDING QUALIFIED INSTITUTIONAL PLACEMENT/ NON CONVERTIBLE DEBENTURES UPTO RS. 1000 CRORES.

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

"**RESOLVED THAT** pursuant to the provisions of Sections 42 and 62, and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the applicable rules thereunder and also including any relevant provisions of the Companies Act, 1956 to the extent that such provisions of the Companies Act, 1956 have not been superseded by the Companies Act, 2013 (the "**Companies Act**"), the provisions of the Memorandum of Association and Articles of Association of the Company, and in accordance with any other applicable law or regulation, in India or outside India, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), the listing agreements entered into with the respective stock exchanges where the shares of the Company are listed (the "**Stock Exchanges**"), the provisions of the Foreign Exchange Management Act, 1999, as amended ("**FEMA**"), including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended (the "**FCCB Scheme**"), the Depository Receipts Scheme, 2014, the Consolidated Foreign Direct Investment Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued from time to time by the Government of India ("**GOI**"), the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**"), the Registrar of Companies (the "**RoC**"), the Stock Exchanges, and/ or any other competent authorities and subject to any required approvals, consents, permissions and/or sanctions from the Ministry of Finance (Department of Economic Affairs), the Ministry of Commerce and Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance), SEBI, the RoC, RBI and any other appropriate statutory, regulatory or other authority and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and/or sanctions, the consent of the shareholders of the company be and is hereby accorded to Board of Directors of the Company (hereinafter called the "**Board**" which term shall be deemed to include any committee which the Board has constituted, to create, issue, offer and allot (including with provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons including employees of the Company, as may be permitted under applicable law), either in India or in the course of international offering(s) in one or more foreign markets, equity shares of the Company with a face value of Rs. 10 each (Rupees Ten only) (the "**Equity Shares**"), global depository receipts ("**GDRs**"), American depository receipts ("**ADRs**"), foreign currency convertible bonds ("**FCCBs**") and/or other financial instruments convertible into or exchangeable for Equity Shares (including warrants, or otherwise, in registered or bearer form), fully convertible debentures, partly convertible debentures, non-convertible debentures ("**NCDs**") with warrants and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holder to convert or subscribe to Equity Shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as the "**Securities**") or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in foreign currency, through public and/or private offerings, including without limitation through a qualified institutions placement ("**QIP**") (in accordance with Chapter VIII of the SEBI ICDR Regulations), or any combination thereof or by the issue of prospectus and/or placement document and/or other permissible/requisite offer document to any eligible person(s), including but not limited to qualified institutional buyers (as defined in the SEBI ICDR Regulations) ("**QIBs**") in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternative investment funds, foreign institutional investors, foreign portfolio investors, Indian and/or bilateral and/or multilateral financial institutions, non-resident Indians, stabilizing agents, state industrial development corporations, insurance companies, provident funds, pension funds and/or any other categories of investors whether or not such investors are members of the Company (collectively referred to as the "**Investors**"), as may be decided by the Board at its discretion and permitted under applicable laws and regulations for an aggregate amount not exceeding Rs. 1000 Crores (Rupees One Thousand Crores only) (Out of which Rs. 500 Crores (Rupees Five Hundred Crores) shall be for Fully Convertible Debentures/Partly Convertible Debentures/ Non-Convertible Debentures ("NCDS")/Foreign Currency Convertible Bonds ("FCCBS")) or equivalent thereof either in any foreign currency and/or equivalent Indian Rupees, inclusive of such premium as may be fixed on such Securities at such a time or times, in such a manner and on such terms and conditions including security, rate of interest, discount (as permitted under applicable law) etc., as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with the lead manager(s) and/or underwriter(s) and/or other advisor(s) for such issue. The number and/or price of Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER THAT if any issue of Securities is made by way of a QIP in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as "**Eligible Securities**" within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination thereof as may be decided by the Board, shall be completed within 12 (twelve) months from the date of approval of the shareholders of the Company by way of a special resolution for approving the QIP or such other time as may be allowed under the SEBI ICDR Regulations, at a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations, provided that the Board may, in accordance with applicable law, offer a discount of not more than 5% (five per cent.) or such percentage as permitted under applicable law, on such price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations. The Eligible Securities shall be allotted as fully paid-up (subject to allottees having the option to pay either full or part consideration for warrants, with the balance consideration being payable at or by the time of exercise of such warrants, where the tenure of any convertible or exchangeable Eligible Securities shall not exceed 60 (sixty) months from the date of allotment), and the aggregate of all QIPs made by the Company in the same financial year shall not exceed five times the net worth of the Company as per the audited balance sheet of the previous financial year.

RESOLVED FURTHER THAT in the event that the Equity Shares are issued to QIBs under Chapter VIII of the SEBI ICDR Regulations, the "relevant date" for the purpose of pricing of the

Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares, and in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs under Chapter VIII of the SEBI ICDR Regulations, the "relevant date" for the purpose of pricing of such convertible securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities are entitled to apply for Equity Shares or such other time as may be permitted by the SEBI ICDR Regulations, subject to any relevant provisions of applicable laws, rules, regulations, as amended, from time to time.

RESOLVED FURTHER THAT the relevant date for the determination of the applicable price for the issue of any other Securities shall be as per the regulations/guidelines prescribed by SEBI, the Ministry of Finance, RBI, GoI through their various departments, or any other regulator, as the case may be, and the pricing of any Equity Shares issued upon the conversion of such Securities shall be made subject to and in compliance with the applicable rules and regulations.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:
a) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company; and
b) any Equity Shares that may be created, offered, issued and allotted by the Company shall rank *paripassu* with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT in addition to all applicable Indian laws, the Securities issued pursuant to this Resolution shall also be governed by all applicable laws of any foreign jurisdiction where such Securities are or are proposed to be marketed or listed, or that may in any other manner apply in this relation.

"**RESOLVED FURTHER THAT** a Securities Committee constituted by the Board be and is hereby authorized to do such acts, deeds and things in its absolute discretion as it deems necessary or expedient in connection with the creation, offer, issue, allotment, dematerialization or listing of the Securities, etc., including, without limitation, the following:

(a) appointing managers, arrangers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees, escrow banks and all other agencies, intermediaries or advisors, whether in India or abroad, and finalizing the terms of and entering into or execution of all such agreements, arrangements or other documents with any such agencies, intermediaries or advisors, as may be required or expedient;

(b) applying for and obtaining the consent of any relevant regulatory authorities/agencies, the Company's lenders/creditors, or any other parties (including, without limitation, any experts or persons with whom the Company has entered into commercial or other agreements), as may be required or expedient;

(c) finalization and approval, and making arrangements for the submission, of the preliminary and/or draft and/or final placement document/offering circulars/information memoranda/prospectuses/offer documents, and any addenda or corrigenda thereto, with any applicable regulatory authorities or agencies, as may be required;

(d) determining the pricing and terms of the Securities (including, in the case of an issuance of FCCBs/ADRs/GDRs in accordance with the relevant provisions of the FCCB Scheme or the

Depository Receipts Scheme, 2014; or in case of a QIP, determining the floor price and the final allotment price in accordance with the SEBI ICDR Regulations and/or any other applicable laws, including any discount of up to 5% (five per cent.) of the floor price or such other discount as may be permitted under applicable law), the date for the opening and closure of the subscription period for the Securities (including the extension of such subscription period, as may be necessary or expedient), and all other related matters (including, without limitation, taking any action or decision in relation to two-way fungibility between FCCBs/ADRs/GDRs and underlying Equity Shares or in relation to payment in calls for the Securities, insofar as may be permitted under applicable law and relevant regulatory approvals);

(e) approval of the letters of allotment, security certificates, listing applications, engagement letters, memoranda of understanding and any other agreements or documents, placement agreement(s), deposit agreement(s), purchase/subscription/underwriting agreement(s), trust deed(s), indenture(s), escrow agreement(s), etc., including amending, varying or modifying the same, as may be necessary or expedient;

(f) opening one or more bank accounts in the name of the Company or otherwise, in Indian currency or foreign currency(ies), with such banks in India and/or such foreign countries, as may be necessary or expedient in connection with the issue and allotment of the Securities;

(g) finalization of the basis of allotment of the Securities on the basis of the subscriptions received (including in the event of over-subscription);

(h) seeking listing of the Securities on any Indian and/or foreign stock exchanges, submitting listing applications to such stock exchanges and taking all actions that may be necessary in connection with obtaining or ensuring such listing;

(i) convening any meetings of the shareholders of the Company either by way of an extraordinary general meeting or passing resolutions through postal ballot;

(j) authorization of any director or officers of the Company, including by the grant of powers of attorney and/or on joint and/or several basis, to do such acts, deeds and things as the authorized persons in his or their absolute discretion may deem necessary or expedient in connection with the offer, issue and allotment of the Securities; and

(k) all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or expedient, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the Securities."

5. FIXATION OF LIMIT FOR MANAGERIAL REMUNERATION IN EVENT OF INADEQUATE PROFITS

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

"RESOLVED THAT pursuant to the provisions of Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent be and is hereby accorded to pay remuneration to Managerial persons, in case of inadequate profits/no profits, at the rates approved by the shareholders from time to time. .

RESOLVED FURTHER THAT in case of inadequate profits/no profits, the maximum remuneration to be paid under Schedule V shall not exceed Rs. 350 Lakhs per annum to Managing Director and Executive Director"

6. APPROVAL FOR PAYMENT OF MINIMUM REMUNERATION TO MR YOGEN KHOSLA, MANAGING DIRECTOR IN CASE OF NO/INADEQUACY OF PROFITS.

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

RESOLVED FURTHER THAT pursuant to the provisions of Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and the Special Resolution passed by the members at the General Meeting of the Company held on July 26 2016, the members do hereby ratify and confirm the total remuneration of Rs. 1.73 Crores paid to Mr. Yogen Khosla, Managing Director for FY 2020-21 as Minimum Remuneration as per the terms of their appointment;

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof, be and is hereby, authorized to take such steps as may be necessary - statutory, contractual or otherwise, in relation to the above, to settle all matters arising out of and incidental thereto, to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution;

RESOLVED FURTHER THAT in the event of any inadequacy or absence of profits in any financial year or years from 2021-22, the aforementioned remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to the Managing Director.

7. APPROVAL FOR PAYMENT OF MINIMUM REMUNERATION TO MRS. ANJU KHOSLA, EXECUTIVE DIRECTOR IN CASE OF NO/INADEQUACY OF PROFITS.

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

RESOLVED FURTHER THAT pursuant to the provisions of Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and the Special Resolution passed by the members at the General Meeting of the Company held on July 26 2016, the members do hereby ratify and confirm the total remuneration of Rs. 0.95 Crores paid to Mrs. Anju Khosla, Executive Director for FY 2020-21 as Minimum Remuneration as per the terms of their appointment;

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof, be and is hereby, authorized to take such steps as may be necessary - statutory, contractual or otherwise, in relation to the above, to settle all matters arising out of and incidental thereto, to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution;

RESOLVED FURTHER THAT in the event of any inadequacy or absence of profits in any financial year or years starting from year 2021-22, the aforementioned remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to the Executive Director.

8. APPOINTMENT OF MR. VAHIN KHOSLA AS EXECUTIVE DIRECTOR

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

"RESOLVED THAT Pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and subject to approval of Reserve Bank of India and subject to approval of the shareholders, the consent be and is hereby accorded for appointment of Mr.

Vahin Khosla as Executive Director of the company for a period of 5 years, who shall be liable to retire by rotation, on the terms and conditions including remuneration as mentioned below:

A. Basic Salary: Rs.3,50,000/- per month w.e.f. July 1, 2021. In addition to the salary, he shall be entitled to the usual allowances, perquisites and benefits, which include medical reimbursement, LTC, use of car and telephone, contribution to Provident Fund, gratuity, Bonus / Ex-gratia etc. 2.5% of the profits as incentive, as agreed by the Board of Directors, subject to overall ceiling of remuneration stipulated in sections 2(78) and 197 read with Schedule V of the Act.

RESOLVED FURTHER THAT approval of the shareholders is further given to increase the basic remuneration to Rs. 8,50,000 per month over period of five years (i.e term of current appointment) on the basis of recommendation given by Nomination and Remuneration Committee of the company.

RESOLVED FURTHER THAT consent be and is hereby given to Nomination and Remuneration Committee of the company, to revise the remuneration of Mr. Vahin Khosla from the date of his appointment till the 5 years i.e remainder of duration of appointment upto the limit as given herein above;

RESOLVED FURTHER THAT in the event of any inadequacy or absence of profits in any financial year or years, the aforementioned remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to the Executive Director.

9. APPOINTMENT OF MRS. ANJU KHOSLA AS HEAD OF TRAINING

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

“RESOLVED THAT pursuant to the provisions of sections 188(1), 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, the consent of Members be and is hereby accorded to the appointment of Mrs. Anju Kholsa holding office or place of profit, as head-training of the Company, Wife of Mr. Yogen Khosla, Managing Director, w.e.f 01st July 2021as detailed hereunder:

a. Basic Salary: Rs 6,15,000/- (Rs. Six Lakhs and Fifteen Thousand Only) P.M.,In addition to the salary, he shall be entitled to the usual allowances, perquisites and benefits, which include medical reimbursement, LTC, use of car and telephone, contribution to Provident Fund, gratuity and Bonus / Ex-gratia.

RESOLVED FURTHER THAT the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mrs. Anju Khosla holding office or place of profit, within the maximum limit approved by the shareholders.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing Resolution, Ms. Tanya Sethi, Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filling of returns with any authority."

10. APPOINTMENT OF MR. YUV VIR KHOSLA AS CHIEF OPERATING OFFICER

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

"RESOLVED THAT pursuant to the provisions of sections 188(1), 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, the consent of Members be and is hereby accorded to the appointment of Mr. Yuv Vir Kholsa holding office or place of profit, as Chief Operating Officer of the Company, son of Mr. Yogen Khosla, Managing Director, w.e.f 01st July 2021 as detailed hereunder:

a. Basic Salary: Rs 2,50,000/- (Rs. Two Lakhs and Fifty Thousand Only) P.M., which can go upto Rs. 7.5 Lakhs over the period of five years from now. In addition to the salary, he shall be entitled to the usual allowances, perquisites and benefits, which include medical reimbursement, LTC, use of car and telephone, contribution to Provident Fund, gratuity, Bonus / Ex-gratia,and 2.5% of the profits as incentive.

RESOLVED FURTHER THAT the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mr. Yuv Vir Khosla holding office or place of profit, within the maximum limit approved by the shareholders.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing Resolution, Ms. Tanya Sethi, Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filling of returns with any authority."

By Order of the Board of Directors
For Capital Trust Limited

Sd/-
Tanya Sethi
Company Secretary

Date: June 29, 2021
Place: New Delhi

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding),Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act,2013.

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose,the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.capitaltrust.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e.www.evoting.nsdl.com.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020and MCA Circular No. 17/2020 dated April 13, 2020,MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

8. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the special business under Item Nos. 2 to 10 of the accompanying Notice, is annexed hereto.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE ASUNDER:-

The remote e-voting period begins on 27th September, 2021 at 09:00 A.M. and ends on 29th September 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23rd September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September, 2021.

How do I vote electronically using NSDL e-Voting system?
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL**and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"**Portal or click athttps://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digitdemat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDLfor casting your

	vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest arehttps://web.cdslindia.com/myeasi/home/loginor www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL**where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**

Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.inor call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8

digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to shashankcsu@gmailcom with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please send signed request with Folio No., Name of shareholder, scanned copy of any one share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@masserv.com.
2. In case shares are held in demat mode, please update your email id with your depository. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e.**Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.infor procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THEAGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above forremote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM throughVC/OAVM facility and have not casted their vote on the Resolutions through

remote e-Voting and are otherwise not barred from doing so, shall be eligible tovote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend theAGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connectedwith the facility for e-Voting on the day of the AGM shall be the same person mentionedfor Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@capitaltrust.in. The same will be replied by the company suitably.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 2

The Non-Executive Directors and the Independent Directors of your Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas.
The Board of Directors, on the recommendation of Nomination and Remuneration Committee, approved the appointment of Mr. Govind Saboo as an Additional (Independent Director) on the Board of the Company with effect from February 08, 2021, to hold office as Director till the date of

forthcoming General Meeting, pursuant to Section 161 of the Companies Act, 2013 ('Act") and Articles of Association of the Company.
The details of Mr. Govind Saboo as required to be given pursuant to the Listing Regulations and the Secretarial Standards, are attached to the Notice.
In respect of Mr. Govind Saboo, the Company has received a notice in writing along with a deposit from a member proposing his candidature for the office of an Independent Director not liable to retire by rotation.
The Board of Directors commend the Ordinary Resolution as set out in Item no. 2 of the Notice for the approval of the shareholders, as in the opinion of the Board, Mr Govind Saboo fulfils the conditions for appointment as specified in the Companies Act, 2013 and having regard to the qualification, experience and knowledge, his appointment as an Independent Director will be in the interest of the Company.
Mr. Govind Saboo has given his consent to act as Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Saboo fulfills the conditions specified in the Act and the rules framed thereunder for appointment as Independent Director and he is independent of the Management.
Board is of the opinion that having regard to the qualification, experience and knowledge, his appointment as an Independent Director will be in the interest of the Company.
Your Directors commend the Resolution for your approval as an Ordinary Resolution.

Except Mr. Govind Saboo being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.2.

Item No. 3
The Board of Directors, on the recommendation of Nomination and Remuneration Committee, approved the appointment of Mr. Pawan Dubey as an Additional (Independent Director) on the Board of the Company with effect from February 08, 2021, subject to the shareholders' approval to hold office as Director till the date of forthcoming General Meeting pursuant to Section 161 of the Companies Act, 2013 ('Act") and Articles of Association of the Company.
The details of Mr. Pawan Dubey, as required to be given pursuant to the Listing Regulations and the Secretarial Standards, are attached to the Notice.
In respect of Mr. Pawan Dubey, the Company has received a notice in writing along with a deposit from a member proposing his candidature for the office of an Independent Director not liable to retire by rotation.
The Board of Directors commend the Ordinary Resolution as set out in Item No. 3 of the Notice for the approval of the shareholders, as in the opinion of the Board, Mr. Pawan Dubey fulfils the conditions for appointment as specified in the Companies Act, 2013 and having regard to the qualification, experience and knowledge, his appointment as an Independent Director will be in the interest of the Company.
Mr. Pawan Dubey has given his consent to act as Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Pawan Dubey fulfills the conditions specified in the Act and the rules framed thereunder for appointment as Independent Director and he is independent of the Management.
Except Mr. Pawan Dubey being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.4.

Item No. 4

Pursuant to the relevant Sections of the Companies Act, including, without limitation, Section 62 of the Companies Act, 2013, any offer or issue of securities in the Company to persons other than members of the Company requires prior approval of the members by way of Special Resolution.

Your Directors draw your attention to the fact that the Company requires additional capital in the future to meet the needs of its growing business and to augment the Company's capital base and financial position. Accordingly, it is proposed that equity or equity-linked debt capital raising be undertaken by the Company, which would involve creating, offering, issuing and allotting securities to eligible investors, as stated in the resolution at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions as may be deemed appropriate by the Board at its discretion, taking into consideration market conditions and other relevant factors and wherever necessary in consultation with lead managers and other advisors, either in one or more foreign currencies or Indian Rupees inclusive of such premium as may be determined by the Board, all in accordance with applicable laws. The Company intends to issue securities for an aggregate amount not exceeding Rs. 1000 Crores (Rupees One thousand Crores) (Out of which Rs. 500 Crores (Rupees Five Hundred Crores) shall be for Fully Convertible Debentures/Partly Convertible Debentures/ Non-Convertible Debentures ("NCDS")/Foreign Currency Convertible Bonds ("FCCBS")) or equivalent thereof or its equivalent in one or more tranches. This is an enabling Resolution and the Company will issue new Securities, subject to applicable law and necessary compliances.

This Special Resolution, among other things, seeks to enable the Board of Directors (including any duly authorized committee thereof) to undertake a Qualified Institutions Placement to Qualified Institutional Buyers in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009, amended (the "**SEBI ICDR Regulations**") as prescribed under Chapter VIII of the SEBI ICDR Regulations for the purposes mentioned above, without the need for fresh approval from the shareholders.

Basis or Justification of Price: The pricing of the Securities to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be determined by the Board in accordance with the regulations on pricing of securities determined in accordance with Chapter VIII the SEBI ICDR Regulations. The "Relevant Date" for this purpose, in case of allotment of Equity Shares, will be the date when the Board decides to open the issue, or, in case of convertible securities, the date of the meeting in which the Board or a committee thereof decides to open the issue of the convertible securities. The resolution enables the Board of Directors to, in accordance with applicable laws, offer a discount of not more than 5% (five per cent.) or such percentage as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations.

