



 **Capital Trust**

34th Annual Report 2019-20

Empowering enterprises
Enriching lives

CONTENTS

Contents	Page No
MSME Sector :	2
Message from Chairman and Managing Director :	5
Corporate snapshot :	11
Board of Directors and Leadership Team :	14
Corporate Information :	20
Management discussion and Analysis Report :	22
Directors Report :	43
Extracts of Annual Return :	58
Secretarial Audit Report :	67
Corporate Governance Report :	70
Corporate Governance Certificate :	95
Notice of AGM :	97
Audit Report and Financial Statements :	115

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

India's Micro, Small, and Medium Enterprises (MSMEs) base is the largest in the world after China. The sector provides a wide range of services and is engaged in the manufacturing of over 6,000 products – ranging from traditional to hi-tech items.

Employing over 11 crore workers MSMEs contribute 29% of India's GDP and comprise almost half of its exports. While there are about 90.19 lakh registered MSMEs, there may be actually more than 6.33 crore MSMEs out of which 6.30 crore or 99.4% are micro-enterprises, while 0.52% — 3.31 lakh are medium and 0.007% — 5,000 are medium enterprises. The state of Uttar Pradesh has the largest number of estimated MSMEs with a share of 14.20% of the total MSMEs in the country. West Bengal comes as close second with a share of 14%, followed by Tamilnadu and Maharashtra at 8%. Despite holding 48% share in India's exports, the significance of MSMEs in creating sufficient opportunities or employment for the country's teeming millions has always occupied a secondary status.

Given the government of India's 'Make in India' push, along with a push to attract greater FDI, the Indian MSMEs sector is poised for rapid growth and integration with major global value chains. However, the spread of COVID-19 in India and consequent lock-down has stressed national economic growth and put financial pressure on businesses. In light of this, the government has announced changes to categorize MSMEs. The new definition will identically apply to both manufacturing and services MSMEs in India:

- Enterprises with investment up to Rs.1 Crore and turnover up to Rs.5 Crores are defined as micro units
- Enterprises with investment up to Rs.10 Crores and turnover up to Rs.50 Crores are defined as small units.
- Enterprises with investment up to Rs.50 Crores and turnover up to Rs.250 Crores are defined as medium-sized units.

In addition, Government of India has initiated various schemes and measures to allow MSMEs easier access to funds, to modernize the sector, and make it more competitive in the global market. These include schemes ensuring the quality of products, especially those meant for exports, technology up-gradation, incubation, credit-linked capital subsidy, and UID linked schemes which facilitate ease of receiving a subsidy. Under the Atmanirbhar Bhaarat Abhiyaan Economic Package, Rs.3 Lakh Crores in collateral-free automatic loans to MSMEs has been aimed at providing additional working capital to existing customers of Banks and NBFCs.

Additionally, World Bank has announced a US \$750 million budget support to 15 crore MSMEs to increase liquidity access for viable small businesses impacted by COVID-19.

While the current stimulus is expected to ensure adequate flow of credit, the fact is that the majority of the MSME sector comprises of the micro players which simply do not have the experience or resources, to use bank finance or engage in product promotion to ensure adequate returns. The '59-Minute loan Programme' that was launched by the government did ensure that loans were sanctioned at the earliest but the actual disbursement was simply not there. Further the 'PSBLoansIn59Minutes' portal as of now caters only to existing entrepreneurs GSTIN, Income Tax returns, bank statement, but doesn't cater to new entrepreneurs. Small players usually do not have the required documents nor do they have the capital to get the expertise services. Further restrictions such as closely watching repayment ability of those who have taken the three-month moratorium on loan repayment, or no loan extension till the interest for 2-3 months moratorium period is serviced will become hindrances for MSME borrowers.

