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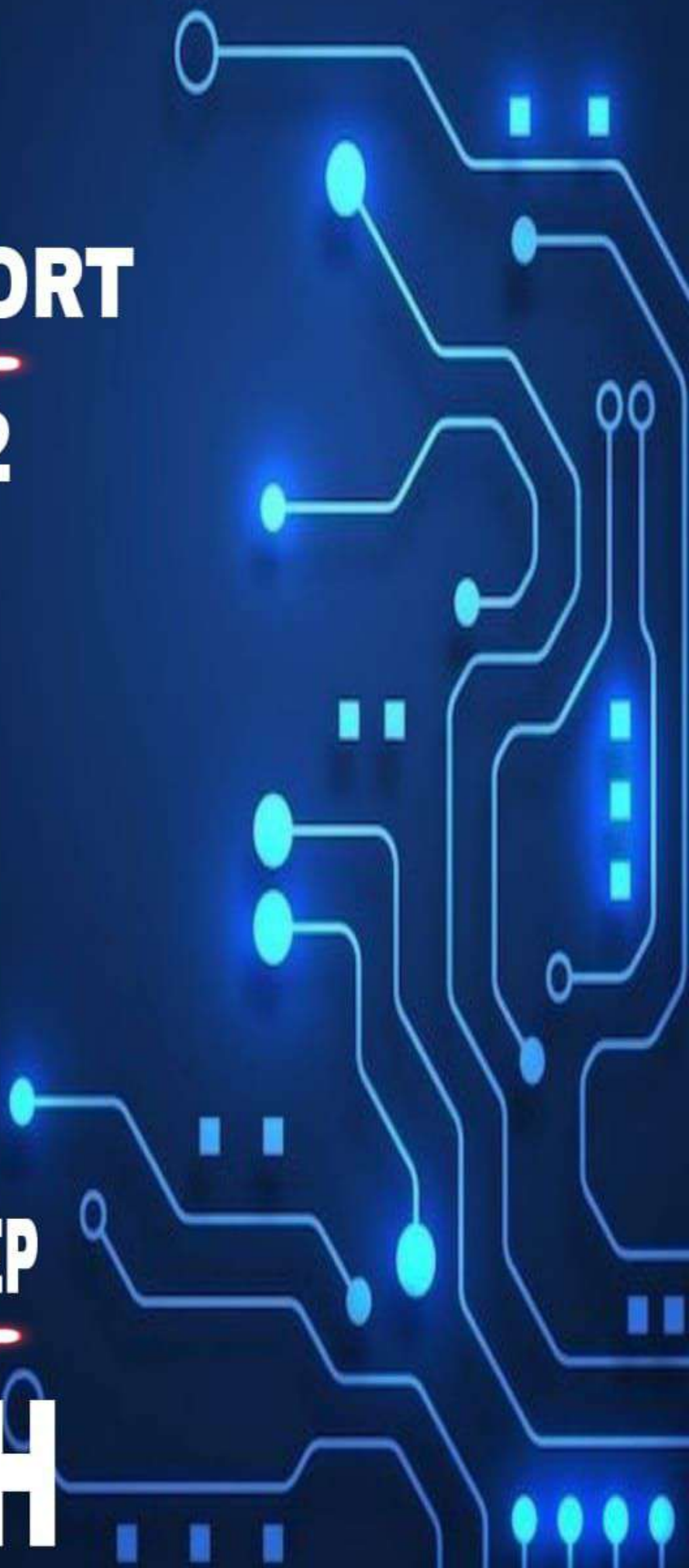
ANNUAL REPORT

2021 - 2022



RURAL DOORSTEP

FINTECH



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Forward-looking statements

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



Empowering enterprises Enriching lives

MSME Sector

The Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. It contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating 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 Micro Small and Medium Enterprises (MSMEs) sector is a major contributor to the socio-economic development of the country. In India, the sector has gained significant importance due to its contribution to Gross Domestic Product (GDP) of the country and exports. The sector has also contributed immensely with respect to entrepreneurship development especially in semi-urban and rural areas of India.

According to the provisions of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two classes i.e., Manufacturing Enterprises and Service Enterprises.

The enterprises are further categorized based on investment in equipment and annual turnover.

Micro sector with 630.52 lakh estimated enterprises accounts for more than 99% of total estimated number of MSMEs. Small sector with 3.31 lakh and Medium sector with 0.05 lakh estimated MSMEs accounted for 0.52% and 0.01% of total estimated MSMEs, respectively. Out of 633.88 estimated number of MSMEs, 324.88 lakh MSMEs (51.25%) are in rural area and 309 lakh MSMEs (48.75%) are in the urban areas.

Out of 633.88 MSMEs, there were 608.41 lakh (95.98%) MSMEs were proprietary concerns. There was dominance of male in ownership of proprietary MSMEs. Thus, for proprietary MSMEs as a whole, male owned 79.63% of enterprises as compared to 20.37% owned by female. There was no significant deviation in this pattern in urban and rural areas, although the dominance of male owned enterprises was slightly more pronounced in urban areas compared to rural areas (81.58% as compared to 77.76%).

MSME Schemes Launched by the Government

Udyog Aadhaar Memorandum



Aadhaar card is a 12 digit number given to all individuals by the government. In this, the Aadhaar card is a mandatory requirement. The benefit of registering in this scheme is the ease in availing credit, loans, and subsidies from the government. Registration can be done both ways in the online mode or the offline mode.

Zero Defect Zero Effect

In this model, goods that are manufactured for export have to adhere to a certain standard so that they are not rejected or sent back to India. To achieve this the government has launched this scheme. In this, if the goods are exported these are eligible for some rebates and concessions.

Quality Management Standards & Quality Technology Tools

Registering in this scheme will help the micro, small and medium enterprises to understand and implement the quality standards that are required to be maintained along with the new technology. In this scheme, activities are conducted to sensitize the businesses about the new technology available through various seminars, campaigns, activities etc.

Grievance Monitoring System

Registering under this scheme is beneficial in terms of getting the complaints of the business owners addressed. In this, the business owners can check the status of their complaints, open them if they are not satisfied with the outcome.

Incubation

This scheme helps innovators with the implementation of their new design, ideas or products. Under this from 75% to 80% of the project cost can be financed by the government. This scheme promotes new ideas, designs, products etc.

Credit Linked Capital Subsidy Scheme

Under this scheme, new technology is provided to the business owners to replace their old and obsolete technology. The capital subsidy is given to the business to upgrade and have better means to do their business. These small, micro and medium enterprises can directly approach the banks for these subsidies.

Women Entrepreneurship

This scheme is especially started for women who want to start their own business. The government provides capital, counselling, training and delivery techniques to these women so that they manage their business and expand it.

The government has launched a number of more schemes and support system for these enterprises, to know more about the MSME schemes the following link of the government can be checked.

(Source - MSME Report)



MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR

When catering to the rural population in Tier 3,4,5 cities, Capital Trust believes that neither only fintech nor only brick-and-mortar financing is the answer. It has to be the perfect mix of both.

Through its unique amalgamation of the “new” and the “old” Capital Trust is able to provide proprietary fintech with doorstep client servicing. The company relies on big data analysis through machine learning and artificial intelligence but entrusts its 2,000 employees to physically collect cash in times of non-clearance of NACH.

Dear Shareholders,

I am pleased to present you the 36th Annual Report of the company for the year 2021-22. Whole world is reeling under the Covid scenario. India's non-banking financial companies grew at a slower pace in financial year 2021-22 on annual basis due to COVID-19-led disruptions and muted demand. The second wave of Covid-19 hit the rural areas the most. There were disruption in disbursement and collection during that period. However, NBFCs have navigated the challenges by focusing on higher liquidity, capital and provisioning buffers. These, combined with improving economic activity, have put the sector in a comfortable position to capitalise on growth opportunities.

Global economy and markets

Following a strong rebound in 2021, the global economy is entering a pronounced slowdown amid fresh threats from COVID-19 variants and a rise in inflation, debt, and income inequality that could endanger the recovery in emerging and developing economies.

Russia's invasion of Ukraine has not only led to a humanitarian catastrophe, but also a deep regional slowdown and substantial negative global spillovers. As a result, the world economy is expected to experience its sharpest deceleration following an initial recovery from global recession in more than 80 years. Global growth is projected to slow from 5.7 percent in 2021 to 2.9 percent in 2022, as the war in Ukraine disrupts activity and trade in the near term and as policy support is withdrawn amid high inflation.

(source- world bank)

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.

Recent economic developments in India are as follows:

With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US\$ 5.8 billion across 117 deals in February 2022, 24% higher than in January 2022. Some of the important recent developments in the Indian economy are as follows:

India's merchandise exports were at an all-time high of US\$ 417.81 billion in FY22. In April 2022, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 54.7.

The gross Goods and Services Tax (GST) revenue collection hit an all-time high of Rs. 1.68 trillion (US\$ 21.73 billion) in April 2022. This is a 20% increase over the previous year.

According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 572.80 billion between April 2000-December 2021.

India's Index of Industrial Production (IIP) for January 2022 stood at 138.4 against 136.6 for January 2021.

Consumer Food Price Index (CFPI) – Combined inflation was 2.9% in 2021-22 (April-December) against 9.1% in the corresponding period last year.

Consumer Price Index (CPI) – Combined inflation was 5.20% in 2021-2022 (April-December) against 6.6% in 2020-21

Foreign portfolio investors (FPIs) invested Rs.50,009 crore (US\$ 6.68 billion) in the Calendar year 2021.

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

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.

The ongoing pandemic has forced all sub-sectors within the banking and financial services industry to innovate. The true potential kicked off with digital transformation. Today, every Indian owns a smartphone and can digitally apply for a loan, complete e-KYC, open a bank account, order food, groceries and other essentials.

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.



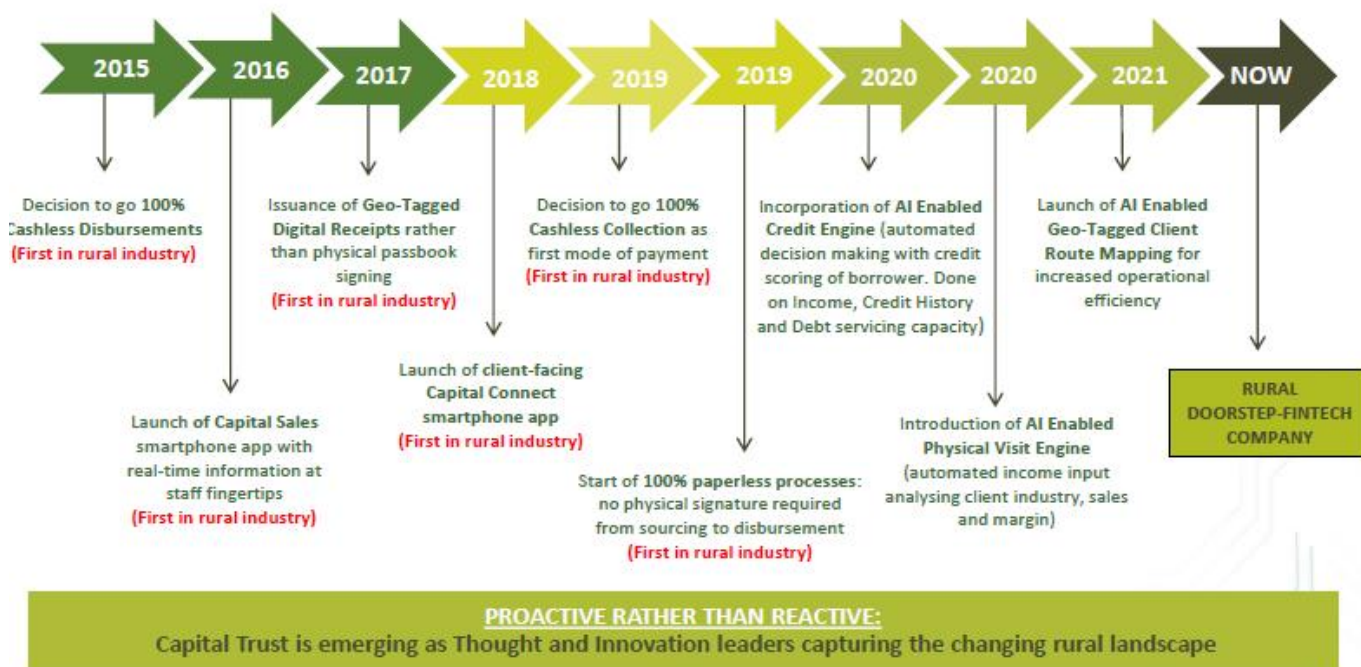
Individual business loans are disbursed online and collected online without any hassle to the borrower. If online payment is not done, there is an automated cash pickup facility. Rural clients are being treated at par with the urban clients for the first time with the same choices & convenience of repayment. 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. 70% 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:

Evolution of Capital Trust's Digital Business Model



Capital Trust currently caters to over 1,50,000 customers across 97 districts through 320 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 Capital Digital loan products: Capital Magic Loans (unsecured digital loans with a ticket size of INR 30,000 to INR 50,000 and tenure of 12 - 18 months). The company has also started piloting INR 5000 Loans with a tenure of 3 months.

With ~70% 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 94% 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 ~1.20 Lakhs live customers being digitally served through established infrastructure developed in-house by the Company.

It's been 30 years since the economic reforms in India and yet, the 48 million MSMEs (micro, small and medium enterprises) who form the heart of Entrepreneurial India are still largely bypassed by traditional banking mechanisms. Though these are the pillars of the country's economy, by providing financial assistance to them, Capital Trust strives to be the pillar to these pillars. With the new technological developments, the company is India's first "Rural Doorstep-Fintech" company. The company is focused on providing financial inclusion services to underserved India by merging fintech and traditional financing. Our loan products are given hereunder:

CAPITAL MAGIC LOAN	MICRO BUSINESS LOAN	QUICK DIGITAL LOAN
Type of Loan: Unsecured Digital Loan	Type of Loan: Unsecured Digital Business Loan	Type of Loan: Unsecured Digital Loan
Ticket Size: Rs. 30,000 – Rs. 40,000	Ticket Size: Rs. 50,000	Ticket Size: Rs. 5,000
Tenure: 12 months	Tenure: 18 months	Tenure: 3months

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 mortar set up.
- **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 36 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 FY22. The collection has seen a positive trend more particularly riding on capital digital initiative.



Financing with a Tech-Touch Balance

When catering to the rural population in Tier 3,4,5 cities, Capital Trust believes that neither only fintech nor only brick-and-mortar financing is the answer. It has to be the perfect mix of both.

Through its unique amalgamation of the “new” and the “old” Capital Trust is able to provide proprietary fintech with doorstep client servicing. The company relies on big data analysis through machine learning and artificial intelligence but entrusts its 2,000 employees to physically collect cash in times of non-clearance of NACH.

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.

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	105	296	401
FY 22	162	139	301

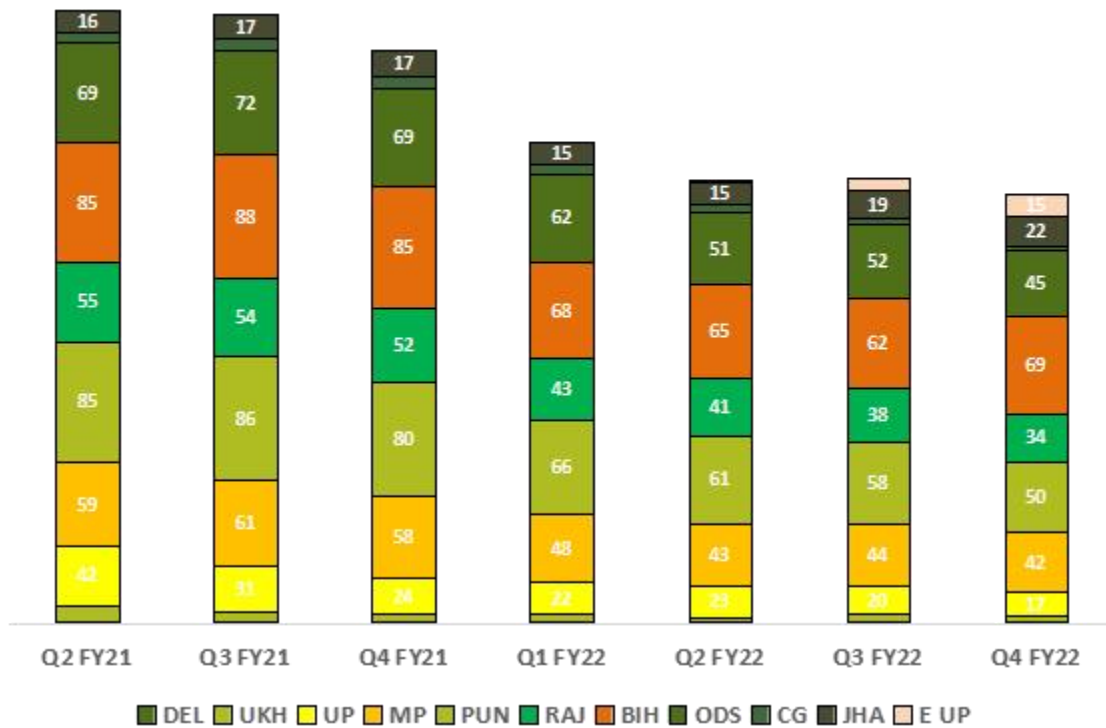
Geographic Reach

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 321 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 referred as Growth Focused States. The company has started 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 20	FY 21	FY 21
BIH	17%	21%	23%
PUN	21%	20%	17%
ODI	15%	17%	15%
MP	14%	14%	14%
RAJ	14%	13%	11%
UP*	11%	6%	11%
JH	4%	4%	7%
UKH	3%	1%	1%
CG	2%	2%	1%



DEL	0%	0%	0%
	100%	100%	100%

*** UP included 5% in eastern UP, which we started in current year**

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, 2022 are provided below:

Agriculture	1.25%
Dairy and Livestock	47.76%
Food	2.31%
Manufacturing	3.50%
Retail	19.18%
Services	19.54%
Trading	6.45%
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
- 2022** Capital Digital loan book more than legacy books
- 2022** Entered into various partnerships for BC and co lending



BOARD OF DIRECTORS AND LEADERSHIP TEAM

Board of Directors

Name	Designation	Brief Profile
Mr. Yogen Khosla	Chairman & Managing Director	A finance veteran with over 20 years of experience, Yogen Khosla is an avid fitness enthusiast. Having cycled 500kms within 24 hours and run numerous marathons, he hopes to take Capital Trust the distance by making the company the leading MSME finance company in India.
Mr. Sanjiv Syal	Independent Director	Mr. Syal is a practicing Chartered Accountant with an experience spanning over 25 years in consulting and accountancy. He has been a catalyst in startup of many successful projects in the BPO, IT & Financial Services space. Some of the successful startups where he has played a role include Yatra online, RAC, Gulliver Travels, DMI Finance & Cisco Systems Capital.
Ms. Suman Kukrety	Independent Woman Director	Ms. Suman is a competent professional with 18 years of quality experience in legal consultancy, legal documentation in civil and criminal cases before the Supreme Court of India, High Courts, District Courts, quasi-judicial tribunals, institutional arbitrations before Indian Council of Arbitration (ICA), International Centre for Alternate Dispute Resolution (ICADR). She secured 1 st position in Advocate-on-Record examination held by the Supreme Court of India, in June, 2009.
Mr. Govind Saboo	Independent Director	Mr. Govind Saboo is rank holder Chartered accountant with more than 17 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 14 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 21 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 13 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. 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 Jamia, 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.
Mr. Naresh Koul Nazir	Head HR	Naresh has a total experience of 17 years in HR functions including talent acquisition, recruitment, employment engagement, learning and development, generalist HR and administration. Earlier he was with Equitas Small Finance Bank and Metlife.
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

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

Nomination and Remuneration Committee :

- Mr. Govind Saboo (Chairman)
- Mr. Sanjiv Syal
- Mr. Pawan Dubey
- Ms. Suman Kukrety

Stakeholders' Relationship Committee :

- Mr. Govind Saboo (Chairman)
- Mr. Yogen Khosla
- Ms. Sanjiv Syal
- Mr. Pawan Dubey
- Ms. Suman Kukrety
- Mr. Vahin Khosla

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. Vahin Khosla

Company Secretary : Ms. Tanya Sethi

Chief Finance Officer : Mr. Vinod Raina

Auditors : M/s JKVS & Co.
Chartered Accountants
209, Hans Bhawan,
1 Bahadur Shah Zafar Marg,
New Delhi - 110002

Registrar & Transfer Agent : **MAS Services Limited**
T-34, IIInd Floor
Okhla Industrial Area, Phase-II
New Delhi 110020
Tel. : 011-26387281
E-mail : info@masserv.com

PARTNERS

Equity:



Public Sector Banks:



Private Sector Banks:



DFI / NBFCs:



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

Global economic prospects have worsened significantly since last year. At the time, it was projected the global recovery to strengthen from the second quarter of this year after a short-lived impact of the Omicron variant. Since then, the outlook has deteriorated, largely because of Russia's invasion of Ukraine—causing a tragic humanitarian crisis in Eastern Europe—and the sanctions aimed at pressuring Russia to end hostilities. This crisis unfolds while the global economy was on a mending path but had not yet fully recovered from the COVID-19 pandemic, with a significant divergence between the economic recoveries of advanced economies and emerging market and developing ones.

In addition to the war, frequent and wider-ranging lockdowns in China—including in key manufacturing hubs—have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging. Beyond the immediate humanitarian impacts, the war will severely set back the global recovery, slowing growth and increasing inflation even further.

World economic outlook projects global growth at 3.6 percent in 2022 and 2023—0.8 and 0.2 percentage points lower than in the January forecast, respectively. The downgrade largely reflects the war's direct impacts on Russia and Ukraine and global spillovers. Both Russia and Ukraine are projected to experience large GDP contractions in 2022. The severe collapse in Ukraine is a direct result of the invasion, destruction of infrastructure, and exodus of its people. In Russia, the sharp decline reflects the impact of the sanctions with a severing of trade ties, greatly impaired domestic financial intermediation, and loss of confidence.

War Slows the Recovery

The war in Ukraine has triggered a costly humanitarian crisis that, without a swift and peaceful resolution, could become overwhelming. Global growth is expected to slow significantly in 2022, largely as a consequence of the war. A severe double-digit drop in GDP is expected in Ukraine due to fighting. A deep contraction is projected for Russia due to sanctions and European countries' decisions to scale back energy imports. The economic costs of war are expected to spread farther afield through commodity markets, trade, and—to a lesser extent—financial interlinkages. Fuel and food price rises are already having a global impact, with vulnerable populations—particularly in low-income countries—most affected.

The war in Ukraine will amplify economic forces already shaping the global recovery from the pandemic. The war has further increased commodity prices and intensified supply disruptions, adding to inflation. Even before Russia invaded Ukraine, broad price pressures had led central banks to tighten monetary policy and indicate increasingly hawkish future stances. As a result, interest rates had risen sharply and asset price volatility had increased since the start of 2022—hitting household and corporate balance sheets, consumption, and investment. The prospect of higher borrowing costs has also increased the cost of extended fiscal support. These changes are occurring faster than previously expected even as many parts of the global economy—particularly countries with low vaccination rates—must contend with continued strain on health care systems because of the pandemic.



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

Fiscal policies should depend on exposure to the war, the state of the pandemic, and the strength of the recovery. Following a huge and necessary fiscal expansion in many countries during the pandemic, debt levels are at all-time highs and governments are more exposed than ever to higher interest rates. The need for consolidation should not prevent governments from prioritizing spending with well-targeted support for the vulnerable—including refugees, those struggling because of commodity price spikes, and those affected by the pandemic. Where fiscal space permits and when monetary policy is constrained at the national level—for instance by the Effective Lower Bound or in a monetary union—broader fiscal support may be warranted, depending on the severity of the decline in aggregate demand. But this support should be deployed in ways that avoid exacerbating ongoing supply-demand imbalances and price pressures. Where fiscal space is more limited, governments will need to tread a difficult path between fiscal consolidation and prioritizing essential expenditures.

Preparing for tomorrow's economy:

Beyond the immediate challenges of the war and the pandemic, policymakers should not lose sight of longer-term goals. Pandemic disruptions have highlighted the productivity of novel ways of working. Governments should look to harness positive structural change wherever possible, embracing the digital transformation and retooling and reskilling workers to meet its challenges. Carbon pricing and fossil fuel subsidy reform can also help with the transition to a cleaner mode of production, less exposed to fossil fuel prices—more important than ever in light of the fallout of the war on the global energy market. The green energy transition will also entail labor market reallocation across occupations and sectors.

(Source- World Economic Outlook, April 2022)

INDIAN ECONOMY OUTLOOK

Two years into the COVID-19 pandemic, the global economy continues to be plagued by uncertainty, with resurgent waves of mutant variants, supply-chain disruptions, and a return of inflation in both advanced and emerging economies. Moreover, the likely withdrawal of liquidity by major central banks over the next year may also make global capital flows more volatile. In this context, it is important to evaluate both the pace of growth revival in India as well as the strength of macro-economic stability indicators. It is also essential to look at progress in vaccination as this is not just a health response but also a buffer against economic disruptions caused by repeated waves of the pandemic.

The Indian economy, as seen in quarterly estimates of GDP, has been staging a sustained recovery since the second half of 2020-21. Although the second wave of the pandemic in April-June 2021 was more severe from a health perspective, the economic impact was muted compared to the national lockdown of the previous year. Advance estimates suggest that GDP will record an expansion of 9.2 per cent in 2021-22.

During the COVID-19 pandemic, numerous rating agencies downgraded India's GDP predictions for FY21 to negative figures, signalling a recession in India, the most severe since 1979. According to a Dun & Bradstreet report, the country is likely to suffer a recession in the third quarter of FY2020 as a result of the over 2-month long nation-wide lockdown imposed to curb the spread of COVID-19.

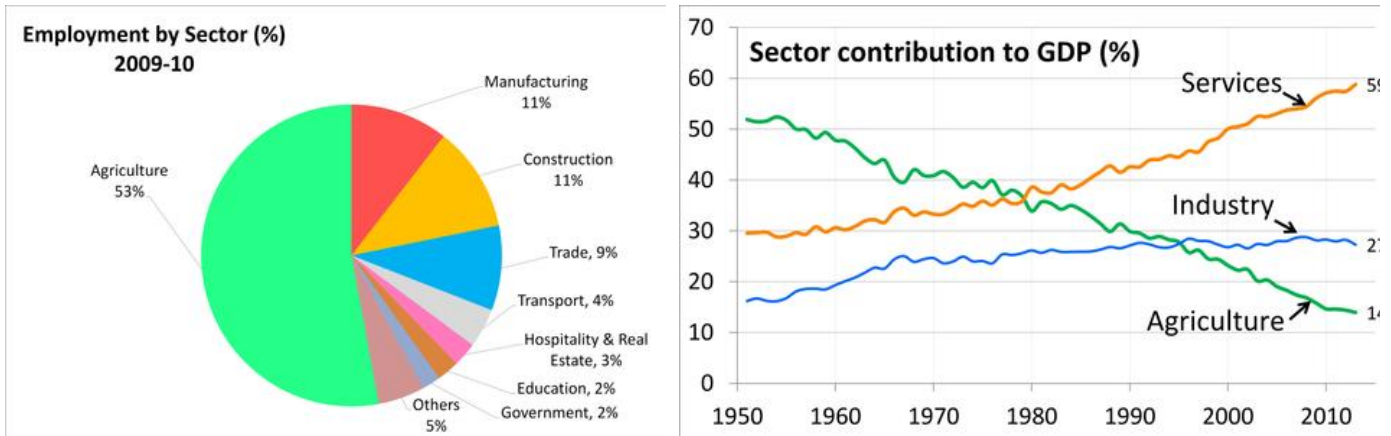


The following table shows the main economic indicators in 1986–2020 (with IMF staff estimates in 2021–2026).