The Special Resolution also enables the Board to issue Securities in tranches, at such times, at such prices and to such person(s) including institutions, bodies incorporated and/or individuals or otherwise as the Board deems fit. The Company with this resolution intends to retain the right and flexibility to issue securities including but not limited to GDRs, ADRs, FCCBs and Equity Shares.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the lead manager(s) and other advisors appointed in relation to the proposed issue and such other authorities as may be required, taking into consideration market conditions and in accordance with applicable law. The Equity Shares allotted or arising out of conversion of any Securities will be listed and traded on stock exchanges where Equity Shares of the Company are currently listed ("**Stock Exchanges**"), subject to obtaining necessary approvals. The offer/ issue/ allotment/ conversion/ redemption of Securities would be subject to obtaining regulatory approvals, if any by the Company. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and any provisions of the listing agreements entered into with the Stock Exchanges.

The Board of Directors of the Company commends the Resolution as set out at Item No.7 of the accompanying Notice for approval of the members by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the aforesaid Resolution.

Item No. 5

Due to prevailing Covid-19 situations prevailing in the country and due to uncertainty, your board of directors had recommended to make the an additional provisions in addition to Expected credit loss provisions adopted as per the model. The extra provision of approximately Rs. 26 Crores was done in the last quarter of the Financial year 2020-21. The extra provision have resulted in current year losses.

The losses resulted in inadequate profits to meet the managerial remuneration limits. The nomination and Remuneration committee and the board of directors have recommended to fix the managerial remuneration in accordance with schedule V of Companies Act. Schedule V, provides for the shareholders permission in case the salary is required to be paid in excess of the limits provided.

Therefore the resolution is placed before the members to fix the minimum managerial remuneration in case of inadequate profits. The Managing Director and Executive Director are interested in this resolution.

Item No. 6 and 7

The shareholders of the company had , in its meeting held on July 26, 2016 had approved the approved for payment of remuneration of Rs. 10.50 Lakhs and other allowances to Mr. Yogen Khosla as Managing Director and Rs. 6.15 Lakhs per month to Mrs. Anju Khosla, Executive Director of the Company.

Mr. Yogen Khosla is a finance veteran with over 20 years of experience. He holds a Bachelor's degree in Commerce from Loyala College, Chennai and has studied at the Ealing College in London. He is a member of the Institute of Financial Accountants in the UK and was a Board member of Kinetic Capital Finance and DBS Capital Trust Securities India Pvt. Limited. Since 2003, he has been working as the Managing Director of Capital Trust Limited. He introduced the company into retail lending of micro loans in the MSME business. He has led the company to being adjudged as one of the top 100 Small and Medium Enterprises in India by India SME Forum..

Mrs. Anju Khosla graduated from Delhi University and has a Masters degree in Business Economics. She joined Capital Trust in 1989 and was initially involved with the Consultancy division. Subsequently, she handled an authorized dealership for Honda two wheelers for 3 years, which was acknowledged as the second best dealership in North India

The appointment as well as payment of remuneration was approved by the Board based on industry standards, responsibilities handled by the then in the Company.

However, due to Covid situations prevailing in the country and due to uncertainty, the company has made an additional provisions in addition to ECL provisions. The extra provision have resulted in current year losses. Approval of the shareholders is sought for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment commencing to Mr. Yogen Khosla as Managing Director and Mrs. Anju Khosla as Executive Director of the Company.

The Board of Directors considered it to be desirable to approve ratification and approval of remuneration payable to them for their current tenure of appointment as Managing Director and executive director. The Board of Director recommends the relevant resolution for your consideration and approval as a Special Resolution. None of the Directors except Mr. Yogen Khosla and Mrs. Anju Khosla are concerned or interested in the resolution.

Item No. 8

The board of directors in their meeting held on 29th June, 2021 had appointed Mr. Vahin Khosla as an Additional director (Executive Director) of the company. Mr. Vahin Khosla has been with the company for the last 6 years and has handled the role in Finance, Business, Operations and day to day routine matters. It will be beneficial for the company to take him on board as an Executive Director. He can office as Director till the date of forthcoming General Meeting, pursuant to Section 161 of the Companies Act, 2013 ('Act") and Articles of Association of the Company.

In respect of Mr. Vahin Khosla, the Company has received a notice in writing along with a deposit from a member proposing his candidature for the office of an Executive Director liable to retire by rotation. Therefore the resolution is placed before you for approval.

Mr. Vahin Khosla has given his consent to as an Executive director. He has also given the deceleration about the relationship as son of Mr. Yogen Khosla, Managing Director of the company. Mr. Yogen Khosla being interested in the resolution shall not take part in the resolution.

The brief profile of Mr. Vahin Khosla is given as hereunder:

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

Item No. 9

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders is also required. Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 29th June, 2021 had recommended appointment of Mrs. Anju Khosla as Head of Training on the terms and conditions as given in resolution 9 holding office or place of profit) w.e.f 01st July 2021, subject to approval of the Shareholders by way of an Ordinary Resolution. Your Directors recommends the resolutions for your approval. Mrs Anju Khosla was earlier Executive Director of the company, but now she has resigned as Director. Mr. Yogen Khosla Managing Director, Mr. Vahin Khosla Executive Director, being relative are deemed to be interested or concerned in the respective offices.

Item No.10

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders is also required. Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, had recommended appointment of Mr. Yuv Vir Khosla as COO on the terms and conditions as given in resolution 10, who will be holding office or place of profit) w.e.f 10th July 2021, subject to approval of the Shareholders by way of an Ordinary Resolution. Your Directors recommends the resolutions for your approval. M Mr. Yogen Khosla Managing Director, Mr. Vahin Khosla Executive Director, being relative are deemed to be interested or concerned in the respective offices.

Information pursuant to the Listing Regulations and Secretarial Standards in respect to Appointment/ Re-appointment of Directors

1.	Name of Director	Mr. Govind Saboo	Mr. Pawan Dubey	Mr. Vahin Khosla
2.	Category	Independent Director	Independent Director	Executive Director
3.	DIN	06724172	01767875	07656894
4.	Date of birth	24/10/1983	09/11/1985	01/03/1992
5.	Qualification	FCA	FCS, LL.B	Bachelor's degree in Economics-Accounting and Master's degree in Finance
B	Nature of Expertise/Experience	16 years of experience in Finance, Investment, Capital Budgeting and Compliance.	13 years of legal experience. 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 Cons	More than 6 years of experience in NBFC in finance, Bushiness and field operation.
7.	Brief Resume	Appended at end of this table	Appended at end of this table	Appended at end of this table
8.	Appointment on the Board	February 08, 2021	February 08, 2021	June 28, 2021
9.	Terms & Conditions of Appointment/ re-appointment	Appointment as an Independent Director for 5 years.	Appointment as an Independent Director for 5 years.	Appointment as an Executive Director
10.	Last Drawn Remuneration Details along with remuneration sought to be paid	As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board/Committee.	As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board/Committee.	Salary Recommended Rs. 3.50 Lakhs
11.	No. of shares held in the company as at March 31, 2021	Not Applicable	Not Applicable	Nit

12.	Relationship with other Directors/ Manager/KMP	No Relation	No Relation	He is son of Managing Director
13.	No. of Board meetings attended out of -------- meetings held during the year	1	1	Not Applicable
14.	Directorship details	1	0	0
15.	Committee Positions	6	6	4

Brief Resume of the Directors proposed to be appointed/reappointed:

Mr. Govind Saboo

Mr. Govind Saboo is rank holder Chartered accountant with more than 16 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

Mr. Pawan Dubey is a practising Advocate and Fellow Company Secretary having 13 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.

Mr. Vahin Khosla

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

Related Party Transaction-(Remuneration to related parties holding office or place of profit)

Name of the related party	**Name of the director or KMP who is related**	**Nature of Relationship**	**Transaction defined U/S 188(1)(f) of the Companies Act, 2013 i.e Related Party holding office or place of profit**	
			Designation	**Monthly Remuneration**

				payable
Mrs. Anju Khosla	Mr. Yogen Khosla	Wife	Head- Training	Rs. 6.15 Lakhs per month plus other allowances as per resolution
Mr. Yuv Vir Khosla	Mr. Yogen Kholsa	Son	COO	Rs. 2.50 Lakhs per month (can be increased to Rs. 7.50 Lakhs over the period of Five years) plus allowances as per resolution.

By Order of the Board of Directors
For Capital Trust Limited
Sd/-
Tanya Sethi
Company Secretary

Date: June 29, 2021
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of Capital Trust Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Capital Trust Limited ("the Company"), which comprise the balance sheet as at March 31 2021, the statement of profit and loss, including the statement of other comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, 2021, its loss 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 standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's responsibilities for the audit of the standalone financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone 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 standalone financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
Impact of Covid-19 Pandemic	
Company is required to provide for impairment of its financial assets using expected credit loss (ECL) approach under Ind AS 109. The Expected Credit Loss (ECL) is measured at	We assessed areas of significant estimates and management judgement in line with principles under Ind AS;

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>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

- Classification of financial assets where significant increase in credit risk;
- Statistics used to determine credit quality of loans;
- Estimation of losses

Accordingly, considering the unique impact and widespread impact of COVID-19 pandemic, the company has estimated additional expected credit loss allowance amounting to Rs. 2657.70 lakhs over and above normal provision, based on information available to reflect, among other things, the deterioration in the macro-economic factors. The Company estimates to recover the carrying amount of all its assets including investments, receivables and loans in the ordinary course of business based on information available on current economic conditions.

In view of the high degree of management's judgment involved in estimation of ECL, impacted by the COVID-19 pandemic, it is a key audit matter.</td><td>We compared the reasonableness of management assumptions in respect of recognition and measurement of financial instruments, allowance for expected credit losses etc.

We tested the ECL model, including assumptions and underlying computation.

We tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic)

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

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.</td></tr>
</table>

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 standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone 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. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of management for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 standalone financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The balance Sheet, the statement of profit and loss including the statement of 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 standalone 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

(g) The Company has paid managerial remuneration to the Managing Director and Executive Director of the Company aggregating Rs. 244.55 Lakhs for the financial year which exceeds the prescribed limits under Section 197 read with Schedule V to the Act by Rs. 113.10 Lakhs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chanderkant Choraria
Partner
Membership No. 521263
UDIN : 21521263AAAAAT6147

Date: June 29, 2021
Place: Noida (Delhi-NCR)

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

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

b. The Company 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 physically verified during the year and no material discrepancies were identified on such verification.

c. The title deed of immovable property included in property, plant and equipment [note 12 to the standalone financial statements] are held in the name of the Company.

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

(iii) The Company has not granted any loan to any Company, Firms or Limited Liability Partnership covered in the register maintained under section 189 of the Companies Act, 2013. In case of loan granted in earlier year, repayment of principal and payment of interest are regular. The Company has also granted interest free loan in earlier year to a trust covered in the register maintained under section 189 of the Companies Act, 2013, under Employee Stock Option Scheme ("ESOP") to purchase equity shares of the Company under such scheme, which was not due for repayment.

(iv) As per the records of the Company examined by us, no loan, guarantee and security covered under section 185 and no guarantee and security covered under section 186 of the Act have given during the year.

(v) The Company has not accepted deposit within the meaning of sections 73 to 76 of the Act 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.

(vi) The Central Government has not prescribed maintenance of cost records u/s 148(1) of the Act. Therefore, the provisions of clause 3 (vi) of the Order are not applicable.

(vii) a. According to the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues where deducted/ accrued in the books, with the appropriate authorities. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable except Provident Fund Rs. 4.08 Lakhs, Employees' State insurance Rs. 0.70 Lakhs and Professional Tax Rs. 0.71 Lakhs.

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

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

(ix) The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments). The Company has raised term loans during the year which has been utilized for the purpose it was taken.

(x) According to the information and explanations given to us, we report that no fraud by the Company has been noticed or reported during the year other than embezzlement of cash aggregating Rs. 22.81 Lakhs by some employees against which Company has recovered Rs. 10.95 Lakhs and Rs. 11.86 Lakhs has been written off in the statement of profit and loss.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, Company has paid managerial remuneration to the Managing Director and Executive Director of the Company aggregating Rs. 244.55 Lakhs for the financial year which exceeds the prescribed limits under Section 197 read with Schedule V to the Act by Rs. 113.10 Lakhs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.

(xiii) According to the information and explanations given to us and as per records of the Company, transactions with the related parties as identified by the Company are in compliance with section 177 and 188 of the Act where applicable and details for the same have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of clause 3(xv) of the Order are not applicable.

(xvi) In our opinion, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained.

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

Chanderkant Choraria
Partner
Membership No. 521263
UDIN : 21521263AAAAAT6147

Date: June 29, 2021
Place: Noida (Delhi-NCR)

ANNEXURE B

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

We have audited the internal financial controls with reference to standalone financial statements of Capital Trust Limited ('the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "guidance Note") and the standards on Auditing, 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial controls with reference to standalone financial statements

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal; financial control with reference to standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial controls with reference to standalone financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, 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.

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

Chanderkant Choraria
Partner
Membership No. 521263
UDIN : 21521263AAAAAT6147

Date: June 29, 2021
Place: Noida (Delhi-NCR)

Capital Trust Limited

Standalone Balance sheet as at March 31, 2021

(Amounts in ₹ in lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial Assets			
Cash and Cash Equivalents	4	1,528.57	790.05
Bank Balances other than Cash and Cash Equivalents	5	4,094.01	2,915.64
Receivables			
- Other Receivables	6	168.02	57.24
Loans	7	23,689.21	28,953.39
Investments	8	9,068.58	8,764.42
Other Financial Assets	9	631.94	1,215.50
Total Financial Assets		**39,180.33**	**42,696.24**
Non Financial Assets			
Current Tax Assets (Net)	10	238.62	216.15
Deferred Tax Assets (Net)	11	2,981.05	2,328.40
Property, Plant and Equipment	12	190.04	218.22
Right to use Asset	13	23.43	180.21
Other Intangible Assets	14	1.27	10.88
Intangible Asset under Development		13.83	-
Other Non Financial Assets	15	84.48	104.62
Total Non-Financial Assets		**3,532.72**	**3,058.48**
Total Assets		**42,713.05**	**45,754.72**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables	16		
Total outstanding dues of Micro Enterprises & Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		53.41	74.95
Debt Securities	17	5,551.56	-
Borrowings (other than debt securities)	18	17,814.53	23,739.63
Deposits	19	-	30.00
Subordinated Liabilities	20	4,479.23	4,469.16
Lease Liabilities		23.78	212.78
Other Financial Liabilities	21	927.40	1,491.07
Total Financial Liabilities		**28,849.91**	**30,017.59**
Non-Financial Liabilities			
Provisions	22	132.78	117.47
Other Non-Financial Liabilities	23	712.12	211.43
Total Non-Financial Liabilities		**844.90**	**328.90**
EQUITY			
Equity Share Capital	24	1,621.75	1,621.75
Other Equity		11,396.49	13,786.48
Total Equity		**13,018.24**	**15,408.23**
Total Liabilities And Equity		**42,713.05**	**45,754.72**
Summary of Significant Accounting Policies and other notes on Standalone Financial Statements	1-61		

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

As per our report of even date attached
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

For and on behalf of the Board of Directors

Chanderkant Choraria
Partner
Membership No. 521263

Yogen Khosla
CEO & Managing Director
DIN: 00203165

Sanjiv Syal
Director
DIN: 00271256

Place: Noida (Delhi-NCR)
Date: June 29, 2021

Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO & Compliance Officer

Place: New Delhi
Date: June 29, 2021

Capital Trust Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2021

(Amounts in ₹ in lakhs except EPS)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from operations			
Interest Income	25	8,826.97	12,130.88
Fees and commission income	26	413.39	430.94
Net gain on fair value changes	27	308.47	149.12
Net gain on derecognition of financial instruments under amortised cost category	28	71.02	378.07
Other operating income	29	1,283.95	1,399.20
Total Revenue from operations		**10,903.80**	**14,488.21**
Other income	30	382.86	269.79
Total Income		**11,286.66**	**14,758.00**
EXPENSES			
Finance costs	31	3,821.41	6,071.08
Fees and commission	32	393.49	778.03
Employee benefits	33	3,760.19	3,656.60
Impairment on financial instruments	34	3,526.97	1,525.28
Depreciation, amortization and impairment	35	57.64	89.46
Others	36	2,756.85	1,787.18
Total expenses		**14,316.55**	**13,907.63**
Profit before tax		**(3,029.89)**	**850.37**
Tax expense			
Current tax	37	-	336.69
Deferred tax	11	(652.64)	460.39
Total Tax expense		**(652.64)**	**797.08**
Profit for the year (A)		**(2,377.25)**	**53.29**
Other comprehensive income (OCI)			
1. (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit liabilities/assets		(17.05)	9.33
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.30	(2.35)
2. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income for year (B)		**(12.75)**	**6.98**
Total comprehensive income (A+B)		**(2,390.00)**	**60.27**
Earnings per equity share (Face value of ₹ 10 each)	38		
(a) Basic (₹)		(14.66)	0.33
(b) Diluted (₹)		(14.66)	0.33
Summary of Significant Accounting Policies and other notes on Standalone Financial Statements	1-61		

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

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

For and on behalf of the Board of Directors

Chanderkant Choraria
Partner
Membership No. 521263

Yogen Khosla
CEO & Managing Director
DIN: 00203165

Sanjiv Syal
Director
DIN: 00271256

Place: Noida (Delhi-NCR)
Date: June 29, 2021

Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO & Compliance Officer

Place: New Delhi
Date: June 29, 2021

(Amounts in ₹ in lakhs)

(A) Equity Share Capital

Particulars	As at March 31, 2021 No. of Shares	As at March 31, 2021 Amount	As at March 31, 2020 No. of Shares	As at March 31, 2020 Amount
Equity Shares of ₹ 10 each, fully paid up				
Balance at the beginning of the year	16,361,415	1,636.14	16,361,415	1,636.14
Changes in Equity during the year	-	-	-	-
	16,361,415	**1,636.14**	**16,361,415**	**1,636.14**
Less: Equity shares held by Capital Welfare Trust	(143,915)	(14.39)	(143,915)	(14.39)
(shares transferred to the trust pursuant to the scheme of Employee Stock Option Scheme("ESOP"))				
Balance at the end of the year	**16,217,500**	**1,621.75**	**16,217,500**	**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, 2019	**545.59**	**300.00**	**12,488.26**	**34.57**	**1,577.00**	**(1,120.58)**	**13,824.84**
Profit for the year	-	-	-	-	-	53.29	**53.29**
Other Comprehensive Income (net of tax)	-	-	-	-	-	6.98	**6.98**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**60.27**	**60.27**
Transfer to Statutory Reserve	-	-	-	-	12.05	(12.05)	**-**
Dividend paid for the year 2018-19 including dividend distribution tax	-	-	-	-	-	(98.63)	**(98.63)**
Balance as at March 31, 2020	**545.59**	**300.00**	**12,488.26**	**34.57**	**1,589.05**	**(1,170.99)**	**13,786.48**
Profit for the year	-	-	-	-	-	(2,377.25)	**(2,377.25)**
Other Comprehensive Income (net of tax)	-	-	-	-	-	(12.74)	**(12.74)**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**(2,389.99)**	**(2,389.99)**
Transfer to Statutory Reserve	-	-	-	-	-	-	**-**
Balance as at March 31, 2021	**545.59**	**300.00**	**12,488.26**	**34.57**	**1,589.05**	**(3,560.98)**	**11,396.49**

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 in accordance with the provisions of the Companies Act, 2013 on account of redemption of shares 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"))
Statutory reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). In terms of Section 45-IC of the RBI Act, a 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 standalone financial statements.

