



(CIN-L65923DL1985PLC195299)

August 02, 2021

The National Stock Exchange of India Limited  
Exchange Plaza, C-I, Block G  
Bandra-Kurla Complex  
Bandra (E), Mumbai - 400051  
(Symbol- CAPTRUST)

BSE Limited, PJ Tower,  
Dalal Street, Mumbai – 400001  
(Scrip Code-511505)

Dear Sir/Madam,

**Sub: Intimation regarding provisional rating of the company.**

This is to inform you that ICRA Limited has assigned a provisional rating of [ICRA]BBB+(SO) [pronounced Provisional ICRA Triple B plus (Structured Obligation)] to the Pass Through Certificates (PTC) Series A1 backed by a pool of Rs. 35.20 crore small business loan receivables (underlying pool principal of Rs. 28.39 crore) originated by the company.

We are hereby enclosing the letter received from ICRA Limited.

Kindly take the same on record.

Thanking you,  
Yours faithfully,

For **Capital Trust Limited**

A handwritten signature in blue ink, appearing to read "Tanya Sethi", is written over a faint, light blue circular stamp.

Tanya Sethi  
Company Secretary  
Contact no : 9953437505  
Email: [cs@capitaltrust.in](mailto:cs@capitaltrust.in)

Encl: aa

**CONFIDENTIAL**

Ref No: ICRA/SF/Capital Trust Limited/30072021/1

July 30, 2021

**Mr. Vinod Raina**  
Chief Financial Officer  
Capital Trust Limited  
502, DLF Courtyard  
Skate District Center,  
New Delhi - 110017

Dear Sir,

**Re: ICRA Provisional Rating for the PTC to be issued by CREDAVENUE KAMARI 07 2021 [SPV under the ABS transaction originated by Capital Trust Limited] backed by pool of small business loan receivables**

Please refer to the Rating Agreement dated July 27, 2021 between ICRA Limited (hereinafter referred as "ICRA") and your Company for carrying out the rating of Pass-Through Certificates (PTCs) under the securitisation programme mentioned above.

The Rating Committee of ICRA has, after due consideration, assigned the following provisional rating(s) under the above-mentioned securitisation programme.

<b>Instrument</b>	<b>Principal (Rs. Crore)</b>	<b>Rating</b>	<b>Definition</b>
PTC Series A1	25.55	Provisional [ICRA]BBB+(SO)	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.

*Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories [ICRA]AA(SO) to [ICRA]C(SO). The modifiers reflect the comparative standing within the category.*

The letters "SO" in parenthesis suffixed to the rating symbol stand for Structured Obligation. SO rating is specific to the rated issue, its terms and its structure. SO ratings do not represent ICRA's opinion on the general credit quality of the issuers concerned.

Please note that the provisional rating(s) is subject to the fulfilment of all conditions of the structure (as mentioned in Annexure 1), review of documentation pertaining to the transaction by ICRA, confirmation of the yield on the PTCs, your Company shall furnishing a legal opinion on the transaction documentation and the due diligence/ audit report of the pool. This rating



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communication letter (together with Annexure 1) should be necessarily included in the issue documents / information memorandum of the proposed issue.

In any of your publicity material or other document wherever you are using the above ratings, it should be stated as “**Provisional [ICRA]BBB+(SO)**” for PTC Series A1. We would request if you can provide your acceptance on the above rating(s) by sending an email or signed attached acknowledgement to us latest by August 05, 2021 as acceptance on the assigned rating(s). In case you do not communicate your acceptance/non-acceptance of the assigned credit rating(s) or do not appeal against the assigned rating(s) by the aforesaid date, the rating(s) will be treated by us as non-accepted and shall be disclosed on ICRA’s website accordingly. This is in accordance with requirements prescribed by the Securities and Exchange Board of India (SEBI) vide SEBI circular dated June 30, 2017.

Any intimation by you about the above rating(s) to any banker/ lending agency/government authorities/ stock exchange would constitute use of the rating(s) and shall be deemed acceptance of the Rating.