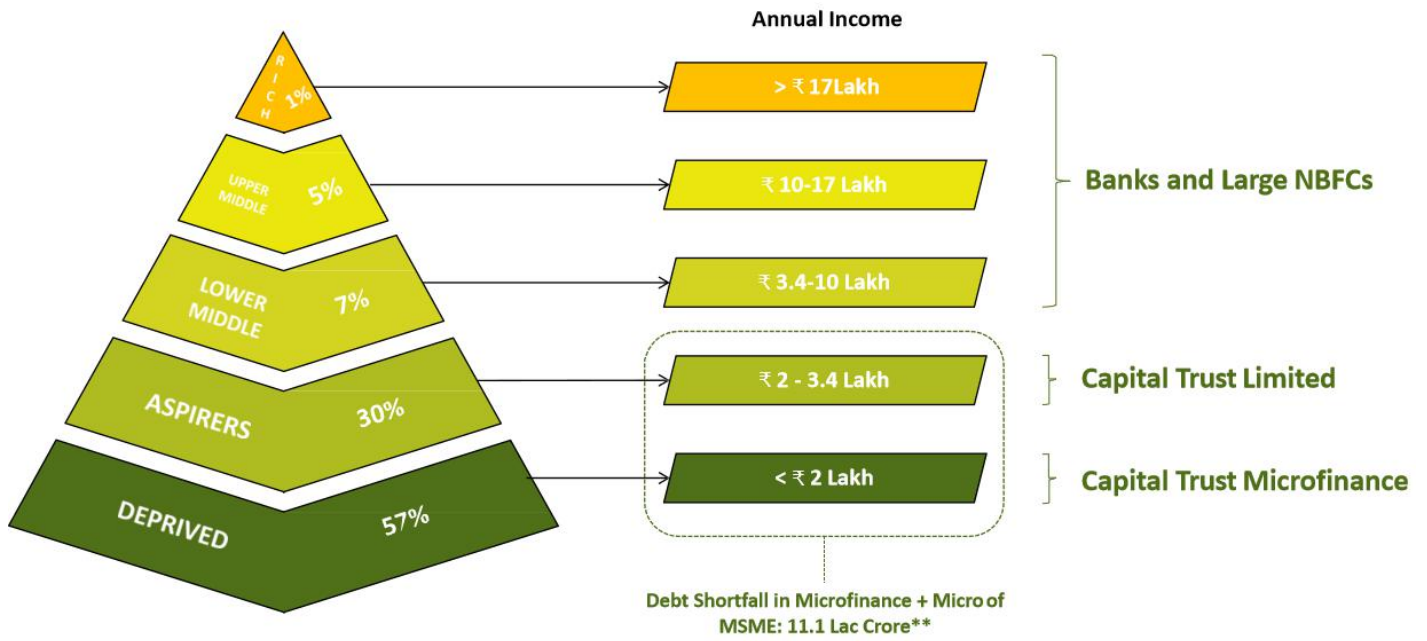
Earlier the government had tried to encourage disbursement of collateral free loans under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMCE). Although the intention was commendable the ground reality was that no bank or NBFC would be willing to lend under this scheme because you can apply to government to refund a guarantee only after 18 months.

Source: India Briefing

In view of above Capital Trust has been focusing on the Micro segment of MSME sector which has limited access to the bank funds.

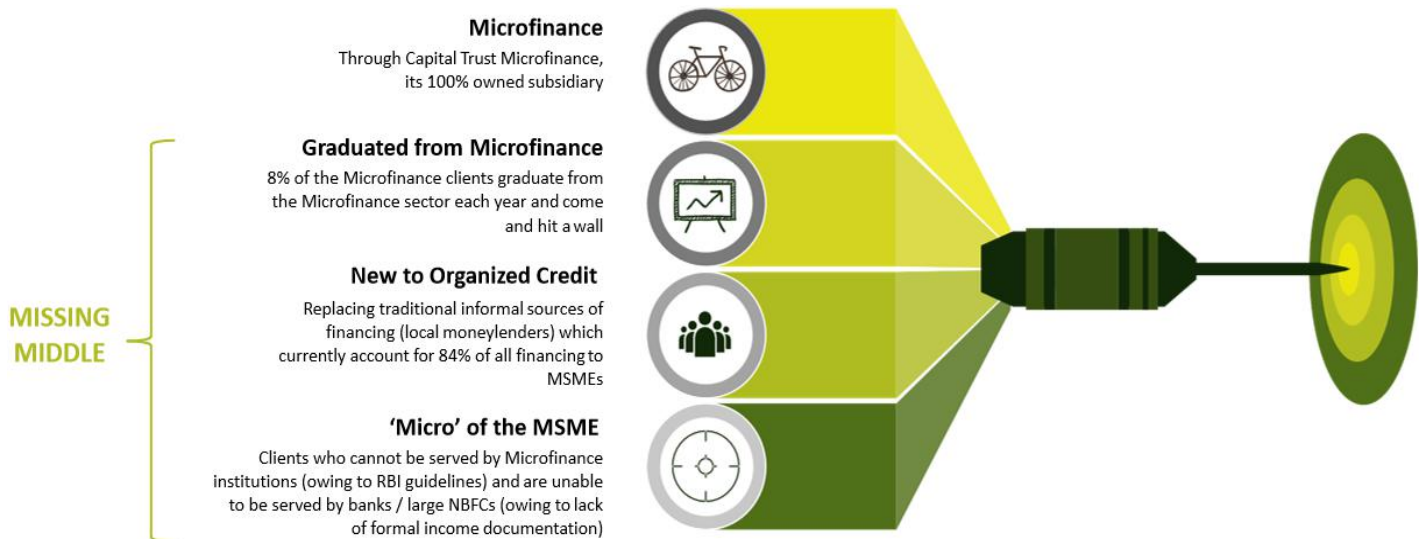
Focus of Capital Trust on sector derived