As per our report of even date attached.
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

For and on behalf of Board of Directors

Chanderkant Choraria
Partner
Membership No. 521263

Yogen Khosla
CEO & Managing Director
DIN.00203165

Sanjiv Syal
Director
DIN: 00271256

Place: Noida (Delhi-NCR)
Date: June 29, 2021

Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO & Compliance Officer

Place: New Delhi
Date: June 29, 2021

Capital Trust Limited

Standalone Cash flow Statement for the year ended March 31, 2021

(Amounts in ₹ in lakhs)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from operating activities			
Profit/ (loss) before tax		(3,029.89)	850.37
Adjustments for:			
Depreciation, amortization and impairment		57.64	89.46
Impairment on financial instruments		3,526.97	1,525.28
Loans written off		1,151.22	331.43
Net gain/(loss) on derecognition of property, plant and equipment		2.79	(2.44)
Dividend Income		(228.67)	-
Net (gain)/loss on derecognition of Right to Use Asset		(34.22)	-
Gain on sale of investments		(4.30)	(58.13)
Unrealised (gain)/loss on fair value changes of investments		(304.17)	(90.98)
Effective interest rate adjustment for financial instruments		218.76	(1,175.99)
Operating profit before working capital changes		**1,356.13**	**1,469.00**
(Increase)/ decrease of receivables		(110.78)	(18.38)
(Increase)/ decrease of loans		300.84	21,120.14
(Increase)/ decrease of other financial assets		583.57	384.61
(Increase)/ decrease of other non financial assets		20.14	(25.42)
(Increase)/ decrease of deposits taken		(30.00)	-
Movement in fixed deposits		(1,178.46)	1,117.64
Increase/ (decrease) of trade payables		(21.54)	40.62
Increase/ (decrease) of other financial liabilities		(563.67)	(138.57)
Increase/ (decrease) of provisions		15.31	41.39
Increase/ (decrease) of other non-financial liabilities		500.78	60.02
Increase/ (decrease) of lease liabilities		(18.65)	(30.42)
Cash generated / (used) in operating activities		**853.67**	**24,020.63**
Income taxes (paid) /refund		(22.47)	(75.84)
Net cash inflow / (outflow) from operating activities	**A**	**831.20**	**23,944.79**
Cash flows from investing activities			
Purchase of property, plant & equipment		(28.83)	(78.00)
Proceed from sale of property, plant & equipment		0.27	5.25
Movement in investments		4.31	(3,623.34)
Dividend received from subsidiary Company		228.67	-
Net cash inflow / (outflow) from investing activities	**B**	**204.42**	**(3,696.09)**
Cash flows from financing activities			
Dividend including dividend distribution tax paid		-	(98.62)
Proceeds from issue of Non Convertible Debentures		3,000.00	-
Proceeds from securitised loans against pass through transactions		2,652.39	-
Repayment of Non Convertible Debentures		-	(7,500.00)
Net repayment of borrowings		(5,949.49)	(12,559.46)
Net cash inflow / (outflow) from financing activities	**C**	**(297.10)**	**(20,158.08)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		738.52	90.62
Cash and cash equivalents at the beginning of the year		790.05	699.43
Cash and cash equivalents at the end of the year (refer note 4)		**1,528.57**	**790.05**

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

For and on behalf of the Board of Directors

Chanderkant Choraria
Partner
Membership No. 521263

Yogen Khosla
CEO & Managing Director
DIN.00203165

Sanjiv Syal
Director
DIN: 00271256

Place: Noida (Delhi-NCR)
Date: June 29, 2021

Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO & Compliance Officer

Place: New Delhi
Date: June 29, 2021

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 June 29, 2021.

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 standalone 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. Significant 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".

Dividend Income
Dividend income is accounted for when the right to receive the income is established, which generally when the shareholders approves the dividend.

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.

(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.

(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 (ED): 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.

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 **Foreign Currency Transactions**

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise, except for exchange difference arising on re-statement of long-term monetary items that in substance forms part of Company's net investment in foreign operations, is accumulated in Foreign Currency Translation Reserve (component of OCI) until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

k **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.

l **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.

Company as a lessor

When the Company is the lessor, the lease are classified as either a finance lease or an operating lease. A finance lease is a lease which confers substantially all the risks and rewards of the leased assets on the lessee. An operating lease is a lease where substantially all of the risks and rewards of the leased asset remain with the lessor.

Amounts due from lessees under finance leases are recorded as receivables. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

m **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".

n **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.

o. **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.

p. **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.

q. **Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards, which would have been applicable from April 1, 2021.

However on March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 increasing scope of disclosures, which is applicable on the Company from April 1, 2021.

(Amounts in ₹ in lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
4	**Cash and cash equivalents**		
	Cash on hand	84.12	32.72
	Balances with banks in current accounts	1,444.45	757.33
		1,528.57	**790.05**
5	**Bank balances other than Cash and cash equivalents**		
	Bank deposits$$	4,064.46	2,886.00
	Earmarked balances with banks		
	On dividend accounts	29.55	29.64
		4,094.01	**2,915.64**
	$$ Represents deposits placed as margin money to avail term loans from banks and financial institutions.		
6	**Other Receivables***		
	At Amortised Cost		
	Considered good - Unsecured	168.02	57.24
	Less: Allowance for impairment loss	-	-
		168.02	**57.24**

* No debts are due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member.

	Particulars	As at March 31, 2021	As at March 31, 2020
7	**Loans**		
	At Amortised Cost		
a)	Portfolio Loans	26,544.87	29,587.87
b)	Minimum Retention on Direct Assignments of Portfolio Loans	929.41	1,349.33
c)	Others		
i)	Loan to employees	2.46	2.44
ii)	Loan to related parties (Refer Note No - 47)	**-**	10.00
	Gross Loans	**27,476.74**	**30,949.64**
	Less: Unamortization of processing fees	(260.92)	(546.07)
	Less: Impairment loss allowance	(3,526.61)	(1,450.18)
	Net Loans	**23,689.21**	**28,953.39**
7.1	**Breakup of total loans**		
	Secured by tangible assets	544.01	2,330.57
	Unsecured	26,932.73	28,619.07
	Gross Loans	**27,476.74**	**30,949.64**
	Less: Unamortization of processing fess	(260.92)	(546.07)
	Less: Impairment loss allowance	(3,526.61)	(1,450.18)
	Net Loans	**23,689.21**	**28,953.39**
7.2	**Loans in India**		
	Public Sector	-	-
	Others	27,476.74	30,949.64
	Gross Loans	**27,476.74**	**30,949.64**
	Less: Unamortization of processing fess	(260.92)	(546.07)
	Less: Impairment loss allowance	(3,526.61)	(1,450.18)
	Net Loans	**23,689.21**	**28,953.39**

7.3 Loans to related party includes Nil (previous year ₹ 10 lakhs) due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member.

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 60.

	Particulars	As at March 31, 2021	As at March 31, 2020
8	**Investments**		
	Others (At Cost)		
	In equity instruments (Unquoted)		
	Investment in subsidiary		
	Capital Trust Microfinance Private Limited $@	3,922.43	3,922.43
	16,20,010 (March 31, 2020: 16,20,010) Equity Shares of ₹100 each		
	Capital Trust Housing Finance Private Limited $@	1,051.00	1,051.00
	1,05,10,000 (March 31, 2020: 1,05,10,000) Equity Shares of ₹10 each		
	Fair Value Through Profit and Loss		
	In equity instruments (Unquoted)		
	2,400 (March 31, 2020: 2,400) Equity Shares fully paid in Indo Duch Proteins Limited ^	-	-
	3,600 (March 31, 2020: 3,600) Equity Shares fully paid in Tina Electronics Limited ^	-	-
	2,000 (March 31, 2020: 2,000) Equity Shares fully paid in Parasrampuria Industries Limited ^	-	-
	14,800 (March 31, 2020: 14,800) Equity Shares fully paid in Naina Semiconductors Limited ^	-	-
	Nil (March 31, 2020: 10,000) Equity Shares fully paid in Vasavi Prosoft Transcription Limited	-	0.81
	Less: Allowances for impairment	-	(0.81)
	In mutual funds (Unquoted)		
	24,21,835 (March 31, 2020: 24,21,835) units in ICICI Prudential Short Term Regular Plan #	1,110.66	1,021.28
	21,05,023 (March 31, 2020: 21,05,023) units in IDFC Bond Fund -Medium Term Plan Growth #	769.39	718.75
	21,93,449 (March 31, 2020: 21,93,449) units in Kotak Banking and PSU Fund Growth #	1,103.74	1,024.70
	68,98,598 (March 31, 2020: 68,98,598) units in Nippon India Banking & PSU Debt Fund Growth #	1,111.36	1,026.26
		9,068.58	**8,764.42**

(Amounts in ₹ in lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
	$ Wholly owned Subsidiary		
	@ Share Valuing ₹ 1000 are held by Mr. Yogen Khosla as Nominee Shareholder of the Company		
	# Mutual funds have been hypothecated for securing Credit limits from Bank.		
	^ Full value is ₹ 1		
	Breakup of total investments		
	In India	9,068.58	8,764.42
	Outside India	-	-
		9,068.58	**8,764.42**
9	**Other Financial Assets**		
	Interest accrued	115.69	362.63
	Security deposits @	303.71	456.21
	Other recoverables	306.84	474.26
	Less: Impairment loss allowance	(94.30)	(77.60)
		631.94	**1,215.50**
	@ Represents deposits placed as margin money to avail loans from banks and financial institutions and direct assignment.		
10	**Current Tax Assets (Net)**		
	Advance Income Tax (Net of Provision)	238.62	216.15
		238.62	**216.15**
11	**Deferred Tax Assets (Net)**		
	Deferred tax assets		
	Property, plant and equipment	4.97	1.54
	Origination and reversal of temporary differences	43.73	41.30
	Impairment loss allowance	911.31	383.85
	Financial assets measured at amortized cost	86.46	170.50
	Business losses	2,082.05	1,693.10
	Others	0.08	61.01
	Total deferred tax assets	**3,128.60**	**2,351.30**
	Deferred tax liabilities		
	Fair Valuation of Financial Instruments	99.45	22.90
	Others	48.10	-
	Total deferred tax liability	**147.55**	**22.90**
	Deferred tax assets (net)	**2,981.05**	**2,328.40**

11.1 The Company has recognised deferred tax assets on carried forward tax losses. The Company has incurred the tax losses due to substantial portfolio written off in current and earlier years. The Company has concluded that the deferred tax assets on tax losses will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Company is expected to generate taxable income in near future. The tax losses can be carried forward and adjusted against future taxable profit within the period as specified in the Income Tax Act and the Company expects to recover the same within the specified period.

(Amounts in ₹ in lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
15	**Other Non Financial Assets**		
	Prepaid expenses	73.69	74.63
	Input tax credit	10.79	29.99
		84.48	**104.62**
16	**Trade Payables ****		
	Total outstanding dues of Micro Enterprises & Small Enterprises	-	-
	Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	53.41	74.95
		53.41	**74.95**

** 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.

	Particulars	As at March 31, 2021	As at March 31, 2020
17	**Debt Securities**		
	Valued at Amortised Cost		
	Debentures (Secured)		
	3000, 11.50% Non Convertible Debentures of Rs. 100,000 each (refer note 17.1)	3,000.00	-
	Others (Secured)		
	Liabilities against securitised loans against pass through transactions (refer note 17.2)	2,652.39	-
	Less: Unamortised Ancillary cost of arranging the borrowings	(100.83)	-
		5,551.56	**-**

17.1 Secured by way of exclusive charge on book debts and guaranteed by promoter director of the Company in his personal capacity.
17.2 Secured by way of exclusive charge on book debts and cash collateral in the form of fixed deposit.

	Particulars	As at March 31, 2021	As at March 31, 2020
	Breakup of Debt securities		
	In India	5,551.56	-
	Outside India	-	-
		5,551.56	**-**
18	**Borrowings (other than debt securities)**		
	Measured at Amortised Cost		
	Term loan		
	Secured		
	from banks	8,458.33	12,791.67
	from financial institutions	2,298.37	4,864.80
	Unsecured		
	from Corporate entities (Related Party)	2,539.00	1,100.00
	from Director (Related Party)	80.00	-
	from Corporate entities	670.35	810.50
	from financial institutions	200.00	200.00
	Vehicle loan		
	Secured		
	from banks	38.95	51.86
	from corporate entities	4.33	7.51
	Repayable on demand from banks - Secured	3,594.73	4,007.18
	Less: Unamortised Ancillary cost of arranging the borrowings	(69.53)	(93.89)
		17,814.53	**23,739.63**
	Breakup of Borrowings		
	In India	17,814.53	23,739.63
	Outside India	-	-
		17,814.53	**23,739.63**

18.1 Borrowings are secured by way hypothecation of portfolio loans arising out of its business operation, cash collateral in the form of fixed deposits and mutual funds.
18.2 Vehicles are hypothecated for respective borrowings.
18.3 Following loans have been guaranteed by promoter director of the Company in his personal capacity and corporate guarantee of Indo Crediop Private Limited (Shareholders):

Particulars	As at March 31, 2021	As at March 31, 2020
Term Loan		
from banks	4,194.43	6,415.01
from financial institutions	2,298.20	2,740.13
Repayable on demand from banks	497.00	496.55
	6,989.63	**9,651.69**

(Amounts in ₹ in lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
19	**Deposits**		
	At Amortised Cost		
	Security Deposit from others	-	30.00
		-	**30.00**
20	**Subordinated Liabilities (Unsecured)**		
	At Amortised Cost		
	From bank	4,500.00	4,500.00
	Less: Unamortised Ancillary cost of arranging the borrowings	(20.77)	(30.84)
		4,479.23	**4,469.16**
	Breakup of Subordinated Liabilities		
	In India	4,479.23	4,469.16
	Outside India	-	-
		4,479.23	**4,469.16**
21	**Other Financial Liabilities**		
	Interest accrued	196.48	171.40
	Employees emoluments	134.98	247.01
	Interest and principle payable on direct assignment	229.98	772.49
	Interest and principle payable on pass through transactions	-	-
	Recovered premium payable to insurance company	75.63	144.01
	Unpaid dividend	29.55	29.64
	Other liabilities	260.78	126.52
		927.40	**1,491.07**
22	**Provisions**		
	Provision for employee benefits (Refer note 46)	132.78	117.47
		132.78	**117.47**
23	**Other non-financial liabilities**		
	Advance EMI received	502.82	5.85
	Refundable amount under scheme for grant of ex-gratia (refer note 55)	42.03	-
	Deferred Revenue Income	82.62	131.39
	Statutory dues payable	84.65	74.19
		712.12	**211.43**

Term of repayment of debt securities, other borrowings and subordinated liabilities as at March 31, 2021 **(Amounts in ₹ in lakhs)**

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	Amount
Debt Securities	Bullet Payment	11.50%	-	-	-	-	1.00	3,000.00	-	-	3,000.00
	Monthly	13.00%	12	2,509.83	1	142.56	-	-	-	-	2,652.39
											5,652.39
	Less: Unamortised Ancillary cost of arranging the borrowings										(100.83)
											5,551.56
Borrowings other than Debt Securities	Monthly	8.14% to 10%	48	17.56	48	10.15	24	8.90	15	6.67	43.28
		10.50% to 16%	52	5,185.26	31	4,866.36	-	-	-	-	10,051.62
		11.95% to 12.70%	66	2,545.24	31	1,177.48	12	222.22	12	249.49	4,194.43
	On Demand	9.25% to 14.50%		1,225.00		1,025.00		1,025.00		319.73	3,594.73
			166	**8,973.06**	**110**	**7,078.99**	**36**	**1,256.12**	**27**	**575.89**	**17,884.06**
	Less: Unamortised Ancillary cost of arranging the borrowings										(69.53)
											17,814.53
Subordinated Liabilities	Bullet	Above 16%	-	-	-	-	2	4,500.00	-	-	4,500.00
	Less: Unamortised Ancillary cost of arranging the borrowings										(20.77)
											4,479.23

Term of repayment of debt securities, other borrowings and subordinated liabilities as at March 31, 2020

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	Amount
Borrowings other than Debt Securities	Monthly	8% to 12%	48	16.09	48	17.57	29	10.14	38	15.56	59.36
		12.01% to 16%	126	8,178.73	42	3,457.77	11	1,015.77	-	-	12,652.27
		Variable	74	2,885.46	58	2,301.29	24	785.82	24	444.44	6,417.01
	Quarterly	12.01% to 16%	7	708.32	-	-	-	-	-	-	708.32
	On Demand	Variable		3,996.56		-		-		-	3,996.56
			255	**15,785.16**	**148**	**5,776.63**	**64**	**1,811.73**	**62**	**460.00**	**23,833.52**
	Less: Unamortised Ancillary cost of arranging the borrowings										(93.89)
											23,739.63
Subordinated Liabilities	Bullet	Above 16%	-	-	-	-	-	-	2	4,500.00	4,500.00
	Less: Unamortised Ancillary cost of arranging the borrowings										(30.84)
											4,469.16

(Amounts in ₹ in lakhs)

12 Property, plant and equipment

For the financial year 2020-21

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01, 2020	Charged during the year	Disposals	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Land and Building	23.54	-	-	23.54	0.63	0.37	-	1.00	22.54	22.91
Plant and equipment	5.19	-	-	5.19	4.90	-	-	4.90	0.29	0.29
Computer	43.41	0.51	15.27	28.65	22.61	8.25	12.21	18.65	10.00	20.80
Furniture and fixtures	82.68	-	-	82.68	17.04	9.01	-	26.05	56.63	65.64
Vehicles	104.73	-	-	104.73	17.50	13.72	-	31.22	73.51	87.23
Office equipment	34.64	14.50	-	49.14	13.29	8.78	-	22.07	27.07	21.35
Total	**294.19**	**15.01**	**15.27**	**293.93**	**75.97**	**40.13**	**12.21**	**103.89**	**190.04**	**218.22**

For the financial year 2019-20

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charged during the year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Land and Building	23.54	-	-	23.54	0.26	0.37	-	0.63	22.91	23.28
Plant and equipment	5.19	-	-	5.19	4.90	-	-	4.90	0.29	0.29
Computer	25.99	17.42	-	43.41	11.37	11.24	-	22.61	20.80	14.62
Furniture and fixtures	81.96	0.72	-	82.68	7.68	9.36	-	17.04	65.64	74.28
Vehicles	59.22	51.81	6.30	104.73	10.73	10.25	3.48	17.50	87.23	48.49
Office equipment	26.59	8.05	-	34.64	5.96	7.33	-	13.29	21.35	20.63
Total	**222.49**	**78.00**	**6.30**	**294.19**	**40.90**	**38.55**	**3.48**	**75.97**	**218.22**	**181.59**

(Amounts in ₹ in lakhs)

13 Right to use Asset (Refer Note 45)

For the financial year 2020-21

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01, 2020	Charged during the year	Disposals	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Leasehold Buildings	252.29	82.62	309.21	25.70	72.08	7.90	77.71	2.27	23.43	180.21
Total	**252.29**	**82.62**	**309.21**	**25.70**	**72.08**	**7.90**	**77.71**	**2.27**	**23.43**	**180.21**

For the financial year 2019-20

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charged during the year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Leasehold Buildings	276.96	-	24.67	252.29	43.79	40.98	12.69	72.08	180.21	233.17
Total	**276.96**	**-**	**24.67**	**252.29**	**43.79**	**40.98**	**12.69**	**72.08**	**180.21**	**233.17**

14 Other Intangible Assets

For the financial year 2020-21

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01, 2020	Charged during the year	Disposals	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Software	29.58	-	-	29.58	18.70	9.61	-	28.31	1.27	10.88
Total	**29.58**	**-**	**-**	**29.58**	**18.70**	**9.61**	**-**	**28.31**	**1.27**	**10.88**

For the financial year 2019-20

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charged during the year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Software	29.58	-	-	29.58	8.77	9.93	-	18.70	10.88	20.81
Total	**29.58**	**-**	**-**	**29.58**	**8.77**	**9.93**	**-**	**18.70**	**10.88**	**20.81**

	Particulars	As at March 31, 2021 Number	As at March 31, 2021 Amount	As at March 31, 2020 Number	As at March 31, 2020 Amount
24	**Equity Share capital**				
(a)	**Authorised**				
	Equity shares of ₹10 each	30,000,000	3,000.00	30,000,000	3,000.00
			3,000.00		**3,000.00**
(b)	**Issued, subscribed and fully paid-up**				
	Equity shares of ₹10 each	16,361,415	1,636.14	16,361,415	1,636.14
	Less: Equity shares held by Capital Welfare Trust	(143,915)	(14.39)	(143,915)	(14.39)
	(Shares transferred to the trust pursuant to the scheme of Employee Stock Option Scheme("ESOP"))				
			1,621.75		**1,621.75**

(c) **Reconciliation of the Equity share capital**

	Number	Amount	Number	Amount
Balance at the beginning of the year	16,361,415	1,636.14	16,361,415	1,636.14
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	**16,361,415**	**1,636.14**	**16,361,415**	**1,636.14**