Year	GDP (Bil. US\$PPP)	GDP per capita (US\$ PPP)	GDP (Bil. US\$nominal)	GDP per capital (US\$ nominal)	GDP growth (Real)	Inflation rate (Percent)	Unemployment (Percent)	Government debt (% of GDP)
1980	372.3	532.6	189.4	271	5.30%	11.30%	n/a	n/a
1990	962.8	1,102.60	326.6	374	5.50%	11.20%	n/a	n/a
2000	2,027.10	1,918.50	476.6	451.1	4.00%	3.80%	5.60%	73.60%
2010	5,160.80	4,181.20	1,708.50	1,384.20	10.30%	10.50%	5.50%	66.00%
2011	5,618.40	4,493.70	1,823.10	1,458.10	6.60%	9.50%	5.40%	68.30%
2012	6,153.20	4,861.10	1,827.60	1,443.90	5.50%	10.00%	5.40%	67.70%
2013	6,477.50	5,057.20	1,856.70	1,449.60	6.40%	9.40%	5.40%	67.40%
2014	6,781.00	5,233.90	2,039.10	1,573.90	7.40%	5.80%	5.40%	66.80%
2015	7,159.80	5,464.90	2,103.60	1,605.60	8.00%	4.90%	5.40%	68.80%
2016	7,735.00	5,839.90	2,294.10	1,732.10	8.30%	4.50%	5.40%	68.70%
2017	8,276.90	6,182.90	2,651.50	1,980.70	6.80%	3.60%	5.40%	69.50%
2018	9,021.60	6,669.60	2,702.90	1,998.30	6.50%	3.40%	5.30%	70.20%
2019	9,526.20	6,965.50	2,831.60	2,070.40	4.00%	4.80%	5.30%	73.90%
2020	9,005.10	6,532.00	2,667.70	1,935.00	-8.00%	6.20%	8.00%	89.60%
2021	10,218.60	7,340.90	3,177.90	2,283.00	12.50%	4.90%	n/a	86.60%
2022	11,745.30	8,358.30	3,534.70	2,515.40	6.90%	4.10%	n/a	86.30%
2023	12,931.90	9,118.30	3,893.70	2,745.40	6.80%	3.90%	n/a	85.70%
2024	14,176.30	9,906.40	4,270.80	2,984.40	6.70%	4.00%	n/a	84.80%
2025	15,485.20	10,727.10	4,681.90	3,243.30	6.60%	4.00%	n/a	83.80%
2026	16,822.20	11,554.90	5,100.70	3,503.60	6.50%	4.00%	n/a	82.60%

Historically, India has classified and tracked its economy and GDP in three sectors: agriculture, industry, and services. Agriculture includes crops, horticulture, milk and animal husbandry, aquaculture, fishing, sericulture, aviculture, forestry, and related activities. Industry includes various manufacturing sub-sectors. India's definition of services sector includes its construction, retail, software, IT, communications, hospitality, infrastructure operations, education, healthcare, banking and insurance, and many other economic activities.



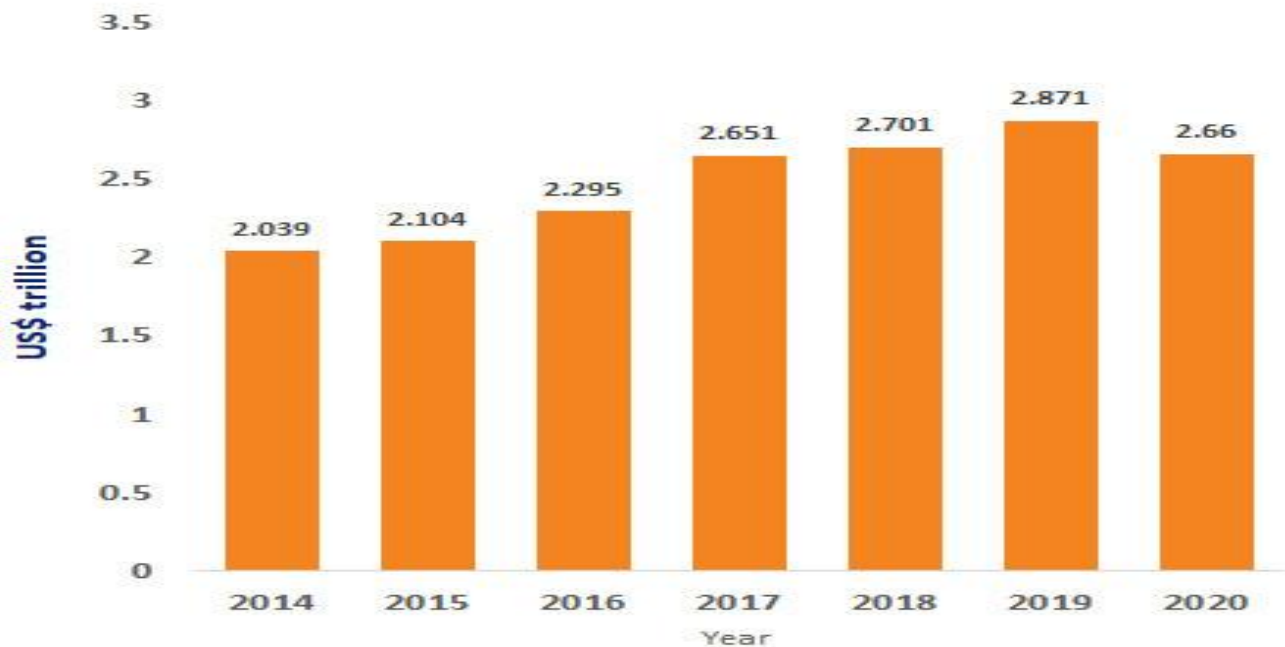


Market size

- India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22.
- India is the third-largest unicorn base in the world with over 100 unicorns with a total valuation of US\$ 332.7 billion.
- India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The 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 Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US\$ 634.287 billion mark.



India's Gross Domestic Production



Government Initiatives

The Government of India has taken several initiatives to improve the economic condition of the country. Some of these are:

- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan the National Highway Network will develop 25,000 km of new highways network which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US\$ 401.49 billion) in the next five years.



- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act..
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- To boost the overall audit quality and transparency and add value to businesses, in April 2021, the RBI issued a notice on new norms to appoint statutory and central auditors for commercial banks, large urban co-operatives, and large non-banks and housing finance firms.



- In May 2021, the Government of India allocated Rs. 2,250 crore (US\$ 306.80 million) for the development of the horticulture sector in 2021-22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, NITI Aayog and Cisco collaborated to encourage women's entrepreneurship in India.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In June 2021, RBI Governor Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced various measures, including Rs. 15,000 crores (US\$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.
- In June 2021, Finance Ministers of G-7 countries, including the US, the UK, Japan, Italy, Germany, France and Canada, attained a historic contract on taxing multinational firms as per which the minimum



global tax rate would be at least 15%. The move is expected to benefit India by increasing foreign direct investments in the country.

- In June 2021, the Indian government signed a US\$ 32 million loan with World Bank for improving healthcare services in Mizoram.
- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for the second tranche of EUR 150 million (US\$ 182.30 million) for the Pune Metro Rail project.
- According to an official source, as of September 15, 2021, 52 companies have filed applications under the Rs. 5,866 crore (US\$ 796.19 million) production-linked incentive scheme for the white goods (air conditioners and LED lights) sector.
- In May 2021, Union Cabinet approved the signing of a memorandum of understanding (MoU) on migration and mobility partnership between the Government of India, the United Kingdom of Great Britain and Northern Ireland.
- In April 2021, Minister for Railways and Commerce & Industry and Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, launched the 'DGFT Trade Facilitation' app to provide instant access to exporters/importers anytime and anywhere.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.

(Source: Media Reports, IMF, IEPF, Economic survey)

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.

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.

As of January 2022, AUM managed by the mutual funds industry stood at Rs. 38.89 trillion (US\$ 518.15 billion) and the total number of accounts stood at 123.1 million.

Inflow in India's mutual fund schemes via systematic investment plan (SIP) increased by 17% to Rs. 1.05 lakh crore (US\$ 13.98 billion) in November 2021 as compared to November 2020. Equity mutual funds registered a net inflow of Rs. 22.16 trillion (US\$ 294.15 billion) by end of December 2021.

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 US\$ 37.1 billion in FY21. In FY22*, premiums from new businesses of life insurance companies in India stood at US\$ 17.6 billion. In the first 10 months of FY22, Non-life insurance sector premiums reached at Rs. 1.82 lakh crore (US\$ 24.18 billion).

Leading AMCs in India (as of June 2021)

Top 5 AMCs in India	AUM (US\$ billion)
SBI Mutual Fund	70.23
HDFC Mutual Fund	55.97
ICICI Prudential Mutual Fund	55.93
Aditya Birla Sun Life Mutual Fund	36.97
Kotak Mahindra Mutual Fund	33.10

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). The number of companies listed on the NSE increased from 135 in 1995 to 1,920 by December 2021.

According to the statistics by the Futures Industry Association (FIA), a derivatives trade association, the National Stock Exchange of India Ltd. (NSE) emerged as the world's largest derivatives exchange in 2020 in terms number of contracts traded. NSE was ranked 4th worldwide in cash equities by number of trades as per the statistics maintained by the World Federation of Exchanges (WFE) for CY2020. India is expected to have 6.11 lakh HNWI's in 2025.

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

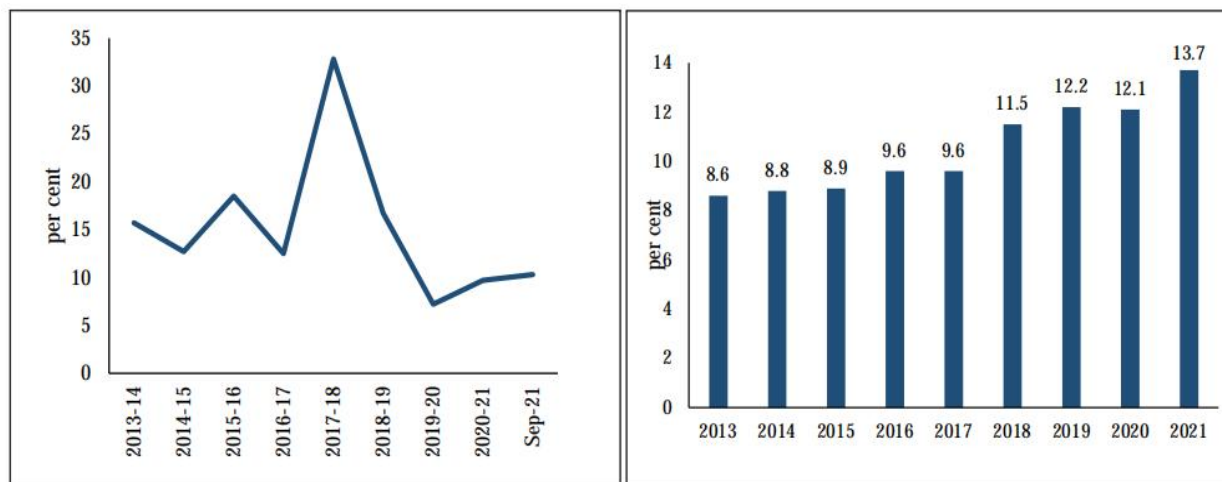
There were 9608 non-banking financial companies (NBFCs) registered with the Reserve Bank as on January 31, 2021. Out of above 9415 were non-deposit accepting (NBFCs-ND) while there were 64 deposit accepting NBFCs (NBFCs-D), 28 Asset reconstruction companies (ARCs) and 101 Housing Finance Companies (HFCs). 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.

Credit growth of NBFCs continued to remain sluggish in 2021-22 so far. The total credit of NBFC sector increased marginally from Rs.27.53 lakh crore in March 2021 to Rs. 28.03 lakh crore in September 2021. The credit intensity of NBFCs, measured by NBFC credit as a ratio of GDP has been rising consistently and stood at 13.7 at end March 2021

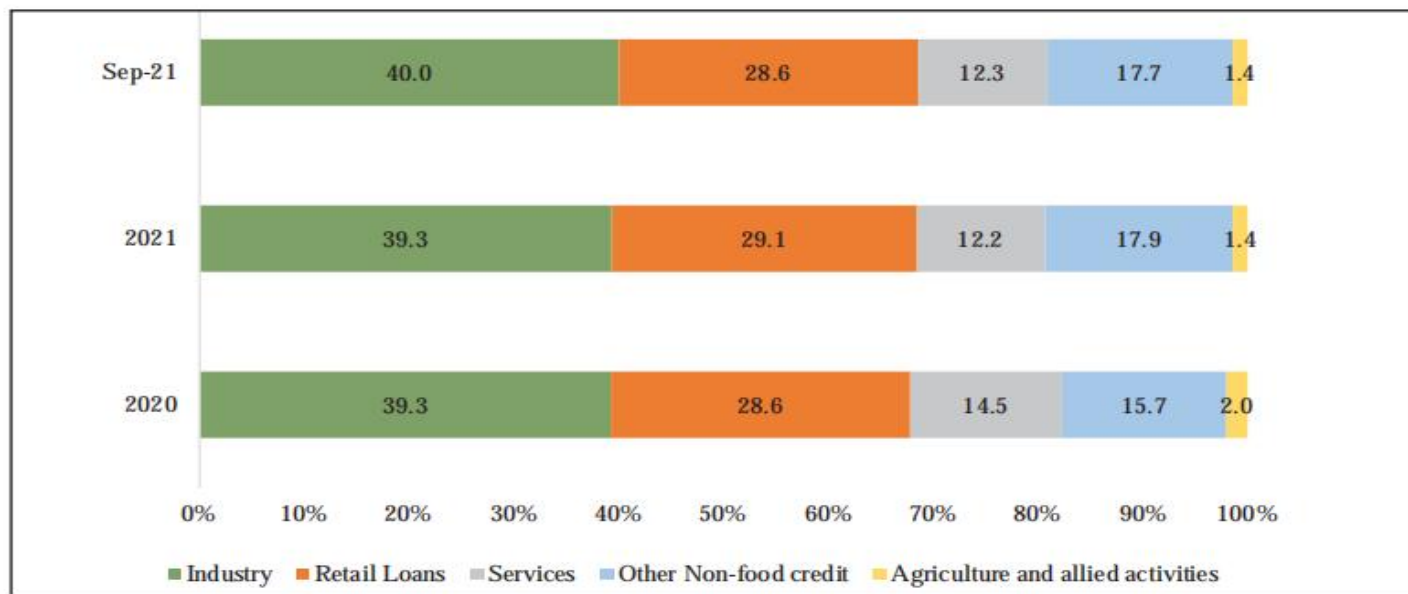




Credit Grow (YOY)

NBFC's Credit to GDP Ratio

Industry remained the largest recipient of credit extended by the NBFC sector, followed by retail loans and services. The share of large industry in the total credit to industry by NBFC sector increased from about 82 per cent at end March 2019 to 90 per cent at end September 2021.



Sectoral distribution of NBFC Credit

Total assets of NBFCs increased from Rs.36.37 lakh crore in September 2020 to Rs. 42.05 lakh crore in September 2021, resulting in YoY growth of 15.61 per cent. Banks' exposure to NBFCs increased (in the form of bank lending and investment in Non-Convertible Debenture (NCDs) and Commercial Paper (CPs)) from Rs. 8.44 lakh crore in September 2020 to Rs. 9.16 lakh crore in September 2021, recording YoY growth of 8.5 per cent.



The external liabilities of NBFCs in the form of secured and unsecured borrowings and public deposits increased by 7.95 per cent (on a YoY basis) in September 2021. While borrowings from other financial institutions marginally increased from Rs. 58,650 crore in March 2021 to Rs. 59,525 crore in September 2021 (4.34 per cent YoY growth), market borrowings - NCDs and CPs - increased from Rs. 10.56 lakh crore in September 2020 to Rs. 11.41 lakh crore in September 2021 (8.09 per cent YoY growth).

GNPA ratio of NBFCs was higher at 6.55 per cent at end-September 2021, as compared to 6.06 per cent at end-March 2021. However, their net NPA ratio remained at 2.93 per cent at end-September 2021 same as in March 2021. As against the regulatory requirement of 15 per cent, CRAR for the NBFC sector stood at 26.64 per cent at end-September 2021.

Bank credit to services sector registered a growth (YoY) of 3.6 per cent in November 2021, as compared to the 8.2 per cent a year ago. The slowdown in growth is largely on account of the lower growth in credit to 'Tourism, Hotel & Restaurants', 'Transport Operators' and 'Trade- Retail as well as Wholesale. On the other hand, growth in bank credit picked up in 'Computer Software', 'Shipping', and 'Non-Banking Financial Companies (NBFCs).

Bank credit to NBFCs grew in double digit in FY22 with outstanding bank credit to them rising by 10.4 per cent to Rs 10.5 lakh crore on the back of improvement in overall economic activities and banks' renewed focus on the NBFC sector following improvement in their balance sheets, says a report.

In absolute terms, according to an analysis by Care Ratings, bank credit to non-banking financial companies (NBFCs) expanded by Rs 99,000 crore in FY22, from FY21.

The number does not include liquidity given by banks to them through securitization route (direct assignment and pass-through certificates) and also banks' investments in NBFCs' debt instruments.

NBFCs would maintain loan growth of around 14 per cent year-on-year in the next fiscal with growth in the current fiscal at about 7 to 8 per cent.

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.

Source: RBI report, media reports

Company outlook

Capital Trust Limited (CTL) is a publicly listed non-banking finance company (NBFC) that specializes in providing income generating digital business loans in tier 3-5 towns. Merging best practices of fintech and traditional financing, the company focuses on financial inclusion of the underserved in deep interiors of rural



India. It does so by using digital processes and state of the art technology without compromising on its "feet-on-street" model. As on March 31, 2022, Capital Trust has a portfolio of Rs. 301Cr and caters to over 99,000 customers across 94 districts through 315 branches in 10 states in North and East India. The company prides itself to be India's first "Rural Doorstep- Fintech" company.

Particulars	31-Mar-20	31-Mar-21	31-Mar-22
# Active Borrowers	1,55,584	1,26,933	99,000
No of States Covered	10	10	10
No of Districts Covered	65	65	94
No of Branches	241	244	315
No of Field Staff	1,739	1,921	1,929
Corporate Staff	184	110	108
Total Staff	1,923	2,031	2,037
Loan Outstanding - Managed portfolio (Rs. Cr)	154	121	71
Loan Outstanding - Own portfolio (Rs. Cr)	317	281	230
Loan Outstanding - Total portfolio (Rs. Cr)	471	401	301
Capital Adequacy	46.7%	46.6%	43.8%
Leverage (in X)	1.8	2.0	1.7

Loan Products:

Product offerings split into 2: **Capital Digital Loans (CDL)** portfolio and **Legacy** portfolio.

CAPITAL DIGITAL LOANS: Is the **active product** of the company that was launched in FY19. This represents the **core segment** of the company and the **future of Capital Trust**.

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

Name of Product	Quick Digital Loan	Capital Magic Loan (CML)
Loan Amount (range of ticket size)	Rs 5,000	Rs 30,000-50,000
Range of Tenor	3 months	Upto 18 months



Repayment Frequency	Monthly	Monthly
ROI	Interest-Free	35%
PF	10%	4%
Security	Unsecured	Unsecured
Product Optimization	Small ticket size, short tenure, optimal EMI amount, short turn-around-time, high yield, digital collection enabled, full cash collection setup, geo-tagged and analytics backed	

Salient Features of CDL:

- **Complete Digital process encapsulating every step:** From documentation & paperwork to onboarding and disbursement. First mode of repayment for all clients is NACH, in addition the Payment Gateway has been enabled to all the customers through the Company's App and payment link. Loans are disbursed online and ~60% collections done either online or by advance payment by client at the branch. Balance is done via individual cash collection using a geo-tagged route planning system.
- **Automated disbursement mechanism:** Decision of lending is done on the basis of a borrower's Credit Scoring, Income, Credit History and Debt servicing capacity. The engine further calibrates for regional differences in performance using pin-code level data.
- **Ticket Size & Tenure:** The Ticket size of this product is at Rs. 5,000 – 50,000 making it accessible across a broader customer base. Short tenure of 3-18 months makes the repayment faster.
- **Return Accretive:** Overall, NIM's for this product are higher than the Company's traditional portfolio. The Company has been focusing on increasing this product base to a broader market across existing and new geographies.
- **Enabling digital integration by blending with physical approach:** While the processes remain digital, to maintain stringent quality checks, physical visits are also conducted, enabling independence between credit officer's data entry and the backend automated decision-making process. The credit officer's role primarily is to propose a case with the system having final decision power. AI and Business Intelligence is used to automatically calculate the applicant's household income based on standardized business size, industry margin and expected expenses.

Credit Processes:

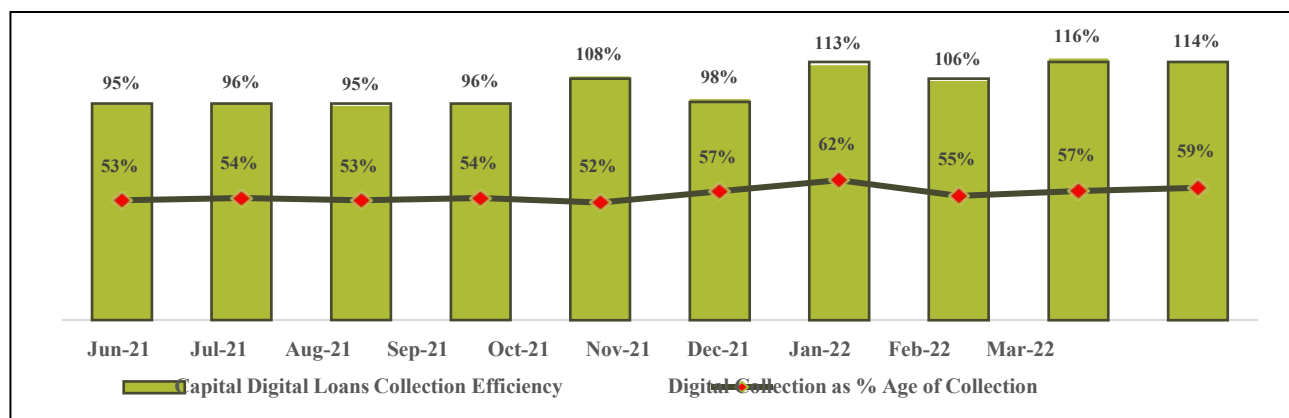
- **Hybrid Dual Credit:** Automated credit (credit bureau checks and preset algorithms) is supplemented with traditional safeguards of branch banking (physical verification of residence, business premise and cash flow analysis).
- Using its database of 3500Cr and 10Lac clients funded in its company lifetime history, Capital Trust has created an algorithmic credit rule engine that has significantly helped credit decisioning processes of the company. It employs an advanced Credit Engine model using Artificial Intelligence / Machine Learning



model to predict client repayment before sanctioning of a loan. It provides automated decision making with Credit Scoring of the borrower based on Income, Credit History and Debt servicing capacity. The engine calibrates regional differences in performance using pin-code level data.

- **Physical Visit Engine:** The company's Physical Visit Engine enables data entry with backend automated decision making. Using historic data, the engine has categorized all client industries into 73 industries as seen in rural India. Based on client's business margin (high / medium / low) and business scale (high / medium / low) inputted by the credit officer, the system automatically calculates disposable income of that business based on historic industry data already input into the system. Further, Business Intelligence is used to automatically calculate Household Income based on standardized business size, industry margin and expected expenses.

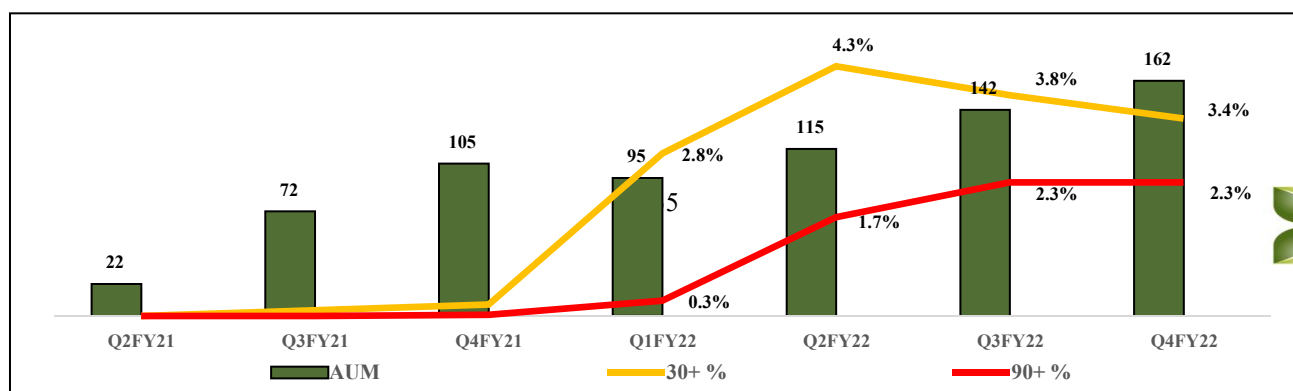
Collection Efficiency:



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

PAR:

Company has disbursed a total of Rs. 293Cr in the CDL product. Owing to short tenure of loans, outstanding portfolio is Rs. 162 Cr. Despite facing significant external challenges since incorporation of product, there has been **no restructuring or write-off** in this portfolio. The portfolio quality, despite Covid, has been immaculate. **90+ stands at 2.3% on POS and 1.3% on total**



disbursement. 30+ stands at 3.4% on POS and 1.9% on total disbursement. Owing to tenure of all loans being less than 18 months, the product has already seen 2-3 full cycles, including a high impact market event.