This rating(s) is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating(s) to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating(s) is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating(s) assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating(s) assigned to your Company.

The rating(s) assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold PTCs issued by your Company.

We thank you for your kind co-operation during the course of the rating exercise. Please feel free to contact the undersigned if you need any further information/clarification.

With kind regards,

Yours faithfully,

For **ICRA Limited**

Digitally signed by ABHISHEK DAFRIA

Date: 2021.07.30 18:55:05 +05'30'

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**Abhishek Dafria**

Vice President and Group Head – Structured Finance

**Annexure 1****Transaction structure**

The rating(s) is based on the terms of the transaction communicated to ICRA and the conditions mentioned herein –

<b>Structure details:</b>	<p>Catalyst Trusteeship Limited (CTL) shall settle a trust and shall be appointed as Trustee for the transaction.</p> <p>CTL shall assign to the Trust, at par, the future receivables (from July 01, 2021 i.e. pool cut-off date) of Rs. 35.20 crore (underlying pool principal as on commencement date being Rs. 28.39 crore) arising from the selected pool of 11,675 small business loans given to borrowers. The Trust will issue one series of PTCs backed by the receivables.</p> <p>The upfront purchase consideration to be paid by PTC Series A1 to the Trustee will be 90.00% of the pool principal i.e. Rs. 25.55 crore.</p> <p>All the rights and remedies of the investors shall vest in and shall be exercised by the Trustee. The Trustee can be changed with the consent of investors holding at least 51% of the outstanding PTCs. Cost of change of Trustee shall have to be borne by the investors directly.</p>
<b>Servicer/ Collection Agent:</b>	<p>The Trustee will appoint CTL as the Servicer for the transaction. However, the investors shall have the right to appoint an alternate Servicer (in consultation with ICRA), subject to the consent for the same from holders of at least 51% of the outstanding PTCs.</p>
<b>Receivables:</b>	<p>All amounts payable by the borrowers under the loan contracts including the loan installments, penal charges, any reimbursement of costs and any other payments shall be as per the terms and conditions of the underlying loan contracts. Collections from the overdue, if any, on the receivables as on the Commencement Date i.e., July 01, 2021, would be available for making payouts to investors, and the excess, if any, after meeting the claims of the investors, would flow to the Originator as indicated in the cash flow waterfall.</p>
<b>Compliance:</b>	<p>CTL (Originator) shall ensure that all the terms &amp; conditions of the transaction structure, as stated herein (including the execution of transaction documents, setting up of fixed deposit account for cash collateral, obtaining legal opinion and due diligence audit), are complied with within 180 days from the transaction execution. The Trustee shall inform ICRA in writing about the fulfillment of all the said terms &amp; conditions. The Originator shall send the final draft version of the transaction documents/terms to ICRA at least two working days prior to their execution. ICRA shall assign the final rating post satisfactory compliance with the transaction structure by the Originator.</p> <p>The PTC proceeds will be available to the Originator on the date of assignment of receivables.</p>