(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 Company declares and pays dividend in indian rupees, if any. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of Shareholder	As at March 31, 2021 Number	As at March 31, 2021 %	As at March 31, 2020 Number	As at March 31, 2020 %
Yogen Khosla	6,038,917	36.91%	6,038,917	36.91%
Indo Crediop Private Limited	3,427,885	20.95%	3,427,885	20.95%
India 2020 II Investors Limited	2,421,519	14.80%	2,421,519	14.80%
Moonlight Equity Private Limited	1,486,810	9.09%	1,359,455	8.31%

(Amounts in ₹ in lakhs except EPS)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
25	**Interest Income**		
	At Amortised Cost		
	Interest income on loan portfolio	8,671.05	11,773.73
	Interest income on Security Deposits on Loan	9.79	64.44
	Interest income on fixed deposit	146.13	292.71
		8,826.97	**12,130.88**
26	**Fees and commission Income**		
	Service fees & facilitation charges	39.75	210.50
	Service fees from business correspondent	373.64	220.44
		413.39	**430.94**
27	**Net gain on fair value changes**		
	Net gain on financial instruments measured at fair value through profit or loss	308.47	149.12
		308.47	**149.12**
	Fair value change:		
	Realised	4.30	58.14
	Unrealised	304.17	90.98
		308.47	**149.12**
28	**Net gain on derecognition of financial instruments under amortised cost category**		
	Gain on sale of loan portfolio through assignment	71.02	378.07
		71.02	**378.07**
29	**Other Operating Income**		
	Assignor's Yield on Direct Assignments of Portfolio	918.39	1,118.41
	Recovered from portfolio written off in earlier years	365.56	280.79
		1,283.95	**1,399.20**
30	**Other income**		
	Net gain on derecognition of property, plant and equipment	-	2.44
	Dividend Received	228.67	-
	Gain on derecognition of right to use assets	34.22	-
	Operational Fee from a related party	75.00	195.00
	Interest on income tax refund	11.69	-
	Miscellaneous income	33.28	72.35
		382.86	**269.79**
31	**Finance costs (on financial liabilities measured at amortised cost)**		
	Interest expenses:		
	- on Debt Securities	315.96	1,213.43
	- on Borrowing (other than debt securities)	2,558.40	3,802.84
	- on Subordinate Debts	792.96	790.00
	- on Others	5.70	7.14
	Other borrowing costs	148.39	257.67
		3,821.41	**6,071.08**
32	**Fee and Commission Expense**		
	Professional Fee and consultancy	303.23	526.75
	Commission	90.26	251.28
		393.49	**778.03**
33	**Employee benefit expense**		
	Salaries, wages and bonus	3,302.39	3,178.41
	Contribution to provident and other funds	164.87	163.05
	Staff welfare expenses	292.93	315.14
		3,760.19	**3,656.60**

(Amounts in ₹ in lakhs except EPS)

	Particulars		For the year ended March 31, 2021		For the year ended March 31, 2020
34	**Impairment on financial instruments**				
	(On financial assets measured at amortised cost)				
	Impairment on Loans portfolio	4,678.19		3,425.47	
	Less : Portfolio written off during the year	1,151.22	3,526.97	1,900.19	1,525.28
			3,526.97		**1,525.28**
35	**Depreciation, amortization and impairment**				
	On property, plant and equipment		40.13		38.55
	On right to use assets		7.90		40.98
	On other intangible assets		9.61		9.93
			57.64		**89.46**
36	**Other expenses**				
	Rates & Taxes		17.51		34.68
	Electricity		19.97		44.39
	Rent		212.75		243.08
	Reversal of input GST Credit		54.27		85.37
	Repairs and maintenance -Others		33.78		24.92
	Insurance		1.01		9.85
	Directors sitting fee		1.41		1.40
	Business promotion expenses		0.17		18.58
	Travelling and conveyance		586.92		443.17
	Communication costs		66.92		99.80
	Printing and stationery		26.02		50.86
	Verification Expenses		0.88		22.03
	Payment to auditors (Refer note (a) below)		16.37		9.57
	Corporate Social responsibility expenses (Refer note 51)		5.50		1.15
	Bank charges		39.93		32.34
	Loss on Sale of Fixed Assets		2.79		-
	Provision made / write off related towards employees embezzlement		11.86		39.81
	Provision made for other recoverables		16.70		-
	Portfolio written off	2,601.40		7,863.76	
	Less: Impairment loss allowance created in current year	-		1,900.19	
	Less: Impairment loss allowance created in earlier years	1,450.18	1,151.22	5,632.14	331.43
	Miscellaneous Expenses		490.87		294.75
			2,756.85		**1,787.18**
	(a) **Payment to auditors**				
	As auditors				
	Statutory audit		5.50		5.50
	Tax audit		0.90		-
	Limited Review certification		3.00		3.00
	Certification fee		0.45		0.50
	Fee for Audit of Opening Balance Sheet under Ind-AS		5.00		-
	Other Matters		1.10		-
	Reimbursement of Expenses		0.42		0.57
			16.37		**9.57**

(Amounts in ₹ in lakhs except EPS)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
37	**Tax Expense**		
	Current Tax		
	Current Tax for the year	-	-
	Current Tax adjustments for earlier year (Net)	-	336.69
		-	**336.69**
37.1	**Components of Income Tax Expense:**		
	Amounts recognised in the Statement of Profit and Loss		
	Current tax	-	336.69
	Deferred tax	(652.64)	460.39
	Amounts recognised in the Statement of Profit and Loss		
	Income tax relating to items that will not be reclassified to profit or loss	(4.30)	2.35
	Income Tax expense for the year	**(656.94)**	**799.43**
37.2	**Reconciliation of effective tax :**		
	Income before Income Tax	(3,029.89)	850.37
	Income Tax Rate	25.168%	25.168%
	Expected Income Tax Expense	(762.56)	214.02
	Tax effect of adjustments:		
	Impact of allowable and disallowed income and expenses	105.62	(153.05)
	Impact in deferred tax due to change in tax rates	-	375.33
	MAT Credit Entitlement written off	-	26.44
	Taxes adjustments related to earlier years	-	336.69
	Total Tax expense	**(656.94)**	**799.43**

37.3 In previous year Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended March 31, 2020 and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section. The full impact of this change has been recognised during the previous year.

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
38	**Earning Per Share**		
	Net Profit for the year	(2,377.25)	53.29
	Face value per share (₹)	10.00	10.00
	Equity shares outstanding at the beginning of the year	16,217,500	16,217,500
	Equity shares allotted during the year	-	-
	Equity shares outstanding at the end of the year	16,217,500	16,217,500
	Weighted Avg. No. of Equity Shares	16,217,500	16,217,500
	Basic EPS (₹)	(14.66)	0.33
	Diluted EPS (₹)	(14.66)	0.33

(Amounts in ₹ in lakhs)

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, 2021		As at March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets measured at fair value through profit and loss				
Investments	4,095.15	4,095.15	3,790.99	3,790.99
	4,095.15	**4,095.15**	**3,790.99**	**3,790.99**
Measured at amortized cost				
Financial Assets				
Cash and Cash Equivalents	1,528.57	1,528.57	790.05	790.05
Bank Balances other than Cash and Cash Equivalents	4,094.01	4,094.01	2,915.64	2,915.64
Receivables - Others	168.02	168.02	57.24	57.24
Loans	23,689.21	23,689.21	28,953.39	28,953.39
Other Financial Assets	631.94	631.94	1,215.50	1,215.50
	30,111.75	**30,111.75**	**33,931.82**	**33,931.82**
Financial Liabilities				
Trade Payables	53.41	53.41	74.95	74.95
Debt Securities	5,551.56	5,551.56	-	-
Borrowings (other than debt securities)	17,814.53	17,814.53	23,739.63	23,739.63
Deposits	-	-	30.00	30.00
Subordinated Liabilities	4,479.23	4,479.23	4,469.16	4,469.16
Lease Liabilities	23.78	23.78	212.78	212.78
Other Financial Liabilities	927.40	927.40	1,491.07	1,491.07
	28,849.91	**28,849.91**	**30,017.59**	**30,017.59**

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 - Debt oriented mutual fund				
As at March 31, 2021	4,095.15	-	-	4,095.15
As at March 31, 2020	3,790.99	-	-	3,790.99

Valuation technique used to determine fair value

The fair value of investments in mutual funds are based on the current NAV of respective investment as at the balance sheet date.

During the year ended March 31, 2021 and March 31, 2020, 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.

(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 which has been approved by its Board of Directors. 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 from
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 mutual funds

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 indebtness 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 :

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	26,523.80	413.14	539.80	**27,476.74**
Allowance of ECL	3,228.82	33.86	263.93	**3,526.61**

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	28,791.99	824.72	1,332.93	**30,949.64**
Allowance of ECL	949.28	101.44	399.46	**1,450.18**

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 possesses 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 maximum exposure to credit risk is ₹ 544.01 Lakhs (March 31, 2020 ₹ 2330.57 Lakhs).

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits, insurance claim receivables and other recoverables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

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.

(Amounts in ₹ in lakhs)

The table below analyse the Company financial liabilities into relevant maturity grouping based on their contractual maturities.

As at March 31, 2021

Particulars	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
Financial Liabilities					
Trade Payables	53.41	-	-	-	53.41
Debt Securities	2,409.00	142.56	3,000.00	-	5,551.56
Borrowings (other than debt securities)	8,903.53	7,078.99	1,256.12	575.89	17,814.53
Subordinated Liabilities	-	-	4,479.23	-	4,479.23
Lease Liabilities	7.72	9.09	6.97	-	23.78
Other Financial Liabilities	927.40	-	-	-	927.40
Total	**12,301.06**	**7,230.64**	**8,742.32**	**575.89**	**28,849.91**

As at March 31, 2020

Particulars	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
Financial Liabilities					
Trade Payables	74.95	-	-	-	74.95
Borrowings (other than debt securities)	15,691.27	5,776.63	1,811.73	460.00	23,739.63
Deposits	-	-	-	30.00	30.00
Subordinated Liabilities	-	-	-	4,469.16	4,469.16
Lease Liabilities	27.89	31.71	44.64	108.54	212.78
Other Financial Liabilities	1,491.07	-	-	-	1,491.07
Total	**17,285.18**	**5,808.34**	**1,856.37**	**5,067.70**	**30,017.59**

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, 2021	As at March 31, 2020
Liabilities		
Borrowings (other than debt securities)	7,789.16	10,413.57
Total	**7,789.16**	**10,413.57**

Sensitivity Analysis

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest rates - increase by 0.50%	38.95	52.07
Interest rates - decrease by 0.50%	(38.95)	(52.07)

(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 equity securities and debts securities are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Investments		
Maximum exposure to price risk	4,095.15	3,790.99
Total	**4,095.15**	**3,790.99**

(Amounts in ₹ in lakhs)

Sensitivity Analysis

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Investments at FVTPL - increase by 1%	40.95	37.91
Investments at FVTPL - decrease by 1%	(40.95)	(37.91)

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 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, 2021	As at March 31, 2020
Debt Securities	5,551.56	-
Borrowings (Other than Debt Securities)	17,814.53	23,739.63
Subordinated Liabilities	4,479.23	4,469.16
Interest Accrued	196.48	171.40
Less: Cash and Cash Equivalents	(1,528.57)	(790.05)
Less: Bank Balances other than Cash and Cash Equivalents	(4,094.01)	(2,915.64)
Net Debt	**22,419.22**	**24,674.50**
Equity	1,621.75	1,621.75
Other Equity	11,396.49	13,786.48
Total Capital	**13,018.24**	**15,408.23**
Net debt to equity ratio	**1.72**	**1.60**

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 berecovered or settled.

Particulars	As at March 31, 2021		As at March 31, 2020	
	within 12 months	after 12 months	within 12 months	after 12 months
ASSETS				
Financial Assets				
Cash and Cash Equivalents	1,528.57	-	790.05	-
Bank Balances other than Cash and Cash Equivalents	2,293.67	1,800.34	2,359.50	556.14
Receivables - Others	168.02	-	57.24	-
Loans	13,444.92	10,244.29	21,474.00	7,479.39
Investments	-	9,068.58	-	8,764.42
Other Financial Assets	591.43	40.51	1,175.62	39.88
Total	**18,026.61**	**21,153.72**	**25,856.41**	**16,839.83**
Non Financial Assets				
Current Tax Assets (Net)	238.62	-	216.15	-
Deferred Tax Assets (Net)	-	2,981.05	-	2,328.40
Property, Plant and Equipment	-	190.04	-	218.22
Right to use Asset	-	23.43	-	180.21
Intangible Assets	-	1.27	-	10.88
Intangible Asset under Development	-	13.83	-	-
Other Non Financial Assets	84.48	-	104.62	-
Total	**323.10**	**3,209.62**	**320.77**	**2,737.71**
Total Assets	**18,349.71**	**24,363.34**	**26,177.18**	**19,577.54**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Trade Payables	53.41	-	74.95	-
Debt Securities	2,409.00	3,142.56	-	-
Borrowings (Other than Debt Securities)	8,903.53	8,911.00	15,691.27	8,048.36
Deposits	-	-	-	30.00
Subordinated Liabilities	-	4,479.23	-	4,469.16
Lease Liabilities	7.72	16.06	27.89	184.89
Other Financial Liabilities	927.40	-	1,491.07	-
Total	**12,301.06**	**16,548.85**	**17,285.18**	**12,732.41**
Non-Financial Liabilities				
Provisions	37.49	95.29	27.52	89.95
Other Non-Financial Liabilities	712.12	-	211.43	-
Total	**749.61**	**95.29**	**238.95**	**89.95**
Total Liabilities	**13,050.67**	**16,644.14**	**17,524.13**	**12,822.36**
Net Equity	**5,299.03**	**7,719.21**	**8,653.05**	**6,755.18**

(Amounts in ₹ in lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
43	**Contingent liabilities not provided for**		
	Claims against the Company not acknowledged as debts	-	-

44 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.

45 Leases disclosures

As a Lessee

a) The Company incurred ₹ 212.75 Lakhs for the year ended March 31, 2021 (Previous year ₹ 243.08 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.

b) There are no income from subleasing right-of-use assets nor any gains or losses from sales and leaseback for the year ended March 31, 2021 and March 31, 2020.

c) There are no variable lease payments for the year ended March 31, 2021 and March 31, 2020.

d) Total cash outflow on right to use assets for the year ended March 31, 2021 of Rs. ₹ 10.38 Lakhs and March 31, 2020 ₹ 59.47 Lakhs

46 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, 2021	For the year ended Mar 31, 2020
Contribution to employees Provident fund	137.92	109.65

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 2021. 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.

(i) 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, 2021	As at March 31, 2020
Present value of defined benefit obligation	143.98	122.95
Fair value of plan assets	11.20	5.48
Net defined benefit liability	**132.78**	**117.47**

(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, 2021	For the year ended March 31, 2020
Amount recognised in the statement of Profit & Loss		
Current service cost	2.42	45.38
Interest cost	7.87	6.69
Interest income on plan assets	-	-
	10.29	**52.07**

(Amounts in ₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount recognised in the other comprehensive income		
Actuarial (gain)/loss unrecognised during the year	17.05	(9.33)
	17.05	**(9.33)**
Movement in defined benefit obligation (DBO)		
Present value of DBO as at the beginning of the year	122.95	91.70
Current service cost	2.42	45.38
Interest cost	7.87	6.69
Remeasurements (gain)/loss	17.03	(9.24)
Benefit paid out of the fund	(6.29)	(11.58)
Present value of DBO as at the end of the year	**143.98**	**122.95**
Movement in the plan assets recognised in the balance sheet		
Fair Value of Plan Assets at the beginning of the year	5.48	6.30
Actual Return on Plan Assets	0.35	0.46
Contributions by the employer	11.64	10.22
Benefits Paid	(6.29)	(11.58)
Actuarial gain /(loss) on Plan Assets	0.01	0.09
Fair Value of Plan Assets at the end of the year	**11.20**	**5.48**

(iii) Maturity profile of defined benefit obligation (based on discounted basis):

	As at March 31, 2021	As at March 31, 2020
Within next twelve months	46.30	19.97
Between one to five years	57.32	64.59
Beyond five years	40.36	38.39
Total	**143.98**	**122.95**

(iv) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Discount rate (in %)	5.20%	6.40%
Expected rate of future salary increase (in %)	5.00%	10.00%
Expected average remaining working lives of employees (in years)	30.62	31.21

(v) Category of plan assets

Insurer managed funds	100%	100%

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.

(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 March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
- Impact due to increase of 1%	(3.54)	(5.04)	2.72	4.25
- Impact due to decrease of 1%	3.73	5.52	(2.55)	(3.99)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement 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.

(Amounts in ₹ in lakhs)

47 Related party as identified by the Company

1 Name & Relationship of the related parties:

Wholly owned subsidiaries	Capital Trust Microfinance Private Limited Capital Trust Housing Finance Private Limited
Key Management Personnel (KMP)	Mr. Yogen Khosla (Managing Director) Mrs. Anju Khosla(Executive Director, Wife of Managing Director) Mr. Sachin Bhartiya (Director) ceased with effect from June 20, 2019 Mr. Vijay Kumar (Director) ceased with effect from Feb 08, 2021 Mr. Nikhil Kochhar (Director) Mr. Sanjiv Syal (Director) Mr. Ashutosh Pradeep Sardesai (Director) from June 20, 2019 to August 27, 2019 Mr. Abhinav Sharma (Director) from December 12, 2019 to Feb 01, 2021 Ms. Suman Kukretty (Director) with effect from March 28, 2020 Mr. Govind Saboo (Director) with effect from Feb 08, 2021 Mr. Pawan Dubey (Director) with effect from Feb 08, 2021 Mr. Vinod Raina (Chief Financial Officer) from September 14, 2019 Mr. Rahul Malik (Chief Financial Officer) from May 13, 2019 to August 31, 2019 Mrs. Tanya Sethi (Company Secretary)
Relatives of Key Management Personnel	Mr. Vahin Khosla (Son of Managing director) Mr. Yuv Vir Khosla (Son of Managing director)
Enterprise over which KMP and their relatives is having significant influence	Indo Crediop Private Limited Moonlight Equity Private Limited Capital Trust Infotech Private Limited Vaibhav Farms Private Limited Yogen Khosla & Sons (HUF) Italindian Trade & Financial Services Private Limited Vishwas Welfare Foundation

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				
Indo Crediop Private Limited	- -	- -	- -	290.00 (31.00)
Moonlight Equity Private Limited	- -	- -	- -	320.00 (249.00)
Capital Trust Infotech Private Limited	- -	- -	- -	20.00 (64.00)
Vaibhav Farms Private Limited	- -	- -	- -	137.00 (116.00)
Capital Trust Microfinance Private Limited	9,645.00 (5,400.00)	- -	- -	- -
Capital Trust Housing Finance Private Limited	355.00 -	- -	- -	- -
Vishwas Welfare Foundation	- -	- -	- -	215.00 (284.00)
Mr. Yogen Khosla	- -	610.00 (925.00)	- -	- -
Loan repaid				
Indo Crediop Private Limited	- -	- -	- -	283.00 (31.00)
Moonlight Equity Private Limited	- -	- -	- -	311.00 (249.00)
Capital Trust Infotech Private Limited	- -	- -	- -	- (64.00)
Vaibhav Farms Private Limited	- -	- -	- -	- (116.00)
Capital Trust Microfinance Private Limited	8,920.00 (5,700.00)	- -	- -	- -
Capital Trust Housing Finance Private Limited	27.00 (85.00)	- -	- -	- -
Vishwas Welfare Foundation	- -	- -	- -	2.00 (284.00)
Mr. Yogen Khosla	- -	530.00 (925.00)	- -	- -

(Amounts in ₹ in lakhs)

Particulars	Subsidiary	Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprise over which KMP and their relatives can exercise significant influence
Loan given				
Capital Trust Microfinance Private Limited	- (150.00)	- -	- -	- -
Mr. Abhinav Sharma	- -	- (10.00)	- -	- -
Loan received back				
Capital Trust Microfinance Private Limited	- (150.00)	- -	- -	- -
Interest Paid				
Indo Crediop Private Limited	- -	- -	- -	2.55 (2.33)
Moonlight Equity Private Limited	- -	- -	- -	9.56 (6.99)
Vaibhav Farms Private Limited	- -	- -	- -	19.68 (16.83)
Capital Trust Infotech Private Limited	- -	- -	- -	3.17 (2.44)
Capital Trust Microfinance Private Limited	327.92 (185.49)	- -	- -	- -
Capital Trust Housing Finance Private Limited	190.16 (63.82)	- -	- -	- -
Vishwas Welfare Foundation	- -	- -	- -	31.31 (20.62)
Mr. Yogen Khosla	- -	28.39 (25.68)	- -	- -
Interest received				
Capital Trust Microfinance Private Limited	- (0.32)	- -	- -	- -
Mr. Abhinav Sharma	- -	1.50 (0.59)	- -	- -
Operational fee received				
Capital Trust Microfinance Private Limited	75.00 (195.00)	- -	- -	- -
Remuneration and other perquisites to Company's KMPs and their relatives*				
Short term employee benefit#	- -	283.10 (294.82)	36.44 (49.36)	- -
Defined Contribution Plan	- -	24.48 (25.94)	4.83 (4.89)	- -
Directors Sitting Fees	- -	1.41 (1.40)	- -	- -

* The above remuneration is excluding provision for Gratuity based on acturial valuation done at year end.