	Q2 FY2 1	Q3 FY2 1	Q4 FY2 1	Q1 FY2 2	Q2 FY2 2	Q3 FY2 2	Q4 FY2 2	On Disbursa l
AUM (Rs Cr)	22	72	105	95	115	142	162	293
30+ PAR Rs Cr	0.0	0.1	0.2	2.7	4.9	5.4	5.5	5.5
30+ PAR %	0.0%	0.1%	0.2%	2.8%	4.3%	3.8%	3.4%	1.9%
90+ PAR Rs Cr	0.0	0.0	0.0	0.3	2.0	3.3	3.7	3.7
90+ PAR %	0.0%	0.0%	0.0%	0.3%	1.7%	2.3%	2.3%	1.3%

Static Pool								
Origination Month	Disbursement (Rs. Lakh)	90+ PAR at the end of each quarter (as % of Disbursement)						
		Q1	Q2	Q3	Q4	Q5	Q6	Q7
Jul-20	54	-	-	-	10.3	18.3	16.0	14.8
Aug-20	613	-	0.0	0.1	0.7	1.2	1.0	
Sep-20	1,486	-	0.0	0.1	0.4	0.5	0.4	
Oct-20	2,533	-	0.0	0.1	0.2	0.3	0.3	
Nov-20	1,143	-	0.0	0.3	0.5	0.6		
Dec-20	1,793	-	0.0	0.2	0.3	0.3		
Jan-21	2,536	-	0.0	0.1	0.2	0.2		



Feb-21	1,258	-	0.1	0.3	0.3			
Mar-21	941	-	0.1	0.3	0.4			
Apr-21	885	-	0.1	0.2	0.2			
May-21	-	-	-	-				
Jun-21	223	-	0.2	0.5				
Jul-21	1,175	-	0.0	0.0				
Aug-21	1,608	-	0.0					
Sep-21	1,766	-	0.0					
Oct-21	1,972	-	-					
Nov-21	1,390	-						
Dec-21	2,126	-						
Jan-22	2,100	-						
Feb-22	1,695							
Mar-22	2,037							

LEGACY was disbursed prior to March 31, 2020 and was predominantly joint-liability, cash collection based with comparatively larger ticket sizes (secured upto 5 Lakh and unsecured upto 1 Lakh) and longer tenures. **There is no disbursement in this segment post March 31, 2020 over the last 24 months.**

Name of Product	Micro Finance Loan (MFL)	Micro Enterprises Loan (MEL)	Secured Enterprises Loan (SEL)
Loan Amt (range of ticket size)	Rs 20,000-30,000	Rs 1,05,000	Rs 1,00,000-5,00,000
Range of Tenor	24 months	36 months	36-60 months
Repayment Frequency	Fortnightly	Fortnightly	Monthly
ROI	24-25%	28-30%	28-30%
PF	1%	2%	4%
Security	Unsecured	Unsecured	Secured against Property Papers

Operational Comparison Between Capital Digital Loans and Legacy Portfolio:

	CDL	Legacy	Enhancement in CDL Product
Disbursement	Online	Online	-
Collection	Digital NACH collection as 1 st mode of repayment	100% Cash collection	With ~60% digital collection in CDL, lower operational cost + greater transparency
Tenure	3 - 18 months	24-60 months	Reduced risk owing to shorter time period
Ticket Size	5,000 – 50,000	20,000 - 5,00,000	Reduced risk owing to smaller exposure
Rate of Interest	~35%	24-30%	Greater NIMs and higher ability to absorb external factors

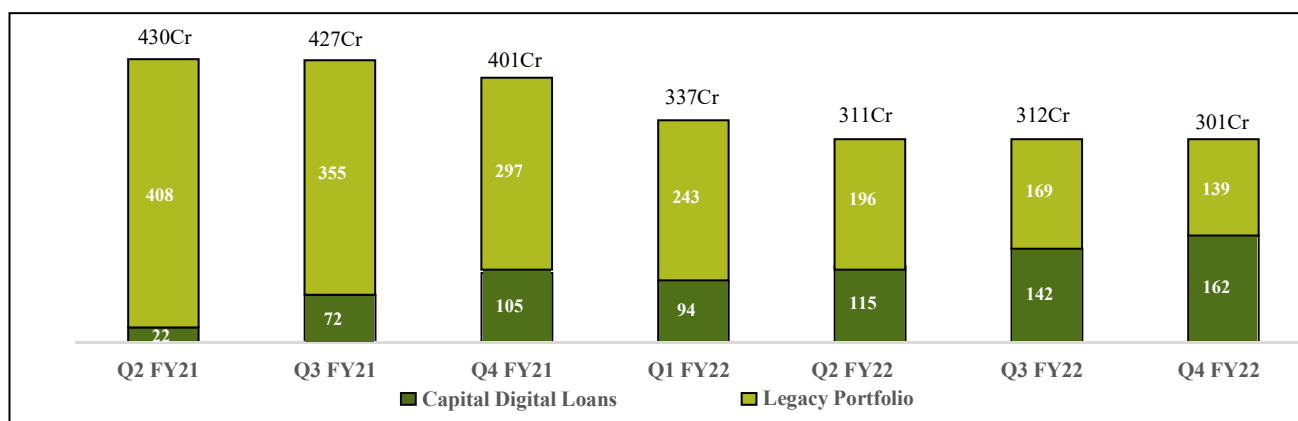


Process	Highly tech enabled underwriting, collection and monitoring process	Traditional collection and monitoring process	Use of data and BI to remove subjectivity and possibility of deviation in processes
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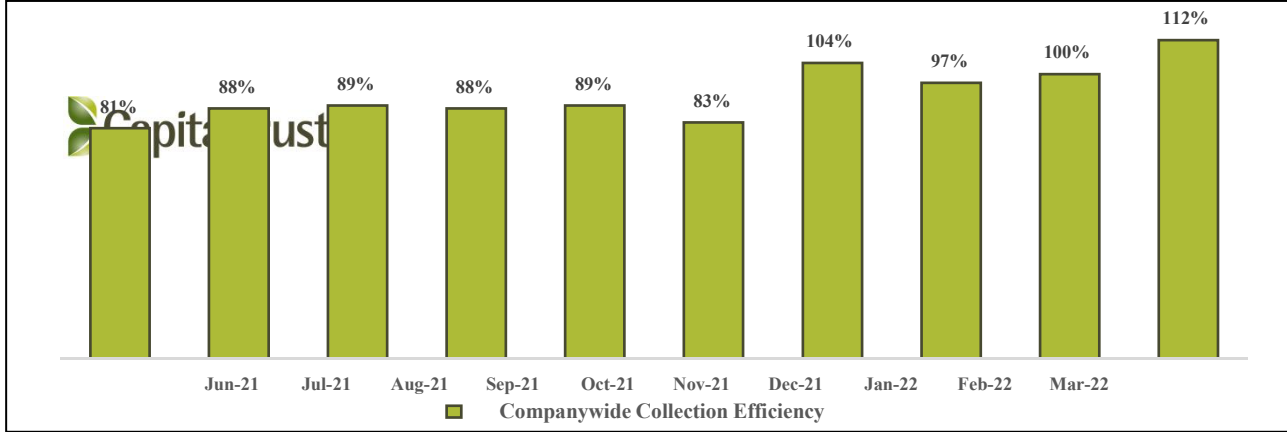
Therefore, CDL products have lower risk due to smaller ticket size, shorter tenure and digital collection compared to legacy products.

Companywide Performance Metrics:

Stability of AUM with Increasing Proportion of CDL: With company focus on CDL and legacy portfolio simply running down, % proportion of CDL is higher than legacy for first time as on Q4 FY22. On the back of higher collections, no new disbursements and Rs. 13Cr write-off in Q4FY22, legacy portfolio continues to run down. Legacy portfolio has reduced by 71% since Q4 FY20 and is expected to run down completely in the next 12-15 months. The reason for gradual decline in portfolio is conscious decision of company to completely stop legacy disbursement and focus on CDL portfolio which has a short tenure. Company is confident to see increase in portfolio going forward.

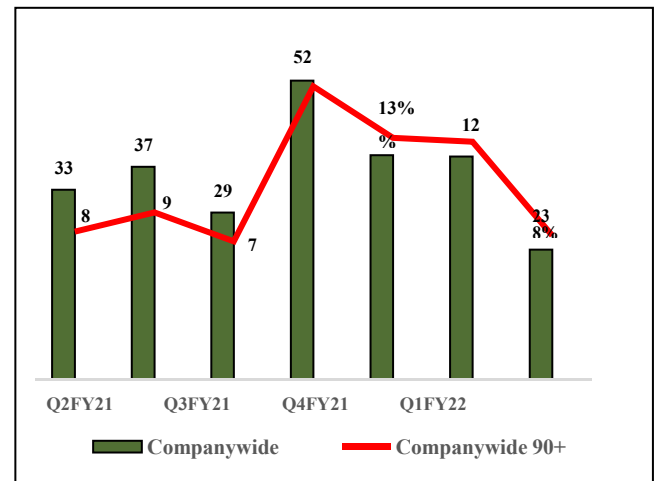
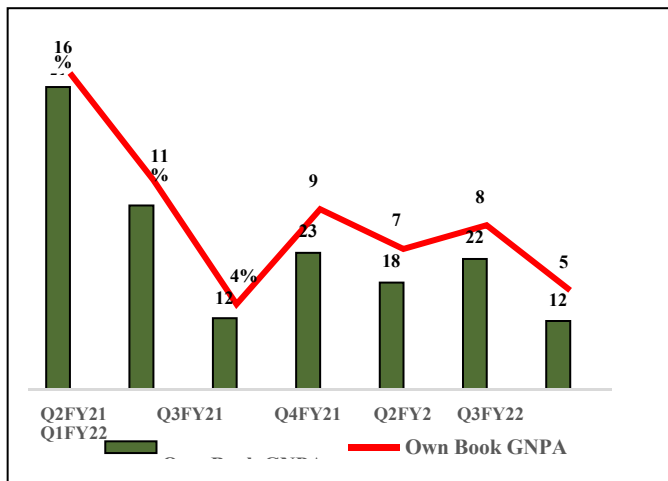


Highest Ever Collection Efficiency Since Covid: Collection efficiency continues to increase with significant overdue collection ensuring overall collection efficiency is now above current demand of the months. Collection for the quarter stood at a strong 103%.



Continuously Reducing GNPA and Company wide 90+: GNPA is now down to 5% and has been reducing continuously. The company wide 90+ is now Rs. 23 Cr reducing by 41% in Q4 FY22.

There is an outstanding provision balance of Rs. 42 Cr against this delinquent portfolio. Thus, company has upfronted and already made significant provision balance against future losses.



	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
AUM (Rs Cr)									
CDL	-	-	22	72	105	94	115	142	162
Legacy	471	467	408	355	297	243	196	170	139
Total	471	467	429	427	401	337	311	312	301
90+ PAR (Rs Cr)									
CDL	-	-	-	-	0.0	0.3	2.0	3.3	3.8
Legacy	35.5	34.8	33.1	37.3	28.7	51.4	37.1	35.5	18.8
Total	35.5	34.8	33.1	37.3	28.8	51.6	39.1	38.8	22.5
90+ PAR (%)									
CDL	NA	NA	0.0%	0.0%	0.0%	0.3%	1.7%	2.3%	2.7%
Legacy	7.5%	7.5%	8.1%	10.5%	9.7%	21.2%	18.9%	20.9%	13.5%
Total	7.5%	7.5%	7.7%	8.7%	7.2%	15.3%	12.6%	12.4%	7.5%



Negligible Covid Impact on CDL Portfolio & Impact on Legacy Portfolio in Line with Competitors: Following table summarizes the impact on asset quality of legacy portfolio due to Covid:

A	Opening Portfolio (as on 1st March 2020 prior to Covid) Rs cr	509.0
B	90+ PAR Rs Cr (as on March 2022 after 2 Years of Covid) Rs cr	22.5
C	Write off during FY21 Rs cr	29.9
D	Write off during FY22 Rs cr	13.6
E = B+C+D	Total stressed portfolio Rs cr	66.0
E / A	Stressed portfolio / Opening Portfolio %	12.9%

Over a 2-year period, 12.9% of the legacy portfolio was affected by 3 waves of Covid. We believe this was approximately in line with the impact on overall market and the legacy portfolio was similar in performance to other micro loans. Even though Legacy performance was similar to other unsecured loan products in the market, CDL product was initiated to further improve on the previous products using digitization. This change was quite successful as clearly seen in CDL performance above.

Residual Portfolio & High Provision Balance: The legacy portfolio outstanding as on Q4 FY22 is Rs. 139 Crore and the outstanding provision balance is Rs. 42 Crore. Provision Coverage Ratio on the companywide 90+ stands at 140%.

It is important to note that restructuring was done only for those cases that were having an active repayment history. All restructured loans were converted to digital payment mode (by taking NACH) and were at a lower rate of interest. Collection efficiency for this restructured portfolio (post moratorium) stands at ~67%. Even with a shortfall of 30% in restructured portfolio, the loss can comfortably be covered by the existing provisions.

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. Documentation is done through e signs.
- **Automation** - The services of an Android operating system are extended to clients that help them keep track of their loan progress, provide access to credit records, store KYC information and let clients repay instalments from their application with links to their bank accounts.
- **Newer customer and staff channels** – Customers now get recorded calls for their due amount, arrears and newer eligible loans using OBD calls, SMS etc. Staff has been enabled with real-time information of customers demand sheet, arrears etc.
- **New fintech products** - Capital Magic and Micro Business Loans are a mix of Fintech and regular product. The company provides Capital Magic Loan to Clients within same day.

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

3. **Large Geographic Presence:** The Company is working on hub and spoke model. For every district branch, there are four block level branches. Thus the company is close to the customers. Even though the company has now started digital product, the company has not stopped regular connect with the client. The company mainly operates in Hindi belt areas so there is no language barrier.
4. **Experienced Human Capital:** The company has strong human capital of more than 2000 people, who are full of knowledge and experience. The company has built a team of professionals, who have diversified experience and knowledge in their domain area. The Company has independent business, credit and compliance teams. Some of the employees in company have been with the company for more than 20 years showing great employment retention rate.



5. **Effective Internal Audit:** The Company has strong internal audit teams who do frequent internal audits of the branches. The frequency being quite regular helps in reduction in frauds and implementation of company's policies.
6. **Large no. of lenders:** The Company has current relationship (including past association) with more than 25 lenders, who have supported the company to reach to present level. The funders have supported the company even in the period when NBFC sector was in turmoil.
7. **Liquidity of shares:** The shares of the company being listed on NSE and BSE, therefore the investment by investors in the company is liquid, which can be encashed anytime. The liquidity also offers company the opportunity to tie up with institutional investors and PE funds which generally look for listed entities for investment.
8. **Strong capital 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.
11. **Credit Engine**
Automated decision making with Credit Scoring of the borrower based on Income, Credit History and Debt servicing capacity. The engine calibrates regional differences in performance using pin-code level data
12. **Physical Visit Engine**
Enablement of Independent Credit Officer's data entry with backend automated decision making. System automatically calculates Household Income based on standardized business size, industry margin and expected expenses
13. **Staff Engine**
Integrated tool for real time monitoring of current staff availability and projected staff sufficiency at branch level by looking at past attendance this engine predicts staff shortfall in times to come.
14. **Disbursement Engine**
Developed Real-Time system of automated controls on disbursement to avoid risk build up in branches. This engine helps monitor internal and external parameters and ensures



automatic stoppage of branch/staff disbursement where collection parameters fall below a prescribed level

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.

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. These companies are under merger with the holding company.

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

The issuance of digital receipts for the repayments made by the clients, has helped the company 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 its 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 statutes, and other incidental factors. The Company undertakes no obligation to publicly revise any forward looking statements to reflect future/likely events or circumstances.



Directors' Report 2021-22

Your Directors take pleasure in presenting the Thirty Sixth 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, 2022.

1. FINANCIAL RESULTS

The Company's financial performance for year ended 31st March, 2022 is summarized below:

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Total Income from operations	10660.54	11,286.67	10598.24	11,458.82
EBIDTA	2091.99	849.16	1813.35	431.81
Less:				
Interest	3722.53	3821.40	3181.08	3311.91
Depreciation	49.67	57.63	49.67	57.63
Profit Before Tax	(1680.21)	(3029.88)	(1417.40)	(2937.73)
Profit/(Loss) after tax	(1232.46)	(2377.23)	(1034.77)	(2362.42)
Available for appropriation	(1232.46)	(2377.23)	(1034.77)	(2362.42)
Transfer to Reserve fund u/s 45IC of Act, 1934	-	-	-	-

2. FINANCIAL PERFORMANCE

The years 2020 to 22 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. 11458.82 Lakhs to Rs. 10660.54 Lakhs mainly due to drop in portfolio. The company as a cautious step stopped disbursements during the second covid wave. The interest expenses have come down to Rs. 3181.08 Lakhs from Rs. 3311.91 Lakhs during the year mainly due to prepayments of high cost debts. Your company has reported a loss of Rs 1034.77 Lakhs due to higher provisioning done as management discretion. The company has estimated additional expected credit loss allowance amounting to Rs. 4105 lakhs (previous year ended 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..

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, 2022. The Company has also taken issued debentures of Rs. 3000 Lakhs, which are also rated as BBB- by Care Ratings.

3. FUND RAISING



In total the company has raised Rs. 13000 Lakhs during the year in the form of Term loans, PTCs, 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- from Care Ratings on 31st March, 2022.

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. The merger process is underway.

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

11. CAPITAL ADEQUACY

The Capital Adequacy Ratio of the company on consolidated basis was 43.81% as of March 31, 2022. 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 2021.

13. CHANGES IN NATURE OF BUSINESS

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

14. CORPORATE SOCIAL RESPONSIBILITY

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

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

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 2021-22 is given hereunder:

Year	Amount (in Rs.)		
	FY 2020-21	FY 2019-20	FY2018-19
Net Profit as per Section 198	(302,989,000)	5,329,569	8,400,624

Average net profit	(96,419,602)
Minimum amount of CSR (@2% of profits)	-

The company provided contribution towards poverty alleviation through vocational training for marginalized section of the society with objective to enhance employability, productivity, social and economic development.

During the year 2021-22, the company there has been no requirement of spending on CSR activity.

15. 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.

16. CORPORATE GOVERNANCE

The Company is in compliance with the Corporate Governance requirement of Companies Act, 2013 also those set out by SEBI. The Company has also 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 JKVS & Co., Chartered Accountants, confirming compliance with the condition of Corporate Governance as stipulated under the listing Regulation also form part of the Annual Report.

17. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. 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

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

19. PUBLIC DEPOSITS

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

20. 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

21. NUMBER OF MEETINGS OF THE BOARD

The Board met 5 (five) times during the financial year 2021-22 viz., on June 29, 2021, August 14, 2021, November 13, 2021, December 13, 2021 and February 12, 2022.

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

22. DIRECTORS' RESPONSIBILITY STATEMENT



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

- i. in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a 'going concern' basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

24. DIRECTORS & KEY MANAGERIAL PERSONNEL

A) RETIRE BY ROTATION

During the year under review, Mr. Vahin Khosla (DIN-07656984), Director of the Company, retires by rotation. He being eligible offers himself for reappointment as Executive Director of the Company.

b) APPOINTMENT/ RESIGNATION

During the year, Mr. Nikhel Kochhar, Independent Director and Mrs. Anju Khosla, Executive Director resigned from the board due to personal reasons. Their resignation was accepted by Board w.e.f. June 29, 2021.

The company has appointed Mr. Vahin Khosla as Executive Director of the company with effect from July 01, 2021.



Brief profile of the Mr. Vahin Khosla is given hereunder:

Having done his schooling from The Doon School, Vahin Khosla graduated as a Roberts Day Scholar from Claremont Mckenna College, California. He has represented his football club at an international level and hopes similar goals that have been set are reached at Capital Trust.

25. BOARD'S INDEPENDENCE

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

1. 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.

26. 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

27. NOMINATION AND REMUNERATION POLICY

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

28. ANNUAL EVALUATION OF BOARD MEMBERS

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

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



individually as well as the evaluation of the Audit Committee, Nomination and Remuneration Committee.

The executive Directors are evaluated on the basis of

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

29. COMMITTEES OF THE BOARD



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

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

The company also has Asset Liability Committee.

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

30. EMPLOYEE STOCK OPTION SCHEME

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

31. VIGIL MECHANISM

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

32. 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.

33. AUDITORS AND AUDITORS' REPORT

a) Statutory Auditors

The Statutory Auditors of the Company M/s JKVS & Co. Chartered Accountants (Firm Registration No. 302049E), were appointed as the statutory auditor of the from this



Extraordinary General Meeting and that they shall hold the office of the Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the ensuing Annual General Meeting on such remunerations 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 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 forms part of this Report. The Report does not contain any qualification, reservation or adverse remark.

c) Internal Auditor

The Company had appointed D P Bhardwaj & Associates, Chartered Accountants as Internal Auditor. The Internal Auditor has submitted reports on quarterly basis which is placed before the audit committee of company.

34. 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, the auditors have observed that There were no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable other than Provident Fund amounts to Rs. 4.17 Lakhs, Employees' State Insurance amounts to Rs. 0.89 Lakhs and Professional Tax amounts to Rs. 0.82 Lakhs.

In response to that it is submitted that the there are some employees where there is mismatch between the name in their Adhar and PAN and therefore their UAN is either not generated or not linked. Therefore the amount can not be deposited. The company has separately parked this amount and will deposit once the issue is resolved by employees.

(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.



35. 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. 7.83 Lakhs by some employees against which Company has recovered Rs. 2.12 Lakhs and Rs. 5.70 Lakhs has been written off in the statement of profit and loss.

36. 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, 2022.

37. 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.

38. 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 2021-22 were Nil.

Foreign Exchange Inflow: Nil

Foreign Exchange Outflow: Nil

39. 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
3.	Nature of Employment	Permanent
4.	Qualifications	Mr. Yogen Khosla is a commerce and Experience graduate from Loyola College, Chennai. He introduced the company into retail lending of Micro loans in rural and semiurban areas in 2008. He has led the company to being adjudged as to one of the top 100 Small and Medium Enterprises in India by India SME Forum in 2017.
5.	Date of Commencement of Employment	01-04-2003
6.	Age	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**

40. 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.

41. 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.

42. 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.

43. 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 1.2 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.

44. 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.

45. 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: 27.05.2022
Place: New Delhi



Annual Report on CSR Activities for the year 2021-22

1. Brief outline on CSR Policy of the Company.

We at Capital Trust Limited believe that business enterprises are economic organs of society and draw on social resources. Capital Trust Limited believes in take part its business values and operations to meet the expectations of stakeholders and a company's performance/evaluation must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing social sustainability. Based on the thought process, our focus has always been to advancement of the society and environment for the present & future generations.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Pawan Dubey	Independent Director	01	01
2	Mr. Sanjiv Syal	Director	01	01
3	Mr. Yogen Khosla	Director	01	01
4.	Mr. Govind Saboo	Director	01	01

2. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR committee shared above and is available on the Company's website at <https://www.capitaltrust.in>

3. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2020-21	Nil	Nil



	Total	Nil		Nil
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6. Average net profit of the company as per section 135(5).

The average net profit for the last three years is Rs. (96,419,602).

7. (a) Two percent of average net profit of the company as per section 135(5)

Being loss, two percent of net profits is zero.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Nil

(c) Amount required to be set off for the financial year, if any

Nil

(d) Total CSR obligation for the financial year (7a+7b-7c). Nil

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
16,50,000*	-	-	-	-	-

8. (a) CSR amount spent or unspent for the financial year:

The amount spent was for the ongoing activities for the financial year 2020-21.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District.						Name	CSR Registration number.
1.	CSR initiative of Capital Trust Ltd	-	Yes	Punjab	Amritsar	5 months	22,00,000	16,50,000	-	No	Invited foundation	CSR00007181
	Total						22,00,000	16,50,000				CSR00007181

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	NA								
2.									
3.									
	Total								

(d) Amount spent in Administrative Overheads - NA

(e) Amount spent on Impact Assessment, if applicable - NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) Rs. 16,50,000

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	16,50,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2020-21	-	16,50,000	-	-	-	-
2.							
3.							
	Total						



(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1	CTL_CSR_RPL	CSR initiative of Capital Trust Ltd	2019-20	5 Months	22,00,000	16,50,000	16,50,000	Complete
	Total				22,00,000	16,50,000	16,50,000	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

Nil

(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s).NA
- (b) Amount of CSR spent for creation or acquisition of capital asset. NA
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

NA

For Capital Trust Limited

Yogen Khosla

Chairman and Managing Director



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, 2022** 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, 2022 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. 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.
- b. 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.
- c. During year Mr. Vahin Khosla was appointed as Executive Director of the company w.e.f 01.07.2021.

SHASHANK SHARMA & ASSOCIATES
Company Secretaries

Date: 16.08.2022
Place: New Delhi
UDIN: A019311D000797880

Shashank Sharma
Company Secretary
ACS 19311
CP No. 7221

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

Date: 16.08.2022
Place: New Delhi
UDIN: A019311D000797880

Shashank Sharma
Company Secretary
ACS 19311
CP No. 7221



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 2021-22 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, 2022, the Company has Six Directors. Of the Six directors, four (i.e. 66.66 percent) are Non-Executive Independent Directors. The profiles of Directors can be found on <https://www.capitaltrust.in/board-of-directors/>. 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, 2022 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 29, 2021; August 14, 2021, November 13, 2021; December 17, 2021; February 12, 2022. 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, 2022 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 30.09.2021	No. Of Directorsh ips in other public companies	Number of Committ ee position s held in other Public Compan ies	Directorsh ip in other listed entity (Category of Directorsh ip)
Mr. Yogen Khosla	Chairman and Managing Director	5	Yes	Nil	Nil	Nil
Mr. Vahin Khosla	Director	4	-	Nil	Nil	Nil
Mr. Sanjiv Syal	Non-Executive-Independent Director	5	Yes	Nil	Nil	Nil
Mr. Govind Saboo	Non-Executive-Independent Director	5	-	Nil	Nil	Nil
Ms. Suman Kukrety	Non-Executive-Independent Director	5	-	Nil	Nil	Nil
Mr. Pawan Dubey	Non-Executive-Independent Director	5	-	Nil	Nil	Nil



Note:

1. Mr. Nikhel Kochhar, Non-Executive-Independent Director resigned from Directorship w.e.f June 29, 2021.
2. Mrs. Anju Khosla, Executive Director resigned from Directorship w.e.f June 29, 2021.
3. Mr. Vahin Khosla was appointed as an Executive Director w.e.f. July 01, 2022.
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 Khosla.
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, 2022:

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. Vahin Khosla	Executive Director	Having done his schooling from The Doon School, Vahin Khosla graduated as a Roberts Day Scholar from Claremont McKenna College, California. He has represented his football club at an international level and hopes similar goals that have been set are reached at Capital Trust.
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



		<p>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.</p>
<p>Mr. Nikhel Kochhar</p>	<p>Independent Director</p>	<p>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.</p>
<p>Ms. Suman Kukrety</p>	<p>Independent Woman Director</p>	<p>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.</p>
<p>Mr. Govind Saboo</p>	<p>Independent Director</p>	<p>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.</p>
<p>Mr. Pawan Dubey</p>	<p>Independent Director</p>	<p>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</p>



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 2021-22, one meeting of the Independent Directors was held on June 29, 2021.
- 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, 2022 are given below:

Name	Category	Number of equity shares
Mr. Yogen Khosla	Chairman and Managing Director	6038917
Mr. Vahin Khosla	Executive 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. Vahin Khosla	Mr. Sanjiv Syal	Mr. Govind Saboo	Mr. Pawan Dubey	Mrs. Suman Kukretty
Position held	Chairman and MD	Executive Director	Non Executive ID	Non Executive ID	Non Executive ID	Non Executive ID
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, 2022 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. Yogen Khosla	Executive Director	5	5
Mr. Sanjiv Syal	Non-Executive-Independent Director	5	5
Mr. Govind Saboo	Non-Executive-Independent Director	5	5
Mr. Pawan Dubey	Non-Executive-Independent Director	5	5

- 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.
- Mr. Nikhel Kochhar and Mrs. Anju Khosla resigned w.e.f. June 29, 2021.
- 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' Relationship Committee has been formed to look into the mechanism of redressal of grievances of shareholders, and other security holders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, revalidation of dividend warrants, etc.

- i. The Chairman of the committee Mr. Sanjiv Syal is a Non-Executive Independent Director.
- ii. The details of the committee members and the meetings held by them during the year is given hereunder:

Category and Composition

Name	Category	Stakeholders' Relationship Committee meetings held	Stakeholders' Relationship Committee meetings attended
Mr. Yogen Khosla	Managing Director	4	4
Mr. Govind Saboo	Non-Executive-Independent Director	4	4
Ms. Suman Kukrety	Non-Executive-Independent Director	4	4
Mr. Sanjiv Syal	Non-Executive-Independent Director	4	4
Mr. Pawan Dubey	Non-Executive-Independent Director	4	4

- Four meetings were held during the year under review.
- Mr. Nikhel Kochhar and Mrs. Anju Khosla resigned w.e.f. June 29, 2021.
- The company secretary acts as the secretary of the committee.

Name and Designation of Company Secretary & 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 2021-22:	4
Number of shareholders' compliant resolved 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. Govind Saboo (Chairman)	Non-Executive-Independent Director	3	3
Mr. Sanjiv Syal	Non-Executive-Independent Director	3	3
Mr. Pawan Dubey	Non-Executive-Independent Director	3	3
Mrs. Suman Kukrety	Non-Executive-Independent Director	3	3

- Three 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 and 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 27th May, 2021 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, 2022 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 : 105:1 Executive Director : 35:1



- | | | |
|----|---|---|
| 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 : 15%
Company Secretary: 10% |
| 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 | 2136 |
| 5. | The explanation on the relationship between average increase in remuneration and company performance | In the year 21-22, the impact of Covid was still in existence. There the average salary increase was about 10%. |
| 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 there has not been any increase in remuneration of Managing Director and Executive Director. There has been increase of 15% and 10% in CFO and CS of the company respectively. |
| 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 1 st April, 2021 was Rs. 158.70 Crores. The market capitalization as on 31 st March, 2022 was Rs. 193.90 Crores showing an increase of 20%. The Price Earning Ratio as on 31 st March 2022 was Rs. -15.35 as compared to Rs. -16.55 as on 31 st March, 2021. The market price of the equity shares of the company as on 31 st March 2022 was Rs. 116.70 whereas the share price as on 31 st March, 2021 was Rs.96.15.
The percentage increase in market price of shares in comparison with the last public offer was 1067%. |
| 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 | There has been about 10% increase in remuneration of employees during the year. |



	remuneration	
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, 2022:

a. Non-Executive Directors

Name	Sitting Fees (in Lakhs)
Mr. Sanjiv Syal	0.5
Ms. Suman Kukrety	0.5
Mr. Govind Saboo	0.5
Mr. Pawan Dubey	0.5

b. Managing Director and Executive Director

Name	Salary including perquisites
Mr. Yogen Khosla	176.66 Lakhs
Mr. Vahin Khosla	46.32 Lakhs

iv. Corporate Social Responsibility Committee Category and Composition

Name	Category
Mr. Yogen Khosla	Executive Director
Mr. Sanjiv Syal	Non-Executive-Independent Director
Mr. Govind Saboo	Non-Executive-Independent Director
Mr. Pawan Dubey	Non-Executive-Independent Director

- One meeting on February 12, 2022 was held during the year under review.