<b>PTC Payouts:</b>	<p>The monthly cash flow schedule comprises of promised interest payment to PTC Series A1 at the pre-determined interest rate on the principal outstanding. The principal repayment to PTC Series A1 is promised on the last payout date.</p> <p>During the tenure of PTC Series A1, the collections from the pool, after making the promised interest payouts to PTC Series A1, will be used to make the expected principal payouts to PTC Series A1, albeit this principal payout is not promised and any shortfall in making the expected principal payment to PTC Series A1 would be carried forward to the subsequent payout.</p>
<b>Yield on PTCs:</b>	PTC Series A1 will earn a fixed yield every month.
<b>Credit enhancement:</b>	<p>The first line of support for PTC Series A1 in the transaction is in the form of subordination of 10.00% of the pool principal.</p> <p>Additional support is available from entire Excess Interest Spread (EIS, around 18.04% of pool principal initially, based on indicated PTC yield for PTC Series A1).</p> <p>Also, support is provided in the form of cash collateral provided by CTL equivalent to 8.00% of the initial pool principal as on the cut-off date (Rs. 2.27 crore). The cash collateral will be in the form of fixed deposit maintained with a bank acceptable to ICRA. The cash collateral will be used for meeting shortfall in making the scheduled payouts to PTCs.</p>
<b>Expenses:</b>	All upfront costs and expenses (including upfront arranger fees, rating agency fees and legal expenses) incurred in connection with the proposed transaction shall be to the account of CTL. All collection and servicing expenses will be borne by the Servicer. However, Rs. 1 lakh plus applicable taxes and cess, if any would be payable on the first Investor Payout Date from the Excess Interest Spread as servicer fee. The transaction does not envisage any recurring costs to be borne out of the pool cash flows.
<b>Collection and payment mechanism:</b>	<p>The Trustee shall open a no-lien Trust &amp; Retention Account (Trust Account) with the Approved Bank. All monies credited in the Trust Account (including investment of such funds and returns thereon) shall be held in trust for the benefit of the investors. As the Servicer, CTL will collect the receivables from the pool accounts and transfer the collections to the Trust Account on a monthly basis, at least 1 day prior to each payout date.</p> <p>In respect of collections of a particular month M, the payouts will be made on specific dates of month M+1 (mentioned in Schedule A), starting with September 16, 2021. In case that day happens to be a non-business day, the payout will be made on the succeeding/preceding working day.</p>
<b>Waterfall mechanism:</b>	<p>On the relevant Payment Date, the pool collections over the previous month shall be utilized in the following order of priority: –</p> <ol style="list-style-type: none"><li>1. for payment of all statutory and regulatory dues;</li></ol>



	<p>2. for the payment of any fees and expenses incurred by the Trustee or any fees payable to service providers and/ or any other amounts expressly provided for in the Transaction Documents;</p> <p>3. for payment of overdue interest payouts due to Series A1 PTCs;</p> <p>4. for payment of interest payouts due to the Series A1 PTCs;</p> <p>5. payment of expected Series A1 Principal (For the avoidance of doubt, it is clarified that Series A1 Principal in this instance will include any unpaid expected Series A1 Principal pertaining to earlier periods, payable to Series A1 Investors)</p> <p>6. any prepayments on the Pool would be utilized for payment of Series A1 Principal</p> <p>7. for reimbursement of the Cash Collateral (to the extent drawn on any Payout Date and not reimbursed already).</p> <p>8. For payment of any unutilized excess interest spread (EIS) to the Residual Beneficiary/Originator</p> <p>Cash Collateral may be used if there is any shortfall in meeting the promised payouts to the PTCs as per the cashflow waterfall above and for meeting all principal payout to PTC Series A1 on the Final Scheduled Maturity Date. After each month, the revised payout schedule for PTCs would be re-drawn. The EIS available after meeting the promised and expected payments, as given above, will flow back to the Residual Beneficiary/Originator on a monthly basis.</p>
<b>Foreclosures:</b>	<p>The amount collected upon pre-termination of a contract will be paid to PTC Series A1. Following such prepayment or following the acceleration of PTC Payouts out of the excess available after meeting the scheduled payouts, the future payment schedule to PTCs will be revised.</p>
<b>Monitoring:</b>	<p>The Servicer shall prepare a summary report on the pool collections/pre-terminations on a monthly basis, at least two days prior to each payout date. The report will include the calculation of the utilization of the credit enhancement and the revision in the PTC payouts schedule. The Servicer will send the detailed monitoring report to the Trustee and to ICRA, in the format specified by ICRA, latest by T-2 (T being the payout date).</p>
<b>Event of shortfall:</b>	<p>Based on the Monthly Collection Report, the Trustee shall immediately determine the adequacy of funds to make payments to the investor. In the event of shortfall in meeting the PTC Payouts during any month, the Trustee will utilise the credit enhancement to meet such shortfall.</p>
<b>Selection criteria:</b>	<p>The contracts in the selected pool meet the following criteria on the Cut-off date:</p> <p>Overdues : No overdues as on June 30, 2021</p> <p>Seasoning : All loans have completed at least 3 installments for monthly loans in the current loan cycle as on June 30, 2021</p> <p>None of the contracts in pool have been restructured and no loans have been disbursed under ECLGS.</p> <p>Credit score <math>\geq</math> 700 or in 0,-1</p>