The company will continue to focus on missing middle who are deprived of the bank credit.



*NCAER-CMCR Annual Income Data
**IFC Report on MSMEs (Nov 2018)

Focus of the company shall be missing middle



MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR

Our focus on the ‘Missing Middle’ – the economic segment that is excluded from the formal banking system as well the growing microfinance industry and our revolutionary digital loans in the MSME market help us acquire customers that are new to organized credit but remain un-served by large NBFC’s and banks.

Dear Shareholders,

I am pleased to present you the 34th Annual Report of the company for the year 2019-20. The last four years have been very tough for the NBFC business due to demonetization, liquidity crisis in the NBFC sector due to non-lending by banks and certain issues in the sector. The smaller players were hit by turbulence and business growth has impacted. The COVID-19 pandemic and associated lock-down measures have further aggravated their situation.

Global economy and Markets

The COVID-19 pandemic is inflicting high and rising human costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity. There is extreme uncertainty around the global growth forecast. Many countries face a multi-layered crisis comprising a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals, and a collapse in commodity prices. The significant actions of large central banks in recent weeks include monetary stimulus and liquidity facilities to reduce systemic stress. However, as per the World Bank, the swift and massive shock of the corona virus pandemic and shut-down measures to contain it have plunged the global economy into a severe contraction

Domestic Economy and Markets

On the domestic front, during 2019-20, the Indian Economy grew by 4.2% against the 6.1% expansion in 2018-19. Although it was the lowest growth rate in 11 years, the Jan-Mar growth rate of 3.1% (lowest in the 44 quarters) was still higher than the 2.2% growth predicted by most economists and rating analysts. Government reforms bolstered the formal sector over the past few years; however, income levels in the informal areas suffered as a result. In addition, Credit growth among non-banking financial companies steadily declined due to a freeze in the wholesale money market during most of 2019. This affected overall credit growth, particularly in the informal sector.

A slowdown in consumption demand, delayed and uneven progress of the monsoon, heavy rainfall in Aug-Sep 2019 along with delayed withdrawal of monsoon leading to floods, decline in manufacturing growth, inability of Insolvency and Bankruptcy Code to resolve cases in a time-bound manner, and rising global trade tensions adversely impacted exports, kept growth subdued in FY20.

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.

Scheduled commercial banks' (SCBs) credit growth remained subdued at 8.7% y-o-y in September 2019, though Private Sector Banks registered double digit credit growth of 16.5%. While SCBs' gross non-performing assets (GNPA) ratio remained unchanged at 9.3% between March and September 2019, their capital adequacy ratio improved significantly after the recapitalisation of public sector banks by the Government.

Reserve Bank has initiated policy measures: to introduce a liquidity management regime for NBFCs; to improve the banks' governance culture; for resolution of stressed assets and for the development of payment infrastructure. Access to banking system has improved over the years due to persistent government efforts to promote banking-technology and promote expansion in unbanked and non-metropolitan regions. For digital initiatives, In FY19, over 3,133 crore digital transactions were registered and reached 1,527 crore in FY20 (till September 2019).

In the wake of COVID-19 pandemic the government has been trying to encourage banks and non-bank financial companies to lend to the micro, small and medium sector, however, the bank credit outstanding to the MSME sector decreased since the onset of the pandemic as per RBI data, from Rs. 4.78 lakh Crores on February 28, 2020 to Rs. 4.58 lakh Crores on April 24, 2020.