Key Responsibilities of the CSR Committee:

- Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company
- 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	Stakeholders' Relationship Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee
No. of meetings held	5	4	3	1
Date of Meetings	29.06.2021 14.08.2021 13.11.2021 17.12.2021 12.02.2022	29.06.2021 14.08.2021 13.11.2021 12.02.2022	29.06.2021 14.08.2021 12.02.2022	12.02.2022
No. of Meetings attended				
Mr. Yogen Khosla	4	4	-	1
Mr. Sanjiv Syal	5	4	3	1
Mr. Govind Saboo	5	4	3	1
Mr. Pawan Dubey	5	4	3	1
Ms. Suman Kukrety	-	4	3	-

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 27th May, 2021 and 13th November, 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
2021	September 30, 2021	09:00 a.m.	Video Conferencing
2020	August 10, 2020	09:00 a.m.	Video Conferencing
2019	September 30, 2019	09:00 a.m.	366 Sultanpur, M G Road, New

b. Extraordinary General Meeting

One Extraordinary general meeting of the members was held on March 12, 2022 during Financial Year 2021-22.

c. Special resolution

Year	Particulars
2021	Raising of funds through various options including qualified institutional placement/ non convertible debentures upto Rs. 1000 crores. Fixation of limit for managerial remuneration in event of inadequate profits. Approval for payment of minimum remuneration to Mr. Yogen Khosla, Managing Director in case of no/inadequacy of profits. Approval for payment of minimum remuneration to Mrs. Anju Khosla, in case of no/inadequacy of profits. Appointment of Mr. Vahin Khosla as Executive Director.
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

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 wide 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 2022

Date : 20.09.2022

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, 2022. 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, 2022, 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- 21	98.00	71.05	190587
May- 21	96.00	77.50	267093
June - 21	117.70	86.05	694638
Jul - 21	123.00	104.00	791582
Aug - 21	111.00	81.55	361248
Sep - 21	114.55	86.50	445367
Oct - 21	101.95	86.30	298695
Nov- 21	110.00	89.85	627242
Dec- 21	138.40	98.00	1444290
Jan-22	149.00	110.15	1318984
Feb - 22	142.00	101.00	401331
Mar - 22	130.00	101.40	677908

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

Month	High Price	Low Price	Volume
Apr- 21	100.90	70.60	55591
May- 21	97.50	75.50	50650
June - 21	117.55	85.65	189689
Jul - 21	124.70	104.00	167831
Aug - 21	112.35	81.05	66806
Sep - 21	114.75	86.75	59008
Oct - 21	102.00	86.30	47054
Nov- 21	109.65	86.05	136732
Dec- 21	138.65	98.05	215121
Jan-22	150.10	103.00	256412
Feb - 22	132.90	102.90	53498
Mar - 22	135.00	105.00	46359



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, 2021)

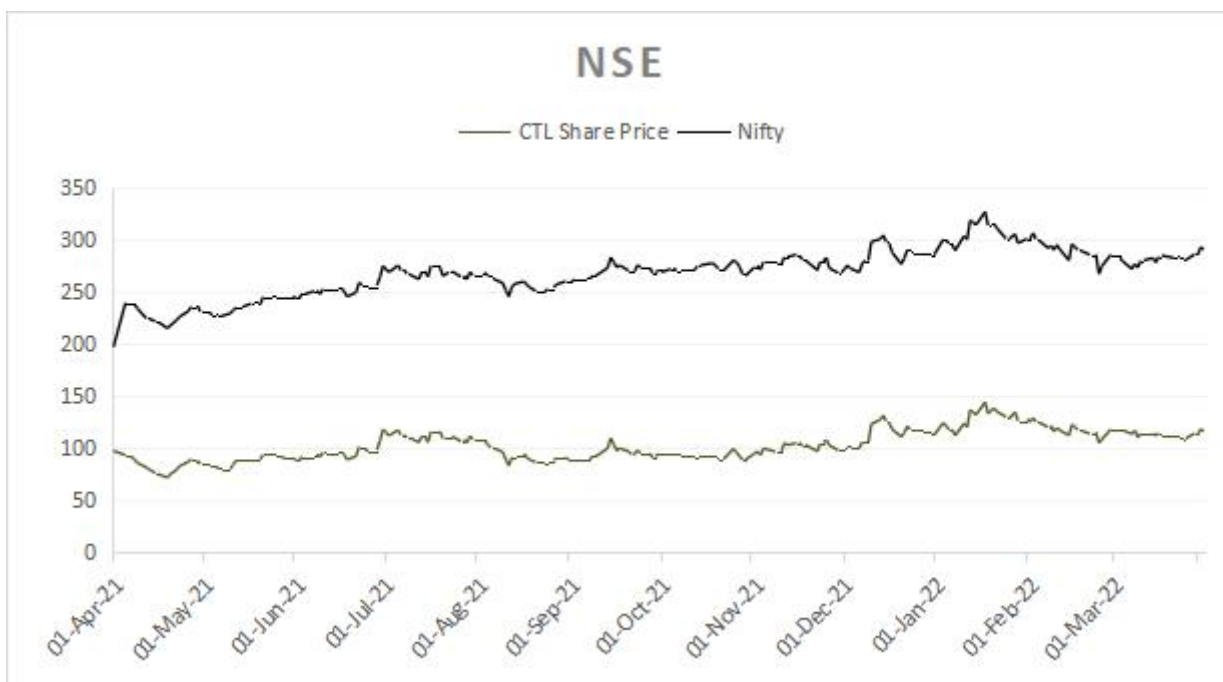
Capital Trust Share performance vis -a - viz BSE Sensex



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, 2021)





xiv. Shareholding Pattern as on March 31, 2022

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, 2022

No of shareholders	% to total	Shareholding nominal value (Rs.)	No of shares	Amount (Rs.)	% to total
7550	92.627	1 to 5000	890244	8902440	5.441
341	4.184	5001 to 10000	261781	2617810	1.6
129	1.583	10001 to 20000	194392	1943920	1.188
36	0.442	20001 to 30000	93177	931770	0.569
24	0.294	30001 to 40000	82168	821680	0.502
16	0.196	40001 to 50000	73835	738350	0.451
30	0.368	50001 to 100000	226147	2261470	1.382



25	0.307	100001 and above	14539671	145396710	88.866
7085	100	TOTAL	16361415	163614150	100

xvi) Dematerialisation of Shares: As on March 31, 2022:

15821865 of the total number of equity shares 16361415 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, 2022. For the purpose of this declaration, Senior Management Team means the Chief Financial Officer and the Company Secretary.

For **Capital Trust Limited**

Date: 27.05.2022

Place: New Delhi

**Yogen Khosla
Chairman and
Managing Director**

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 2021-22 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
Managing Director
DIN: 00203165
Date: 27.05.2022

Vinod Raina
CFO



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

1. 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, 2022. 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

2. 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.
3. 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

4. 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.
5. 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.
6. 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

7. 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, 2022, referred to in paragraph 1 above.

OTHER MATTERS AND RESTRICTION ON USE

8. 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.
9. 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 JKVS & Co.

Chartered Accountants

Firm Registration NO.: 318086E

Sajal Goyal

Partner

Membership Number 523903

UDIN: 22523903AJTHEA9160

Place: New Delhi

Date: May 27, 2022



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Sixth Annual General Meeting (AGM) of Capital Trust Limited (the Company) will be held on Tuesday, September 20, 2022, 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, 2022, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Vahin Khosla (DIN-07656894), who retires by rotation and, being eligible, offers himself for re-appointment.

3. APPOINTMENT OF STATUTORY AUDITORS

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

"RESOLVED THAT pursuant to Section 139, Section 142, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the appointment of M/s. JKVS & Co, Chartered Accountants (Firm Registration No. FRN 318086E) as Statutory Auditors of the Company to hold office from the conclusion of the 36th Annual General Meeting of the Company to the conclusion of the 41st Annual General Meeting to be held in year 2027, on a remuneration as may be agreed upon by the Board of Directors and the Auditors, be and is hereby approved."

SPECIAL BUSINESS

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. TO RE-APPOINT MR. YOGEN KHOSLA AS CHAIRMAN AND MANAGING DIRECTOR FOR FIVE YEARS

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 196, 197 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable article of the Articles of Association of the Company and recommendation of the Nomination and Remuneration Committee and Audit Committee, approval of the company be and is hereby accorded for reappointment of Mr. Yogen Khosla as Managing Director of the company for a period of five years with effect from 1st April, 2023 on such terms and conditions as approved by the members in their Extra Ordinary General Meeting held on 26th July, 2016 and Annual General Meeting held on 30th September, 2021.

**By Order of the Board of Directors
For Capital Trust Limited**

Sd/-

Tanya Sethi

Company Secretary

Date: 27th May, 2022

Place: New Delhi



NOTES:

1. Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 08, 2021, December 14, 2021 and May 05, 2022 respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/ CMD1/CIR/ P/2020/79 , SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HODDHS/P/CIR/2022/006 dated May 12, 2020, January 15, 2021 and May 13,2022, respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. A statement giving relevant details of the directors seeking appointment/reappointment under Item No. 2 of the accompanying notice, as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed herewith as Annexure-I.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act, will not be available for the AGM and, hence, the Proxy Form and Attendance Slip are not annexed to this Notice. The Board of Directors has appointed Shri Shashank Sharma, Practicing Company Secretary (ACS19311 & CP No. 7221) as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
4. Corporate/Institutional members (i.e. other than individuals, HUF, NRI, etc) are required to send scanned copy of its Board or governing body resolution/authorization etc., authorizing its representative to attend AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization be sent to the Scrutinizer by email through its registered email address to shashankcsu@gmail.com with a copy marked to evoting@nsdl.co.in
5. Members attending the AGM through VC / OAVM shall be counted for the purpose



of reckoning the quorum under Section 103 of the Act.

6. Members can login and join the AGM 30 minutes prior to the scheduled time to start the AGM and the window for joining shall be kept open till the expiry of 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members, on first-come-first-served basis. However, the participation of large members (members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Auditors can attend the AGM without restriction of first-come-first served basis. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the aforesaid MCA and SEBI Circulars, 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.
9. For ease of conduct, members who would like to ask questions/express their views on the items of the business to be transacted at the meeting can send in their questions/ comments 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. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.



10. The Registers of Members and Share Transfer Books of the Company will remain closed from Wednesday 14th September, 2022 to Tuesday 20th September, 2022 (both days inclusive) for the purpose of annual closure of books.

11. In accordance with SEBI LODR (Listing Obligations and Disclosure Requirements) (4th amendment) Regulations, 2018 notified on June 07, 2018 and further notification dated 30/11/2018 any request for physical transfer of shares shall not be processed w.e.f. April 01,2019

Further, in compliance with SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only:-

- i. Issue of duplicate share certificate
- ii. Claim from unclaimed suspense account
- iii. Renewal/Exchange of securities certificate
- iv. Endorsement
- v. Sub-division / splitting of securities certificate
- vi. Consolidation of securities certificates/folios
- vii. Transmission
- viii. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the company as well as on the website of MAS Services Ltd, Registrar and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy form.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest.

12. The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021 read with circular dated December 14, 2021 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company. Effective from 1st January 2022. Registrar will not process , any service requests or complaints received from the member until unless above KYC and nomination will not be completed by shareholder and such



shareholders holding will be fridge by RTA on or after 1st April 2023.

The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

- i. PAN; (using ISR-1)
- ii. Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;
- iii. Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- iv. Bank Account details including Bank name and branch, Bank account number, IFS code;
- v. Specimen signature. (using ISR-2)

Any cancellation or change in nomination shall be provided in Form No.SH-14

All of above required documents/details to be sent at the address of registered office of the RTA. The shareholders can download the forms mentioned in SEBI circular from the website of the Company or RTA website i.e www.masserv.com.

A separate communication has already been sent to the respective shareholders.

13. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2021- 22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM alongwith the explanatory statement and Annual Report 2021-22 are available on the website of the Company at www.capitaltrust.com and on the website of the Stock Exchange i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of National Securities Depository Limited (NSDL) i.e. www.evoting.nsdl.com (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM). Company's web-link on the above will also be provided in advertisement being published in Financial Express (English edition) and Jansatta (Hindi edition).
14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company Secretary or Mas Services Limited, Company's Registrar



and Share Transfer Agents (“RTA”) (Tel. No. 011 26387281/82/83) for assistance in this regard.

15. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants (“DP”) in case the shares are held by them in electronic form and with the Company/RTA in case the shares are held by them in physical form.
16. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to the Company/RTA if the shares are held by them in physical form.
17. For receiving all future correspondence (including Annual Report) from the Company electronically–

In case you have not registered your email ID with the Company/ Depository, please follow below instructions to register your email ID for obtaining Annual Report for FY 2021-2022 and login details for e-voting.

Physical Holding

Send a signed request letter to Registrar and Transfer Agents of the Company, MAS Services Limited at investor@masserv.com providing Folio Number, Name of the Shareholder, scanned copy of the Share Certificate (Front and Back), PAN(Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) with subject line (Register E-mail ID Folio No (Mention Folio No) of Capital Trust Limited.

Demat Holding

Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

18. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Notice of the AGM and Annual Report may temporarily get themselves registered with RTA by emailing for obtaining the same. Members are requested to support our



commitment to environmental protection by choosing to receive the Company's communications through e-mail going forward.

Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.capitaltrust.in, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website of NSDL <https://www.evoting.nsdl.com>.

19. In case a person has become a member of the Company after dispatch of the AGM Notice, but on or before the cur-off date for e-voting i.e. **Saturday, September, 17, 2022**, such person may obtain the User ID and Password from RTA by e-mail request on investor@masserv.com
20. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
21. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.
22. Shareholders of the Company are informed that pursuant to the provisions of the Act and the relevant rules the amount of dividend which remains unpaid/unclaimed for a period of 7 years is transferred to the 'Investor Education & Protection Fund (IEPF)' constituted by the Central Govt. Accordingly the amount of dividend which remained unpaid/unclaimed for a period of 7 years for the year 2013-14 has already been transferred to IEPF. Shareholders who have not encashed their dividend warrant(s), for the years 2014-15 to 2020- 21 are requested to make claim with the Registrar & Share Transfer Agent of the Company immediately.

Further, pursuant to the provisions of Section 124(6) of the Act read with the relevant Rules made thereunder, shares on which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred to the IEPF as notified by the Ministry of Corporate Affairs.

In accordance with the IEPF Rules, the Company has sent notices to all the Shareholders whose shares are due for transfer to the IEPF and has also published the details thereof in notices published in newspapers.

The Members whose dividend/shares are transferred to the IEPF may claim the dividend/shares by making an application to the IEPF by following the procedure as detailed in the IEPF Rules and as enumerated on the website of IEPF at <http://www.iepf.gov.in/IEPF/refund.html>.



23. In terms of SEBI Circular dated 09/12/2020, the depository shall send SMS/email alerts regarding the details of the upcoming AGM to the demat holders atleast 2 days prior to the date of commencement of e-voting. Hence members are requested to update the mobile no./email ID with their respective depository participants.
24. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/ Real Time Gross Settlement (RTGS)/ Direct Credit/NEFT etc. In the absence of ECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend.

In order to receive the dividend without loss of time, the Members holding shares in physical form are requested to submit particulars of their bank accounts along with the original cancelled cheque bearing the name of the Member to the RTA, MAS Services Limited/Company to update their bank account details and all the eligible shareholders holding shares in demat mode are requested to update with their respective DPs, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, e-mail ID and Mobile No(s).

Members holding shares in physical form may communicate these details to the RTA viz. MAS Services Limited having address at RTA i.e. MAS Services Limited, having address at T-34 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020, by quoting the reference folio number and attaching photocopy of the cheque leaf of their active bank account and a self-attested copy of their Permanent Account Number ('PAN') card.

This will facilitate the remittance of the dividend amount as directed by SEBI in the bank account electronically. Updation of e-mail IDs and Mobile No(s) will enable the Company in sending communication relating to credit of dividend, un-encashed dividend, etc.

The Company or RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members.

25. The documents referred to in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours on any working day except Sunday, upto the date of meeting.



26. Instructions for e-voting and joining the AGM are as follows:

In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the SEBI Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice 36th Annual General Meeting (AGM) through electronic voting system, to members holding shares as on Tuesday, September 13, 2022 (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by NSDL or to vote at the e-AGM.

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

The remote e-voting period begins on Saturday, September 17, 2022 at 9:00 A.M. and ends on Monday, September, 19, 2022 at 5:00 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. Tuesday, September 13, 2022, 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 Tuesday, September 13, 2022.

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.	<ol style="list-style-type: none"> 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 at https://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



	<p>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.</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 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 are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 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. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>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.</p>



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.in or 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 use 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 shashankesu@gmail.com 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 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 provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@masserv.com or cs@capitaltrust.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@masserv.com or cs@capitaltrust.in. 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.in for 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 THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/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 to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the EGM/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.

General Instructions

- i. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- ii. Shri Shashank Sharma, Practicing Company Secretary (Membership No. ACS19311 & CP No. 7221), has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- iii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, for all those members who are present VC / OAVM at the AGM but have not cast their votes by availing the remote e-voting facility.
- iv. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any,



to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- v. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.capitaltrust.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited.

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

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

The term of Mr. Yogen Khosla, Chairman and Managing Director is ending on 31st March, 2023 as per section 196 of the Companies Act. It is recommended to appoint him for further period of five years with effect from 1st April, 2023 on the terms and conditions as approved by members in their Extra Ordinary General Meeting held on 26th July, 2016 and Annual General Meeting held on 30th September, 2021. The appointment has been approved by Nomination and Compensation committee of the company.



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

1.	Name of Director	Mr. Yogen Khosla	Mr. Vahin Khosla
2.	Category	Chairman and Managing Director	Executive Director
3.	DIN	00203165	07656894
4.	Date of birth	22/05/1963	01/03/1992
5.	Qualification	Post Graduate	Bachelor's degree in Economics-Accounting and Master's degree in Finance
6.	Nature of Expertise/Experience	26 years of experience in Finance, Investment, Capital Budgeting and Compliance.	More than 6 years of experience in NBFC in finance, Business and field operation.
7.	Brief Resume	Appended at end of this table	Appended at end of this table
8.	Terms & Conditions of Appointment/re-appointment	Re-Appointment as Chairman and Managing Director for 5 years.	Re-Appointment as an Executive Director
9.	Last Drawn Remuneration Details along with remuneration sought to be paid	As per the resolution passed by members on 26 th July, 2016	As per the resolution passed by members on 30 th September, 2021
10.	No. of shares held in the company as at March 31, 2022	6038917	Nil
11.	Relationship with other Directors/ Manager/KMP	He is father of Executive Director	He is son of Managing Director
12.	No. of Board meetings attended out of 5 meetings held during the year	5	4
13.	Directorship details	3	0
14.	Committee Positions	5	0

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

Mr. Yogen Khosla

Mr. Yogen Khosla is a finance veteran with over 26 years of experience. He was a Board member of Kinetic Capital Finance and spearheaded their retail finance operations in North India from 1994-1999. He was also a Board member of DBS Capital Trust Securities India Pvt. Limited from 1996 to 2002. Since 2003, he has been working as the Managing Director of



Capital Trust Limited. He introduced the company into the MSME business and has plans to make Capital Trust one of the leading MSME finance companies in India.

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)

**By Order of the Board of Directors
For Capital Trust Limited**

Sd/-

Tanya Sethi

Company Secretary

Date: May 27, 2022

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, 2022, the statement of profit and loss, including other comprehensive income, the statement of changes in equity and the statement of cash flow for the year then ended, and notes to the 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, 2022, 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, 2022. 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
Expected Credit Loss (ECL) on Loans and Impact of Covid-19 Pandemic	
<p>Company has total gross loans of Rs. 22919.88 Lakhs and allowance of ECL of Rs. 4105.10 Lakhs as on March 31, 2022.</p> <p>Impairment of its financial assets is provided using expected credit loss (ECL) approach under Ind AS 109. The ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default for each of the stages of loans. Significant judgment and assumption is required by the management in respect of</p> <ul style="list-style-type: none"> - Classification of financial assets where significant increase in credit risk; - Statistics used to determine credit quality of loans; - Estimation of losses <p>Accordingly, considering the unique impact and widespread impact of COVID-19 pandemic, the company has estimated additional expected credit loss allowance amounting to Rs. 2123.67 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.</p> <p>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.</p>	<p>We assessed areas of significant estimates and management judgement in line with principles under Ind AS;</p> <p>We compared the reasonableness of management assumptions in respect of recognition and measurement of financial instruments, allowance for expected credit losses etc.</p> <p>We tested the ECL model, including assumptions and underlying computation.</p> <p>We tested assumptions used by the management in determining the overlay for macro-economic factors.</p> <p>We assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework; and</p> <p>We obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.</p>

Other Matter

The financial statement for the year ended March 31, 2021, included in the accompanying financial statements have been audited by the predecessor auditor, whose audit report dated June 29, 2021 expressed unmodified opinion. Our opinion is not modified in respect of this matter.

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



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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance Sheet, the statement of profit and loss including the other comprehensive income, statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid 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, 2022 taken on record by the Board of Directors, none of the directors is



disqualified as on March 31, 2022 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) In our opinion, the remuneration paid/ provided by the Company for its directors for the year ended March 31, 2022 is in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company 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.
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, no funds has been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding whether recorded in writing or otherwise that the intermediaries shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



- c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement;

- v. The Company has not proposed, declared or paid any dividend during the year. Therefore, reporting in this regard is not applicable to the Company.

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

Place: New Delhi
Date: May 27, 2022

Sajal Goyal
Partner
Membership No. 523903
UDIN : 22523903AJTGEM4106



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

- (i) a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
(B) The Company is maintaining proper records showing full particulars of intangible assets.
- b. The Company physically verify its property, plant and equipment in every alternate year, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Accordingly, property, plant and equipment were not physically verified during the year.
- c. According to the information and explanations given to us and based on the examination of the records provided to us, the Company has no immovable properties other than leased properties. Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- d. The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- e. According to information and explanations given by the management and based on examination of the records, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Therefore, provisions of clause 3(i)(e) of the Order are not applicable to the Company.
- (ii) a. The Company has no inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable.
- b. As per the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from a bank against security/lien of Investment in Mutual Funds and Fixed Deposits held by the Company and not against the security of current assets. Therefore, the provisions of clause 3(ii)(b) of the Order are not applicable.
- (iii) a. The Company's principal business is to give loans. Therefore, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company.
- b. According to the information and explanations given to us, the Company has not provided any guarantees or given any security or advances in the nature of loan during the year. Further, the investments made and the terms and conditions of the grant of all loans during the year, are not prima facie prejudicial to the interest of the Company.
- c. In respect of loans assets, the repayment of principal amounts and receipts of interest are generally been regular as per stipulation. Having regard to the nature of the Company's business and the voluminous nature of loan transactions



involved, it is not practicable to furnish entity wise list of loan assets where default in the repayment of principal and interest have been identified.

- d. The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans including interest thereon, as at March 31, 2022 is Rs. 1119.95 lakhs., As per information and explanation given to us, reasonable steps have been taken by the Company for recovery of the principal and interest, though provision for NPA as per applicable guidelines by the regulator and Accounting Standards have been made for these overdue amounts.
 - e. According to the records of the Company examined by us, the Company is engaged primarily in lending activities. Therefore, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company.
 - f. According to the records of the Company examined by us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Therefore, the provisions of clause 3(iii)(f) of the Order are not applicable to the Company.
- (iv) As per the records examined by us, the Company has not made any investment or granted any loan or provided any guarantee or security as covered under section 185 and section 186 of the Companies Act, 2013 during the year. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits or deemed to be deposit within the meaning of sections 73 to 76 of the Companies Act, 2013 during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the requirement of maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable to the Company. Therefore, provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) a. According to the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value Added tax, Cess and other statutory dues as applicable, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable other than Provident Fund amounts to Rs. 4.17 Lakhs, Employees' State Insurance amounts to Rs. 0.89 Lakhs and Professional Tax amounts to Rs. 0.82 Lakhs.
- b. According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) are pending for deposit on account of any dispute.



- (viii) According to the information and explanation given to us and based on examination of the records, there were no transactions which have not been recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.
- (ix) a. The Company has not defaulted in repayment of loan or other borrowings or in the payment of interest thereon during the year.
- b. According to information and explanations given by the management, the Company has not been declared willful defaulter by any bank or financial institution or other lender during the year.
- c. According to the information and explanations given to us and based on examination of the records, the term loans raised during the year were applied for the purposes for which the loans were raised.
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have, prima facie not been used for long-term purposes by the Company.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- (xi) a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management except frauds discovered by the Company aggregating Rs. 7.83 lakhs committed by employees by embezzlement of cash against which the Company has recovered Rs. 2.12 lakhs and balance Rs. 5.71 Lakhs has been written off in the statement of profit and loss.



- b. According to the information and explanation given to us and to the best of our knowledge, no report under subsection (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - c. As represented to us by the management, there were no whistle blower complaints received by the Company during the year. Therefore, the provisions of clause 3(xi)(c) of the Order are not applicable to the Company.
- (xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (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 Accounting Standards.
- (xiv) a. Based on our examination, the Company has an adequate internal audit system commensurate with the size and nature of its business. However same need to be further strengthened;
- b. We have considered, the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions covered under section 192 of the Companies Act, 2013 with its directors or persons connected with them during the year. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) a. The Company was required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as NBFC and accordingly the Company has obtained the registration.
- b. The Company has conducted the non-banking financial activities with a valid Certificate of Registration ('CoR') from the RBI as per the RBI Act. The Company has not conducted any housing finance activities and is not required to obtain CoR for such activities from the RBI.
- c. According to the information and explanation given to us and based on our examination of records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.
- d. According to the representations given by the management, there is no CIC as part of the Group. Therefore, the provisions of clause 3(xvi)(d) of the Order are not applicable to the Company.



- (xvii) The Company has not incurred cash losses in current year and in immediately preceding financial year. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.
- (xviii) There has been resignation of the statutory auditor during the year in compliance of limitation on number of audits of NBFC imposed by RBI on auditors and no issues, objections or concerns were raised by the outgoing auditor.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, expected dates of realization of financial assets and payment of financial liabilities, assets liability maturity (ALM) pattern and other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) There is no unspent CSR amount at the year end. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the Company.