The remuneration of Managing Director and Executive Director is Rs. 244.55 Lakhs and Rs. 239.92 Lakhs for the year ended March 31, 2021 and March 31, 2020 respectively. In view of loss during the year, Remuneration paid to Managing Directors and Executive Director has exceeds by Rs. 113.10 Lakhs which is subject to the approval of the Shareholders.

3	Outstanding balance as at year end	As at March 31, 2021	As at March 31, 2020
	Loans & Advances:		
	Mr. Abhinav Sharma	-	10.00
	Unsecured Loans:		
	Capital Trust Microfinance Private Limited	725.00	-
	Capital Trust Housing Finance Private Limited	1,428.00	1,100.00
	Vaibhav Farms Pvt Ltd	137.00	-
	Capital Trust Infotech Pvt Ltd	20.00	-
	Indo Crediop Pvt Ltd	7.00	-
	Moonlight Equity Pvt Ltd	9.00	-
	Vishwas Welfare Foundation	213.00	-
	Mr. Yogen Khosla	80.00	-
	Other receivables:		
	Capital Trust Microfinance Private Limited	91.52	10.80
	Capital Trust Housing Finance Private Limited	13.05	-
	Remuneration and other perquisites to Company's KMPs and their relatives		
	Short term employee benefit	-	21.87

Apart from above Managing director and a director of the company has given corporate guarantees to the bankers to secure loan availed by the company. (Refer Note 18.3)

48 Remittance in foreign currency on account of Dividends

Particulars	For the year ended March 31, 2021	March 31, 2020
Amount of dividend remitted in foreign exchange	-	0.11
Number of Non-Resident Shareholders	-	46
Number of Shares held by such Non-Resident Shareholders	-	22997

49 Disclosures as per schedule V of securities and exchange board of india (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Particulars	Closing Balance		Maximum Outstanding during the year	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Subsidiaries :-				
Capital Trust Housing Finance Pvt. Ltd	-	-	-	150.00

50 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) (updated as on 17th February 2020), the Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company.

51 As per the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹ 20.97 Lakhs (Previous Year ₹ 29.30 lakhs). During the year ended March 31, 2021, in respect of CSR activities the Company has contributed Rs. 5.50 Lakhs to an organisation to carrying out skill development among the construction workers. Balance amount ₹ 15.47 Lakhs has since been contributed for above mentioned ongoing project.

52 In furtherance with the Capital Trust Limited digital initiative started in 2019, to move towards digital financial inclusion, the Company has offered incentive to its existing customers by reducing their ROI to conversion to digital mode of repayment. Based on the option adopted by the customers Rs. 7811.95 Lakhs has been converted into new scheme with preferential terms of loan repayment.

53 Scheme of Amalgamation between Capital Trust Limited and its wholly owned subsidiary 'Capital Trust Housing Finance Private Limited' w.e.f. April 1, 2020 (appointed date) has been filed with the Stock Exchanges. Pending approval and sanction of the scheme under fast track merger process under the Companies Act, 2013, no impact has been considered in these financial statements.

54 During the current year in accordance with the RBI circular RBI/2020-21/17 DOR.No.BP. BC/4/21.04.048/2020-21 dated August 6, 2020, the company has restructured the following business loans

No. of borrowers	No. of accounts where resolution plan has been amended under this window	Exposure to accounts mentioned before implementaion of the plan
Unsecured business loans	6830	3269.22

The Company has created additional provision amounting to Rs. 77.80 lacs on the restructured cases stated above as per the RBI guidelines on restructured cases.

55 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 2021, the Company holds the liability of Rs. 42.03 lakhs to meet its obligation towards refund / adjustment of interest on interest to eligible borrowers as prescribed by the RBI.

56 At year end company has regrouped the following amounts in financial statements for better presentation of statement of profit and loss and correpsonding regrouping has been made in prior periods figures:

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
a. Disclosed under revenue from operation in earlier periods now grouped under other income		
Dividend income from subsidiary company	228.67	-
b. Disclosed under other income in earlier periods now grouped under revenue from operations - Fees and commission Income		
Service fees from business correspondent	373.64	220.44

57 The Noval Corona virus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020) has contributed to significant decline and volatility in global and Indian market and significant decrease in economic activity. On March 24, 2020, the Indian government announced lockdown till April 14, 2020, which was further extended till May 31, 2020 through the subsequent announcements, to contain the spread of virus. This has led to significant disruptions and disclosures for individuals and business, impacting Company's regular operations including lending and collection activities. The Company's client base and AUM is from the semi-urban/rural segment, where the impact of COVID-19 has been relatively lower. A large segment of our customers are linked to the local economy & operation in essential services and the government has announced a series of economic relief measures for MSME sector, which is expected to support borrower's repayment capacity. From June 1, 2020 onwards, further relaxation in lock down has been granted across the Country, which has helped the Company employees to contract the borrowers.

Further, pursuant to Reserve Bank of India circular dated March 31, 2020 and May 23, 2020 allowing lending institution to offer moratorium to borrowers on payment of instalment falling due between March 1, 2020 and August 31, 2020, the Company gave the option of availing moratorium to all its borrowers from March 1, 2020 for six months.
In management's view, providing moratorium to borrower at a large scale based on RBI directives, by itself is considered to result in a significant increase in credit risk for such borrowers. Accordingly, considering the unique impact and widespread impact of COVID-19 pandemic, the company has estimated additional expected credit loss allowance amounting to Rs. 2657.70 lakhs (previous year ended Rs. 266.27 lakhs) over and above normal provision, based on information available to reflect, among other things, the deterioration in the macro-economic factors. The Company estimates to recover the carrying amount of all its assets including investments, receivables and loans in the ordinary course of business based on information available on current economic conditions. The Company has adequate liquidity to discharge its obligations. Given the dynamic nature of pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of pandemic, including government and regulatory measures on the business and financial metrics of the Company.

58 Additional disclosures pursuant to the RBI guidelines and notification:

1) Capital

Items	As at March 31, 2021	As at March 31, 2020
Capital to risk / weighted assets ratio (CRAR) (%)	19.37%	32.64%
CRAR-Tier I capital (%)	14.41%	23.35%
CRAR-Tier II capital (%)	4.96%	9.29%
Amount of Subordinate debt raised as Tier-II capital	1,800.00	2,700.00
Amount raised by issue of perpetual debt instruments	-	-

2) Investments

Particulars	As at March 31, 2021	As at March 31, 2020
(1) Value of investments		
i) Gross value of investments		
(a) In india	9,068.58	8,765.23
(a) Outside india	-	-
ii) Allowances for impairment		
(a) In india	-	0.81
(b) Outside india	-	-
iii) Net value of Investments		
(a) In india	9,068.58	8,764.42
(a) Outside india	-	-
(2) Movement of provisions held towards depreciation on investments		
i) Opening balance	0.81	0.81
ii) Add: Provisions made during the year	-	-
iii) Less: Write-off/ write-back of excess provisions during the year	0.81	-
iv) Closing balance	-	0.81

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. 2,153.70 Lakhs during the year ended March 31, 2021 (March 31, 2020: Rs. 12,091.62 Lakhs), being the principal value outstanding as on the date of the deals that are outstanding. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyers. In terms of the said securitisation agreements, the Company pays to investor/buyers on agreed date basis the prorata collection amount as per individual agreement terms.

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

The company has not sold any financial assets to Securitisation / Reconstruction company for assets reconstruction during the current and previous year.

C) Details of Assignment transactions undertaken by applicable NBFCs

	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) No. of accounts	8,916	28,386
(ii) Aggregate value (net of provisions) of accounts sold	2,153.70	12,091.62
(iii) Aggregate consideration	2,153.70	12,091.62
(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 financials assets purchased / sold

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

(All amounts in ₹ Lakhs unless otherwise stated)

58 Additional disclosures pursuant to the RBI guidelines and notification:

5) Asset liability management

Maturity pattern of certain items of assets and liabilities as at March 31, 2021

Particulars	Upto 30/ 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Advances	1,509.91	1,797.89	1,806.35	5,169.11	6,946.73	7,209.80	3,034.49	-	**27,474.28**
Investments *	-	-	-	-	-	-	4,095.15	4,973.43	**9,068.58**
Borrowings #	880.06	847.11	838.97	2,696.73	6,240.79	15,956.90	575.89	-	**28,036.45**

Maturity pattern of certain items of assets and liabilities as at March 31, 2020

Particulars	Upto 30/ 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Advances	2,370.04	2,370.19	2,447.80	7,272.95	8,996.83	7,464.74	14.65	-	**30,937.20**
Investments *	-	-	-	-	-	-	3,790.99	4,973.43	**8,764.42**
Borrowings #	2,607.55	-	590.18	995.37	11,592.06	7,588.35	4,960.01	-	**28,333.52**

* Net of provision
# excluding interest accured thereon

6) Exposure

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

(b) Exposure to capital market	**As at March 31, 2021**	**As at March 31, 2020**
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;	-	-
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.

58 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 Inteligence Unit)
(iii) Securities and Exchange Board of India (SEBI)
(iv) Central Registry of Securitisation Asset Reconstruction and Security Inerest 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 47 to the standalone financial statements.

(d) Ratings assigned by credit rating agencies and migration of ratings during the year
The details of ratings assigned by Credit Analysis & Research Limited (CARE) during financial year 2020-21:

Particulars	Amount in ₹	Credit Rating Agency	Current Rating	Previous Rating	Date of Issue
Long-term Bank facilities	300 Crores	CARE	BBB-	BBB	January 04, 2021
Non Convertible Debentures	30 Crores	CARE	BBB-	-	August 05, 2020

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 on Loans	3,526.97	1,525.28
Provision made towards income tax	-	336.69
Provision made towards employees fraud (including for earlier years)	-	-
Provision for other advances	16.70	-
Other provision and contingencies (employee benefits)	10.29	52.07
	3,553.96	1,914.04

(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	701.29	154.23
Percentage of exposure to twenty largest borrowers as total exposure	2.55%	0.51%

@(Advances have been taken as the total advances as on March 31, 2021 (PY March 31, 2020)

b. Concentration of exposure *

Total exposure to twenty largest borrowers	701.29	346.69
Percentage of exposure to twenty largest borrowers as total exposure	2.55%	1.15%

@(Advances have been taken as the total advances as on March 31, 2021 (PY March 31, 2020)

c. Concentration of non-performing assets *

Total Exposure to top four non-performing accounts	12.11	21.40
Percentage of exposure to top four non-performing accounts	0.04%	0.07%

* excluding loans to related parties

d. Sector-wise non-performing assets

	Current Year %	Previous Year %
Agriculture & allied activities	0.54%	0.46%
Micro Small and Medium Enterprises *	0.04%	0.36%
Services	0.18%	0.17%
Other loans	0.24%	2.02%
Auto loans	0.00%	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

		Current Year	Previous Year
	Net NPA to net Advances (%) @	1.00%	3.02%
(i)	Movement of non-performing assets (Gross)		
	(a) Opening balance	1,332.93	1,959.78
	(b) Additions during the year	1,808.27	1,332.93
	(c) Reductions during the year #	2,601.40	1,959.78
	(d) Closing balance	**539.80**	**1,332.93**
(ii)	Movement of net non-performing assets @		
	(a) Opening balance	933.47	1,403.59
	(b) Additions during the year	1,808.27	933.47
	(c) Reductions during the year #	2,465.87	1,403.59
	(d) Closing balance	**275.87**	**933.47**
(iii)	Movement of provisions for non-performing assets (excluding provisions on standard assets)*		
	(a) Opening balance	399.46	556.19
	(b) Provisions made during the year	-	399.46
	(c) Write-off/ write-back of excess provisions	135.53	556.19
	(d) Closing balance	**263.93**	**399.46**

Reduction includes write-offs and recoveries.
@ excluding loans to related parties.
* excluding additional provision made amounting to Rs. 2,657.70 lakhs as on March 31, 2021 (Rs. 266.57 Lakhs as on March 31, 2020)

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)

	Current Year	Previous Year
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	519	1
c) No. of complaints redressed during the year	519	1
d) No. of complaints pending at the end of the year	-	-

Note: Out of the above 512 calls received on its call centre number which were generally in nature of enquiry.

10) Information on instances of fraud identified during the year
(as identified by the management)

	Current Year	Previous Year
cash embezzlement and snatching		
No. of cases	85	252
Amount of fraud	22.81	45.88
Recovery	10.95	6.07
Amount provided for	11.86	39.81
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 ₹ 50,000.

(All amounts in ₹ Lakhs unless otherwise stated)

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

	Particulars		**Current Year**		**Previous Year**	
	Liabilities Side:		**Outstanding**	**Overdue**	**Outstanding**	**Overdue**
1	**Loans and advances availed by the NBFCs**					
	(a) Debentures	:Secured	3,000.00	-	-	-
		:Unsecured	-	-	-	-
	(other than falling within the Meaning of public deposits)					
	(b) Deferred credits		-	-	-	-
	(c) Term loans		17,247.10	-	21,723.02	-
	(d) Inter-corporate loans and borrowing		3,289.35	-	2,110.50	-
	(e) Commercial paper		-	-	-	-
	(f) Public deposits		-	-	-	-
	(g) Subordinate loans		4,500.00	-	4,500.00	-
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		-	-	-	-
	(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		544.01	-	2,330.58	-
	(b) Unsecured - receivable under financing activity		26,932.73	-	28,619.07	-
4	**Break-up of leased assets and stock on hire and hypothecation loans counting towards EL / HP activities**					
	(i) Lease assets including lease rentals under sundry Debtors:					
	(a) Financial Lease		-	-	-	-
	(b) Operating Lease		-	-	-	-
	(ii) Stock on hire including hire charges under Sundry Debtors					
	(a) Assets on hire		-	-	-	-
	(b) Repossed Assets		-	-	-	-
	(iii) Hypothecation loans counting towards EL/HP activities					
	(a) Loans where assets have been repossessed		-	-	-	-
	(b) Loans other than (a) above		-	-	-	-
5	**Break-up of investments:**					
	Current investments:					
	1. Quoted:					
	(i) Shares:	(a) Equity	-	-	-	-
		(b) Preference	-	-	-	-
	(ii) Debentures and bonds		-	-	-	-
	(iii) Units of mutual funds		4,095.15	-	3,790.99	-
	(iv) Government securities		-	-	-	-
	(v) Others (please specify)		-	-	-	-
	(2) Unquoted:					
	(i) Shares:	(a) Equity	-	-	-	-
		(b) Preference	-	-	-	-
	(ii) Debentures and bonds		-	-	-	-
	(iii) Units of mutual funds		-	-	-	-
	(iv) Government securities		-	-	-	-
	(v) Others (please specify)		-	-	-	-
	Non Current investments:					
	1. Quoted:					
	(i) Shares:	(a) Equity	-	-	-	-
		(b) Preference	-	-	-	-
	(ii) Debentures and bonds		-	-	-	-
	(iii) Units of mutual funds		-	-	-	-
	(iv) Government securities		-	-	-	-
	(v) Others (please specify)		-	-	-	-
	(2) Unquoted:					
	(i) Shares:	(a) Equity	4,973.43	-	4,973.43	-
		(b) Preference	-	-	-	-
	(ii) Debentures and bonds			-	-	-
	(iii) Units of mutual funds		-	-	-	-
	(iv) Government securities		-	-	-	-
	(v) Others (please specify)		-	-	-	-

59 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	-	-	-	10.00
	2. Other than related parties	544.01	26,932.73	2,330.57	28,609.07
	Total	**544.01**	**26,932.73**	**2,330.57**	**28,619.07**

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	5,028.85	4,973.43	5,011.10	4,973.43
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
	2. Other than related parties				
	Shares	-	-	-	-
	Mutual fund	4,095.15	4,095.15	3,790.99	3,790.99
	Total	**9,124.00**	**9,068.58**	**8,802.09**	**8,764.42**

SN	Particulars		Current Year	Previous Year
8	**Other information**			
	(i)	**Gross non-performing assets**		
		(a) Related parties	-	-
		(b) Other than related parties	539.80	1,332.93
	(ii)	**Net Non-performing Assets***		
		(a) Related parties	-	-
		(b) Other than related parties	275.87	933.47
	(iii)	**Assets acquired in satisfaction of debt**	**-**	**-**

* excluding additional provision made amounting to Rs. 2,657.70 lakhs as on March 31, 2021 (Rs. 266.57 Lakhs as on March 31, 2020)

SN	Particulars		Current Year	Previous Year
9	**Asset Classification**			
	(i)	Standard*	26,936.94	29,616.71
	(ii)	Sub-Standard & doubtful	539.80	1,332.93

* excluding loans to related parties.

60 **Additional disclosure under RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 (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, 2021

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)
Perfoming Assets						
Standard	Stage 1	26,523.80	3,228.82	23,294.98	105.12	
	Stage 2	413.14	33.86	379.28		
Subtotal		**26,936.94**	**3,262.68**	**23,674.26**	**105.12**	**3,157.56**
Non-Perfoming Assets (NPA)						
Substandard	Stage 3	539.80	263.93	275.88	114.87	
Doubtful - upto 1 year	Stage 3				47.73	
1 to 3 years	Stage 3					
more than 3 years	Stage 3					
Subtotal for doubtful						
Loss	Stage 3				-	
Subtotal for NPA		**539.80**	**263.93**	**275.88**	**162.60**	**101.33**
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	26,523.80	3,228.82	23,294.98	105.12	
	Stage 2	413.14	33.86	379.28		
	Stage 3	539.80	263.93	275.88	162.60	
	Total	**27,476.74**	**3,526.61**	**23,950.14**	**267.72**	**3,258.89**

Loss Allowances (Provisions) as required under Ind AS 109 includes additional provision over and above normal provisions made amounting to Rs. 2,657.70 lakhs as on March 31, 2021

61 The quantitative disclosures as required by RBI circular dated April 17, 2020 for the year ended March 31, 2021 and March 31, 2020

Particulars	As at March 31, 2021	As at March 31, 2020
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as of February 29, 2020)	6,013.75	6,013.75
Respective amount where asset classification benefit is extended (as of February 29, 2020)	6,013.75	6,013.75
Provisions made in terms of paragraph 5 of the circular (as per para 4, applicable to entities covered under ind as) (as of March 31, 2021/ March 31, 2020)$	NIL	NIL
Provisions adjusted against slippages in terms of paragraph 6 of the circular $	NIL	NIL
Residual provisions as of March 31, 2021/ March 31, 2020 in terms of paragraph 6 of the circular $	2,657.70	-

$ The Company has provided total Covid-19 provision amounting to Rs. 2,657.70 lakhs as on 31 March 2021.

As per our report of even date attached

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

For and on behalf of the Board of Directors of

Chanderkant Choraria
Partner
Membership No. 521263

Yogen Khosla
CEO & Managing Director
DIN: 00203165

Sanjiv Syal
Director
DIN: 00271256

Place: Noida (Delhi-NCR)
Date: June 29, 2021

Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO & Compliance Officer

Place: New Delhi
Date: June 29, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Capital Trust Limited

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Capital Trust Limited ("the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated loss, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures performed by us, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Impact of Covid-19 Pandemic	
Group is required to provide for impairment of its financial assets using expected credit loss (ECL) approach under Ind AS 109. 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 for each of the stages of loans. Significant judgment and assumption is required by the management in respect of - Classification of financial assets where significant increase in credit risk; - Statistics used to determine credit quality of loans; - Estimation of losses Accordingly, considering the unique impact and widespread impact of COVID-19 pandemic, the Group has estimated additional expected credit loss allowance amounting to Rs. 2657.70 lakhs over and above normal provision, based on information available to reflect, among other things, the deterioration in the macro-economic factors. The Group estimates to recover the carrying amount of all its assets including investments, receivables and loans in the ordinary course of business based on information available on current economic conditions. In view of the high degree of management's judgment involved in estimation of ECL, impacted by the COVID-19 pandemic, it is a key audit matter.	We assessed areas of significant estimates and management judgement in line with principles under Ind AS; We compared the reasonableness of management assumptions in respect of recognition and measurement of financial instruments, allowance for expected credit losses etc. We tested the ECL model, including assumptions and underlying computation. We tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic) 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 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.