(Source- RBI December 2019 Financial Stability Report)

NBFC Sector

NBFCs are rapidly gaining prominence as intermediaries in the retail finance space. NBFCs have served the unbanked customers by pioneering into retail asset-backed lending, lending against securities and microfinance. NBFCs aspire to emerge as a one-stop shop for all financial services. Non-Banking Financial Companies are expected to raise their share to 19-20 per cent by 2020 through recapitalisation program for public sector and New RBI guidelines on NBFCs with regard to capital requirements, provisioning norms and enhanced disclosure requirements are expected to benefit the sector in the long run

There were 9642 non-banking financial companies (NBFCs) registered with the Reserve Bank as on September 30, 2019. Out of above 9461 were non-deposit accepting (NBFCs-ND) while there were 82 deposit accepting NBFCs (NBFCs-D) and 99 Housing Finance Companies (HFCs). Around 274 non-deposit accepting NBFCs have been classified as systemically important.

Although the NBFC sector grew in size from ₹ 26.2 lakh crore in 2017-18 to ₹ 30.9 lakh crore in 2018-19, the pace of expansion was lower than in 2017-18 mainly due to rating downgrades and liquidity stress in a few large NBFCs in the aftermath of the IL&FS event. In 2019-20 (up to September) growth in balance-sheet size of NBFCs were further moderated due to a sharp deceleration in credit growth

In 2018-19, GNPA ratio of NBFCs-ND-SI deteriorated across all categories, except NBFCs-MFI, which reported significant improvement in the GNPA ratio. The improvement in the GNPA ratio of the NBFCs- MFI may be attributed to write offs of aging loans.

Recent developments

Post IL&FS scam, mutual funds are reluctant to lend to NBFCs. The principle behind their operation, which is long-term lending and short-term borrowing, was already perceived as too risky by most commercial banks. Hence, when the NBFCs turned to the banks for funding, only the top ones managed to borrow, mainly from private banks. Situation have been further aggravated with renewed pressure on funding and liquidity post recent RBI takeover of YES Bank.

As the impact of coronavirus is beginning to be felt in India, further risks to economic growth and asset quality are increasing. Rising asset quality and funding risks will place pressure on ratings if conditions worsen materially, said a Fitch Ratings report.

The RBI's planned reconstruction scheme broadly protects the deposits and liabilities of the bank, but calls for a write-down on its Basel III AT1 instruments at present. This may trigger another round of investor risk aversion that tightens market access and raises overall funding costs for borrowers, with wholesale NBFIs likely to remain more vulnerable in this situation.

Commercial banks had recently become an important source of funding for NBFCs. So, if we see a deteriorating condition of more private banks in the near future due to a weak depositor sentiment, it will ultimately lead to constriction of liquidity. A liquidity crunch at a time when financial sector is already impacted by the general economic slowdown and the COVID-19 crisis will only lead to the asset quality risks getting worse. This will eventually force NBFCs to be more hesitant to lend to customers perceived as too risky by Banks as well as SMEs, which contribute largely towards India's GDP.

Source: economic times

Impact on Capital Trust Limited

The crisis hit all NBFCs alike. Capital Trust has also been impacted as the funds from banks, NBFCs and Financial Institutions were not freely available. This has been reflected in lesser disbursements and muted profitability.

However, to safeguard the profitability aspect with focus on returns along with manageable risks, the Company evolved new digital loan products with focus on shorter tenure, comparatively smaller ticket size and on-line payment modes (cash-less) including NACH, Wallets, Payment Gateways and Payment through links.