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

Sajal Goyal
Partner
Membership No. 523903
UDIN : 22523903AJTGEM4106

Place: New Delhi
Date: May 27, 2022



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, 2022 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, 2022, 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 JKVS & Co.
Chartered Accountants
Firm Registration No. 318086E

Sajal Goyal
Partner

Membership No. 523903
UDIN : 22523903AJTGEM4106

Place: New Delhi
Date: May 27, 2022



(Amounts in ₹ in lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
Cash and Cash Equivalents	4	404.77	1,528.57
Bank Balances other than Cash and Cash Equivalents	5	5,247.80	4,094.01
Receivables			
- Other Receivables	6	329.69	168.02
Loans	7	18,724.73	23,689.21
Investments	8	9,253.13	9,068.58
Other Financial Assets	9	2,061.17	631.94
Total Financial Assets		36,021.29	39,180.33
Non Financial Assets			
Current Tax Assets (Net)	10	468.43	238.62
Deferred Tax Assets (Net)	11	3,427.97	2,981.05
Property, Plant and Equipment	12	157.27	190.04
Right of use Asset	13	14.86	23.43
Intangible Asset under Development	14	18.89	13.83
Other Intangible Assets	15	-	1.27
Other Non Financial Assets	16	18.13	84.48
Total Non-Financial Assets		4,105.55	3,532.72
Total Assets		40,126.84	42,713.05
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade Payables			
	17		
Total outstanding dues of Micro Enterprises & Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		90.04	53.41
Other Payables			
Total outstanding dues of Micro Enterprises & Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		-	-
Debt Securities	18	6,405.23	5,551.56
Borrowings (other than debt securities)	19	14,881.58	17,814.53
Subordinated Liabilities	20	4,489.30	4,479.23
Lease Liabilities		16.05	23.78
Other Financial Liabilities	21	1,699.08	927.40
Total Financial Liabilities		27,581.28	28,849.91
Non-Financial Liabilities			
Provisions	22	125.33	132.78
Other Non-Financial Liabilities	23	622.25	712.12
Total Non-Financial Liabilities		747.58	844.90
EQUITY			
Equity Share Capital	24	1,621.75	1,621.75
Other Equity		10,176.23	11,396.49
Total Equity		11,797.98	13,018.24
Total Liabilities And Equity		40,126.84	42,713.05

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 JKVS & Co.

Chartered Accountants
Firm Reg. No. 318086E

For and on behalf of the Board of Directors

Sajal Goyal
Partner
Membership No. 523903

Yogen Khosla
Managing Director
DIN: 00203165

Vahin Khosla
Executive Director
DIN: 07656894

Place: New Delhi
Date: May 27, 2022

Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO & Compliance Officer

Place: New Delhi
Date: May 27, 2022

Capital Trust Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2022



(Amounts in ₹ in lakhs except EPS)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations			
Interest Income	25	7,844.55	8,826.97
Fees and commission income	26	734.05	413.39
Net gain on fair value changes	27	184.55	308.47
Net gain on derecognition of financial instruments under amortised cost category	28	82.76	71.02
Other operating income	29	1,415.87	1,283.95
Total Revenue from operations		10,261.78	10,903.80
Other income	30	398.76	382.86
Total Income		10,660.54	11,286.66
EXPENSES			
Finance costs	31	3,722.53	3,821.41
Fees and commission	32	287.85	393.49
Employee benefits	33	3,759.32	3,760.19
Impairment on financial instruments	34	1,901.71	3,526.97
Depreciation, amortization and impairment	35	49.67	57.64
Others	36	2,619.58	2,756.85
Total expenses		12,340.66	14,316.55
Profit before tax		(1,680.12)	(3,029.89)
Tax expense			
Current tax	37	3.29	-
Deferred tax charged/(credit)	11	(451.01)	(652.64)
Total Tax expense		(447.72)	(652.64)
Profit for the year (A)		(1,232.40)	(2,377.25)
Other comprehensive income (OCI)			
1. (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit liabilities/assets		16.22	(17.05)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(4.08)	4.30
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)		12.14	(12.75)
Total comprehensive income (A+B)		(1,220.26)	(2,390.00)
Earnings per equity share (Face value of ₹ 10 each)			
(a) Basic (₹)	38	(7.60)	(14.66)
(b) Diluted (₹)		(7.60)	(14.66)

**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 JKVS & Co.

 Chartered Accountants
Firm Reg. No. 318086E

For and on behalf of the Board of Directors

Sajal Goyal

 Partner
Membership No. 523903

Yogen Khosla

 Managing Director
DIN: 00203165

Vahin Khosla

 Executive Director
DIN: 07656894

Place: New Delhi
Date: May 27, 2022
Tanya Sethi

 Company Secretary
M. No. A31566

Vinod Raina

CFO & Compliance Officer

Place: New Delhi
Date: May 27, 2022

Capital Trust Limited

Standalone Statement of Changes in Equity for the year ended March 31, 2022



(Amounts in ₹ in lakhs)

(A) Equity Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	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 Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	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 (shares transferred to the trust pursuant to the scheme of Employee Stock Option Scheme("ESOP"))	(143,915)	(14.39)	(143,915)	(14.39)
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, 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
Profit for the year	-	-	-	-	-	(1,232.40)	(1,232.40)
Other Comprehensive Income (net of tax)	-	-	-	-	-	12.14	12.14
Total Comprehensive Income for the year	-	-	-	-	-	(1,220.26)	(1,220.26)
Transfer to Statutory Reserve	-	-	-	-	-	-	-
Balance as at March 31, 2022	545.59	300.00	12,488.26	34.57	1,589.05	(4,781.24)	10,176.23

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 preference 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"))

This reserve created as per the provision of the Section 45-IC of the Reserve Bank of India Act, 1934 (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 JKVS & Co.

 Chartered Accountants
Firm Reg. No. 318086E

For and on behalf of Board of Directors

Sajal Goyal
Partner
Membership No. 523903

Yogen Khosla
Managing Director
DIN: 00203165

Vahin Khosla
Executive Director
DIN: 07656894

Place: New Delhi
Date: May 27, 2022
Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO & Compliance Officer

Place: New Delhi
Date: May 27, 2022

Capital Trust Limited

Standalone Statement of Cash flows for the year ended March 31, 2022



(Amounts in ₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities		
Profit/(loss) before tax	(1,680.12)	(3,029.89)
Adjustments for:		
Depreciation, amortization and impairment	49.67	57.64
Impairment on financial instruments	1,901.71	3,526.97
Loans written off	34.91	1,151.22
Net gain/(loss) on derecognition of property, plant and equipment	7.47	2.79
Dividend Income	-	(228.67)
Net (gain)/loss on derecognition of right to use assets	-	(34.22)
Gain on sale of investments	-	(4.30)
Unrealised (gain)/loss on fair value changes of investments	(184.55)	(304.17)
Gain on sale of loan portfolio through assignment	(82.76)	(48.74)
Unwinding of loss on fair valuation of financial assets	4.06	-
Effective interest rate adjustment for financial instruments	217.23	218.76
Operating profit before working capital changes	267.62	1,307.39
(Increase)/ decrease of receivables	(161.67)	(62.04)
(Increase)/ decrease of loans	2,856.99	300.84
(Increase)/ decrease of other financial assets	(1,346.47)	583.57
(Increase)/ decrease of other non financial assets	66.87	20.14
(Increase)/ decrease of deposits taken	-	(30.00)
Movement in fixed deposits	(1,153.82)	(1,178.46)
Increase/ (decrease) of trade payables	36.63	(21.54)
Increase/ (decrease) of other financial liabilities	771.68	(563.67)
Increase/ (decrease) of provisions	(7.45)	15.31
Increase/ (decrease) of other non-financial liabilities	(89.84)	500.78
Increase/ (decrease) of lease liabilities	(7.73)	(18.65)
Cash generated / (used) in operating activities	1,232.81	853.67
Income taxes (paid) /refund	(226.52)	(22.47)
Net cash inflow / (outflow) from operating activities	A 1,006.29	831.20
Cash flows from investing activities		
Purchase of property, plant & equipment	(35.65)	(28.83)
Proceed from sale of property, plant & equipment	21.13	0.27
Movement in investments	-	4.31
Dividend received from subsidiary Company	-	228.67
Net cash inflow / (outflow) from investing activities	B (14.52)	204.42
Cash flows from financing activities		
Proceeds from issue of Non Convertible Debentures	-	3,000.00
Proceeds from securitised loans under pass through transactions	7,227.08	2,652.39
Repayment of securitised loans under pass through transactions	(6,388.67)	-
Repayment of borrowings (Net)	(2,953.98)	(5,949.49)
Net cash inflow / (outflow) from financing activities	C (2,115.57)	(297.10)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(1,123.80)	738.52
Cash and cash equivalents at the beginning of the year	1,528.57	790.05
Cash and cash equivalents at the end of the year (refer note 4)	404.77	1,528.57

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

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

As per our report of even date attached

For JKVS & Co.

Chartered Accountants

Firm Reg. No. 318086E

For and on behalf of the Board of Directors

Sajal Goyal

Partner

Membership No. 523903

Yogen Khosla

Managing Director

DIN: 00203165

Vahin Khosla

Executive Director

DIN: 07656894

Place: New Delhi

Date: May 27, 2022

Tanya Sethi

Company Secretary

M. No. A31566

Vinod Raina

CFO & Compliance Officer

Place: New Delhi

Date: May 27, 2022

1. Company Overview

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

2. Basis of Preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

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

These financial statements were authorised for issue by the Board of Directors on their meeting held on May 27, 2022.

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 under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

- (i) Ind AS 16 – Proceeds before intended use - The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.
- (ii) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract - The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.
- (iii) Ind AS 109 – Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
4 Cash and cash equivalents		
Cash on hand	156.10	84.12
Balances with banks in current accounts	248.67	1,444.45
	<u>404.77</u>	<u>1,528.57</u>
5 Bank balances other than Cash and cash equivalents		
Bank deposits	5,218.28	4,064.46
Earmarked balances with banks		
On dividend accounts	29.52	29.55
	<u>5,247.80</u>	<u>4,094.01</u>
\$\$ Represents deposits placed as margin money to avail term loans from banks and financial institutions.		
6 Other Receivables (Unsecured - considered good)*		
At Amortised Cost		
Service fee from business correspondents receivables	329.69	168.02
Less: Allowance for impairment loss	-	-
	<u>329.69</u>	<u>168.02</u>
* 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		
At Amortised Cost		
a) Portfolio Loans	22,627.39	26,544.87
b) Minimum Retention on Direct Assignments of Portfolio Loans	280.99	929.41
c) Others		
i) Loan to employees	11.50	2.46
Gross Loans	<u>22,919.88</u>	<u>27,476.74</u>
Less: Unamortization of processing fees	(90.05)	(260.92)
Less: Impairment loss allowance	(4,105.10)	(3,526.61)
Net Loans	<u>18,724.73</u>	<u>23,689.21</u>
7.1 Breakup of total loans		
Secured by tangible assets	24.88	544.01
Unsecured	22,895.00	26,932.73
Gross Loans	<u>22,919.88</u>	<u>27,476.74</u>
Less: Unamortization of processing fees	(90.05)	(260.92)
Less: Impairment loss allowance	(4,105.10)	(3,526.61)
Net Loans	<u>18,724.73</u>	<u>23,689.21</u>
7.2 Loans in India		
Public Sector	-	-
Others	22,919.88	27,476.74
Gross Loans	<u>22,919.88</u>	<u>27,476.74</u>
Less: Unamortization of processing fees	(90.05)	(260.92)
Less: Impairment loss allowance	(4,105.10)	(3,526.61)
Net Loans	<u>18,724.73</u>	<u>23,689.21</u>
7.3 There are no loans and advances to Promoters/Directors/KMP/Related Parties as on March 31, 2022 and March 31, 2021.		
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.

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
8 Investments		
Others (At Cost)		
In equity instruments (Unquoted)		
Investment in subsidiary		
Capital Trust Microfinance Private Limited \$@ 16,20,010 (March 31, 2021: 16,20,010) Equity Shares of ₹100 each	3,922.43	3,922.43
Capital Trust Housing Finance Private Limited \$@ 1,05,10,000 (March 31, 2021: 1,05,10,000) Equity Shares of ₹10 each	1,051.00	1,051.00
Fair Value Through Profit and Loss		
In equity instruments (Unquoted)		
2,400 (March 31, 2021: 2,400) Equity Shares fully paid in Indo Duch Proteins Limited ^	-	-
3,600 (March 31, 2021: 3,600) Equity Shares fully paid in Tina Electronics Limited ^	-	-
2,000 (March 31, 2021: 2,000) Equity Shares fully paid in Parasrampur Industries Limited ^	-	-
14,800 (March 31, 2021: 14,800) Equity Shares fully paid in Naina Semiconductors Limited ^	-	-
In mutual funds (Unquoted)		
24,21,835 (March 31, 2021: 24,21,835) units in ICICI Prudential Short Term Regular Plan #	1,157.33	1,110.66
21,05,023 (March 31, 2021: 21,05,023) units in IDFC Bond Fund -Medium Term Plan Growth #	801.60	769.39
21,93,449 (March 31, 2021: 21,93,449) units in Kotak Banking and PSU Fund Growth #	1,158.03	1,103.74
68,98,598 (March 31, 2021: 68,98,598) units in Nippon India Banking & PSU Debt Fund Growth #	1,162.74	1,111.36
	9,253.13	9,068.58
\$ 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 a Bank.		
^ Carrying value is ₹ 1		
Breakup of total investments		
In India	9,253.13	9,068.58
Outside India	-	-
	9,253.13	9,068.58
9 Other Financial Assets		
Interest accrued	134.78	115.69
Security deposits @	235.66	303.71
Service fee receivable from Related Party (Refer Note - 49)	83.10	104.57
Other recoverables*	1,701.93	202.27
Total Gross (a)	2,155.47	726.24
Less: Impairment loss allowance (b)	94.30	94.30
Total Net (a - b)	2,061.17	631.94
@ Represents deposits placed as margin money to avail loans from banks and financial institutions and direct assignment.		
* Includes Rs. 1436.90 Lakhs (Previous year - Nil) recoverable against assigned portfolio.		
10 Current Tax Assets (Net)		
Advance Income Tax (Net of Provision)	468.43	238.62
	468.43	238.62

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
11 Deferred Tax Assets (Net)		
Deferred tax assets		
Property, plant and equipment	9.12	4.97
Origination and reversal of temporary differences	31.54	43.73
Impairment loss allowance	1,056.90	911.31
Financial assets measured at amortized cost	20.83	86.46
Business losses	2,476.00	2,082.05
Others	0.31	0.08
Total deferred tax assets	3,594.70	3,128.60
Deferred tax liabilities		
Fair Valuation of Financial Instruments	145.90	99.45
Others	20.83	48.10
Total deferred tax liability	166.73	147.55
Deferred tax assets (net)	3,427.97	2,981.05

11.1 Change in Deferred tax assets (net)

Particulars	As at March 31, 2021	(Charged)/ credit to P&L	(Charged)/ credit to OCI	As at March 31, 2022
Deferred tax assets				
Property, plant and equipment	4.97	4.15	-	9.12
Origination and reversal of temporary differences	43.73	(8.11)	(4.08)	31.54
Impairment loss allowance	911.31	145.59	-	1,056.90
Financial assets measured at amortized cost	86.46	(65.63)	-	20.83
Business losses	2,082.05	393.95	-	2,476.00
Others	0.08	0.23	-	0.31
Total deferred tax assets	3,128.60	470.18	(4.08)	3,594.70
Deferred tax liabilities				
Fair Valuation of Financial Instruments	99.45	46.45	-	145.90
Others	48.10	(27.27)	-	20.83
Total deferred tax liability	147.55	19.17	-	166.73
Deferred tax assets (net)	2,981.05	451.01	(4.08)	3,427.97

11.2 The Company has incurred the business losses under Income Tax Act due to substantial portfolio written off in current and earlier years. The Company has concluded that the deferred tax assets recognized on business losses will be recoverable using the estimated future taxable income based on the approved business plans. The Company is expected to generate taxable income in near future. The business losses can be carried forward and adjusted against future taxable profit within the period as specified in the Income Tax Act and the Company expects to recover the same within the specified period.

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
16 Other Non Financial Assets		
(Unsecured, considered good)		
Prepaid expenses	10.86	73.69
Input tax credit	-	10.79
Others	7.27	-
	<u>18.13</u>	<u>84.48</u>
17 Trade Payables		
Total outstanding dues of Micro Enterprises & Small Enterprises**	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	90.04	53.41
	<u>90.04</u>	<u>53.41</u>

** Based on the information available and as identified by the management, there is no vendor registered under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, disclosures relating to dues of Micro and Small enterprises are not given.

17.1 Trade Payables ageing

Particulars	Outstanding for following periods from due date of payment				
	As at March 31, 2022				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	90.04	-	-	-	90.04
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Unbilled dues	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment				
	As at March 31, 2021				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	53.41	-	-	-	53.41
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Unbilled dues	-	-	-	-	-

18 Debt Securities

Valued at Amortised Cost

Debentures (Secured)

3000, 11.50% Non Convertible Debentures of Rs. 100,000 each (refer note 18.1) 3,000.00 3,000.00

Others (Secured)

Liabilities against securitised portfolio loans (refer note 18.2) 3,490.80 2,652.39

Less: Unamortised Ancillary cost of arranging the borrowings (85.57) (100.83)

6,405.23 5,551.56

18.1 Secured by way of exclusive charge on book debts and guaranteed by promoter director of the Company in his personal capacity.

18.2 Secured by way of securitisation of book debts and cash collateral in the form of fixed deposit.

Breakup of Debt securities

In India 6,405.23 5,551.56

Outside India - -

6,405.23 5,551.56

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
19 Borrowings (other than debt securities)		
Measured at Amortised Cost		
Term loan		
Secured		
from banks	6,820.60	8,458.33
from financial institutions	1,657.13	2,298.37
Unsecured		
from Corporate entities (Related Party)	5,405.00	2,539.00
from a Director (Related Party)	238.00	80.00
from other Corporate entities	200.00	670.35
from financial institutions	-	200.00
Vehicle loan		
Secured		
from banks	24.85	38.95
from financial institution	0.86	4.33
Repayable on demand from banks - Secured	583.64	3,594.73
Less: Unamortised Ancillary cost of arranging the borrowings	(48.50)	(69.53)
	14,881.58	17,814.53
Breakup of Borrowings		
In India	14,881.58	17,814.53
Outside India	-	-
	14,881.58	17,814.53
19.1 Borrowings are secured by way of hypothecation of portfolio loans arising out of its business operation, cash collateral in the form of fixed deposits and mutual funds.		
19.2 Vehicles are hypothecated for respective borrowings.		
19.3 Following loans have also been guaranteed by promoter director of the Company in his personal capacity and corporate guarantee of Indo Crediop Private Limited which has been merged with Moonlight Equity Private Limited during the year (Shareholders and related parties):		
Term Loan		
from banks	1,896.27	4,194.43
from financial institutions	1,657.12	2,298.20
Repayable on demand from banks	-	497.00
	3,553.39	6,989.63
20 Subordinated Liabilities (Unsecured)		
At Amortised Cost		
From bank	4,500.00	4,500.00
Less: Unamortised Ancillary cost of arranging the borrowings	(10.70)	(20.77)
	4,489.30	4,479.23
Breakup of Subordinated Liabilities		
In India	4,489.30	4,479.23
Outside India	-	-
	4,489.30	4,479.23
21 Other Financial Liabilities		
Interest accrued	199.92	196.48
Employees emoluments	481.27	134.98
Interest and principle payable on direct assignment	161.20	229.98
Interest and principle payable on pass through transactions	410.24	-
Recovered premium payable to insurance company	41.09	75.63
Unpaid dividend	29.52	29.55
Other liabilities	375.84	260.78
	1,699.08	927.40

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
22 Provisions		
Provision for employee benefits (Refer note 46)	125.33	132.78
	125.33	132.78
23 Other non-financial liabilities		
Advance EMI received	473.89	502.82
Refundable amount under scheme for grant of ex-gratia (refer note 54)	42.03	42.03
Deferred Income	-	82.62
Statutory dues payable	106.33	84.65
	622.25	712.12

Term of repayment of debt securities, other borrowings and subordinated liabilities as at March 31, 2022

(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	3,000.00	-	-	-	-	3,000.00
	Monthly	13.00% to 14.50%	12	3,490.80	-	-	-	-	-	-	3,490.80
			12	3,490.80	1	3,000.00	-	-	-	-	6,490.80
	Less: Unamortised Ancillary cost of arranging the borrowings										(85.57)
											6,405.23
Borrowings other than Debt Securities	Monthly	8.00% to 10.00%	29	10.14	24	8.90	15	6.67	-	-	25.71
		10.50% to 12.50%	73	4,841.72	27	5,435.93	24	347.18	1	10.26	10,635.09
		12.70% to 16.00%	37	2,941.64	4	744.00	-	-	-	-	3,685.64
	On Demand	9.25% to 14.50%		583.64		-		-		-	583.64
			139	8,377.14	55	6,188.83	39	353.85	1	10.26	14,930.08
Less: Unamortised Ancillary cost of arranging the borrowings										(48.50)	
											14,881.58
Subordinated Liabilities	Bullet	Above 16%	-	-	2	4,500.00	-	-	-	-	4,500.00
	Less: Unamortised Ancillary cost of arranging the borrowings										(10.70)
											4,489.30

Term of repayment of debt securities, other borrowings and subordinated liabilities as at 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	Monthly	11.50%	-	-	-	-	1	3,000.00	-	-	3,000.00
	Monthly	13.00%	12	2,509.83	1	142.56	-	-	-	-	2,652.39
			12	2,509.83	1	142.56	1	3,000.00	-	-	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

12 Property, plant and equipment

For the financial year 2021-22

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at March 31, 2021	Additions	Disposals	As at March 31, 2022	As at March 31, 2021	Charged during the year	Disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Land and Building	23.54	-	23.54	-	1.01	0.26	1.27	-	-	22.53
Plant and equipment	5.19	-	4.74	0.45	4.90	-	4.54	0.36	0.09	0.29
Computer	28.65	35.25	8.37	55.53	18.65	10.23	7.11	21.77	33.76	10.00
Furniture and fixtures	82.68	-	8.74	73.94	26.05	8.96	3.96	31.05	42.89	56.63
Vehicles	104.73	-	-	104.73	31.21	12.48	-	43.69	61.04	73.52
Office equipment	49.14	0.40	0.90	48.64	22.07	7.90	0.82	29.15	19.49	27.07
Total	293.93	35.65	46.29	283.29	103.89	39.83	17.70	126.02	157.27	190.04

For the financial year 2020-21

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at March 31, 2020	Additions	Disposals	As at March 31, 2021	As at March 31, 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	0.64	0.37	-	1.01	22.53	22.90
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	17.49	13.72	-	31.21	73.52	87.24
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

13 Right of use Asset (Refer Note 45)

For the financial year 2021-22

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at March 31, 2021	Additions	Disposals	As at March 31, 2022	As at March 31, 2021	Charged during the year	Disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Leasehold Buildings	25.70	-	-	25.70	2.27	8.57	-	10.84	14.86	23.43
Total	25.70	-	-	25.70	2.27	8.57	-	10.84	14.86	23.43

For the financial year 2020-21

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at March 31, 2020	Additions	Disposals	As at March 31, 2021	As at March 31, 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

14 Intangible assets under development

Intangible assets under development ageing

Particulars	As at March 31, 2022				
	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	5.06	13.83	-	-	18.89
Projects temporarily suspended	-	-	-	-	-

Particulars	As at March 31, 2021				
	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	13.83	-	-	-	13.83
Projects temporarily suspended	-	-	-	-	-

15 Other Intangible Assets

For the financial year 2021-22

PARTICULARS	GROSS BLOCK			AMORTISATION				NET BLOCK		
	As at March 31, 2021	Additions	Disposals	As at March 31, 2022	As at March 31, 2021	Charged during the year	Disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Software	29.58	-	-	29.58	28.31	1.27	-	29.58	-	1.27
Total	29.58	-	-	29.58	28.31	1.27	-	29.58	-	1.27

For the financial year 2020-21

PARTICULARS	GROSS BLOCK			AMORTISATION				NET BLOCK		
	As at March 31, 2020	Additions	Disposals	As at March 31, 2021	As at March 31, 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

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	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 (Shares transferred to the trust pursuant to the scheme of Employee Stock Option Scheme("ESOP"))	(143,915)	(14.39)	(143,915)	(14.39)
		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, 2022		As at March 31, 2021	
	Number	%	Number	%
Yogen Khosla	6,038,917	36.91%	6,038,917	36.91%
Moonlight Equity Private Limited	4,914,695	30.04%	1,486,810	9.09%
Indo Crediop Private Limited*	-	-	3,427,885	20.95%
India 2020 II Investors Limited	2,421,519	14.80%	2,421,519	14.80%

* Indo Crediop Private Limited has been merged with Moonlight Equity Private Limited during the year 2021-22

(f) **Details of equity shareholding of Promoter**

Name of Promoter	As at March 31, 2022		
	Number of shares	% of total shares	% Change during the year
Yogen Khosla	6,038,917	36.91%	-
Moonlight Equity Private Limited	4,914,695	30.04%	20.95%
Indo Crediop Private Limited*	-	-	-20.95%

* Indo Crediop Private Limited has been merged with Moonlight Equity Private Limited during the year 2021-22

Name of Promoter	As at March 31, 2021		
	Number of shares	% of total shares	% Change during the year
Yogen Khosla	6,038,917	36.91%	-
Moonlight Equity Private Limited	1,486,810	9.09%	-
Indo Crediop Private Limited	3,427,885	20.95%	-

(Amounts in ₹ in lakhs except EPS)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
25 Interest Income (On financial assets measured at Amortised cost)		
Interest income on loan portfolio	7,656.07	8,671.05
Interest income on Security Deposits on Loans	10.32	9.79
Interest income on fixed deposits	178.16	146.13
	<u>7,844.55</u>	<u>8,826.97</u>
26 Fees and commission Income		
Service fee & facilitation charges	19.02	39.75
Service fee from business correspondents	715.03	373.64
	<u>734.05</u>	<u>413.39</u>
27 Net gain on fair value changes		
Net gain on financial instruments measured at fair value through profit or loss	184.55	308.47
	<u>184.55</u>	<u>308.47</u>
Fair value change:		
Realised	-	4.30
Unrealised	184.55	304.17
	<u>184.55</u>	<u>308.47</u>
28 Net gain on derecognition of financial instruments under amortised cost category		
Gain on sale of loan portfolio through assignment	82.76	71.02
	<u>82.76</u>	<u>71.02</u>
29 Other Operating Income		
Assignor's Yield on Direct Assignments of Portfolio	136.24	918.39
Recovered against portfolio written off in earlier years	1,279.63	365.56
	<u>1,415.87</u>	<u>1,283.95</u>
30 Other income		
Dividend Received	-	228.67
Gain on derecognition of right of use assets	-	34.22
Operational Fee from a related party	300.00	75.00
Interest on income tax refund	4.44	11.69
Liabilities no longer required written back	44.03	-
Miscellaneous income	50.29	33.28
	<u>398.76</u>	<u>382.86</u>
31 Finance costs (on financial liabilities measured at amortised cost)		
Interest expenses:		
- on Debt Securities	767.91	315.96
- on Borrowings (other than debt securities)	2,008.14	2,558.40
- on Subordinate Debts	787.04	792.96
- on Lease Liability	2.71	4.74
- on Others	3.25	5.70
Other borrowing costs	153.48	143.65
	<u>3,722.53</u>	<u>3,821.41</u>
32 Fee and Commission Expense		
Professional Fee and consultancy	200.66	303.23
Commission	87.19	90.26
	<u>287.85</u>	<u>393.49</u>