Other Information

The Holding 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 consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of Management for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirement of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective companies included in the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Director of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Parent Company and its subsidiaries are responsible for assessing the ability of Company and of its subsidiaries to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Parent Company and of its subsidiaries are also responsible for overseeing the financial reporting process of the Parent Company and of its subsidiaries.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 ability of Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to the preparation of aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

(c) The consolidated balance Sheet, the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of Holding Company as on March 31, 2021 taken on record by the Board of Directors of Holding Company and subsidiary company incorporated in India, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Company and its subsidiaries incorporated in India, refer to our separate Report in "Annexure A" to this report;

(g) The Holding Company has paid managerial remuneration to the Managing Director and Executive Director of the Company aggregating Rs. 244.55 Lakhs for the financial year which exceeds the prescribed limits under Section 197 read with Schedule V to the Act by Rs. 113.10 Lakhs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Group did not have any pending litigations which would impact on its financial position;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

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

Chanderkant Choraria
Partner
Membership No. 521263
UDIN : 21521263AAAAAU8782

Date: June 29, 2021
Place: Noida (Delhi-NCR)

<u>**ANNEXURE – A to the Independent Auditor's Report**</u>

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 consolidated financial statements of Capital Trust Limited ('the Company") and its subsidiary companies incorporated in India, as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements 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 internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial controls with reference to consolidated financial statements

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

Opinion

In our opinion, the Company and its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Group 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.

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

Chanderkant Choraria
Partner
Membership No. 521263
UDIN : 21521263AAAAAU8782

Date: June 29, 2021
Place: Noida (Delhi-NCR)

Consolidated Balance sheet as at March 31, 2021

(Amounts in ₹ in lakhs except EPS)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial Assets			
Cash and Cash Equivalents	4	3,854.84	3,435.98
Bank Balances other than Cash and Cash Equivalents	5	4,094.01	2,915.64
Receivables			
- Other Receivables	6	168.02	57.24
Loans	7	24,256.21	30,452.82
Investments	8	4,095.16	3,790.99
Other Financial Assets	9	533.85	1,365.27
Total Financial Assets		**37,002.09**	**42,017.94**
Non Financial Assets			
Current Tax Assets (Net)	10	291.65	232.79
Deferred Tax Asset (Net)	11	3,033.30	2,377.97
Property, Plant and Equipment	12	190.04	218.22
Right to use Asset	13	23.43	180.21
Other Intangible Assets	14	1.27	10.88
Intangible Asset under Development		13.83	-
Other Non Financial Assets	15	155.54	192.16
Total Non Financial Assets		**3,709.06**	**3,212.23**
Total Assets		**40,711.15**	**45,230.17**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables	16		
Total outstanding dues of Micro Enterprises & Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		55.24	77.89
Debt Securities	17	5,551.56	-
Borrowings (Other than Debt Securities)	18	15,661.53	22,639.64
Deposits	19	-	30.00
Subordinated Liabilities	20	4,479.23	4,469.16
Lease Liabilities		23.78	212.78
Other Financial Liabilities	21	983.37	2,022.16
Total Financial Liabilities		**26,754.71**	**29,451.63**
Non-Financial Liabilities			
Current Tax Liabilities (Net)	22	1.23	-
Provisions	23	137.50	117.47
Other Non-Financial Liabilities	24	747.00	215.16
Total Non Financial Liabilities		**885.73**	**332.63**
EQUITY			
Share Capital Capital	25	1,621.75	1,621.75
Other Equity		11,448.96	13,824.16
Total Equity		**13,070.71**	**15,445.91**
Total Liabilities And Equity		**40,711.15**	**45,230.17**
Summary of Significant Accounting Policies and other notes on Consolidated Financial Statements	1-58		

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

For and on behalf of the Board of Directors

Chanderkant Choraria
Partner
Membership No. 521263

Yogen Khosla
CEO & Managing Director
DIN: 00203165

Sanjiv Syal
Director
DIN: 00271256

Place: Noida (Delhi-NCR)
Date: June 29, 2021

Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO &
Compliance Officer

Place: New Delhi
Date: June 29, 2021

Capital Trust Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(Amounts in ₹ in lakhs except EPS)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from operations			
Interest Income	26	9,166.09	11,421.36
Fees and commission Income	27	427.97	1,854.56
Net gain on fair value changes	28	308.47	187.89
Reversal of Impairment on financial instruments	29	23.10	-
Net gain on derecognition of financial instruments under amortised cost category	30	71.02	378.36
Other operating income	31	1,382.98	1,591.39
Total Revenue from operations		**11,379.63**	**15,433.56**
Other income	32	79.19	75.55
Total Income		**11,458.82**	**15,509.11**
EXPENSES			
Finance costs	33	3,311.91	5,880.75
Fees and commission	34	405.39	799.59
Employee benefits	35	3,934.37	3,883.74
Impairment on financial instruments	36	3,526.97	1,493.48
Depreciation, amortization and impairment	37	57.64	89.46
Others	38	3,160.29	1,999.01
Total expenses		**14,396.57**	**14,146.03**
Profit before exceptional items and tax		**(2,937.75)**	**1,363.08**
Exceptional items		-	-
Profit before tax		**(2,937.75)**	**1,363.08**
Tax expense			
Current tax	39	80.02	433.02
Deferred tax	11	(655.32)	502.66
Total Tax expense		**(575.30)**	**935.68**
Profit for the year (A)		**(2,362.45)**	**427.40**
Other comprehensive income (OCI)			
1. (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit liabilities/assets		(17.05)	9.33
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.30	(2.35)
2. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income for year (B)		**(12.75)**	**6.98**
Total comprehensive income (A+B)		**(2,375.20)**	**434.38**
Earnings per equity share (Face value of ₹ 10 each)	40		
(a) Basic (₹)		(14.57)	2.64
(b) Diluted (₹)		(14.57)	2.64
Summary of Significant Accounting Policies and other notes on Consolidated Financial Statements	1-58		

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

For and on behalf of the Board of Directors

Chanderkant Choraria
Partner
Membership No. 521263

Yogen Khosla
CEO & Managing Director
DIN: 00203165

Sanjiv Syal
Director
DIN: 00271256

Place: Noida (Delhi - NCR)
Date: June 29, 2021

Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO &
Compliance Officer

Place: New Delhi
Date: June 29, 2021

Consolidated Statement of Changes in Equity for the year ended March 31, 2021 (Amounts in ₹ in lakhs)

(A) Equity Share Capital

Particulars	As at March 31, 2021 No. of Shares	As at March 31, 2021 Amount	As at March 31, 2020 No. of Shares	As at March 31, 2020 Amount
Equity Shares of ₹ 10 each, fully paid up				
Balance at the beginning of the year	16,361,415	1,636.14	16,361,415	1,636.14
Changes in Equity during the year	-	-	-	-
	16,361,415	**1,636.14**	**16,361,415**	**1,636.14**
Less: Equity shares held by Capital Welfare Trust	(143,915)	(14.39)	(143,915)	(14.39)
(shares transferred to the trust pursuant to the scheme of Employee Stock Option Scheme("ESOP"))				
Balance at the end of the year	**16,217,500**	**1,621.75**	**16,217,500**	**1,621.75**

(B) Other Equity

Particulars	Reserve & surplus: 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	Total
Balance as at March 31, 2019	**545.59**	**300.00**	**12,488.26**	**34.57**	**1,633.92**	**(1,513.93)**	**13,488.41**
Profit for the year	-	-	-	-	-	427.40	**427.40**
Other Comprehensive Income (net of tax)	-	-	-	-	-	6.98	**6.98**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**434.38**	**434.38**
Transfer to Statutory Reserve	-	-	-	-	57.93	(57.93)	**-**
Dividend paid for the year 2018-19 including dividend distribution tax	-	-	-	-	-	(98.63)	**(98.63)**
Balance as at March 31, 2020	**545.59**	**300.00**	**12,488.26**	**34.57**	**1,691.85**	**(1,236.11)**	**13,824.16**
Profit for the year	-	-	-	-	-	(2,133.76)	**(2,133.76)**
Other Comprehensive Income (net of tax)	-	-	-	-	-	(12.75)	**(12.75)**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**(2,146.51)**	**(2,146.51)**
Transfer to Statutory Reserve	-	-	-	-	21.32	(21.32)	**-**
Dividend paid including dividend distribution tax	-	-	-	-	-	(228.69)	**(228.69)**
Balance as at March 31, 2021	**545.59**	**300.00**	**12,488.26**	**34.57**	**1,713.17**	**(3,632.63)**	**11,448.96**

Nature and purpose of other reserves/ other equity

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 in accordance with the provisions of the Companies Act, 2013 on account of redemption of shares 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"))
Statutory reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). In terms of Section 45-IC of the RBI Act, a 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 form an integral part of the Consolidated financial statements.

As per our report of even date attached.
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

For and on behalf of Board of Directors

Chanderkant Choraria
Partner
Membership No. 521263

Yogen Khosla
CEO & Managing Director
DIN.00203165

Sanjiv Syal
Director
DIN: 00271256

Place: Noida (Delhi-NCR)
Date: June 29, 2021

Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO & Compliance Officer

Place: New Delhi
Date: June 29, 2021

Capital Trust Limited

Consolidated Cash flow statement for the year ended March 31, 2021

(Amounts in ₹ in lakhs)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from operating activities			
Profit / (loss) before tax		(2,937.75)	1,363.08
Adjustments for:			
Depreciation, amortization and impairment		57.64	89.46
Impairment on financial instruments		3,526.97	1,493.48
Loans written off		1,538.19	483.04
Net gain/(loss) on derecognition of property, plant and equipment		2.79	(2.44)
Net gain/(loss) on derecognition of Right to Use Asset		(34.22)	-
Gain on sale of investments		(4.30)	(96.91)
Unrealised (gain)/loss on fair value changes of investments		(304.17)	(90.98)
Effective interest rate adjustment for financial instruments		231.71	(1,176.61)
Dividend Income		-	-
Operating profit before working capital changes		**2,076.86**	**2,062.12**
(Increase)/ decrease of receivables		(110.78)	(18.38)
(Increase)/ decrease of loans		833.34	21,581.41
(Increase)/ decrease of other financial assets		831.42	405.67
(Increase)/ decrease of other non financial assets		36.62	(20.54)
(Increase)/ decrease of deposits taken		(30.00)	-
Movement in fixed deposits		(1,178.46)	1,117.64
Increase/ (decrease) of trade payables		(22.65)	31.57
Increase/ (decrease) of other financial liabilities		(1,038.80)	151.32
Increase/ (decrease) of provisions		20.03	41.39
Increase/ (decrease) of other non-financial liabilities		531.84	49.67
Increase/ (Decrease) of lease liabilities		(18.65)	(30.42)
Cash generated / (used) in operating activities		**1,930.77**	**25,371.45**
Income taxes (paid) /refund		(137.56)	(205.70)
Net cash inflow / (outflow) from operating activities	**A**	**1,793.21**	**25,165.75**
Cash flows from investing activities			
Purchase of property, plant & equipment		(28.84)	(78.00)
Proceed from sale of property, plant & equipment		0.27	5.25
Movement in investments		4.30	(3,584.57)
Dividend received from subsidiary company		-	-
Net cash inflow / (outflow) from investing activities	**B**	**(24.27)**	**(3,657.32)**
Cash flows from financing activities			
Dividend including dividend distribution tax paid		-	(98.62)
Proceed from issue of Non Convertible Debentures		3,000.00	-
Proceeds from securitised loans against pass through transactions		2,652.39	
Repayment of Non Convertible Debentures		-	(7,500.00)
Net repayment of borrowings		(7,002.47)	(13,674.46)
Net cash inflow / (outflow) from financing activities	**C**	**(1,350.08)**	**(21,273.09)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		418.86	235.34
Cash and cash equivalents at the beginning of the year		3,435.98	3,200.63
Cash and cash equivalents at the end of the year (refer note 4)		**3,854.84**	**3,435.98**

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

Chanderkant Choraria
Partner
Membership No. 521263

Place: Noida (Delhi- NCR)
Date: June 29, 2021

For and on behalf of the Board of Directors

Yogen Khosla
CEO & Managing Director
DIN.00203165

Sanjiv Syal
Director
DIN: 00271256

Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO & Compliance Officer

Place: New Delhi
Date: June 29, 2021

1. Group Overview

Capital Trust Limited is a public limited company incorporated in India under the Companies Act, 2013. Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The Company is Non-banking Financial Company which is registered with Reserve Bank of India ('RBI"). The Company is engaged in the business of Small Enterprise Loan. One of the wholy owned subisidiary is in the business of providing micro finance loans. The Company and its subsidiaries are hereinafter referred as "Group".

2. Basis of Preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These consolidated 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 June 29, 2021.

The Group 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 44.

(ii) Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when only if the Group:
• has power over the investee;
• is exposed or has rights to variable return from its involvement with the investee, and
• has the ability to use its power over the investee to affect its returns.
The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
• The contractual arrangement with the other vote holders of the investee.
• Rights arising from other contractual arrangements.
• The Group's voting rights and potential voting rights
• The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, expenses and other comprehensive income of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31. Also Refer Note 50.

Consolidation procedure:

(i) Combine like items of assets, liabilities, equity, income, expenses, other comprehensive income and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(iii) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognised in assets are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated statement of profit & loss, if any.

(iv) Refer Note 50 for detail of consolidating entities.

(iii) Basis of Measurement

These consolidated 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 other comprehensive income (FVOCI) ;
ii) financial instruments - fair value through profit and loss (FVTPL).

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 Group 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 Group 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.

(iv) Significant accounting Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group'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

(v) Functional and presentation currency

Indian Rupee (₹) is the Group's functional currency and the currency of the primary economic environment in which the Group 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. Significant 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 Group 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 Group.

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 Group 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 Group 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 Group 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".

Dividend Income

Dividend income is accounted for when the right to receive the income is established, which generally when the shareholders approves the dividend.

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 Group 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 Group 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.

(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 Group 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 Group 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 Group 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 Group 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 Group 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 Group's claim to cash flows from specified assets.

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group'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 Group's original expectations, the Group 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	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 Group assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Group estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

(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 Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Impairment of Financial Assets

The Group 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 Group 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 Group'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 (ED): EAD is based on the amounts the Group 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.

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 Group 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.

(i) 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 Group 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 Group'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 Group has other employment benefit plans i.e. accumulated leave. As per Group's policy, unutilised leaves lapse at each year end.

h **Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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 Group. Claims against the Group, 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 Group:

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 **Foreign Currency Transactions**

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise, except for exchange difference arising on re-statement of long-term monetary items that in substance forms part of Group's net investment in foreign operations, is accumulated in Foreign Currency Translation Reserve (component of OCI) until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

n **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.

l **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.

Group as a lessee

The Group 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 Group 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 Group 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 Group 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.

Group as a lessor

When the Group is the lessor, the lease are classified as either a finance lease or an operating lease. A finance lease is a lease which confers substantially all the risks and rewards of the leased assets on the lessee. An operating lease is a lease where substantially all of the risks and rewards of the leased asset remain with the lessor.

Amounts due from lessees under finance leases are recorded as receivables. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

m **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 Group falls within one business segment viz. "Financing Activities".

n **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.

o. **Trust Shares**

The Holding Company has created a Employee Benefit Trust ('EBT'). EBT holds equity shares of the holding company for the benefit of the employees of the Group. 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 recognised at cost and deducted from Equity / Other Equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

p. **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.

q. **Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

However on March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 increasing scope of disclosures, which is applicable on the Parent Company and its Subsidiaries from April 1, 2021.

	Particulars	As at Mar 31, 2021	As at March 31, 2020
4	**Cash and cash equivalents**		
	Cash on hand	88.75	37.39
	Balances with banks in current accounts	3,766.09	3,398.59
		3,854.84	**3,435.98**
5	**Bank balances other than Cash and cash equivalent**		
	Bank deposits$$	4,064.46	2,886.00
	Earmarked balances with banks		
	On dividend accounts	29.55	29.64
		4,094.01	**2,915.64**

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

6	**Other Receivables***		
	At Amortised Cost		
	Considered good - Unsecured	168.02	57.24
	Less: Allowance for impairment loss	-	-
		168.02	**57.24**

* No debts are due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member.

7	**Loans & Advances**		
	At Amortised Cost		
a	Portfolio Loans	27,115.18	31,143.39
b	Minimum Retention on Direct Assignments of Portfolio Loans	946.12	1,349.33
c	Others		
	- Loan to employees	2.46	12.44
	Gross Loans	**28,063.76**	**32,505.16**
	Less: Unamortization of processing fess	(261.87)	(559.98)
	Less: Impairment loss allowance	(3,545.68)	(1,492.36)
	Net Loans	**24,256.21**	**30,452.82**
7.1	**Breakup of total loans**		
	Secured by tangible assets	544.01	2,330.58
	Unsecured	27,519.75	30,174.58
	Gross Loans	**28,063.76**	**32,505.16**
	Less: Unamortization of processing fess	(261.87)	(559.98)
	Less: Impairment loss allowance	(3,545.68)	(1,492.36)
	Net Loans	**24,256.21**	**30,452.82**
7.2	**Loans in India**		
	Public Sector	-	-
	Others	28,063.76	32,505.16
	Gross Loans	**28,063.76**	**32,505.16**
	Less: Unamortization of processing fess	(261.87)	(559.98)
	Less: Impairment loss allowance	(3,545.68)	(1,492.36)
	Net Loans	**24,256.21**	**30,452.82**

7.3 Loans to related party includes Nil (previous periods ₹ 10 lakhs) due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member.

8	**Investments**		
	Fair Value Through Profit and Loss		
	In equity instruments (Unquoted)		
	2,400 (March 31, 2020: 2,400) Equity Shares fully paid in Indo Duch Proteins Limited ^	-	-
	3,600 (March 31, 2020: 3,600) Equity Shares fully paid in Tina Electronics Limited ^	-	-
	2,000 (March 31, 2020: 2,000) Equity Shares fully paid in Parasrampuria Industries Limited ^	-	-
	14,800 (March 31, 2020: 14,800) Equity Shares fully paid in Naina Semiconductors Limited ^	-	-
	Nil (March 31, 2020: 10,000) Equity Shares fully paid in Vasavi Prosoft Transcription Limited	- ##	0.81
	Less: Allowances for impairment	-	(0.81)
	In mutual funds (Unquoted)		
	24,21,835 (March 31, 2020: 24,21,835) units in ICICI Prudential Short Term Regular Plan #	1,110.66	1,021.28
	21,05,023 (March 31, 2020: 21,05,023) units in IDFC Bond Fund -Medium Term Plan Growth #	769.39	718.75
	21,93,449 (March 31, 2020: 21,93,449) units in Kotak Banking and PSU Fund Growth #	1,103.74	1,024.70
	68,98,598 (March 31, 2020: 68,98,598) units in Nippon India Banking & PSU Debt Fund Growth #	1,111.37	1,026.26
		4,095.16	**3,790.99**

Mutual funds have been hypothecated for securing Credit limits from Bank.
^ Full value is Rs. 1

Breakup of total investments		
In India	4,095.16	3,790.99
Outside India	-	-
	4,095.16	**3,790.99**

9	**Other Financial Assets**		
	Interest accrued but not due	115.69	371.10
	Security deposits @	304.01	606.49
	Other recoverables	208.76	465.28
	Less: Impairment loss allowance	(94.61)	(77.60)
		533.85	**1,365.27**

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

10	**Current Tax Asset(Net)**		
	Advance Income Tax (Net of Provision)	291.65	232.79
		291.65	**232.79**

11	**Deferred tax asset (Net)**		
	Deferred tax assets		
	Property, plant and equipment	4.97	1.54
	Origination and reversal of temporary differences	44.69	41.30
	Impairment loss allowance	916.62	391.74
	Financial assets measured at amortized cost	86.46	174.55
	Business losses	2,082.05	1,693.10
	MAT Credit Entitlement	45.73	37.63
	Others	0.34	61.01
	Total deferred tax assets	**3,180.85**	**2,400.87**

Deferred tax liabilities		
Fair Valuation of Financial Instruments	99.45	22.90
Others	48.10	-
Total deferred tax liability	**147.55**	**22.90**
Deferred tax assets (net)	**3,033.30**	**2,377.97**

11.1 The Group has recognised deferred tax assets on carried forward tax losses. The Group has incurred the tax losses due to substantial portfolio written off in current and earlier years. The Group has concluded that the deferred tax assets on tax losses will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Group is expected to generate taxable income in near future. The tax losses can be carried forward and adjusted against future taxable profit within the period as specified in the Income Tax Act and the Group expects to recover the same within the specified period.