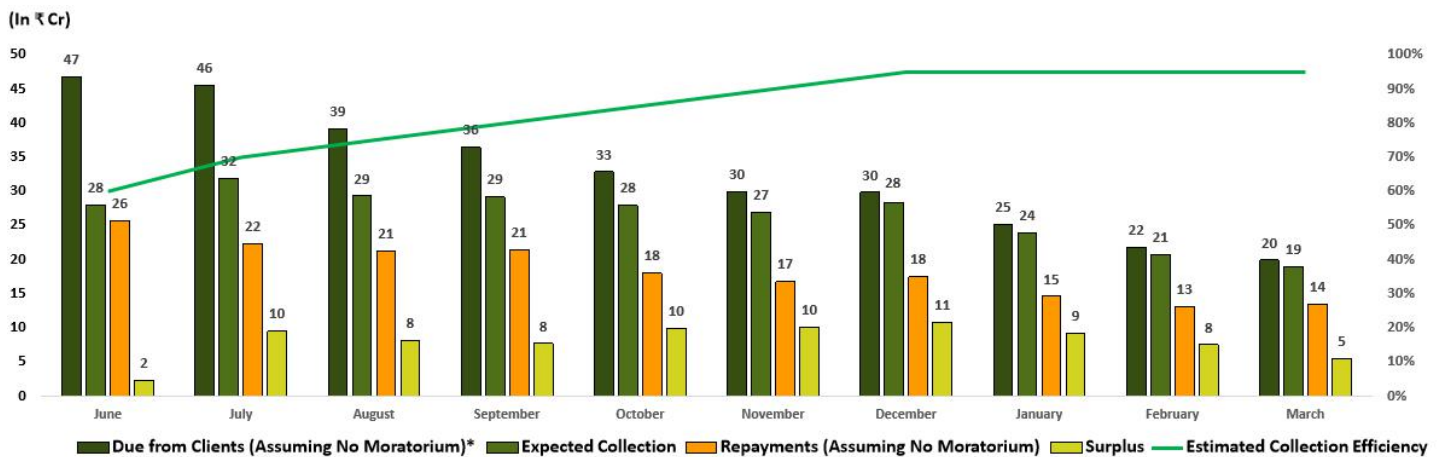
The company introduced Capital Magic Loans and Micro Business Loans. Capital Magic Loan is a multi-utility unsecured loan with tenure upto an year under quick disbursement mode offered by the Company through its mobile application Capital Sales. Micro business loan is a individual loan with 2 year tenure and higher ticket size to fulfil business related needs of the customer.

In addition, Company entered into direct assignment transaction for portfolio worth ~Rs.135 Crores with different investors and entered into a lending partnership arrangement with IDFC Bank. Even amid COVID-19 pandemic lock-down, CTL has entered into a Co-lending partnership arrangement worth Rs.600 Crores with leading NBFC.

The asset liability management of the company is in good position. The company has not taken short term loans. All the loans taken by the company are long term with the tenure of around 5

years. The company is providing loans with a maximum maturity of 3-24 months. So the ALM position of the company is positive.

Even under reduced collections scenario during lock-down owing to the moratorium benefit available to all the customers of CTL in compliance with RBI guidelines, there is adequate liquidity buffer available with opening cash-balance of Rs.33 Crores in June 2020. All 240 branches are open and CTL has touched collection efficiency of 66% during mid-June which is higher than 13% collection efficiency in April-20 and 25% collection efficiency in May-20.



* Assuming no incremental disbursements

ALM Position of the company for year 2020-21

New era of NBFCs

With the rising innovation and growth in the sector, newer business models of NBFCs such as account aggregators and 'peer to peer lending platforms' ("P2P Lending") are catching pace.

P2P Lending is a form of crowd-funding which uses an online platform to match lenders with borrowers to provide unsecured loans.

At the locus of technology innovation and financial services, Fintechs have been gaining prominence for promising opportunities and ability to supplement capabilities of the lender. The Fintech industry globally has received US\$17.4 billion in investment in 2016-17. Fintech startups have developed offerings that are faster, better and cheaper across multiple domains—lending, payments, brokerage, credit scoring and personal finance. More than 225 alternative lending based FinTechs (including direct lending, P2P lending, invoice trading, crowdfunding, marketplace platforms and credit scoring) were founded in India in 2017.

Fintech lending start-ups offer differentiated capabilities

Credit Scoring

Many companies have taken up the role of an enabler in the industry, using alternative data sources to build credit scores of the 350 million credit invisible people without a documented credit history.

Marketplace and Comparison Platform

Digital marketplaces connect borrowers and lenders. They reduce the loan processing time and match borrowers to the best fit lender.

Crowd-funding

Crowd-funding entails raising external finance from a large group of investors. The investors can interact with the investees and view their ideas on a crowd-funding platform.

Direct Lending

Direct Lending includes platforms that have a lending license. The digitisation of sub-processes, allow reduced costs and gives these NBFCs an edge over banks.