<b>Warranties and representations by the Company:</b>	<ul style="list-style-type: none"><li>a) All information provided to ICRA on the portfolio performance and the pool characteristics are correct.</li><li>b) All receivables in the aforementioned pool are free from all encumbrances, and CTL, before the assignment thereof to the investors, was the sole legal and beneficial owner of the assets and receivables thereof and has full right to transfer and assign such loan receivables to the investors.</li><li>c) Each of the underlying documents has been duly executed and is legally valid and enforceable in accordance with the terms thereof. The Originator shall fully recompense the investors, on demand, for any losses that may arise due to any imperfections in documentation.</li><li>d) Any fiscal levies, including any stamp and other duties, sales tax, service tax and other levies, imposts and taxes imposed in relation to the receivables, on the investors shall be fully paid for/compensated by CTL. All expenses and charges incurred in relation to the transaction, including rating agency fees, trustee fees, stamp duties and other fiscal levies shall be fully paid for/compensated by CTL.</li><li>e) With respect to each contract in the pool, there is only one original set of documents with the borrower, which is in the possession of CTL.</li><li>f) In its capacity as the Servicer, CTL shall not make any distinction in its collection efforts and follow-up actions on the assigned pool from that of its own portfolio of similar contracts.</li><li>g) Upon execution of the agreement specified herein above, CTL, in any capacity, shall not modify any of the underlying loan agreements without the consent of the investors if such modification may have an adverse impact on the pool cash flows.</li><li>h) CTL shall also ensure that all rights enjoyed by the Originator as per the terms of the underlying loan agreements shall stand transferred to the investor.</li><li>i) The executant of the legal documentation on behalf of CTL has been duly empowered and authorized to execute the same and to perform all obligations in accordance with the terms set out herein.</li></ul>
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Schedule A

Monthly Scheduled PTC Cashflows (Rs. Lakh)

S.No	Payout date	Initial PTC Series A1 cashflow schedule	S.No	Payout date	Initial PTC Series A1 cashflow schedule
1	16-Sep-21	28.75	12	16-Aug-22	28.75
2	16-Oct-21	27.82	13	16-Sep-22	28.75
3	16-Nov-21	28.75	14	16-Oct-22	27.82
4	16-Dec-21	27.82	15	16-Nov-22	28.75
5	16-Jan-22	28.75	16	16-Dec-22	27.82
6	16-Feb-22	28.75	17	16-Jan-23	28.75
7	16-Mar-22	25.97	18	16-Feb-23	28.75
8	16-Apr-22	28.75	19	16-Mar-23	25.97
9	16-May-22	27.82	20	16-Apr-23	2,583.58
10	16-Jun-22	28.75			
11	16-Jul-22	27.82			
				<b>Total</b>	<b>3,118.71</b>





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**Monthly Expected PTC Cashflows (Rs. Lakh) under 100% collection scenario**

<b>S.No</b>	<b>Payout date</b>	<b>Initial PTC Series A1 cashflow schedule</b>	<b>S.No</b>	<b>Payout date</b>	<b>Initial PTC Series A1 cashflow schedule</b>
1	16-Sep-21	531.42	9	16-May-22	114.00
2	16-Oct-21	309.61	10	16-Jun-22	111.32
3	16-Nov-21	284.37	11	16-Jul-22	109.52
4	16-Dec-21	257.59	12	16-Aug-22	106.54
5	16-Jan-22	236.03	13	16-Sep-22	103.84
6	16-Feb-22	185.02	14	16-Oct-22	96.82
7	16-Mar-22	138.15	15	16-Nov-22	18.17
8	16-Apr-22	120.52			
				<b>Total</b>	<b>2,722.94</b>