15 Other Non Financial Assets

Prepaid expenses	73.69	88.65
Input tax credit	81.85	103.51
	155.54	**192.16**

16 Trade Payables **

Total outstanding dues of Micro Enterprises & Small Enterprises	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	55.24	77.89
	55.24	**77.89**

** 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 Debt Securities

Valued at Amortised Cost		
Debentures (Secured)		
3000, 11.50% Non Convertible Debentures of Rs. 100,000 each (refer note 17.1)	3,000.00	-
Others (Secured)		
Liabilities against securitised loans against pass through transactions (refer note 17.2)	2,652.39	-
Less: Unamortised Ancillary cost of arranging the borrowings	(100.83)	-
	5,551.56	**-**
Breakup of Debt securities		
In India	5,551.56	-
Outside India	-	-
	5,551.56	**-**

17.1 Secured by way of exclusive charge on book debts and guaranteed by promoter director of the Company in his personal capacity.
17.2 Secured by way of exclusive charge on book debts and cash collateral in the form of fixed deposit.

18 Borrowings (Other than Debt Securities)

Measured at Cost		
Term Loan		
Secured		
from banks	8,458.33	12,791.67
from financial institutions	2,298.37	4,864.80
from corporate entities		
Unsecured		
from Corporate entities(Related Party)	386.00	-
from Director (Related Party)	80.00	-
from Corporate entities	670.35	1,010.50
from financial institutions	200.00	-
Vehicle loan		
Secured		

	from banks	38.95	51.86
	from corporate entities	4.33	7.51
	Repayable on demand from banks - Secured	3,594.73	4,007.19
	Less: Unamortised Ancillary cost of arranging the borrowings	(69.53)	(93.89)
		15,661.53	**22,639.64**
	Breakup of Borrowings		
	In India	15,661.53	22,639.64
	Outside India	-	-
		15,661.53	**22,639.64**

18.1 Borrowings are secured by way hypothecation of portfolio loans arising out of its business operation, cash collateral in the form of fixed deposits and mutual funds.

18.2 Vehicles are hypothecated for respective borrowings.

18.3 Following loans have been guaranteed by promoter director of the Company in his personal capacity and corporate guarantee of Indo Crediop Private Limited (Shareholders):

	Term Loan		
	from banks	4,194.43	6,415.01
	from financial institutions	2,298.20	2,740.13
	Repayable on demand from banks	497.00	496.55
		6,989.63	**9,651.69**
19	**Deposits**		
	At Amortised Cost		
	Security Deposit from others	-	30.00
		-	**30.00**
20	**Subordinated Liabilities**		
	At Amortised Cost		
	Secured		
	From Bank	4,500.00	4,500.00
	From financial institutions	-	-
	Less: Unamortised Ancillary cost of arranging the borrowings	(20.77)	(30.84)
		4,479.23	**4,469.16**
	Breakup of Subordinated Liabilities		
	In India	4,479.23	4,469.16
	Outside India	-	-
		4,479.23	**4,469.16**
21	**Other Financial Liabilities**		
	Interest accrued but not due	196.48	166.83
	Employees emoluments	144.55	265.31
	Interest and principal payable on direct assignment	252.82	884.86
	Interest and principle payable on pass through transactions	-	-
	Recovered Premium Payable to insurance company	75.63	160.32
	Unpaid dividend	29.55	29.64
	Other liabilities	284.34	515.20
		983.37	**2,022.16**
22	**Current Tax Liabilities**		
	Provision for income tax (net of advance tax)	1.23	-
		1.23	**-**

23	**Provisions**		
	Provision for employee benefits (Refer Note No. 48)	137.50	117.47
		137.50	**117.47**
24	**Other non-financial liabilities**		
	Advance EMI received	525.61	6.22
	Refundable amount under scheme for grant of ex-gratia (Refer Note No. 56)	45.59	-
	Deferred Revenue Income	82.62	131.39
	Statutory dues payable	93.18	77.55
		747.00	**215.16**

(Amounts in ₹ in lakhs)

Term of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2021

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	Amount
Debt Securities	Bullet Payment	11.50%	-	-	-	-	1	3,000	-	-	3,000.00
	Monthly	13.00%	12	2,509.83	1	142.56	-	-	-	-	2,652.39
											5,652.39
	Less: Unamortised Ancillary cost of arranging the borrowings										(100.83)
											5,551.56
Borrowings other than Debt Securities	Monthly	8.14% to 10%	48	17.56	48	10.15	24	8.90	15	6.67	43.28
		10.50% to 16%	51	4,460.26	30	3,438.36	-	-	-	-	7,898.62
		11.95% to 12.70%	66	2,545.23	31	1,177.48	12	222.22	12	249.49	4,194.43
	On Demand	9.25% to 14.50%		1,225.01		1,025.00		1,025.00		319.73	3,594.74
			165	**8,248.07**	**109**	**5,650.98**	**36**	**1,256.12**	**27**	**575.89**	**15,731.06**
	Less: Unamortised Ancillary cost of arranging the borrowings										(69.53)
											15,661.53
Subordinated Liabilities	Bullet	Above 16%	-	-	-	-	2	4,500.00	-	-	4,500.00
	Less: Unamortised Ancillary cost of arranging the borrowings										(20.77)
											4,479.23

Term of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2020

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	Amount
Debt Securities			-	-	-	-	-	-	-	-	-
Borrowings other than Debt Securities	Monthly	8% to 12%	48	16.09	48	17.57	29	10.14	38	15.56	59.36
		12.01% to 16%	125	7,078.73	42	3,457.77	11	1,015.77	-	-	11,552.27
		Variable	74	2,885.46	58	2,301.29	24	785.82	24	444.44	6,417.01
	Quarterly	12.01% to 16%	7	708.32	-	-	-	-	-	-	708.32
	On Demand	Variable		3,996.57		-		-		-	3,996.57
			254	**14,685.17**	**148**	**5,776.63**	**64**	**1,811.73**	**62**	**460.00**	**22,733.53**
	Less: Unamortised Ancillary cost of arranging the borrowings										(93.89)
											22,639.64
Subordinated Liabilities	Bullet	Above 16%	-	-	-	-	-	-	2	4,500.00	4,500.00
	Less: Unamortised Ancillary cost of arranging the borrowings										(30.84)
											4,469.16

(Amounts in ₹ in lakhs)

12 Property, plant and equipment

For the financial year 2020-21

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2020	Additions	Disposals	As at Mar 31, 2021	As at April 01, 2020	Additions	Disposals	As at Mar 31, 2021	As at Mar 31, 2021	As at March 31, 2020
Land and Building#	23.54	-	-	23.54	0.63	0.37	-	1.00	22.54	22.91
Plant and equipment	5.19	-	-	5.19	4.90	-	-	4.90	0.29	0.29
Computer	43.41	0.51	15.27	28.65	22.61	8.25	12.21	18.65	10.00	20.80
Furniture and fixtures	82.68	-	-	82.68	17.04	9.01	-	26.05	56.63	65.64
Vehicles	104.73	-	-	104.73	17.50	13.72	-	31.22	73.51	87.23
Office equipment	34.64	14.50	-	49.14	13.29	8.78	-	22.07	27.07	21.35
Total	**294.19**	**15.01**	**15.27**	**293.93**	**75.97**	**40.13**	**12.21**	**103.89**	**190.04**	**218.22**

For the financial year 2019-20

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charged during the year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Land and Building#	23.54	-	-	23.54	0.26	0.37	-	0.63	22.91	23.28
Plant and equipment	5.19	-	-	5.19	4.90	-	-	4.90	0.29	0.29
Computer	25.99	17.42	-	43.41	11.37	11.24	-	22.61	20.80	14.62
Furniture and fixtures	81.96	0.72	-	82.68	7.68	9.36	-	17.04	65.64	74.28
Vehicles	59.22	51.81	6.30	104.73	10.73	10.25	3.48	17.50	87.23	48.49
Office equipment	26.59	8.05	-	34.64	5.96	7.33	-	13.29	21.35	20.63
Total	**222.49**	**78.00**	**6.30**	**294.19**	**40.90**	**38.55**	**3.48**	**75.97**	**218.22**	**181.59**

Land and Building has been mortgaged for securing NCDs- Refer Note 17.1

(Amounts in ₹ in lakhs)

13 Right to use Asset (Refer Note 48)
For the financial year 2020-21

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions	Disposals	As at Mar 31, 2021	As at April 01, 2020	Additions	Disposals	As at Mar 31, 2021	As at Mar 31, 2021	As at March 31, 2020
Leasehold Buildings	252.29	82.62	308.69	26.22	72.08	7.90	77.19	2.79	23.43	180.21
Total	**252.29**	**82.62**	**308.69**	**26.22**	**72.08**	**7.90**	**77.19**	**2.79**	**23.43**	**180.21**

For the financial year 2019-20

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charged during the year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Leasehold Buildings	276.96	-	24.67	252.29	43.79	40.98	12.69	72.08	180.21	233.17
Total	**276.96**	**-**	**24.67**	**252.29**	**43.79**	**40.98**	**12.69**	**72.08**	**180.21**	**233.17**

14 Other Intangible Assets
For the financial year 2020-21

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions	Disposals	As at Mar 31, 2021	As at April 01, 2020	Additions	Disposals	As at Mar 31, 2021	As at Mar 31, 2021	As at March 31, 2020
Software	29.58	-	-	29.58	18.70	9.61	-	28.31	1.27	10.88
Total	**29.58**	**-**	**-**	**29.58**	**18.70**	**9.61**	**-**	**28.31**	**1.27**	**10.88**

For the financial year 2019-20

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charged during the year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Software	29.58	-	-	29.58	8.77	9.93	-	18.70	10.88	20.81
Total	**29.58**	**-**	**-**	**29.58**	**8.77**	**9.93**	**-**	**18.70**	**10.88**	**20.81**

	Particulars	As at March 31, 2021		As at March 31, 2020	
		Number	**Amount**	**Number**	**Total**
25	**Equity Share capital**				
(a)	**Authorised share capital**	30,000,000	3,000.00	30,000,000	3,000.00
	Equity shares of `10 each		**3,000.00**		**3,000.00**
(b)	**Issued, subscribed and fully paid-up capital**				
	Equity shares of `10 each	16,361,415	1,636.14	16,361,415	1,636.14
	Less: Equity shares held by Capital Welfare Trust	(143,915)	(14.39)	(143,915)	(14.39)
	(Shares transferred to the trust pursuant to the scheme of Employee Stock Option Scheme("ESOP"))				
			1,621.75		**1,621.75**

(c) **Reconciliation of the Equity share capital**

	Number	Amount	Number	Amount
Balance at the beginning of the year	16,361,415	1,636.14	16,361,415	1,636.14
Add: Shares issued during the year				
Balance at the end of the year	**16,361,415**	**1,636.14**	**16,361,415**	**1,636.14**

(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 Company declares and pays dividend in indian rupees, if any. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at March 31, 2021		As at March 31, 2020	
Name of Shareholder	**Number**	**%**	**Number**	**%**
Yogen Khosla	6,038,917	36.91%	6,038,917	36.91%
Indo Crediop Private Limited	3,427,885	20.95%	3,427,885	20.95%
India 2020 II Investors Limited	2,421,519	14.80%	2,421,519	14.80%
Moonlight Equity Private Limited	1,486,810	9.09%	1,359,455	8.31%

(Amounts in ₹ in lakhs except EPS)

		For the year ended March 31, 2021	For the year ended March 31, 2020
26	**Interest Income**		
	At Amortised Cost		
	Interest income on loan portfolio	9,007.70	11,051.23
	Interest income on Security Deposits on Loan	9.79	65.24
	Interest income on fixed deposit	148.60	304.89
		9,166.09	**11,421.36**
27	**Fees and commission Income**		
	Service fees & facilitation charges	39.75	1,590.58
	Service fees from business correspondent	388.22	263.98
		427.97	**1,854.56**
28	**Net gain on fair value changes**		
	Net gain on financial instruments measured at fair value through profit or loss	308.47	187.89
		308.47	**187.89**
	Fair value change:		
	Realised	4.30	96.91
	Unrealised	304.17	90.98
		308.47	**187.89**
29	**Net gain on derecognition of financial instruments under amortised cost category**		
	Gain on sale of loan portfolio through assignment	71.02	378.36
		71.02	**378.36**
30	**Reversal of Impairment loss allowance**	23.10	-
		23.10	**-**
31	**Other Operating Income**		
	Assignor's Yield on Direct Assignments of Portfolio	973.05	1,267.08
	Recovered from portfolio written off in earlier years	409.93	324.31
		1,382.98	**1,591.39**
32	**Other income**		
	Net gain on derecognition of property, plant and equipment	-	2.44
	Gain on derecognition of right to use assets	34.22	-
	Interest on income tax refund	11.69	-
	Miscellaneous income	33.28	73.11
		79.19	**75.55**
33	**Finance costs (on financial liabilities measured at amortised cost)**		
	Interest expenses:		
	- on Debt Securities	315.96	1,152.08
	- on Borrowing (other than debt securities)	2,044.27	3,599.55
	- on Subordinate Debts	792.96	790.00
	- on Others	5.70	3.55
	Other borrowing costs	153.02	335.57
		3,311.91	**5,880.75**
34	**Fee and Commission Expense**		
	Professional Fee and consultancy	315.12	548.31
	Commission	90.27	251.28
		405.39	**799.59**

(Amounts in ₹ in lakhs except EPS)

			For the year ended March 31, 2021		For the year ended March 31, 2020
35	**Employee benefit expense**				
	Salaries, wages and bonus		3,455.75		3,384.13
	Contribution to provident fund and other funds		176.18		170.52
	Staff welfare expenses		302.44		329.09
			3,934.37		**3,883.74**
36	**Impairment on financial instruments (On financial assets measured at amortised cost)**				
	Impairment on Loans portfolio	4,678.19	-	3,393.67	-
	Less : Portfolio written off	1,151.22	3,526.97	1,900.19	1,493.48
			3,526.97		**1,493.48**
37	**Depreciation, amortization and impairment**				
	On property, plant and equipment		40.13		38.55
	On right to use assets		7.90		40.98
	On other intangible assets		9.61		9.93
			57.64		**89.46**
38	**Other expenses**				
	Rates & Taxes		17.73		38.74
	Electricity		19.97		44.39
	Rent		212.75		247.15
	Reversal of input GST Credit		54.56		104.23
	Repairs and maintenance -Others		33.78		24.92
	Insurance		1.01		9.85
	Directors sitting fee		1.41		1.40
	Business promotion expenses		0.17		18.58
	Travelling and conveyance		587.03		443.17
	Communication costs		69.56		106.45
	Printing and stationery		26.02		50.86
	Verification Expenses		0.88		22.03
	Payment to auditors (refer note (a) below)		17.97		12.84
	Corporate Social responsibility expenses		5.50		1.15
	Bank charges		40.51		36.55
	Loss on sale of Fixed Assets		2.79		-
	Provision made / write off related towards employees embezzlement		12.23		-
	Provision made for other recoverables		17.01		-
	Portfolio written off	2,988.37		8,015.37	
	Less: Impairment loss allowance created in current year	-		1,900.19	
	Less: Impairment loss allowance created in earlier years	1,450.18	1,538.19	5,632.14	483.04
	Miscellaneous Expenses		501.22		353.66
			3,160.29		**1,999.01**
	(a) **Payment to auditors (including payment to previous auditors)**				
	Statutory audit		7.00		7.00
	Tax Audit		1.00		-
	Limited Review certification		3.00		3.00
	Certification fee		0.45		1.77
	Fee for Audit of Opening Balance Sheet under Ind-AS		5.00		-
	Other Matters		1.10		-
	Reimbursement of Expenses		0.42		1.07
			17.97		**12.84**

(Amounts in ₹ in lakhs except EPS)

			For the year ended March 31, 2021	For the year ended March 31, 2020
39	**Tax Expense**			
	Current Tax			
	Current Tax for the year		78.89	95.83
	Current Tax adjustments for earlier year (Net)		1.13	337.19
			80.02	**433.02**
39.1	**Components of Income Tax Expense:**			
	Amounts recognised in the Statement of Profit and Loss			
	Current tax		80.02	433.02
	Deferred tax		(655.32)	502.66
	Amounts recognised in the Statement of Profit and Loss			
	Income tax relating to items that will not be reclassified to profit or loss		(4.30)	2.35
	Income Tax expense for the year		**(579.60)**	**938.03**
39.2	**Reconciliation of effective tax :**			
	Income before Income Tax		(2,937.75)	1,363.08
	Income Tax Rate (Refer 39.3)		23.086%	25.806%
	Expected Income Tax Expense		(678.20)	351.76
	Tax effect of adjustments:			
	Impact of allowable and disallowed income and expenses		97.47	(152.69)
	Impact in Deferred Tax due to change in Tax rates		-	375.33
	MAT Credit Entitlement written off		-	26.44
	Taxes for earlier years		1.13	337.19
	Total Tax expense		**(579.60)**	**938.03**

39.3 The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, in previous year Company has recognised provision for Income Tax for the year ended March 31, 2020 and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section. The full impact of this change has been recognised during the year. However same option was not exercised by the subsidiary Companies.

40	**Earning Per Share**			
	Net Profit for the year		**(2,362.45)**	**427.40**
	Face value per share (₹)		10.00	10.00
	Equity Shares Outstanding at the begaining of the year	Numbers	16,217,500	16,217,500
	Equity shares allotted during the year	Numbers	-	-
	Equity Shares Outstanding at the end of the year	Numbers	16,217,500	16,217,500
	Weighted Avg. No. of Equity Shares	Numbers	**16,217,500**	**16,217,500**
	Basic EPS (₹)	₹	**(14.57)**	**2.64**
	Diluted EPS (₹)	₹	**(14.57)**	**2.64**

(Amounts in ₹ in lakhs)

41 Fair value of Financial assets & Financial liabilities

(i) The Group 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, 2021		As at March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets measured at fair value through profit and loss				
Investments	4,095.16	4,095.16	3,790.99	3,790.99
Total	**4,095.16**	**4,095.16**	**3,790.99**	**3,790.99**
Financial Assets measured at amortized cost				
Cash and Cash Equivalents	3,854.84	3,854.84	3,435.98	3,435.98
Bank Balances other than Cash and Cash Equivalents	4,094.01	4,094.01	2,915.64	2,915.64
Receivables - Others	168.02	168.02	57.24	57.24
Loans	24,256.21	24,256.21	30,452.82	30,452.82
Other Financial Assets	533.85	533.85	1,365.27	1,365.27
Total	**32,906.93**	**32,906.93**	**38,226.95**	**38,226.95**
Financial Liabilities				
Trade Payables	55.24	55.24	77.89	77.89
Debt Securities	5,551.56	5,551.56	-	-
Borrowings (Other than Debt Securities)	15,661.53	15,661.53	22,639.64	22,639.64
Deposits	-	-	30.00	30.00
Subordinated Liabilities	4,479.23	4,479.23	4,469.16	4,469.16
Lease Liabilities	23.78	23.78	212.78	212.78
Other Financial Liabilities	983.37	983.37	2,022.16	2,022.16
Total	**26,754.71**	**26,754.71**	**29,451.63**	**29,451.63**

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 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 Group 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 - Debt oriented mutual fund				
As at March 31, 2021	4,095.16	-	-	4,095.16
As at March 31, 2020	3,790.99	-	-	3,790.99

Valuation technique used to determine fair value

The fair value of investments in mutual funds are based on the current NAV of respective investment as at the balance sheet date.

During the year ended March 31, 2021 and March 31, 2020, 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.

(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.