P2P Lending

P2P lending involves building a marketplace to bring together individual borrowers and lenders through tech-enabled platforms.

Invoice Trading

Invoice trading assists MSMEs that often struggle with working capital and cash flows due to delayed payments.

While previously seen as competition, lenders have now begun to find synergies in collaborating with Fintechs to differentiate or improve their businesses. This has led to several banks and NBFCs to leverage capabilities of Fintech partners to overcome challenges in distribution, underwriting, risk management, etc., and increase their access to underserved and financially excluded customers.

(Source: Assocham Report)

Business Highlights for the year 2019-20

The company have been innovative in approach to find out alternative funding mechanism and introduction of digital loan products to counter the challenges associated with liquidity and profitability amid multiple crisis in the NBFC sector.

Disbursement in demonetization era MSME loan products were stopped and CTL evolved new loan products with focus on shorter tenure, comparatively smaller ticket size and on-line payment modes (cash-less) including NACH, Wallets, Payment Gateways and Payment through links.

The company is not disbursing in the states of UP, Delhi and Uttrakhand ('Affected States') which were impacted by the demonetization. The loan portfolio of the company is evenly distributed, thus mitigating the locational risk to portfolio concentration in single location. The exposure in the states that were more impacted post demonetization (Uttar Pradesh, Uttarakhand and Delhi) has been reduced from Rs.405 crore or 73% of AUM as on Mar-17 to Rs.65 crore or 13.7% of AUM as on Mar-20. The highest exposure has been in Punjab among 10 states at Rs.99 Crores, i.e. 21.0 % of AUM

At aggregate level, although the portfolio has been reduced to Rs.471 Crores as on Mar'20 from Rs.725 Crores as on Mar'19, the proportion of new loan products has increased from Rs.2 Crs, i.e.

0.3% of portfolio as on Mar'19 to Rs.134 Crs, i.e. 28.4% of portfolio as on Mar'20. Simultaneously, there is sharp improvement in leverage ratio from 3.2 to 1.8 with term borrowings reduced by 44% from Rs.484 Crs as on Mar'19 to Rs.272 Crs as on Mar'20

During, FY20, the Capital Adequacy ratio of the company is at comfortable level of 46.7% providing enough room for expansion.

Forward Looking

The Company has been effectively handling COVID pandemic related disruptions and evolved methodologies under long-term sustainability related initiatives. 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.

All 240 branches are operational as of now and there has been uplift in collection efficiency from 13% in Apr'20 to 25% in May'20 and hence 66% by mid-Jun'20.

The company has developed its own software MiWeb that has an extension of a mobile application called MiApp that is available to all staff and clients in the form of a mobile application. The application is installed on the smartphone of every field employee and is also available to the lakhs of borrowers on their mobile devices. KYC information, collection schedule and amounts, credit history, are all available through the online service. The application also allows the company to go paperless, which is something the finance industry has been attempting to do efficiently for a long time and simultaneously a necessity amid the COVID-19 restrictions in the society.

The company is also working strategically with banks and NBFCs to grow its business. During COVID-19 pandemic lock-down, CTL has entered into a Co-lending partnership arrangement worth Rs.600 Crores with leading NBFC.

The company is financially sound and its capital adequacy ratio is 46.7%, which gives the company a leverage to raise funds for its future growth. From here on, we expect Company to play a significant role in future growth prospects, especially after the Corona pandemic is over or if any spurt is witnessed in the rural economy to contribute towards the Indian growth story. Our current infrastructure and capital structure is capable of supporting business growth while simultaneously ensuring adherence to social safety norms during COVID-19 pandemic.

Message to shareholders:

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

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

With Warm Regards,

Yogen Khosla
Chairman and Managing Director

CORPORATE SNAPSHOT

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

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

The Company has provided affordable funding to over 8 Lakh Clients through its 251 branches in a transparent manner. Capital Trust aggressively aims to serve the rural and semi-urban population of India in the SME and Micro Finance lending sector. Currently Capital Trust has ~1.56 Lakhs live customers being digitally served through established infrastructure developed in-house by the Company. The Company also has a wholly owned subsidiary for the purpose of providing Micro Finance Loans.