(Amounts in ₹ in lakhs except EPS)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
33 Employee benefit expense				
Salaries, wages and bonus		3,305.30		3,302.39
Gratuity		8.76		10.29
Contribution to provident and other funds		257.66		154.58
Staff welfare expenses		187.60		292.93
		<u>3,759.32</u>		<u>3,760.19</u>
34 Impairment on financial instruments (On financial assets measured at amortised cost)				
Impairment on Loans portfolio	1,901.71		4,678.19	
Less : Portfolio written off during the year	-	1,901.71	1,151.22	3,526.97
		<u>1,901.71</u>		<u>3,526.97</u>
35 Depreciation, amortization and impairment				
On property, plant and equipment		39.83		40.13
On right of use assets		8.57		7.90
On other intangible assets		1.27		9.61
		<u>49.67</u>		<u>57.64</u>
36 Other expenses				
Rates & Taxes		20.11		17.51
Electricity		17.01		19.97
Rent		233.28		212.75
Reversal of input GST Credit		80.30		54.27
Repairs and maintenance - Others		54.80		33.78
Insurance		8.60		1.01
Directors sitting fee		2.00		1.41
Travelling and conveyance		1,017.92		586.92
Other Professional Charges		374.52		39.48
Communication costs		62.29		66.92
Printing and stationery		21.20		26.02
Payment to auditors (Refer note (i) below)		12.62		16.37
Corporate social responsibility expenses (Refer note (ii) below)		17.99		5.50
Bank charges		40.75		39.93
Loss on Sale of Fixed Assets		7.47		2.79
Unwinding of loss on fair valuation of financial assets		4.06		-
Provision made / write off related towards employees embezzlement		5.71		11.86
Provision made for other recoverables		-		16.70
Loan Portfolio written off	1,358.13		2,601.40	
Less: Impairment loss allowance created in earlier years	1,323.22	34.91	1,450.18	1,151.22
Waiver Charges		423.37		233.45
Rebate and Claim		41.84		203.49
Sundry Balances written off		4.78		-
Miscellaneous Expenses		134.05		15.50
		<u>2,619.58</u>		<u>2,756.85</u>
(i) Payment to auditors (including payment to previous auditors)				
As auditors				
Statutory audit		5.50		5.50
Tax audit		1.00		0.90
Limited Review certification		3.00		3.00
Certification fee		0.55		0.45
Fee for Audit of Opening Balance Sheet under Ind-AS		-		5.00
GST Audit		2.20		1.10
Reimbursement of Expenses		0.37		0.42
		<u>12.62</u>		<u>16.37</u>

(Amounts in ₹ in lakhs except EPS)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(ii) Corporate Social Responsibility expense (CSR)		
Detail of the CSR expenses for the year are as under:		
a) Amount required to be spent during the year	-	20.97
b) Amount spent during the year	17.99	5.50
c) Shortfall/(Excess) at the end of the year	(17.99)	15.47
d) Total of previous years shortfall	15.47	-
e) Reason for shortfall	NA	Part of ongoing project
f) Nature of CSR activities	Skill development among the construction workers	
g) Details of related party transactions, contribution to trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard.	-	-
h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	-	-
37 Tax Expense		
Current Tax		
Current Tax for the year	-	-
Current Tax adjustments for earlier year (Net)	3.29	-
	<u>3.29</u>	<u>-</u>
37.1 Components of Income Tax Expense:		
Amounts recognised in the Statement of Profit and Loss		
Current tax	3.29	-
Deferred tax charged/(credit)	(451.01)	(652.64)
Amounts recognised in the Statement of Profit and Loss		
Income tax relating to items that will not be reclassified to profit or loss	4.08	(4.30)
Income Tax expense for the year	<u>(443.64)</u>	<u>(656.94)</u>
37.2 Reconciliation of effective tax :		
Income before Income Tax	(1,680.12)	(3,029.89)
Income Tax Rate	25.168%	25.168%
Expected Income Tax Expense	(422.85)	(762.56)
Tax effect of adjustments:		
Impact of allowable and disallowed income and expenses	(24.08)	105.62
Taxes adjustments related to earlier years	3.29	-
Total Tax expense	<u>(443.64)</u>	<u>(656.94)</u>
38 Earning Per Share		
Net Profit for the year	(1,232.40)	(2,377.25)
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 (₹)	(7.60)	(14.66)
Diluted EPS (₹)	(7.60)	(14.66)

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, 2022		As at March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets measured at fair value through profit and loss				
Investments	4,279.70	4,279.70	4,095.15	4,095.15
	4,279.70	4,279.70	4,095.15	4,095.15
Measured at amortized cost				
Financial Assets				
Cash and Cash Equivalents	404.77	404.77	1,528.57	1,528.57
Bank Balances other than Cash and Cash Equivalents	5,247.80	5,247.80	4,094.01	4,094.01
Receivables - Others	329.69	329.69	168.02	168.02
Loans	18,724.73	18,724.73	23,689.21	23,689.21
Other Financial Assets	2,061.17	2,061.17	631.94	631.94
	26,768.16	26,768.16	30,111.75	30,111.75
Financial Liabilities				
Trade Payables	90.04	90.04	53.41	53.41
Debt Securities	6,405.23	6,405.23	5,551.56	5,551.56
Borrowings (other than debt securities)	14,881.58	14,881.58	17,814.53	17,814.53
Subordinated Liabilities	4,489.30	4,489.30	4,479.23	4,479.23
Lease Liabilities	16.05	16.05	23.78	23.78
Other Financial Liabilities	1,699.08	1,699.08	927.40	927.40
	27,581.28	27,581.28	28,849.91	28,849.91

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, 2022	4,279.70	-	-	4,279.70
As at March 31, 2021	4,095.15	-	-	4,095.15

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, 2022 and March 31, 2021, 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 indebtedness levels including economic activity which ensures regular and assured income. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a three stage model approach for the purpose of computation of expected credit loss for Loan portfolio.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime expected credit loss (ECL). The assumptions underlying the ECL are monitored and reviewed on an ongoing basis. Gross carrying value and associated allowances for ECL stage wise for loan portfolio is as follows :

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	21,317.67	482.26	1,119.95	22,919.88
Allowance of ECL	3,568.04	10.32	526.74	4,105.10

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

Loans secured against collateral

The Company's secured portfolio pertains to Secured Enterprise loans (SEL), which are secured against tangible assets. The Company does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are overdue, the Company initiates the legal proceedings against the defaulted customers. The maximum exposure to credit risk is ₹ 24.88 Lakhs (March 31, 2021 ₹ 544.01 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.

The table below analyses the Company financial liabilities into relevant maturity grouping based on their contractual maturities.

As at March 31, 2022

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Financial Liabilities					
Trade Payables	90.04	-	-	-	90.04
Debt Securities	3,405.23	3,000.00	-	-	6,405.23
Borrowings (other than debt securities)	8,328.64	6,188.83	353.85	10.26	14,881.58
Subordinated Liabilities	-	4,489.30	-	-	4,489.30
Lease Liabilities	9.08	6.97	-	-	16.05
Other Financial Liabilities	1,699.08	-	-	-	1,699.08
Total	13,532.07	13,685.10	353.85	10.26	27,581.28

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

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, 2022	As at March 31, 2021
Liabilities		
Borrowings (other than debt securities)	6,219.73	7,789.16
Total	6,219.73	7,789.16

Sensitivity Analysis

Particulars	As at March 31, 2022	As at March 31, 2021
Interest rates - increase by 0.50%	31.10	38.95
Interest rates - decrease by 0.50%	(31.10)	(38.95)

(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, 2022	As at March 31, 2021
Investments		
Maximum exposure to price risk	4,279.70	4,095.15
Total	4,279.70	4,095.15

Sensitivity Analysis

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Investments at FVTPL - increase by 1%	42.80	40.95
Investments at FVTPL - decrease by 1%	(42.80)	(40.95)

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, 2022	As at March 31, 2021
Debt Securities	6,405.23	5,551.56
Borrowings (Other than Debt Securities)	14,881.58	17,814.53
Subordinated Liabilities	4,489.30	4,479.23
Interest Accrued	199.92	196.48
Less: Cash and Cash Equivalents	(404.77)	(1,528.57)
Less: Bank Balances other than Cash and Cash Equivalents	(5,247.80)	(4,094.01)
Net Debt	20,323.46	22,419.22
Equity	1,621.75	1,621.75
Other Equity	10,176.23	11,396.49
Total Capital	11,797.98	13,018.24
Net debt to equity ratio	1.71	1.72

42 Maturity analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2022		As at March 31, 2021	
	within 12 months	after 12 months	within 12 months	after 12 months
ASSETS				
Financial Assets				
Cash and Cash Equivalents	404.77	-	1,528.57	-
Bank Balances other than Cash and Cash Equivalents	3,960.84	1,286.96	2,293.67	1,800.34
Receivables - Others	329.69	-	168.02	-
Loans	14,654.74	4,069.99	13,444.92	10,244.29
Investments	4,279.70	4,973.43	-	9,068.58
Other Financial Assets	2,009.71	51.46	591.43	40.51
Total	25,639.45	10,381.84	18,026.61	21,153.72
Non Financial Assets				
Current Tax Assets (Net)	468.43	-	238.62	-
Deferred Tax Assets (Net)	-	3,427.97	-	2,981.05
Property, Plant and Equipment	-	157.27	-	190.04
Right of use Asset	-	14.86	-	23.43
Intangible Assets	-	-	-	1.27
Intangible Asset under Development	-	18.89	-	13.83
Other Non Financial Assets	18.13	-	84.48	-
Total	486.56	3,618.99	323.10	3,209.62
Total Assets	26,126.01	14,000.83	18,349.71	24,363.34
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Trade Payables	90.04	-	53.41	-
Debt Securities	3,405.23	3,000.00	2,409.00	3,142.56
Borrowings (Other than Debt Securities)	8,328.64	6,552.94	8,903.53	8,911.00
Subordinated Liabilities	-	4,489.30	-	4,479.23
Lease Liabilities	9.08	6.97	7.72	16.06
Other Financial Liabilities	1,699.08	-	927.40	-
Total	13,532.07	14,049.21	12,301.06	16,548.85
Non-Financial Liabilities				
Provisions	20.70	104.63	37.49	95.29
Other Non-Financial Liabilities	622.25	-	712.12	-
Total	642.95	104.63	749.61	95.29
Total Liabilities	14,175.02	14,153.84	13,050.67	16,644.14
Net Equity	11,950.99	(153.01)	5,299.03	7,719.21

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
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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 ₹ 233.28 Lakhs for the year ended March 31, 2022 (Previous year ₹ 212.75 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.
- b) There are no subleasing of right-of-use assets during the year ended March 31, 2022 and March 31, 2021.
- c) There are no variable lease payments for the year ended March 31, 2022 and March 31, 2021.
- d) Total cash outflow on right to use assets for the year ended March 31, 2022 of Rs. ₹ 10.44 Lakhs and March 31, 2021 ₹ 10.38 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, 2022	For the year ended March 31, 2021
Contribution to employees Provident fund	168.53	137.92

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 2022. 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, 2022	As at March 31, 2021
Present value of defined benefit obligation	132.63	143.98
Fair value of plan assets	7.30	11.20
Net defined benefit liability	125.33	132.78

(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, 2022	For the year ended March 31, 2021
Amount recognised in the statement of Profit & Loss		
Current service cost	3.40	2.42
Interest cost	5.37	7.87
Interest income on plan assets	-	-
	8.76	10.29

(Amounts in ₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021		
Amount recognised in the other comprehensive income				
Actuarial (gain)/loss unrecognised during the year	(16.22)	17.05		
	(16.22)	17.05		
Movement in defined benefit obligation (DBO)				
Present value of DBO as at the beginning of the year	143.98	122.95		
Current service cost	3.40	2.42		
Interest cost	5.37	7.87		
Remeasurements (gain)/loss	(15.65)	17.03		
Benefit paid out of the fund	(4.47)	(6.29)		
Present value of DBO as at the end of the year	132.63	143.98		
Movement in the plan assets recognised in the balance sheet				
Fair Value of Plan Assets at the beginning of the year	11.20	5.48		
Actual Return on Plan Assets	0.57	0.35		
Contributions by the employer	-	11.64		
Benefits Paid	(4.47)	(6.29)		
Actuarial gain / (loss) on Plan Assets	-	0.01		
Fair Value of Plan Assets at the end of the year	7.30	11.20		
(iii) Maturity profile of defined benefit obligation (based on discounted basis):				
	As at March 31, 2022	As at March 31, 2022		
Within next twelve months	46.31	46.30		
Between one to five years	61.68	57.32		
Beyond five years	24.65	40.36		
Total	132.63	143.98		
(iv) Actuarial assumptions				
The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).				
Discount rate (in %)	5.60%	5.20%		
Expected rate of future salary increase (in %)	5.00%	5.00%		
Expected average remaining working lives of employees (in years)	30.62	30.62		
(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, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
- Impact due to increase of 1%	(3.41)	(3.54)	2.54	2.72
- Impact due to decrease of 1%	3.65	3.73	(2.41)	(2.55)

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.

47 Other Disclosures

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not been declared willful defaulter by any Banks/Financial Institutions.
- (v) The Company has not traded or invested in Crypto currency or Virtual currency during the year.
- (vi) There is no income which is required to be recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (vii) There are no transaction with struck off companies during the current and previous year.
- (viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

48 Ratios for the year ended:

Particulars	March 31, 2022	March 31, 2021	Variance (%)	Reason for Variance
Capital to risk-weighted assets ratio (CRAR)	18.13%	19.37%	-6.41%	
Tier I CRAR	14.39%	14.41%	-0.15%	
Tier II CRAR	3.74%	4.96%	-24.58%	
Liquidity Coverage Ratio	Not Applicable	Not Applicable	Not Applicable	

CRAR = Adjusted net worth divided by Risk weighted assets, calculated as per RBI guidelines.

49 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) ceased with effect from June 29, 2021 Mr. Vahin Khosla (Executive Director) with effect from July 01, 2021 Mr. Sanjiv Syal (Director) Ms. Suman Kukretty (Director) Mr. Govind Saboo (Director) with effect from February 08, 2021 Mr. Pawan Dubey (Director) with effect from February 08, 2021 Mr. Vijay Kumar (Director) ceased with effect from February 08, 2021 Mr. Nikhil Kochhar (Director) ceased with effect from June 29, 2021 Mr. Abhinav Sharma (Director) ceased with effect from February 01, 2021 Mr. Vinod Raina (Chief Financial Officer) Mrs. Tanya Sethi (Company Secretary)
Relatives of Key Management Personnel	Mr. Yuv Vir Khosla (Chief Operating Officer) (Son of Managing director)
Enterprise over which KMP and their relatives is having significant influence	Capital Trust Infotech Private Limited Yogen Khosla & Sons (HUF) Vishwas Welfare Foundation Moonlight Equity Private Limited Indo Crediop Private Limited (merged with Moonlight Equity Private Limited) Vaibhav Farms Private Limited (merged with Moonlight Equity Private Limited) Italindian Trade & Financial Services Private Limited (merged with Moonlight Equity Private Limited)

2 Transactions with related parties during the year

Particulars	Subsidiary	Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprise over which KMP and their relatives can exercise significant influence
Loan taken				
Indo Crediop Private Limited	-	-	-	-
	-	-	-	(290.00)
Moonlight Equity Private Limited	-	-	-	739.00
	-	-	-	(320.00)
Capital Trust Infotech Private Limited	-	-	-	24.00
	-	-	-	(20.00)
Vaibhav Farms Private Limited	-	-	-	-
	-	-	-	(137.00)
Capital Trust Microfinance Private Limited	5,140.00	-	-	-
	(9,645.00)	-	-	-
Capital Trust Housing Finance Private Limited	165.04	-	-	-
	(355.00)	-	-	-
Vishwas Welfare Foundation	-	-	-	217.00
	-	-	-	(215.00)
Mr. Yogen Khosla	-	403.00	-	-
	-	(610.00)	-	-
Loan repaid				
Indo Crediop Private Limited	-	-	-	7.00
	-	-	-	(283.00)
Moonlight Equity Private Limited	-	-	-	593.00
	-	-	-	(311.00)
Capital Trust Infotech Private Limited	-	-	-	20.00
	-	-	-	-
Vaibhav Farms Private Limited	-	-	-	137.00
	-	-	-	-
Capital Trust Microfinance Private Limited	2,425.00	-	-	-
	(8,920.00)	-	-	-
Capital Trust Housing Finance Private Limited	34.04	-	-	-
	(27.00)	-	-	-
Vishwas Welfare Foundation	-	-	-	203.00
	-	-	-	(2.00)
Mr. Yogen Khosla	-	245.00	-	-
	-	(530.00)	-	-

(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	-	-	-	0.49
	-	-	-	(2.55)
Moonlight Equity Private Limited	-	-	-	12.61
	-	-	-	(9.56)
Vaibhav Farms Private Limited	-	-	-	9.80
	-	-	-	(19.68)
Capital Trust Infotech Private Limited	-	-	-	3.38
	-	-	-	(3.17)
Capital Trust Microfinance Private Limited	368.39	-	-	-
	(327.92)	-	-	-
Capital Trust Housing Finance Private Limited	173.40	-	-	-
	(190.16)	-	-	-
Vishwas Welfare Foundation	-	-	-	31.20
	-	-	-	(31.31)
Mr. Yogen Khosla	-	9.51	-	-
	-	(28.39)	-	-
Operational fee received				
Capital Trust Microfinance Private Limited	300.00	-	-	-
	(75.00)	-	-	-
Remuneration and other perquisites to Company's KMPs and their relatives*				
Short term employee benefit	-	266.29	91.50	-
	-	(283.10)	(36.44)	-
Defined Contribution Plan	-	23.75	9.59	-
	-	(24.48)	(4.83)	-
Directors Sitting Fees	-	2.00	-	-
	-	(1.41)	-	-

* The above remuneration is excluding provision for Gratuity based on actuarial valuation done at year end.

3 Outstanding balance as at year end	As at March 31, 2022	As at March 31, 2021
Unsecured Loans:		
Capital Trust Microfinance Private Limited	3,440.00	725.00
Capital Trust Housing Finance Private Limited	1,559.00	1,428.00
Vaibhav Farms Pvt Ltd	-	137.00
Capital Trust Infotech Pvt Ltd	24.00	20.00
Indo Crediop Pvt Ltd	-	7.00
Moonlight Equity Pvt Ltd	155.00	9.00
Vishwas Welfare Foundation	227.00	213.00
Mr. Yogen Khosla	238.00	80.00
Other receivables:		
Capital Trust Microfinance Private Limited	83.10	91.52
Capital Trust Housing Finance Private Limited	-	13.05
Interest Payable:		
Capital Trust Microfinance Private Limited	31.55	-
Remuneration and other perquisites to Company's KMPs and their relatives		
Short term employee benefit	12.67	-

Apart from above Managing director of the company and Moonlight Equity Private Limited has given corporate guarantees to the bankers to secure loan availed by the company. (Refer Note 19.3)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021

- 50 Expenditure in foreign currency - -
- 51 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Subsidiaries :-				
Capital Trust Microfinance Pvt. Ltd	-	-	-	-
Capital Trust Housing Finance Pvt. Ltd	-	-	-	-

- 52 Pursuant to the master direction DNBR.PD. 088/03.10.119/2016-17 dated September 01, 2016 as amended from time to time (the NBFC Master Direction 2016), the Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company.
- 53 The Board of Directors have approved the merger of its two wholly owned subsidiaries, i.e., Capital Trust Microfinance Private Limited and Capital Trust Housing Finance Private Limited with the Company, w.e.f 01 April 2021. Pending approval of the regulatory authorities, no impact on these financial statements have been considered. The petition has already been filed with Hon'ble NCLT.
- 54 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 2022, the Company holds the liability of Rs. 42.03 Lakhs (Previous Year - Rs. 42.03 Lakhs) to meet its obligation towards refund / adjustment of interest on interest to eligible borrowers as prescribed by the RBI.
- 55 Covid 19 pandemic has led to significant disruptions for individuals and business, impacting Company's regular operations including lending and collection activities. A large segment of our customers are linked to the local economy and operation in essential services. Due to this, in the opinion of management, there is significant increase of credit risk of such borrowers. Accordingly, the company is carrying total additional provision of Rs. 2123.67 Lakhs (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 net carrying amount of 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 current market indicators and is 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.
- 56 Pursuant to the RBI circular dated November 12, 2021 "Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances-Clarification", the Company has implemented the requirements and aligned its definition of default accordingly during the quarter ended December 31, 2021. On February 15, 2022, RBI allowed deferment till September 30, 2022 of para 10 of the above circular pertaining to upgrade of non-performing assets. The Company has not opted for this deferment. However the circular has no impact on provisions as the Company has adequate provision in its books of accounts.

57 Additional disclosures pursuant to the RBI guidelines and notification:

1) Capital

Items	As at	As at
	March 31, 2022	March 31, 2021
Capital to risk / weighted assets ratio (CRAR) (%)	18.13%	19.37%
CRAR-Tier I capital (%)	14.39%	14.41%
CRAR-Tier II capital (%)	3.74%	4.96%
Amount of Subordinate debt raised as Tier-II capital	900.00	1,800.00
Amount raised by issue of perpetual debt instruments	-	-

2) Investments

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(1) Value of investments		
i) Gross value of investments		
(a) In india	9,253.13	9,068.58
(a) Outside india	-	-
ii) Allowances for impairment		
(a) In india	-	-
(b) Outside india	-	-
iii) Net value of Investments		
(a) In india	9,253.13	9,068.58
(a) Outside india	-	-
(2) Movement of provisions held towards depreciation on investments		
i) Opening balance	-	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	-	-

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. 802.05 Lakhs during the year ended March 31, 2022 (March 31, 2021: Rs. 2,153.70 Lakhs), being the principal value outstanding as on the date of the deals. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyers. In terms of the said securitisation agreements, the Company pays to investor/buyers on agreed date basis the prorata collection amount as per individual agreement terms.

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

The Company has not sold any financial assets to Securitisation / Reconstruction company for assets reconstruction during the current and previous year.

C) Details of Assignment transactions undertaken by applicable NBFCs

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
(i) No. of accounts	5,474	8,916
(ii) Aggregate value (net of provisions) of accounts sold	802.05	2,153.70
(iii) Aggregate consideration	802.05	2,153.70
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate (gain) / loss over net book value	-	-

D) Details of non performing financial assets purchased / sold

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

57 Additional disclosures pursuant to the RBI guidelines and notification:

5) Asset liability management

Maturity pattern of certain items of assets and liabilities as at year end

	As at March 31, 2022			As at March 31, 2021		
	Advances	Investments	Borrowings #	Advances	Investments	Borrowings #
Upto 30/ 31 days	1,728.89	-	1,084.60	1,512.37	-	880.06
Over 1 month upto 2 months	1,845.56	-	1,300.44	1,797.89	-	847.11
Over 2 months upto 3 months	1,841.68	4,279.70	1,282.01	1,806.35	-	838.97
Over 3 months and upto 6 months	5,499.82	-	3,878.98	5,169.11	-	2,696.73
Over 6 months and upto 1 year	7,933.94	-	4,321.95	6,946.73	-	6,240.79
Over 1 year and upto 3 years	3,938.01	-	14,042.68	7,209.80	-	15,956.90
Over 3 years and upto 5 years	131.98	-	10.22	3,034.49	4,095.15	575.89
Over 5 years	-	4,973.43	-	-	4,973.43	-
Total	22,919.88	9,253.13	25,920.88	27,476.74	9,068.58	28,036.45

excluding interest accrued 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

Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; (Refer Note 8)

	As at March 31, 2022	As at March 31, 2021
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; (Refer Note 8)	-	-
Advances against shares/ bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds;	-	-
Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as primary security;	-	-
Advances for any other purposes to the extent secured by the collateral security of shares of convertible bonds or convertible debentures or units of equity-oriented mutual funds, i.e., where the primary security other than shares / convertible bonds / convertible debentures / units of equity-oriented mutual funds does not fully cover the advances;	-	-
Secured and unsecured advances to stockholders and guarantees issued in behalf of stockbrokers and market makers;	-	-
Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
Bridge loans to companies against expected equity flows / issues.	-	-
All exposures to Venture Capital Funds (both registered and unregistered)	-	-

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.

57 Additional disclosures pursuant to the RBI guidelines and notification:

7) Miscellaneous

(a) Registration obtained from other financial sector regulators

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

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

(b) Disclosures of penalties imposed by RBI and other regulators

No penalties imposed by RBI or other financial sector regulators during the current and previous year.

(c) Related party transactions

Details of all material related party transactions are disclosed in note 49 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 2021-22:

Particulars	Amount in ₹	Credit Rating Agency	Current Rating	Previous Rating	Date of Issue
Long-term Bank facilities	300 Crores	CARE	BBB-	BBB-	October 07, 2021
Non Convertible Debentures	30 Crores	CARE	BBB-	BBB-	October 07, 2021

(e) Remuneration of Directors

Particulars	Remuneration		Provident Fund and Others		Sitting Fees	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Mr. Yogen Khosla	160.90	158.45	15.76	14.49	-	-
Ms. Anju Khosla	21.23	86.10	2.28	8.49	-	-
Mr. Vahin Khosla	42.38	-	3.94	-	-	-
Mr. Vijay Kumar	-	-	-	-	-	0.14
Mr. Nikhil Kochhar	-	-	-	-	-	0.28
Mr. Sanjiv Syal	-	-	-	-	0.50	0.28
Mr. Abhinav Sharma	-	-	-	-	-	0.21
Ms. Suman Kukretty	-	-	-	-	0.50	0.30
Mr. Govind Saboo	-	-	-	-	0.50	0.10
Mr. Pawan Dubey	-	-	-	-	0.50	0.10

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	1,901.71	3,526.97
Provision made towards income tax	3.29	-
Provision made/write off towards employees fraud (including for earlier years)	5.71	11.86
Provision for other advances	-	16.70
Other provision and contingencies (employee benefits)	8.76	10.29
	<u>1,919.47</u>	<u>3,565.82</u>

(b) Draw down from reserves

There have been no instances of draw down from reserves by the company during the current and previous year.

(c) Concentration of advances, exposures and NPAs

(to the extent identified by the management)

a. Concentration of advances

Total advances to twenty largest borrowers	64.04	701.29
Percentage of exposure to twenty largest borrowers as total exposure	0.28%	2.55%
@ Advances have been taken as Gross Carrying Amount		

b. Concentration of exposure

Total exposure to twenty largest borrowers	64.04	701.29
Percentage of exposure to twenty largest borrowers as total exposure	0.28%	2.55%
@ Exposures have been taken as Gross Carrying Amount		

c. Concentration of non-performing assets

Total Exposure to top four non-performing accounts	4.10	12.11
@ Exposures have been taken as Gross Carrying Amount		

d. Sector-wise non-performing assets

	Current Year %	Previous Year %
Agriculture & allied activities	1.24%	0.54%
Micro Small and Medium Enterprises *	0.70%	0.04%
Services	0.65%	0.18%
Other loans	-	0.24%
Auto loans	-	-

* Determination based on the information related to the nature and size of activity of the borrower and excluding loans to related parties as certified by the management.

e. Movement of non-performing assets

Net NPA to net Advances (%) @	2.59%	1.00%
(i) Movement of non-performing assets (Gross)		
(a) Opening balance	539.80	1,332.93
(b) Additions during the year	2,183.37	1,808.27
(c) Reductions during the year #	1,603.22	2,601.40
(d) Closing balance	1,119.95	539.80
(ii) Movement of net non-performing assets @		
(a) Opening balance	275.87	933.47
(b) Additions during the year	1,920.56	1,808.27
(c) Reductions during the year #	1,603.22	2,465.87
(d) Closing balance	593.21	275.87
(iii) Movement of provisions for non-performing assets (excluding provisions on standard assets)*		
(a) Opening balance	263.93	399.46
(b) Provisions made during the year	262.81	-
(c) Write-off/ write-back of excess provisions	-	135.53
(d) Closing balance	526.74	263.93

Reduction includes write-offs and recoveries.

@ excluding loans to related parties.

* excluding additional provision made amounting to Rs. 2,123.67 lakhs as on March 31, 2022 (Rs. 2,657.70 Lakhs as on March 31, 2021)

f. Overseas assets (for those with joint ventures and subsidiaries aboard)

The company did not have any overseas assets during the current and previous year.

g. Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The company did not sponsor any SPVs during the current and previous year.

9) Disclosure of customer complaints

(as identified by the management)

a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	484	519
c) No. of complaints redressed during the year	484	519
d) No. of complaints pending at the end of the year	-	-

Note: Out of the above 472 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)

cash embezzlement and snatching

No. of cases	47	85
Amount of fraud	7.83	22.81
Recovery	2.12	10.95
Amount provided for/written off	5.71	11.86

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 ₹ 100,000.