42 Financial Risk Management

The Group'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 risk management policy which has been approved by respective Board of Directors of the Compnies included in Group. The respective Board of Directors has overall responsibility for managing the risk profile of the Group. 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 holding Group reviews the development and implementation of the risk management policy of the Group 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 Group has exposure to the following risks arising from Financial Instruments:

Risk	Exposure	Measurement	Management Actions
Credit Risk	Cash and cash equivalents, loans, investments and other financial assets measured at amortised cost		
Liquidity Risk	Borrowings, Debt securities, Subordinated liabilities, Trade payables and other financial liabilities		
Market Risk - Interest	Change in interest rate of variable rates borrowings, debt securities and subordinated liabilities		
Market Risk - Security price	Investment in mutual funds		

In order to avoid excessive concentration of risk, the Group'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 Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Cash and Cash Equivalents

The Group 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 Group'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 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 Group's review includes client's income and indebtness levels including economic activity which ensures regular and assured income. The Group 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 :

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	27,090.68	426.35	546.73	**28,063.76**
Allowance of ECL	3,238.84	39.05	267.79	**3,545.68**

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	30,296.08	846.72	1,362.36	**32,505.16**
Allowance of ECL	970.68	109.09	412.59	**1,492.36**

Loans secured against collateral

The Group's secured portfolio pertains to Secured Enterprise loans (SEL), which are secured against tangible assets. The Group does not physically possesses 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 Group initiate the legal proceedings against the defaulted customers. The maximum exposure to credit risk is ₹ 544.01 Lakhs (March 31, 2020 ₹ 2330.57 Lakhs).

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits, insurance claim receivables and other recoverables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

b Liquidity Risk

Liquidity risk is defined as the risk that the Group 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 Group 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 Group 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 Group has developed internal control processes for managing liquidity risk.

The Group 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 Group 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 Group.

The table below analyse the Group financial assets and liabilities into relevant maturity grouping based on their contractual maturities.

As at March 31, 2021

Particulars	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
Financial Liabilities					
Trade Payables	55.24	-	-	-	55.24
Debt Securities	2,409.00	142.56	3,000.00	-	5,551.56
Borrowings (Other than Debt Securities)	8,178.54	5,650.98	1,256.12	575.89	15,661.53
Subordinated Liabilities	-	-	4,479.23	-	4,479.23
Lease Liabilities	7.72	9.09	6.97	-	23.78
Other Financial Liabilities	983.37	-	-	-	983.37
Total	**11,633.87**	**5,802.63**	**8,742.32**	**575.89**	**26,754.71**

As at March 31, 2020

Particulars	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
Financial Liabilities					
Trade Payables	77.89	-	-	-	77.89
Borrowings (Other than Debt Securities)	14,591.28	5,776.63	1,811.73	460.00	22,639.64
Deposits	-	-	-	30.00	30.00
Subordinated Liabilities	-	-	-	4,469.16	4,469.16
Lease Liabilities	27.89	31.71	44.64	108.54	212.78
Other Financial Liabilities	2,022.16	-	-	-	2,022.16
Total	**16,719.22**	**5,808.34**	**1,856.37**	**5,067.70**	**29,451.63**

(Amounts in ₹ in lakhs)

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 Group is exposed to market risk primarily related to interest rate risk and price risk.

(i) Interest Rate Risk

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow and interest rate risk. Below is the exposure of the Group to interest rate risk:

Particulars	As at March 31, 2021	As at March 31, 2020
Liabilities		
Borrowings (Other than Debt Securities)	7,789.16	10,413.58
Total	**7,789.16**	**10,413.58**

Sensitivity Analysis

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest rates - increase by 0.50%	38.95	52.07
Interest rates - decrease by 0.50%	(38.95)	(52.07)

(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 Group's exposure to price risk arises from investments in equity securities and debts securities are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Investments		
Maximum exposure to price risk	4,095.16	3,790.99
Total	**4,095.16**	**3,790.99**

Sensitivity Analysis

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Investments at FVTPL - increase by 1%	40.95	37.91
Investments at FVTPL - decrease by 1%	(40.95)	(37.91)

43 Capital Management

The Group'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 Group 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 Group.

Particulars	As at March 31, 2021	As at March 31, 2020
Debt Securities	5,551.56	-
Borrowings (Other than Debt Securities)	15,661.53	22,639.64
Subordinated Liabilities	4,479.23	4,469.16
Less: Cash and Cash Equivalents	(3,854.84)	(3,435.98)
Bank Balances other than Cash and Cash Equivalents	(4,094.01)	(2,915.64)
Investment in Mutual Funds	4,095.16	3,790.99
Net Debt	**21,838.63**	**24,548.17**
Equity	1,621.75	1,621.75
Other Equity	11,448.96	13,824.16
Total Capital	**13,070.71**	**15,445.91**
Net debt to equity ratio	**1.67**	**1.59**

(Amounts in ₹ in lakhs)

44 **Maturity analysis of Assets and Liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to berecovered or settled.

Particulars	As at March 31, 2021		As at March 31, 2020	
	within 12 months	after 12 months	within 12 months	after 12 months
ASSETS				
Financial Assets				
Cash and Cash Equivalents	3,854.84	-	3,435.98	-
Bank Balances other than Cash and Cash Equivalents	2,293.67	1,800.34	2,359.50	556.14
Receivables - Others	168.02	-	57.24	-
Loans	14,001.11	10,255.10	22,608.38	7,844.44
Investments	4,095.16	-	-	3,790.99
Other Financial Assets	493.34	40.51	1,325.39	39.88
Total	**24,906.14**	**12,095.95**	**29,786.49**	**12,231.45**
Non Financial Assets				
Current Tax Assets (Net)	291.65	-	232.79	-
Deferred Tax Assets (Net)	-	3,033.30	-	2,377.97
Property, Plant and Equipment	-	190.04	-	218.22
Right to use Asset	-	23.43	-	180.21
Intangible Assets	-	1.27	-	10.88
Intangible Assets under Development	-	13.83	-	-
Other Non Financial Assets	155.54	-	192.16	-
Total	**447.19**	**3,261.87**	**424.95**	**2,787.28**
Total Assets	**25,353.33**	**15,357.82**	**30,211.44**	**15,018.73**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Trade Payables	55.24	-	77.89	-
Debt Securities	2,409.00	3,142.56	-	-
Borrowings (Other than Debt Securities)	7,613.17	8,048.36	14,591.28	8,048.36
Deposits	-	-	-	30.00
Subordinated Liabilities	-	4,479.23	-	4,469.16
Lease Liabilities	7.72	16.06	27.89	184.89
Other Financial Liabilities	983.37	-	2,022.16	-
Total	**11,068.50**	**15,686.21**	**16,719.22**	**12,732.41**
Non-Financial Liabilities				
Current Tax Liabilities (Net)	1.23	-	-	-
Provisions	37.50	100.00	27.52	89.95
Other Non-Financial Liabilities	747.00	-	215.16	-
Total	**785.73**	**100.00**	**242.68**	**89.95**
Total Liabilities	**11,854.23**	**15,786.21**	**16,961.90**	**12,822.36**
Net Equity	**13,499.10**	**(428.39)**	**13,249.54**	**2,196.37**

(Amounts in ₹ in lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
45	**Contingent liabilities not provided for**		
	Claims against the Group not acknowledged as debts	-	-

46 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 Group falls within one business segment viz. "financing activities". Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

47 Leases

As a Lessee

a) The Group incurred ₹ 212.75 Lakhs for the year ended March 31, 2020 (Previous year ₹ 247.15 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.

b) There are no income from subleasing right-of-use assets nor any gains or losses from sales and leaseback for the year ended March 31, 2021 and March 31, 2020.

c) There are no variable lease payments for the year ended March 31, 2021 and March 31, 2020.

d) Total cash outflow on right to use assets for the year ended March 31, 2021 of Rs. ₹ 10.38 Lakhs and March 31, 2020 ₹ 59.47 Lakhs

48 Employee Benefits

a) Defined Contribution Plan :

The Group makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The Group has been recognized following amounts in statement of Profit & Loss for the year:

	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Contribution to employees Provident fund	149.23	117.12

b) Defined benefit plan

The Group 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 Group.

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 2021. 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.

(i) 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 Group's financial statements as at balance sheet date:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	148.70	122.95
Fair value of plan assets	11.20	5.48
Net defined benefit liability	**137.50**	**117.47**

(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 31 Mar 2021	For the year ended 31 Mar 2020
Amount recognised in the statement of Profit & Loss		
Current service cost	7.14	45.38
Interest cost	7.87	6.69
Interest income on plan assets	-	-
	15.01	**52.07**

(Amounts in ₹ in lakhs)

Particulars	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
Amount recognised in the other comprehensive income		
Acturial (gain)/loss unrecognised during the year	17.05	(9.33)
	17.05	**(9.33)**
Movement in defined benefit obligation (DBO)		
Present value of DBO as at the beginning of the year	122.95	91.70
Current service cost	7.14	45.38
Interest cost	7.87	6.69
Remeasurements (gain)/loss	17.03	(9.24)
Benefit paid out of the fund	(6.29)	(11.58)
Present value of DBO as at the end of the year	**148.70**	**122.95**
Movement in the plan assets recognised in the balance sheet		
Fair Value of Plan Assets at the beginning of the year	5.48	6.30
Actual Return on Plan Assets	0.35	0.46
Contributions by the employer	11.64	10.22
Benefits Paid	(6.29)	(11.58)
Actuarial gain /(loss) on Plan Assets	0.01	0.09
Fair Value of Plan Assets at the end of the year	**11.20**	**5.48**

(iii) **Maturity profile of defined benefit obligation (based on discounted basis):**	**As at March 31, 2021**	**As at March 31, 2020**
Within next twelve months	46.31	19.97
Between one to five years	60.21	64.59
Beyond five years	42.18	38.39
Total	**148.70**	**122.95**

(iv) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Discount rate (in %)	5.20%	6.40%
Expected rate of future salary increase (in %)	5.00%	10.00%
Expected average remaining working lives of employees (in years)	30.62	31.21

(v) Category of plan assets

Insurer managed funds	100%	100%

In the absence of detailed information regarding plan assets which is funded with Insurance Group, 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.

(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	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
	Discount Rate		Average salary escalation rate	
- Impact due to increase of 1%	(3.64)	(5.04)	2.80	(1.83)
- Impact due to decrease of 1%	3.83	5.52	(2.63)	1.91

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement 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 Group 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.

(Amounts in ₹ in lakhs)

49 Related party as identified by the Company

1 Name & Relationship of the related parties:

Key Management Personnel (KMP)	Mr. Yogen Khosla (Managing Director) Mrs. Anju Khosla(Executive Director, Wife of Managing Director) Mr. Sachin Bhartiya (Director) ceased with effect from June 20, 2019 Mr. Vijay Kumar (Director) ceased with effect from Feb 08, 2021 Mr. Nikhil Kochhar (Director) Mr. Sanjiv Syal (Director) Mr. Ashutosh Pradeep Sardesai (Director) from June 20, 2019 to August 27, 2019 Mr. Abhinav Sharma (Director) from December 12, 2019 to Feb 01, 2021 Ms. Suman Kukretty (Director) with effect from March 28, 2020 Mr. Govind Saboo (Director) with effect from Feb 08, 2021 Mr. Pawan Dubey (Director) with effect from Feb 08, 2021 Mr. Vinod Raina (Chief Financial Officer) from September 14, 2019 Mr. Rahul Malik (Chief Financial Officer) from May 13, 2019 to August 31, 2019 Mrs. Tanya Sethi (Company Secretary)
Relatives of Key Management Personnel	Mr. Vahin Khosla (Son of Managing director) Mr. Yuv Vir Khosla (Son of Managing director)
Enterprise over which KMP and their relatives is having significant influence	Indo Crediop Private Limited Moonlight Equity Private Limited Capital Trust Infotech Private Limited Vaibhav Farms Private Limited Yogen Khosla & Sons (HUF) Italindian Trade & Financial Services Private Limited Vishwas Welfare Foundation

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				
Indo Crediop Private Limited	- -	- -	- -	290.00 (31.00)
Moonlight Equity Private Limited	- -	- -	- -	320.00 (249.00)
Capital Trust Infotech Private Limited	- -	- -	- -	20.00 (64.00)
Vaibhav Farms Private Limited	- -	- -	- -	137.00 (116.00)
Vishwas Welfare Foundation	- -	- -	- -	215.00 (284.00)
Mr. Yogen Khosla	- -	610.00 (925.00)	- -	- -
Loan repaid				
Indo Crediop Private Limited	- -	- -	- -	283.00 (31.00)
Moonlight Equity Private Limited	- -	- -	- -	311.00 (249.00)
Capital Trust Infotech Private Limited	- -	- -	- -	- (64.00)
Vaibhav Farms Private Limited	- -	- -	- -	- (116.00)
Vishwas Welfare Foundation	- -	- -	- -	2.00 (284.00)
Mr. Yogen Khosla	- -	530.00 (925.00)	- -	- -

(Amounts in ₹ in lakhs)

Particulars	Subsidiary	Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprise over which KMP and their relatives can exercise significant influence
Interest Paid				
Indo Crediop Private Limited	- -	- -	- -	2.55 (2.33)
Moonlight Equity Private Limited	- -	- -	- -	9.56 (6.99)
Vaibhav Farms Private Limited	- -	- -	- -	19.68 (16.83)
Capital Trust Infotech Private Limited	- -	- -	- -	3.17 (2.44)
Vishwas Welfare Foundation	- -	- -	- -	31.31 (20.62)
Mr. Yogen Khosla	- -	28.39 (25.68)	- -	- -
Loan given				
Mr. Abhinav Sharma	- -	- (10.00)	- -	- -
Interest Received				
Mr. Abhinav Sharma	- -	1.50 (0.59)	- -	- -
Remuneration and other perquisites to Company's KMPs and their relatives*				
Short term employee benefit#	- -	283.10 (294.82)	36.44 (49.36)	- -
Defined Contribution Plan	- -	24.48 (25.94)	4.83 (4.89)	- -
Directors Sitting Fees	- -	1.41 (1.40)	- -	- -

* The above remuneration is excluding provision for Gratuity based on acturial valuation done at year end.

The remuneration of Managing Director and Executive Director is Rs. 244.55 Lakhs and Rs. 239.92 Lakhs for the year ended March 31, 2021 and March 31, 2020 respectively. In view of loss during the year, Remuneration paid to Managing Directors and Executive Director has exceeds by Rs. 113.10 Lakhs which is subject to the approval of the Shareholders.

		As at March 31, 2021	As at March 31, 2020
3	**Outstanding balance as at year end**		
	Loans & Advances:		
	Mr. Abhinav Sharma	-	10.00
	Unsecured Loans:		
	Vaibhav Farms Pvt Ltd	137.00	-
	Capital Trust Infotech Pvt Ltd	20.00	-
	Indo Crediop Pvt Ltd	7.00	-
	Moonlight Equity Pvt Ltd	9.00	-
	Vishwas Welfare Foundation	213.00	-
	Mr. Yogen Khosla	80.00	-
	Remuneration and other perquisites to Company's KMPs and their relatives		
	Short term employee benefit	-	21.87

Apart from above Managing director and a director of the company has given corporate guarantees to the bankers to secure loan availed by the company. (Refer Note 18.3)

(Amounts in ₹ in lakhs)

50 **The Consolidated Financial Statements include the accounts of Capital Trust Limited (Parent Company) and its subsidiaries as detailed below:**

Name	Country of incorporation	Percentage of Ownership interest As at March 31, 2021	Percentage of Ownership interest As at March 31, 2020
Capital Trust Microfinance Private Limited	India	100%	100%
Capital Trust Housing Finance Private Limited	India	100%	100%

51 **Material Non-Controlling Interest in Subsidiary**

No subsidiary company has non-controlling interests that are material to the group for the year ended March 31, 2021 and March 31, 2020.

52 **Disclosure of the additional information as required by the Schedule III:**

March 31, 2021	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated OCI	Amount	As % of consolidated total Comprehensive Income	Amount
Parent								
Capital Trust Limited	100%	13,018.24	101%	(2,377.25)	100%	(12.75)	101%	(2,390.00)
Subsidiaries (Indian)								
Capital Trust Microfinance Private Limited	27%	3,581.90	-5%	106.59	0%	-	-4%	106.59
Capital Trust Housing Finance Private Limited	11%	1,446.96	-6%	136.88	0%	-	-6%	136.88
Eliminations	-38%	(4,976.39)	10%	(228.67)	0%	-	10%	(228.67)
	100%	**13,070.71**	**100%**	**(2,362.45)**	**100%**	**(12.75)**	**100%**	**(2,375.20)**

March 31, 2020	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated OCI	Amount	As % of consolidated total Comprehensive Income	Amount
Parent								
Capital Trust Limited	100%	15,408.23	12%	53.29	100%	6.98	14%	60.27
Subsidiaries (Indian)								
Capital Trust Microfinance Private Limited	24%	3,703.98	55%	236.37	0%	-	54%	236.37
Capital Trust Housing Finance Private Limited	8%	1,307.12	32%	137.74	0%	-	32%	137.74
Eliminations	-32%	(4,973.42)	0%	-	0%	-	0%	-
	100%	**15,445.91**	**100%**	**427.40**	**100%**	**6.98**	**100%**	**434.38**

53 Scheme of Amalgamation between Capital Trust Limited and its wholly owned subsidiary 'Capital Trust Housing Finance Private Limited' w.e.f. April 1, 2020 (appointed date) has been filed with the Stock Exchanges which is pending for approval.

54 In furtherance with the Capital Trust Limited digital initiative started in 2019, to move towards digital financial inclusion, the Company has offered incentive to its existing customers by reducing their ROI to conversion to digital mode of repayment. Based on the option adopted by the customers Rs. 7811.95 Lakhs has been converted into new scheme with preferential terms of loan repayment.

55 During the current year in accordance with the RBI circular RBI/2020-21/17 DOR.No.BP. BC/4/21.04.048/2020-21 dated August 6, 2020, the Group has restructured the following business loans

No. of borrowers	No. of accounts where resolution plan has been amended under this window	Exposure to accounts mentioned before implementaion of the plan
Unsecured business loans	6830	3269.22

The Group has created additional provision amounting to Rs. 77.80 lacs on the restructured cases stated above as per the RBI guidelines on restructured cases.

56 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 Group has estimated the said amount and made provision for refund/adjustment. As on 31 March 2021, the Group holds the liability of Rs. 45.59 Lakhs to meet its obligation towards refund / adjustment of interest on interest to eligible borrowers as prescribed by the RBI.

57 At year end Group has regrouped the following amounts in financial statements for better presentation of statement of profit and loss and correpsonding regrouping has been made in prior periods figures:

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Disclosed under other income in earlier periods now grouped under revenue from operations - Fees and commission Income		
Service fees from business correspondent	388.22	263.98

58 The Noval Corona virus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020) has contributed to significant decline and volatility in global and Indian market and significant decrease in economic activity. On March 24, 2020, the Indian government announced lockdown till April 14, 2020, which was further extended till May 31, 2020 through the subsequent announcements, to contain the spread of virus. This has led to significant disruptions and disclosures for individuals and business, impacting Group's regular operations including lending and collection activities. The Group's client base and AUM is from the semi-urban/rural segment, where the impact of COVID-19 has been relatively lower. A large segment of our customers are linked to the local economy & operation in essential services and the government has announced a series of economic relief measures for MSME sector, which is expected to support borrower's repayment capacity. From June 1, 2020 onwards, further relaxation in lock down has been granted across the Country, which has helped the Company employees to contract the borrowers.

Further, pursuant to Reserve Bank of India circular dated March 31, 2020 and May 23, 2020 allowing lending institution to offer moratorium to borrowers on payment of instalment falling due between March 1, 2020 and August 31, 2020, the Group gave the option of availing moratorium to all its borrowers from March 1, 2020 for six months.
In management's view, providing moratorium to borrower at a large scale based on RBI directives, by itself is considered to result in a significant increase in credit risk for such borrowers. Accordingly, considering the unique impact and widespread impact of COVID-19 pandemic, the Group has estimated additional expected credit loss allowance amounting to Rs. 2657.70 lakhs (previous year ended Rs. 266.27 lakhs) over and above normal provision, based on information available to reflect, among other things, the deterioration in the macro-economic factors. The Group estimates to recover the carrying amount of all its assets including investments, receivables and loans in the ordinary course of business based on information available on current economic conditions. The Group has adequate liquidity to discharge its obligations. Given the dynamic nature of pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of pandemic, including government and regulatory measures on the business and financial metrics of the Group.

As per our report of even date attached

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

Chanderkant Choraria
Partner
Membership No. 521263

Place: Noida (Delhi-NCR)
Date: June 29, 2021

For and on behalf of the Board of Directors of

Yogen Khosla
CEO & Managing Director
DIN.00203165

Sanjiv Syal
Director
DIN: 00271256

Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO & Compliance Officer

Place: New Delhi
Date: June 29, 2021

CAPITAL TRUST LIMITED
205, Centrum Mall,
MG Road, Sultanpur,
New Delhi - 110030
Ph: +91-97168 44571
Email: cs@capitaltrust.in
CIN: L65923DL1985PLC195299