58 Additional disclosure pursuant to Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 issued by RBI

	Particulars	Current Year		Previous Year	
		Outstanding	Overdue	Outstanding	Overdue
	Liabilities Side:				
1	Loans and advances availed by the NBFCs				
	(a) Debentures				
	:Secured	3,000.00	-	3,000.00	-
	:Unsecured	-	-	-	-
	(other than falling within the Meaning of public deposits)				
	(b) Deferred credits	-	-	-	-
	(c) Term loans	8,477.73	-	10,956.70	-
	(d) Inter-corporate loans and borrowing	5,843.00	-	3,289.35	-
	(e) Commercial paper	-	-	-	-
	(f) Public deposits	-	-	-	-
	(g) Subordinate loans	4,500.00	-	4,500.00	-
	(h) Vehicle loans	25.71	-	43.28	-
	(i) Loans repayable on demand	583.64	-	3,594.73	-
	(h) Liabilities against securitised loans	3,490.80	-	2,652.39	-
2	Break-up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) :				
	(a) In the form of unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e.	-	-	-	-
	(c) Other public deposits	-	-	-	-
	Assets side:				
3	Break-up of loans and advances including bills receivables (other than those included in (4) below:				
	(a) Secured	24.88	-	544.01	-
	(b) Unsecured - receivable under financing activity	22,895.00	-	26,932.73	-
4	Break-up of leased assets and stock on hire and hypothecation loans counting towards EL / HP activities				
	(i) Lease assets including lease rentals under sundry Debtors:				
	(a) Financial Lease	-	-	-	-
	(b) Operating Lease	-	-	-	-
	(ii) Stock on hire including hire charges under Sundry Debtors				
	(a) Assets on hire	-	-	-	-
	(b) Repossessed Assets	-	-	-	-
	(iii) Hypothecation loans counting towards EL/HP activities				
	(a) Loans where assets have been repossessed	-	-	-	-
	(b) Loans other than (a) above	-	-	-	-
5	Break-up of investments:				
	Current investments:				
	1. Quoted:				
	(i) Shares:				
	(a) Equity	-	-	-	-
	(b) Preference	-	-	-	-
	(ii) Debentures and bonds	-	-	-	-
	(iii) Units of mutual funds	4,279.70	-	4,095.15	-
	(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)	-	-	-	-

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

SN	Particulars	Current Year		Previous Year	
		Secured	Unsecured	Secured	Unsecured
6	Borrower group-wise classification of assets financed as in (3) and (4) above:				
	1. Related parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
	2. Other than related parties	24.88	22,895.00	544.01	26,932.73
	Total	24.88	22,895.00	544.01	26,932.73

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	5,226.59	4,973.43	5,028.85	4,973.43
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
	2. Other than related parties				
	Shares	-	-	-	-
	Mutual fund	4,279.70	4,279.70	4,095.15	4,095.15
	Total	9,506.29	9,253.13	9,124.00	9,068.58

SN	Particulars		Current Year	Previous Year
8	Other information			
	(i)	Gross non-performing assets		
		(a) Related parties	-	-
		(b) Other than related parties	1,119.95	539.80
	(ii)	Net Non-performing Assets*		
		(a) Related parties	-	-
		(b) Other than related parties	593.21	275.87
	(iii)	Assets acquired in satisfaction of debt	-	-

* excluding additional provision made amounting to Rs. 2,123.67 lakhs as on March 31, 2022 (Rs. 2,657.70 Lakhs as on March 31, 2021)

SN	Particulars		Current Year	Previous Year
9	Asset Classification			
	(i)	Standard	21,799.93	26,936.94
	(ii)	Sub-Standard & doubtful	1,119.95	539.80

59 Disclosure pursuant to RBI Notification dated September 24, 2021 on "Transfer of Loan Exposures" are given below:

(a) Details of loans transferred through direct assignment

Particulars	Amount
Total amount of loans transferred through direct assignment (Rs. in Lakhs)	802.05
Weighted average residual maturity (in months)	5
Weighted average holding period (in months)	6
Retention of beneficial economic interest	15%
Coverage of tangible security coverage	Nil
Rating wise distribution of rated loans	No Rating

(b) The Company has not acquired, any loans not in default during the year ended March 31, 2022.

(c) The Company has not transferred or acquired, any stressed loans during the year ended March 31, 2022.

60 Additional disclosure under RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March (Certified by management)

A comparison between provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 is as follows:

As at March 31, 2022

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	21,317.67	3,568.04	17,749.63	87.36	
	Stage 2	482.26	10.32	471.94		
Subtotal		21,799.93	3,578.36	18,221.57	87.36	3,491.00
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,119.95	526.74	593.21	102.02	
Doubtful - upto 1 year	Stage 3					
1 to 3 years	Stage 3					
more than 3 years	Stage 3					
Subtotal for doubtful						
Loss	Stage 3				-	
Subtotal for NPA		1,119.95	526.74	593.21	162.08	364.66
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	21,317.67	3,568.04	17,749.63	87.36	
	Stage 2	482.26	10.32	471.94		
	Stage 3	1,119.95	526.74	593.21		
	Total	22,919.88	4,105.10	18,814.78	249.44	3,855.66

Loss Allowances (Provisions) as required under Ind AS 109 includes additional provision over and above normal provisions made amounting to Rs. 2,123.67 lakhs as on March 31, 2022

61 The figures for the previous periods have been regrouped/rearranged, wherever considered necessary, to conform current period classifications.

As per our report of even date attached

For JKVS & Co.

Chartered Accountants

Firm Reg. No. 318086E

For and on behalf of the Board of Directors

Sajal Goyal

Partner

Membership No. 523903

Yogen Khosla

Managing Director

DIN: 00203165

Vahin Khosla

Executive Director

DIN: 07656894

Place: New Delhi

Date: May 27, 2022

Tanya Sethi

Company Secretary

M. No. A31566

Place: New Delhi

Date: May 27, 2022

Vinod Raina

CFO & Compliance Officer

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 2022, 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, 2022, 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, 2022. 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
Expected Credit Loss (ECL) on Loans and Impact of Covid-19 Pandemic	
<p>Group has total gross loans of Rs. 22992.12 Lakhs and allowance of ECL of Rs. 4172.57 Lakhs as on March 31, 2022.</p> <p>Impairment of its financial assets is provided 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</p> <ul style="list-style-type: none"> - Classification of financial assets where significant increase in credit risk; - Statistics used to determine credit quality of loans; - Estimation of losses <p>Accordingly, considering the unique impact and widespread impact of COVID-19 pandemic, the Group has estimated additional expected credit loss allowance amounting to Rs. 2123.67 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.</p> <p>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.</p>	<p>We assessed areas of significant estimates and management judgement in line with principles under Ind AS;</p> <p>We compared the reasonableness of management assumptions in respect of recognition and measurement of financial instruments, allowance for expected credit losses etc.</p> <p>We tested the ECL model, including assumptions and underlying computation.</p> <p>We tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic)</p> <p>We assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework; and</p> <p>We obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.</p>

Other Matter

The financial statement for the year ended March 31, 2021, included in the accompanying financial statements have been audited by the predecessor auditor, whose audit report dated June 29, 2021 expressed unmodified opinion. Our opinion is not modified in respect of this matter.

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, 2022 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 Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary as noted in the other matter paragraph, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to 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, 2022 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, 2022 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) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The 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, 2022;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
 - iv.
 - a. The respective managements of the Holding Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or by the subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or of the subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. The respective Managements of the Holding Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or by the subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or the subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiary, whose financial statements have been audited respectively, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



- v. The Holding Company and its subsidiaries has not declared and paid any dividend during the year and has not proposed final dividend for the year. Therefore, reporting in this regard is not applicable to the Group.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, based on the CARO report issued by us for the Holding Company and its subsidiaries included in the Consolidated Financial Statements of the Holding Company, we report that, we have not reported any qualifications or adverse remarks in CARO report of these subsidiaries.

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

Sajal Goyal
Partner
Membership No. 523903
UDIN: 22523903AJTGIZ9294

Place: New Delhi
Date: May 27, 2022

ANNEXURE – A to the Independent Auditor's Report

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

We have audited the internal financial controls with reference to consolidated financial statements of Capital Trust Limited ("the Company") and its subsidiary companies incorporated in India, as of March 31, 2022 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 an 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, 2022, 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 JKVS & Co.
Chartered Accountants
Firm Registration No. 318086E

Sajal Goyal
Partner
Membership No. 523903
UDIN: 22523903AJTGIZ9294

Place: New Delhi
Date: May 27, 2022



(Amounts in ₹ in lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
Cash and Cash Equivalents	4	488.16	3,854.84
Bank Balances other than Cash and Cash Equivalents	5	5,247.80	4,094.01
Receivables			
- Other Receivables	6	329.69	168.02
Loans	7	18,729.50	24,256.21
Investments	8	4,279.70	4,095.16
Other Financial Assets	9	2,010.77	533.85
Total Financial Assets		31,085.62	37,002.09
Non Financial Assets			
Current Tax Assets (Net)	10	540.72	291.65
Deferred Tax Asset (Net)	11	3,478.26	3,033.30
Property, Plant and Equipment	12	157.27	190.04
Right of use Asset	13	14.86	23.43
Intangible Asset under Development	14	18.89	13.83
Other Intangible Assets	15	-	1.27
Other Non Financial Assets	16	124.39	155.54
Total Non Financial Assets		4,334.39	3,709.06
Total Assets		35,420.01	40,711.15
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	16		
Trade Payables	17		
Total outstanding dues of Micro Enterprises & Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		91.92	55.24
Other Payables			
Total outstanding dues of Micro Enterprises & Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		-	-
Debt Securities	18	6,405.23	5,551.56
Borrowings (Other than Debt Securities)	19	9,882.59	15,661.53
Subordinated Liabilities	20	4,489.30	4,479.23
Lease Liabilities		16.05	23.78
Other Financial Liabilities	21	1,723.25	983.37
Total Financial Liabilities		22,608.34	26,754.71
Non-Financial Liabilities			
Current Tax Liabilities (Net)	22	-	1.23
Provisions	23	125.85	137.50
Other Non-Financial Liabilities	24	634.68	747.00
Total Non Financial Liabilities		760.53	885.73
EQUITY			
Share Capital Capital	25	1,621.75	1,621.75
Other Equity		10,429.39	11,448.96
Total Equity		12,051.14	13,070.71
Total Liabilities And Equity		35,420.01	40,711.15

Summary of Significant Accounting Policies and other notes on Consolidated Financial Statements

1-57

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

As per our report of even date attached

For **JKVS & Co.**
Chartered Accountants
Firm Reg. No. 318086E

For and on behalf of the Board of Directors

Sajal Goyal
Partner
Membership No. 523903

Yogen Khosla
Managing Director
DIN: 00203165

Vahin Khosla
Executive Director
DIN: 07656894

Place: New Delhi
Date: May 27, 2022

Tanya Sethi
Company Secretary
M. No. A31566
Place: New Delhi
Date: May 27, 2022

Vinod Raina
CFO &
Compliance Officer

Capital Trust Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2022



(Amounts in ₹ in lakhs except EPS)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations			
Interest Income	26	7,891.08	9,166.09
Fees and commission Income	27	734.05	427.97
Net gain on fair value changes	28	184.55	308.47
Reversal of Impairment on financial instruments	29	-	23.10
Net gain on derecognition of financial instruments under amortised cost category	30	82.76	71.02
Other operating income	31	1,606.96	1,382.98
Total Revenue from operations		10,499.40	11,379.63
Other income	32	98.88	79.19
Total Income		10,598.28	11,458.82
EXPENSES			
Finance costs	33	3,181.08	3,311.91
Fees and commission	34	291.23	405.39
Employee benefits	35	3,841.31	3,934.37
Impairment on financial instruments	36	1,950.11	3,526.97
Depreciation, amortization and impairment	37	49.67	57.64
Other expenses	38	2,702.16	3,160.29
Total expenses		12,015.56	14,396.57
Profit before exceptional items and tax		(1,417.28)	(2,937.75)
Exceptional items		-	-
Profit before tax		(1,417.28)	(2,937.75)
Tax expense			
Current tax	39	66.44	80.02
Deferred tax		(449.04)	(655.32)
Total Tax expense		(382.60)	(575.30)
Profit for the year (A)		(1,034.68)	(2,362.45)
Other comprehensive income (OCI)			
1. (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit liabilities/assets		16.22	(17.05)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(4.08)	4.30
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)		12.14	(12.75)
Total comprehensive income (A+B)		(1,022.54)	(2,375.20)
Earnings per equity share (Face value of ₹ 10 each)			
(a) Basic (₹)	40	(6.38)	(14.57)
(b) Diluted (₹)		(6.38)	(14.57)

Summary of Significant Accounting Policies and other notes on Consolidated Financial Statements

1-57

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

As per our report of even date attached

 For **JKVS & Co.**

Chartered Accountants

Firm Reg. No. 318086E

For and on behalf of the Board of Directors

Sajal Goyal

Partner

Membership No. 523903

Yogen Khosla

Managing Director

DIN: 00203165

Vahin Khosla

Executive Director

DIN: 07656894

Place: New Delhi
Date: May 27, 2022
Tanya Sethi

Company Secretary

M. No. A31566

Vinod Raina

CFO &

Compliance Officer

Place: New Delhi
Date: May 27, 2022

(A) Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	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 Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	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 (Shares transferred to the trust pursuant to the scheme of Employee Stock Option Scheme ("ESOP"))	(143,915)	(14.39)	(143,915)	(14.39)
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, 2020	545.59	300.00	12,488.26	34.57	1,691.85	(1,236.13)	13,824.14
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	-	-	-	-	-	(228.67)	(228.67)
Balance as at March 31, 2021	545.59	300.00	12,488.26	34.57	1,713.17	(3,632.63)	11,448.96
Profit for the year	-	-	-	-	-	(1,031.71)	(1,031.71)
Other Comprehensive Income (net of tax)	-	-	-	-	-	12.14	12.14
Total Comprehensive Income for the year	-	-	-	-	-	(1,019.57)	(1,019.57)
Transfer to Statutory Reserve	-	-	-	-	14.14	(14.14)	-
Balance as at March 31, 2022	545.59	300.00	12,488.26	34.57	1,727.31	(4,666.34)	10,429.39

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 preference 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"))

This reserve created as per the provision of the Section 45-IC of the Reserve Bank of India Act, 1934 (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 **JKVS & Co.**

Chartered Accountants

Firm Reg. No. 318086E

For and on behalf of Board of Directors

Sajal Goyal

Partner

Membership No. 523903

Yogen Khosla

Managing Director

DIN: 00203165

Vahin Khosla

Executive Director

DIN: 07656894

Place: New Delhi

Date: May 27, 2022

Tanya Sethi

Company Secretary

M. No. A31566

Place: New Delhi

Date: May 27, 2022

Vinod Raina

CFO &
Compliance Officer

Capital Trust Limited

Consolidated statement of Cash flows for the period ended March 31, 2022



(Amounts in ₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities		
Profit / (loss) before tax	(1,417.28)	(2,937.75)
Adjustments for:		
Depreciation, amortization and impairment	49.67	57.64
Impairment on financial instruments	1,950.11	3,526.97
Loan written off	36.21	1,538.19
Net gain/(loss) on derecognition of property, plant and equipment	7.47	2.79
Net gain/(loss) on derecognition of Right to Use Asset	-	(34.22)
Gain on sale of investments	-	(4.30)
Unrealised (gain)/loss on fair value changes of investments	(184.55)	(304.17)
Gain on sale of loan portfolio through assignment	(82.76)	-
Unwinding of loss on fair valuation of financial assets	4.06	-
Effective interest rate adjustment for financial instruments	218.18	231.71
Dividend Income	-	-
Operating profit before working capital changes	581.11	2,076.86
(Increase)/ decrease of receivables	(161.67)	(110.78)
(Increase)/ decrease of loans	3,368.57	833.34
(Increase)/ decrease of other financial assets	(1,394.16)	831.42
(Increase)/ decrease of other non financial assets	20.22	36.62
(Increase)/ decrease of deposit taken	-	(30.00)
Movement in fixed deposits	(1,153.82)	(1,178.46)
Increase/ (decrease) of trade payables	36.68	(22.65)
Increase/ (decrease) of other financial liabilities	739.88	(1,038.80)
Increase/ (decrease) of provisions	(11.65)	20.03
Increase/ (decrease) of other non-financial liabilities	(112.32)	531.84
Increase/ (Decrease) of lease liabilities	(7.73)	(18.65)
Cash generated / (used) in operating activities	1,905.11	1,930.77
Income taxes (paid) / refund	(316.74)	(137.56)
Net cash inflow / (outflow) from operating activities A	1,588.37	1,793.21
Cash flows from investing activities		
Purchase of property, plant & equipment	(35.65)	(28.84)
Proceed from sale of property, plant & equipment	21.13	0.27
Movement in investments	-	4.30
Net cash inflow / (outflow) from investing activities B	(14.52)	(24.27)
Cash flows from financing activities		
Proceed from issue of non convertible debentures	-	3,000.00
Proceeds from securitised loans under pass through transactions	7,227.08	2,652.39
Repayment of securitised loans under pass through transactions	(6,388.67)	-
Repayment of borrowings (Net)	(5,778.94)	(7,002.47)
Net cash inflow / (outflow) from financing activities C	(4,940.53)	(1,350.08)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(3,366.68)	418.86
Cash and cash equivalents at the beginning of the year	3,854.84	3,435.98
Cash and cash equivalents at the end of the year (refer note 4)	488.16	3,854.84

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 **JKVS & Co.**

Chartered Accountants

Firm Reg. No. 318086E

For and on behalf of the Board of Directors

Sajal Goyal

Partner

Membership No. 523903

Yogen Khosla

Managing Director

DIN: 00203165

Vahin Khosla

Executive Director

DIN: 07656894

Place: New Delhi

Date: May 27, 2022

Tanya Sethi

Company Secretary

M. No. A31566

Place: New Delhi

Date: May 27, 2022

Vinod Raina

CFO &

Compliance Officer

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 wholly owned subsidiary 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 May 27, 2022.

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 51.

Summary of significant accounting policies

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 51 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.

Summary of significant accounting policies

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.

Summary of significant accounting policies

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 and 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.

Summary of significant accounting policies

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 (EAD): 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

Summary of significant accounting policies

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 long-term employee benefits

The Group has long term employment benefit plans i.e. accumulated leave. As per Group's policy, unutilised leaves will be lapsed 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.

Summary of significant accounting policies

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 under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

- (i) Ind AS 16 – Proceeds before intended use - The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.
- (ii) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract - The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.
- (iii) Ind AS 109 – Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
4 Cash and cash equivalents		
Cash on hand	159.29	88.75
Balances with banks in current accounts	328.87	3,766.09
	<u>488.16</u>	<u>3,854.84</u>
5 Bank balances other than Cash and cash equivalent		
Bank deposits	5,218.28	4,064.46
Earmarked balances with banks		
On dividend accounts	29.52	29.55
	<u>5,247.80</u>	<u>4,094.01</u>
<p>\$\$ Represents deposits placed as margin money to avail term loans from banks and financial institutions.</p>		
6 Other Receivables (Unsecured - considered good)*		
At Amortised Cost		
Service fee from business correspondents receivables	329.69	168.02
Less: Allowance for impairment loss	-	-
	<u>329.69</u>	<u>168.02</u>
<p>* 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.</p>		
7 Loans & Advances		
At Amortised Cost		
a Portfolio Loans	22,687.89	27,115.18
b Minimum Retention on Direct Assignments of Portfolio Loans	292.73	946.12
c Others		
i) Loan to employees	11.50	2.46
Gross Loans	<u>22,992.12</u>	<u>28,063.76</u>
Less: Unamortization of processing fess	(90.05)	(261.87)
Less: Impairment loss allowance	(4,172.57)	(3,545.68)
Net Loans	<u>18,729.50</u>	<u>24,256.21</u>
7.1 Breakup of total loans		
Secured by tangible assets	24.88	544.01
Unsecured	22,967.24	27,519.75
Gross Loans	<u>22,992.12</u>	<u>28,063.76</u>
Less: Unamortization of processing fess	(90.05)	(261.87)
Less: Impairment loss allowance	(4,172.57)	(3,545.68)
Net Loans	<u>18,729.50</u>	<u>24,256.21</u>
7.2 Loans in India		
Public Sector	-	-
Others	22,992.12	28,063.76
Gross Loans	<u>22,992.12</u>	<u>28,063.76</u>
Less: Unamortization of processing fess	(90.05)	(261.87)
Less: Impairment loss allowance	(4,172.57)	(3,545.68)
Net Loans	<u>18,729.50</u>	<u>24,256.21</u>

7.3 There are no loans and advances to Promoters/Directors/KMP/Related Parties as on March 31, 2022 and March 31, 2021.

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
8 Investments		
Fair Value Through Profit and Loss		
In equity instruments (Unquoted)		
2,400 (March 31, 2021: 2,400) Equity Shares fully paid in Indo Deutch Proteins Limited ^	-	-
3,600 (March 31, 2021: 3,600) Equity Shares fully paid in Tina Electronics Limited	-	-
2,000 (March 31, 2021: 2,000) Equity Shares fully paid in Parasrampur Industries Limited ^	-	-
14,800 (March 31, 2021: 14,800) Equity Shares fully paid in Naina Semiconductors Limited ^	-	-
In mutual funds (Quoted)		
24,21,835 (March 31, 2021: 24,21,835) units in ICICI Prudential Short Term Regular Plan #	1,157.33	1,110.66
21,05,023 (March 31, 2021: 21,05,023) units in IDFC Bond Fund -Medium Term Plan Growth #	801.60	769.39
21,93,449 (March 31, 2021: 21,93,449) units in Kotak Banking and PSU Fund Growth #	1,158.03	1,103.74
68,98,598 (March 31, 2021: 68,98,598) units in Nippon India Banking & PSU Debt Fund Growth #	1,162.74	1,111.37
	4,279.70	4,095.16
# Mutual funds have been hypothecated for securing Credit limits from a Bank.		
^ Carrying value is ₹ 1		
Breakup of total investments		
In India	4,279.70	4,095.16
Outside India	-	-
	4,279.70	4,095.16
9 Other Financial Assets		
Interest accrued but not due	134.78	115.69
Security deposits @	235.96	304.01
Other recoverables*	1,735.09	208.76
Total Gross (a)	2,105.83	628.46
Less: Provision for doubtful advances	95.06	94.61
Total Net (a - b)	2,010.77	533.85
@ Represents deposits placed as margin money to avail loans from banks and financial institutions and direct assignment.		
* Includes Rs. 1436.90 Lakhs (Previous year - Nil) recoverable against assigned portfolio.		
10 Current Tax Asset(Net)		
Advance Income Tax (Net of Provision)	540.72	291.65
	540.72	291.65

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
11 Deferred tax asset (Net)		
Deferred tax assets		
Property, plant and equipment	9.12	4.97
Origination and reversal of temporary differences	31.69	44.69
Impairment loss allowance	1,075.68	916.62
Financial assets measured at amortized cost	20.84	86.46
Business losses	2,475.99	2,082.05
MAT Credit Entitlement	31.37	45.73
Others	0.30	0.33
Total deferred tax assets	3,644.99	3,180.85
Deferred tax liabilities		
Fair Valuation of Financial Instruments	145.90	99.45
Others	20.83	48.10
Total deferred tax liability	166.73	147.55
Deferred tax assets (net)	3,478.26	3,033.30

- 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 year 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 in due course.

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
16 Other Non Financial Assets (Unsecured, considered good)		
Prepaid expenses	10.86	73.69
Input tax credit	106.26	81.85
Others	7.27	-
	<u>124.39</u>	<u>155.54</u>
17 Trade Payables		
Total outstanding dues of Micro Enterprises & Small Enterprises**	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	91.92	55.24
	<u>91.92</u>	<u>55.24</u>

** Based on the information available and as identified by the management, there is no vendor registered under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, disclosures relating to dues of Micro and Small enterprises are not given.

17.1 Trade Payables ageing

Particulars	Outstanding for following periods from due date of payment				
	As at March 31, 2022				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	91.92	-	-	-	91.92
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Unbilled dues	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment				
	As at March 31, 2021				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	55.24	-	-	-	55.24
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Unbilled dues	-	-	-	-	-

18 Debt Securities

Valued at Amortised Cost

Debentures (Secured)

3000, 11.50% Non Convertible Debentures of Rs. 100,000 each (refer note 18.1) 3,000.00 3,000.00

Others (Secured)

Liabilities against securitised portfolio loans (refer note 18.2) 3,490.80 2,652.39

Less: Unamortised Ancillary cost of arranging the borrowings (85.57) (100.83)

6,405.23 5,551.56

Breakup of Debt securities

In India 6,405.23 5,551.56

Outside India - -

6,405.23 5,551.56

18.1 Secured by way of exclusive charge on book debts and guaranteed by promoter director of the Company in his personal capacity.

18.2 Secured by way of exclusive charge on book debts and cash collateral in the form of fixed deposit.

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
19 Borrowings (other than debt securities)		
Measured at Amortised Cost		
Term Loan		
Secured		
from banks	6,820.60	8,458.33
from financial institutions	1,657.13	2,298.37
from corporate entities		
Unsecured		
from Corporate entities (Related Party)	406.00	386.00
from a Director (Related Party)	238.00	80.00
from other Corporate entities	200.00	670.35
from financial institutions	-	200.00
Vehicle loan		
Secured		
from banks	24.85	38.95
from financial institution	0.86	4.33
Repayable on demand from banks - Secured	583.65	3,594.73
Less: Unamortised Ancillary cost of arranging the borrowings	(48.50)	(69.53)
	9,882.59	15,661.53
Breakup of Borrowings		
In India	9,882.59	15,661.53
Outside India	-	-
	9,882.59	15,661.53
19.1 Borrowings are secured by way of hypothecation of portfolio loans arising out of its business operation, cash collateral in the form of fixed deposits and mutual funds.		
19.2 Vehicles are hypothecated for respective borrowings.		
19.3 Following loans have also been guaranteed by promoter director of the Company in his personal capacity and corporate guarantee of Indo Crediop Private Limited which has been merged with Moonlight Equity Private Limited during the year (Shareholders and related parties):		
Term Loan		
from banks	1,896.27	4,194.43
from financial institutions	1,657.12	2,298.20
Repayable on demand from banks	-	497.00
	3,553.39	6,989.63
20 Subordinated Liabilities (Unsecured)		
At Amortised Cost		
From Bank	4,500.00	4,500.00
Less: Unamortised Ancillary cost of arranging the borrowings	(10.70)	(20.77)
	4,489.30	4,479.23
Breakup of Subordinated Liabilities		
In India	4,489.30	4,479.23
Outside India	-	-
	4,489.30	4,479.23
21 Other Financial Liabilities		
Interest accrued	199.92	196.48
Employees emoluments	492.90	144.55
Interest and principal payable on direct assignment	173.16	252.82
Interest and principle payable on pass through transactions	410.24	-
Recovered Premium Payable to insurance company	41.09	75.63
Unpaid dividend	29.52	29.55
Other liabilities	376.42	284.34
	1,723.25	983.37

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
22 Current Tax Liabilities		
Provision for income tax (net of advance tax)	-	1.23
	<u>-</u>	<u>1.23</u>
23 Provisions		
Provision for employee benefits (Refer Note No. 48)	125.85	137.50
	<u>125.85</u>	<u>137.50</u>
24 Other non-financial liabilities		
Advance EMI received	473.90	525.61
Refundable amount under scheme for grant of ex-gratia (Refer Note No. 55)	45.59	45.59
Deferred Income	-	82.62
Statutory dues payable	115.19	93.18
	<u>634.68</u>	<u>747.00</u>

Capital Trust Limited

Notes to the Consolidated Financial Statements


Term of repayment of debt securities, other borrowings and subordinated liabilities as at March 31, 2022

(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	3,000.00	-	-	-	-	3,000.00
	Monthly	13.00% to 14.50%	12	3,490.80	-	-	-	-	-	-	3,490.80
			12	3,490.80	1	3,000.00	-	-	-	-	6,490.80
	Less: Unamortised Ancillary cost of arranging the borrowings										(85.57)
											6,405.23
Borrowings other than Debt Securities	Monthly	8.00% to 10.00%	29	10.14	24	8.90	15	6.67	-	-	25.71
		10.50% to 12.50%	73	4,841.72	25	436.93	24	347.18	1	10.26	5,636.09
		12.70% to 16.00%	37	2,941.64	4	744.00	-	-	-	-	3,685.64
	On Demand	9.25% to 14.50%		583.64		-		-		-	583.64
			139	8,377.14	53	1,189.83	39	353.85	1	10.26	9,931.08
	Less: Unamortised Ancillary cost of arranging the borrowings										(48.50)
											9,882.58
Subordinated Liabilities	Bullet	Above 16%	-	-	2	4,500.00	-	-	-	-	4,500.00
	Less: Unamortised Ancillary cost of arranging the borrowings										(10.70)
											4,489.30

Term of repayment of debt securities, other borrowings and subordinated liabilities as at 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	Monthly	11.50%	-	-	-	-	1	3,000.00	-	-	3,000.00
	Monthly	13.00%	12	2,509.83	1	142.56	-	-	-	-	2,652.39
			12	2,509.83	1	142.56	1	3,000.00	-	-	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	2,545.24	31	1,177.47	12	222.22	12	249.49	4,194.42
	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

12 Property, plant and equipment
For the financial year 2021-22

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at March 31, 2021	Additions	Disposals	As at March 31, 2022	As at March 31, 2021	Charged during the year	Disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Land and Building	23.54	-	23.54	-	1.01	0.26	1.27	-	-	22.53
Plant and equipment	5.19	-	4.74	0.45	4.90	-	4.54	0.36	0.09	0.29
Computer	28.65	35.25	8.37	55.53	18.65	10.23	7.11	21.77	33.76	10.00
Furniture and fixtures	82.68	-	8.74	73.94	26.05	8.96	3.96	31.05	42.89	56.63
Vehicles	104.73	-	-	104.73	31.21	12.48	-	43.69	61.04	73.52
Office equipment	49.14	0.40	0.90	48.64	22.07	7.90	0.82	29.15	19.49	27.07
Total	293.93	35.65	46.29	283.29	103.89	39.83	17.70	126.02	157.27	190.04

For the financial year 2020-21

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at March 31, 2020	Additions	Disposals	As at March 31, 2021	As at March 31, 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	0.64	0.37	-	1.01	22.53	22.90
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	17.49	13.72	-	31.21	73.52	87.24
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

13 Right of use Asset (Refer Note 48)

For the financial year 2021-22

PARTICULARS	GROSS BLOCK			AMORTISATION				NET BLOCK		
	As at March 31, 2021	Additions	Disposals	As at March 31, 2022	As at March 31, 2021	Charged during the year	Disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Leasehold Buildings	25.70	-	-	25.70	2.27	8.57	-	10.84	14.86	23.43
Total	25.70	-	-	25.70	2.27	8.57	-	10.84	14.86	23.43

For the financial year 2020-21

PARTICULARS	GROSS BLOCK			AMORTISATION				NET BLOCK		
	As at March 31, 2020	Additions	Disposals	As at March 31, 2021	As at March 31, 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

14 Intangible Asset under Development

For the financial year 2021-22

Particulars	As at March 31, 2022				
	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	5.06	13.83	-	-	18.89
Projects temporarily suspended	-	-	-	-	-

For the financial year 2020-21

Particulars	As at March 31, 2021				
	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	13.83	-	-	-	13.83
Projects temporarily suspended	-	-	-	-	-

15 Other Intangible Assets

For the financial year 2021-22

PARTICULARS	GROSS BLOCK			AMORTISATION				NET BLOCK		
	As at March 31, 2021	Additions	Disposals	As at March 31, 2022	As at March 31, 2021	Charged during the year	Disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Software	29.58	-	-	29.58	28.31	1.27	-	29.58	-	1.27
Total	29.58	-	-	29.58	28.31	1.27	-	29.58	-	1.27

For the financial year 2020-21

PARTICULARS	GROSS BLOCK			AMORTISATION				NET BLOCK		
	As at March 31, 2020	Additions	Disposals	As at March 31, 2021	As at March 31, 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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
25 Equity Share capital				
(a) Authorised share capital	30,000,000	3,000.00	30,000,000	3,000.00
Equity shares of Rs. 10 each		<u>3,000.00</u>		<u>3,000.00</u>
(b) Issued, subscribed and fully paid-up capital				
Equity shares of Rs. 10 each	16,361,415	1,636.14	16,361,415	1,636.14
Less: Equity shares held by Capital Welfare Trust (Shares transferred to the trust pursuant to the scheme of Employee Stock Option Scheme ("ESOP"))	(143,915)	(14.39)	(143,915)	(14.39)
		<u>1,621.75</u>		<u>1,621.75</u>
(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, 2022		As at March 31, 2021	
	Number	%	Number	%
Yogen Khosla	6,038,917	36.91%	6,038,917	36.91%
Moonlight Equity Private Limited	4,914,695	30.04%	1,486,810	9.09%
Indo Crediop Private Limited*	-	-	3,427,885	20.95%
India 2020 II Investors Limited	2,421,519	14.80%	2,421,519	14.80%

* Indo Crediop Private Limited has been merged with Moonlight Equity Private Limited during the year 2021-22

(f) **Details of equity shareholding of Promoter**

Name of Promoter	As at March 31, 2022		
	Number of shares	% of total shares	% Change during the year
Yogen Khosla	6,038,917	36.91%	-
Moonlight Equity Private Limited	4,914,695	30.04%	20.95%
Indo Crediop Private Limited*	-	-	-20.95%

* Indo Crediop Private Limited has been merged with Moonlight Equity Private Limited during the year 2021-22

Name of Promoter	As at March 31, 2021		
	Number of shares	% of total shares	% Change during the year
Yogen Khosla	6,038,917	36.91%	-
Moonlight Equity Private Limited	1,486,810	9.09%	-
Indo Crediop Private Limited	3,427,885	20.95%	-

(Amounts in ₹ in lakhs except EPS)

	For the year ended March 31, 2022	For the year ended March 31, 2021
26 Interest Income		
(On financial assets measured at Amortised cost)		
Interest income on loan portfolio	7,702.60	9,007.70
Interest income on Security Deposits on Loans	10.32	9.79
Interest income on fixed deposits	178.16	148.60
	7,891.08	9,166.09
27 Fees and commission Income		
Service fee & facilitation charges	19.02	39.75
Service fee from business correspondents	715.03	388.22
	734.05	427.97
28 Net gain on fair value changes		
Net gain on financial instruments measured at fair value through profit or loss	184.55	308.47
	184.55	308.47
Fair value change:		
Realised	-	4.30
Unrealised	184.55	304.17
	184.55	308.47
29 Net gain on derecognition of financial instruments under amortised cost category		
Gain on sale of loan portfolio through assignment	82.76	71.02
	82.76	71.02
30 Reversal of Impairment loss allowance	-	23.10
	-	23.10
31 Other Operating Income		
Assignor's Yield on Direct Assignments of Portfolio	136.24	973.05
Recovered against portfolio written off in earlier years	1,470.72	409.93
	1,606.96	1,382.98
32 Other income		
Gain on derecognition of right of use assets	-	34.22
Interest on income tax refund	4.44	11.69
Liabilities no longer required written back	44.03	-
Miscellaneous income	50.41	33.28
	98.88	79.19
33 Finance costs (on financial liabilities measured at amortised cost)		
Interest expenses:		
- on Debt Securities	767.91	315.96
- on Borrowings (other than debt securities)	1,466.36	2,044.27
- on Subordinate Debts	787.04	792.96
- on Lease Liability	2.71	4.74
- on Others	3.59	5.70
Other borrowing costs	153.47	148.28
	3,181.08	3,311.91
34 Fee and Commission Expense		
Professional Fee and consultancy	204.03	315.12
Commission	87.20	90.27
	291.23	405.39

(Amounts in ₹ in lakhs except EPS)

	For the year ended March 31, 2022	For the year ended March 31, 2021
35 Employee benefit expense		
Salaries, wages and bonus	3,381.29	3,455.75
Gratuity	4.56	15.01
Contribution to provident and other funds	262.30	161.17
Staff welfare expenses	193.16	302.44
	<u>3,841.31</u>	<u>3,934.37</u>
36 Impairment on financial instruments (On financial assets measured at amortised cost)		
Impairment on Loans portfolio	1,950.11	4,678.19
Less : Portfolio written off during the year	-	1,151.22
	<u>1,950.11</u>	<u>3,526.97</u>
37 Depreciation, amortization and impairment		
On property, plant and equipment	39.83	40.13
On right of use assets	8.57	7.90
On other intangible assets	1.27	9.61
	<u>49.67</u>	<u>57.64</u>
38 Other expenses		
Rates & Taxes	20.11	17.73
Electricity	17.01	19.97
Rent	233.28	212.75
Reversal of input GST Credit	115.67	54.56
Repairs and maintenance - Others	54.80	33.78
Insurance	8.60	1.01
Directors sitting fee	2.00	1.41
Travelling and conveyance	1,023.47	587.03
Other Professional Charges	374.52	39.48
Communication costs	62.32	69.56
Printing and stationery	21.20	26.02
Payment to auditors (refer note (i) below)	15.32	17.97
Corporate Social responsibility expenses (Refer note (ii) below)	17.99	5.50
Bank charges	40.85	40.51
Loss on sale of Fixed Assets	7.47	2.79
Unwinding of loss on fair valuation of financial assets	4.06	-
Provision made / write off related towards employees embezzlement	6.15	12.23
Provision made for other recoverables	-	17.01
Portfolio written off	1,359.44	2,988.37
Less: Impairment loss allowance created in earlier years	<u>1,323.22</u>	<u>1,450.18</u>
Waiver Charges	423.37	233.45
Rebate and Claim	41.84	203.49
Sundry Balances written off	4.78	-
Miscellaneous Expenses	171.14	25.85
	<u>2,702.16</u>	<u>3,160.29</u>
(i) Payment to auditors (including payment to previous auditors)		
Statutory audit	7.00	7.00
Tax Audit	1.35	1.00
Limited Review certification	3.00	3.00
Certification fee	0.90	0.45
Fee for Audit of Opening Balance Sheet under Ind-AS	-	5.00
GST Audit	2.70	1.10
Reimbursement of Expenses	0.37	0.42
	<u>15.32</u>	<u>17.97</u>

(Amounts in ₹ in lakhs except EPS)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(ii) Corporate Social Responsibility expense (CSR)		
Detail of the CSR expenses for the year are as under:		
a) Amount required to be spent during the year	-	20.97
b) Amount spent during the year	17.99	5.50
c) Shortfall at the end of the year	(17.99)	15.47
d) Total of previous years shortfall	15.47	-
e) Reason for shortfall	NA	Part of ongoing project
f) Nature of CSR activities	Skill development among the construction workers	
g) Details of related party transactions, contribution to trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard.	-	-
h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	-	-
<hr/>		
39 Tax Expense		
Current Tax		
Current Tax for the year	66.58	78.89
Current Tax adjustments for earlier year (Net)	(0.14)	1.13
	<u>66.44</u>	<u>80.02</u>
39.1 Components of Income Tax Expense:		
Amounts recognised in the Statement of Profit and Loss		
Current tax	66.44	80.02
Deferred tax	(449.04)	(655.32)
Amounts recognised in the Statement of Profit and Loss		
Income tax relating to items that will not be reclassified to profit or loss	4.08	(4.30)
Income Tax expense for the year	<u>(378.52)</u>	<u>(579.60)</u>
39.2 Reconciliation of effective tax :		
Income before Income Tax	(1,417.28)	(2,937.75)
Income Tax Rate	24.999%	23.086%
Expected Income Tax Expense	(354.30)	(678.20)
Tax effect of adjustments:		
Impact of allowable and disallowed income and expenses	(24.08)	97.47
Taxes for earlier years	(0.14)	1.13
Total Tax expense	<u>(378.52)</u>	<u>(579.60)</u>
40 Earning Per Share		
Net Profit for the year	(1,034.68)	(2,362.45)
Face value per share (₹)	10.00	10.00
Equity Shares Outstanding at the beginning 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 (₹)	₹ (6.38)	(14.57)
Diluted EPS (₹)	₹ (6.38)	(14.57)

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, 2022		As at March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets measured at fair value through profit and loss				
Investments	4,279.70	4,279.70	4,095.16	4,095.16
Total	4,279.70	4,279.70	4,095.16	4,095.16
Financial Assets measured at amortized cost				
Cash and Cash Equivalents	488.16	488.16	3,854.84	3,854.84
Bank Balances other than Cash and Cash Equivalents	5,247.80	5,247.80	4,094.01	4,094.01
Receivables - Others	329.69	329.69	168.02	168.02
Loans	18,729.50	18,729.50	24,256.21	24,256.21
Other Financial Assets	2,010.77	2,010.77	533.85	533.85
Total	26,805.92	26,805.92	32,906.93	32,906.93
Financial Liabilities				
Trade Payables	91.92	91.92	55.24	55.24
Debt Securities	6,405.23	6,405.23	5,551.56	5,551.56
Borrowings (Other than Debt Securities)	9,882.59	9,882.59	15,661.53	15,661.53
Subordinated Liabilities	4,489.30	4,489.30	4,479.23	4,479.23
Lease Liabilities	16.05	16.05	23.78	23.78
Other Financial Liabilities	1,723.25	1,723.25	983.37	983.37
Total	22,608.34	22,608.34	26,754.71	26,754.71

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, 2022	4,279.70	-	-	4,279.70
As at March 31, 2021	4,095.16	-	-	4,095.16

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, 2022 and March 31, 2021, 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 Companies 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 from
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 indebtedness 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, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	21,317.87	484.17	1,190.08	22,992.12
Allowance of ECL	3,568.10	11.07	593.40	4,172.57

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

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 possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are overdue, the Group initiates the legal proceedings against the defaulted customers. The maximum exposure to credit risk is ₹ 24.88 Lakhs (March 31, 2021 ₹ 544.01 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 analyses the Group financial assets and liabilities into relevant maturity grouping based on their contractual maturities.

As at March 31, 2022

Particulars	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
Financial Liabilities					
Trade Payables	91.92	-	-	-	91.92
Debt Securities	3,405.23	3,000.00	-	-	6,405.23
Borrowings (Other than Debt Securities)	8,328.65	1,189.83	353.85	10.26	9,882.59
Subordinated Liabilities	-	4,489.30	-	-	4,489.30
Lease Liabilities	9.08	6.97	-	-	16.05
Other Financial Liabilities	1,723.25	-	-	-	1,723.25
Total	13,558.13	8,686.10	353.85	10.26	22,608.34

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
Borrowings (Other than Debt Securities)	2,409.00	142.56	3,000.00	-	5,551.56
Deposits	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

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, 2022	As at March 31, 2021
Liabilities		
Borrowings (Other than Debt Securities)	6,219.73	7,789.16
Total	6,219.73	7,789.16

Sensitivity Analysis

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest rates - increase by 0.50%	31.10	38.95
Interest rates - decrease by 0.50%	(31.10)	(38.95)

(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, 2022	As at March 31, 2021
Investments		
Maximum exposure to price risk	4,279.70	4,095.16
Total	4,279.70	4,095.16

Sensitivity Analysis

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Investments at FVTPL - increase by 1%	42.80	40.95
Investments at FVTPL - decrease by 1%	(42.80)	(40.95)

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, 2022	As at March 31, 2021
Debt Securities	6,405.23	5,551.56
Borrowings (Other than Debt Securities)	9,882.59	15,661.53
Subordinated Liabilities	4,489.30	4,479.23
Less: Cash and Cash Equivalents	(488.16)	(3,854.84)
Bank Balances other than Cash and Cash Equivalents	(5,247.80)	(4,094.01)
Net Debt	15,041.16	17,743.47
Equity	1,621.75	1,621.75
Other Equity	10,429.39	11,448.96
Total Capital	12,051.14	13,070.71
Net debt to equity ratio	1.25	1.36

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 be recovered or settled.

Particulars	As at March 31, 2022		As at March 31, 2021	
	within 12 months	after 12 months	within 12 months	after 12 months
ASSETS				
Financial Assets				
Cash and Cash Equivalents	488.16	-	3,854.84	-
Bank Balances other than Cash and Cash Equivalents	3,960.84	1,286.96	2,293.67	1,800.34
Receivables - Others	329.69	-	168.02	-
Loans	14,659.62	4,069.88	14,001.11	10,255.10
Investments	4,279.70	-	4,095.16	-
Other Financial Assets	1,959.31	51.46	493.34	40.51
Total	25,677.32	5,408.30	24,906.14	12,095.95
Non Financial Assets				
Current Tax Assets (Net)	540.72	-	291.65	-
Deferred Tax Assets (Net)	-	3,478.26	-	3,033.30
Property, Plant and Equipment	-	157.27	-	190.04
Right of use Asset	-	14.86	-	23.43
Intangible Assets	-	-	-	1.27
Intangible Assets under Development	-	18.89	-	13.83
Other Non Financial Assets	124.39	-	155.54	-
Total	665.11	3,669.28	447.19	3,261.87
Total Assets	26,342.43	9,077.58	25,353.33	15,357.82
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Trade Payables	91.92	-	55.24	-
Debt Securities	3,405.23	3,000.00	2,409.00	3,142.56
Borrowings (Other than Debt Securities)	8,328.65	1,553.94	7,613.17	8,048.36
Subordinated Liabilities	-	4,489.30	-	4,479.23
Lease Liabilities	9.08	6.97	7.72	16.06
Other Financial Liabilities	1,723.25	-	983.37	-
Total	13,558.13	9,050.21	11,068.50	15,686.21
Non-Financial Liabilities				
Current Tax Liabilities (Net)	-	-	1.23	-
Provisions	21.22	104.63	37.50	100.00
Other Non-Financial Liabilities	634.68	-	747.00	-
Total	655.90	104.63	785.73	100.00
Total Liabilities	14,214.03	9,154.84	11,854.23	15,786.21
Net Equity	12,128.40	(77.26)	13,499.10	(428.39)

(Amounts in ₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
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 ₹ 233.28 Lakhs for the year ended March 31, 2022 (Previous year ₹ 212.75 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.
- b) There are no subleasing of right-of-use assets during the year ended March 31, 2022 and March 31, 2021.
- c) There are no variable lease payments for the year ended March 31, 2022 and March 31, 2021.
- d) Total cash outflow on right to use assets for the year ended March 31, 2022 of Rs. ₹ 10.44 Lakhs and March 31, 2021 ₹ 10.38 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 March 31, 2022	For the year ended March 31, 2021
Contribution to employees Provident fund	172.24	149.23

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 2022. 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, 2022	As at March 31, 2021
Present value of defined benefit obligation	133.15	148.70
Fair value of plan assets	7.30	11.20
Net defined benefit liability	125.85	137.50

(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, 2022	For the year ended March 31, 2021
Amount recognised in the statement of Profit & Loss		
Current service cost	(1.07)	7.14
Interest cost	5.63	7.87
Interest income on plan assets	-	-
	4.56	15.01

(Amounts in ₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount recognised in the other comprehensive income		
Actuarial (gain)/loss unrecognised during the year	(16.22)	17.05
	(16.22)	17.05
Movement in defined benefit obligation (DBO)		
Present value of DBO as at the beginning of the year	148.70	122.95
Current service cost	(1.07)	7.14
Interest cost	5.63	7.87
Remeasurements (gain)/loss	(15.65)	17.03
Benefit paid out of the fund	(4.47)	(6.29)
Present value of DBO as at the end of the year	133.15	148.70
Movement in the plan assets recognised in the balance sheet		
Fair Value of Plan Assets at the beginning of the year	11.20	5.48
Actual Return on Plan Assets	0.57	0.35
Contributions by the employer	-	11.64
Benefits Paid	(4.47)	(6.29)
Actuarial gain / (loss) on Plan Assets	-	0.01
Fair Value of Plan Assets at the end of the year	7.30	11.20
(iii) Maturity profile of defined benefit obligation (based on discounted basis):		
	As at March 31, 2022	As at March 31, 2021
Within next twelve months	46.35	46.31
Between one to five years	62.04	60.21
Beyond five years	24.77	42.18
Total	133.15	148.70

(iv) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Discount rate (in %)	5.60%	5.20%
Expected rate of future salary increase (in %)	5.00%	5.00%
Expected average remaining working lives of employees (in years)	30.62	30.62

(v) Category of plan assets

Insurer managed funds	100%	100%
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In the absence of detailed information regarding plan assets which is funded with Insurance 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	Discount Rate		Average salary escalation rate	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
- Impact due to increase of 1%	(3.42)	(3.64)	2.55	2.80
- Impact due to decrease of 1%	3.66	3.83	(2.43)	(2.63)

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.

49 Other Disclosures

- (i) The Group Companies do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) The Group Companies have not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Group Companies have not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) The Group Companies do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group Companies have not been declared willful defaulter by any Banks/Financial Institutions.
- (v) The Group Companies have not traded or invested in Crypto currency or Virtual currency during the year.
- (vi) With respect to Group Companies, there is no income which is required to be recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (vii) The Group Companies do not have any transaction with struck off companies during the current and previous year.
- (viii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

50 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) ceased with effect from June 29, 2021 Mr. Vahin Khosla (Executive Director) with effect from July 01, 2021 Mr. Sanjiv Syal (Director) Ms. Suman Kukretty (Director) Mr. Govind Saboo (Director) with effect from February 08, 2021 Mr. Pawan Dubey (Director) with effect from February 08, 2021 Mr. Vijay Kumar (Director) ceased with effect from February 08, 2021 Mr. Nikhil Kochhar (Director) ceased with effect from June 29, 2021 Mr. Abhinav Sharma (Director) ceased with effect from February 01, 2021 Mr. Vinod Raina (Chief Financial Officer) Mrs. Tanya Sethi (Company Secretary)
Relatives of Key Management Personnel	Mr. Yuv Vir Khosla (Chief Operating Officer) (Son of Managing director)
Enterprise over which KMP and their relatives is having significant influence	Capital Trust Infotech Private Limited Yogen Khosla & Sons (HUF) Vishwas Welfare Foundation Moonlight Equity Private Limited Indo Crediop Private Limited (merged with Moonlight Equity Private Limited) Vaibhav Farms Private Limited (merged with Moonlight Equity Private Limited) Italindian Trade & Financial Services Private Limited (merged with Moonlight Equity Private Limited)

2 Transactions with related parties during the year

Particulars	Subsidiary	Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprise over which KMP and their relatives can exercise significant influence
Loan taken				
Indo Crediop Private Limited	-	-	-	-
	-	-	-	(290.00)
Moonlight Equity Private Limited	-	-	-	739.00
	-	-	-	(320.00)
Capital Trust Infotech Private Limited	-	-	-	24.00
	-	-	-	(20.00)
Vaibhav Farms Private Limited	-	-	-	-
	-	-	-	(137.00)
Vishwas Welfare Foundation	-	-	-	217.00
	-	-	-	(215.00)
Mr. Yogen Khosla	-	403.00	-	-
	-	(610.00)	-	-
Loan repaid				
Indo Crediop Private Limited	-	-	-	7.00
	-	-	-	(283.00)
Moonlight Equity Private Limited	-	-	-	593.00
	-	-	-	(311.00)
Capital Trust Infotech Private Limited	-	-	-	20.00
	-	-	-	-
Vaibhav Farms Private Limited	-	-	-	137.00
	-	-	-	-
Vishwas Welfare Foundation	-	-	-	203.00
	-	-	-	(2.00)
Mr. Yogen Khosla	-	245.00	-	-
	-	(530.00)	-	-

(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	-	-	-	0.49
	-	-	-	(2.55)
Moonlight Equity Private Limited	-	-	-	12.61
	-	-	-	(9.56)
Vaibhav Farms Private Limited	-	-	-	9.80
	-	-	-	(19.68)
Capital Trust Infotech Private Limited	-	-	-	3.38
	-	-	-	(3.17)
Vishwas Welfare Foundation	-	-	-	31.20
	-	-	-	(31.31)
Mr. Yogen Khosla	-	9.51	-	-
	-	(28.39)	-	-
Remuneration and other perquisites to Company's KMPs and their relatives*				
Short term employee benefit	-	266.29	91.50	-
	-	(283.10)	(36.44)	-
Defined Contribution Plan	-	23.75	9.59	-
	-	(24.48)	(4.83)	-
Directors Sitting Fees	-	2.00	-	-
	-	(1.41)	-	-

* The above remuneration is excluding provision for Gratuity based on actuarial valuation done at year end.

3 Outstanding balance as at year end	As at March 31, 2022	As at March 31, 2021
Unsecured Loans:		
Vaibhav Farms Pvt Ltd	-	137.00
Capital Trust Infotech Pvt Ltd	24.00	20.00
Indo Crediop Pvt Ltd	-	7.00
Moonlight Equity Pvt Ltd	155.00	9.00
Vishwas Welfare Foundation	227.00	213.00
Mr. Yogen Khosla	238.00	80.00
Remuneration and other perquisites to Company's KMPs and their relatives		
Short term employee benefit	12.67	-

Apart from above Managing director of the company and Moonlight Equity Private Limited has given corporate guarantees to the bankers to secure loan availed by the company. (Refer Note 19.3)

Capital Trust Limited

Notes to the Consolidated Financial Statements



(Amounts in ₹ in lakhs)

51 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, 2022	As at March 31, 2021
Capital Trust Microfinance Private Limited	India	100%	100%
Capital Trust Housing Finance Private Limited	India	100%	100%

52 **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, 2022 and March 31, 2021.

53 **Disclosure of the additional information as required by the Schedule III:**

March 31, 2022	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	98%	11,797.98	119%	(1,232.40)	100%	12.14	119%	(1,220.26)
Subsidiaries (Indian)								
Capital Trust Microfinance Private Limited	30%	3,652.60	-7%	70.70	-	-	-7%	70.70
Capital Trust Housing Finance Private Limited	13%	1,573.98	-12%	127.02	-	-	-12%	127.02
Eliminations	-41%	(4,973.43)	-	-	-	-	-	-
	100%	12,051.14	100%	(1,034.68)	100%	12.14	100%	(1,022.54)

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	-	-	-4%	106.59
Capital Trust Housing Finance Private Limited	11%	1,446.96	-6%	136.88	-	-	-6%	136.88
Eliminations	-38%	(4,976.39)	10%	(228.67)	-	-	10%	(228.67)
	100%	13,070.71	100%	(2,362.45)	100%	(12.75)	100%	(2,375.20)

54 The Board of Directors have approved the merger of its two wholly owned subsidiaries, i.e., Capital Trust Microfinance Private Limited and Capital Trust Housing Finance Private Limited with the Company, w.e.f 01 April 2021. Pending approval of the regulatory authorities, no impact on these financial statements have been considered. The petition has already been filed with Hon'ble NCLT.

- 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 Group has estimated the said amount and made provision for refund/adjustment. As on 31 March 2022, the Group holds the liability of Rs. 45.59 Lakhs (Previous Year - Rs. 45.59 Lakhs) to meet its obligation towards refund / adjustment of interest on interest to eligible borrowers as prescribed by the RBI.
- 56 Covid 19 pandemic has led to significant disruptions for individuals and business, impacting Group's regular operations including lending and collection activities. A large segment of our customers are linked to the local economy and operation in essential services. Due to this, in the opinion of management, there is significant increase of credit risk of such borrowers. Accordingly, the Group is carrying total additional provision of Rs. 2123.67 Lakhs (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 net carrying amount of 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 current market indicators and is 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.
- 57 The figures for the previous periods have been regrouped/rearranged, wherever considered necessary, to conform current period classifications.

As per our report of even date attached
For **JKVS & Co.**
Chartered Accountants
Firm Reg. No. 318086E

For and on behalf of the Board of Directors of

Sajal Goyal
Partner
Membership No. 523903

Yogen Khosla
Managing Director
DIN: 00203165

Vahin Khosla
Executive Director
DIN: 07656894

Place: New Delhi
Date: 27 May 2022

Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO &
Compliance Officer

Place: New Delhi
Date: May 27, 2022



CAPITAL TRUST LIMITED
205, CENTRUM MALL,
MG ROAD, SULTANPUR
NEW DELHI - 110030
Ph: +91 9716844571
Email: cs@capitaltrust.in
CIN: L65923DL1985PLC195299