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

While term borrowings has been reduced by 44% from Rs.484 Crs as on Mar'19 to Rs.272 Crs as on Mar'20, Company entered into direct assignment transaction for portfolio worth ~Rs.135 Crores with different investors and entered into a lending partnership arrangement with IDFC Bank. Even amid COVID-19 pandemic lock-down, CTL has entered into a Co-lending partnership arrangement worth Rs.600 Crores with one of the leading NBFCs.

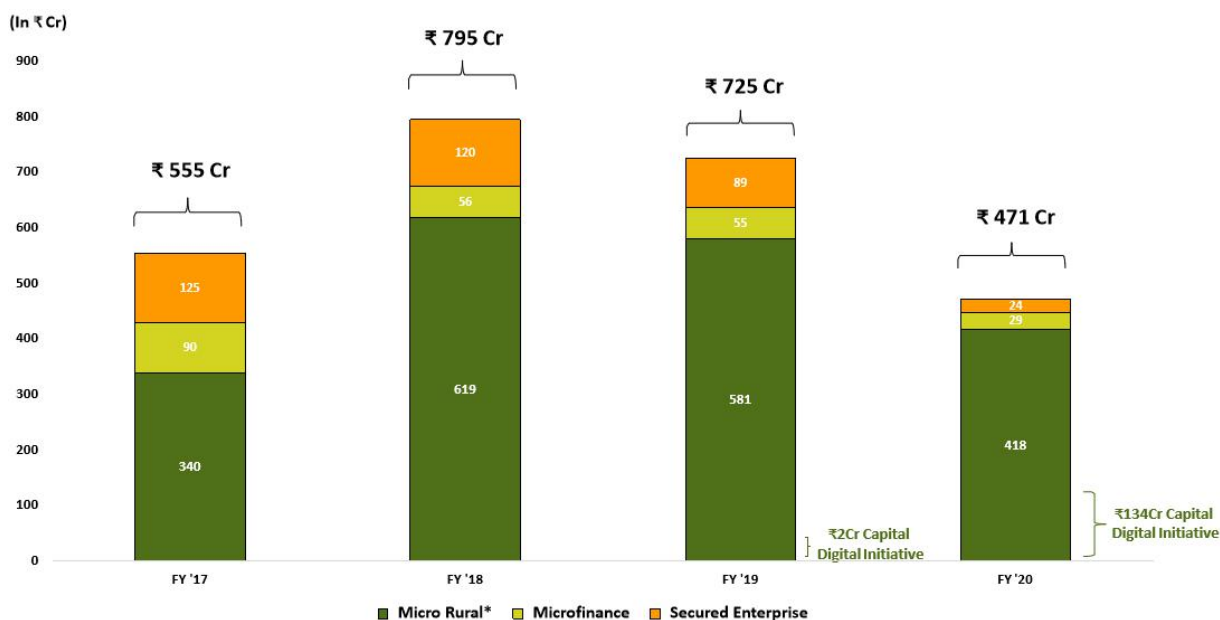
The Company is technology driven, where we believe that only extending credit alone does not empower borrowers. The credit has to be given to the client in timely manner and with full transparency. The Company has given the access to the clients through the mobile interface, where the client can log in individual loan details on real time basis. CTL focus is on continuous advancement in the technology space and extending the benefits of those developments to the people, at the bottom of the economic pyramid.

The company's software has a mobile application available to all staff and clients. The application is installed on the smartphone of every field employee and is also available to the lakhs of borrowers on their mobile devices. KYC information, collection schedule and amounts, credit history, are all available through the online service. The application also allows the company to go paperless, which is something the finance industry has been attempting to do efficiently for a long time and simultaneously a necessity amid the COVID-19 restrictions in the society.

Business Highlights

Sector wise portfolio

The company has discontinued the disbursements in Micro Enterprise Loans and Secured Enterprise Loans and started new products as Capital Magic loan and Micro Business Loans. Microfinance loans are disbursed through the subsidiary company.



*Further Classified into Micro-Enterprise, Micro-Business and Capital Magic Loan

Partnership Model

The company has built up a portfolio of Rs.41 Crores for Micro Business Loans as on Mar'20 against disbursement of Rs.46 Crores by IDFC, under the partnership arrangement with IDFC First Bank Limited. The portfolio has been sourced by CTL and field collections are being regularly transferred to IDFC in lieu of monthly payout constituting origination fee and interest share to CTL by IDFC. This ensures the uninterrupted flow of funds to the Company, higher ROE and opportunity for the new products.

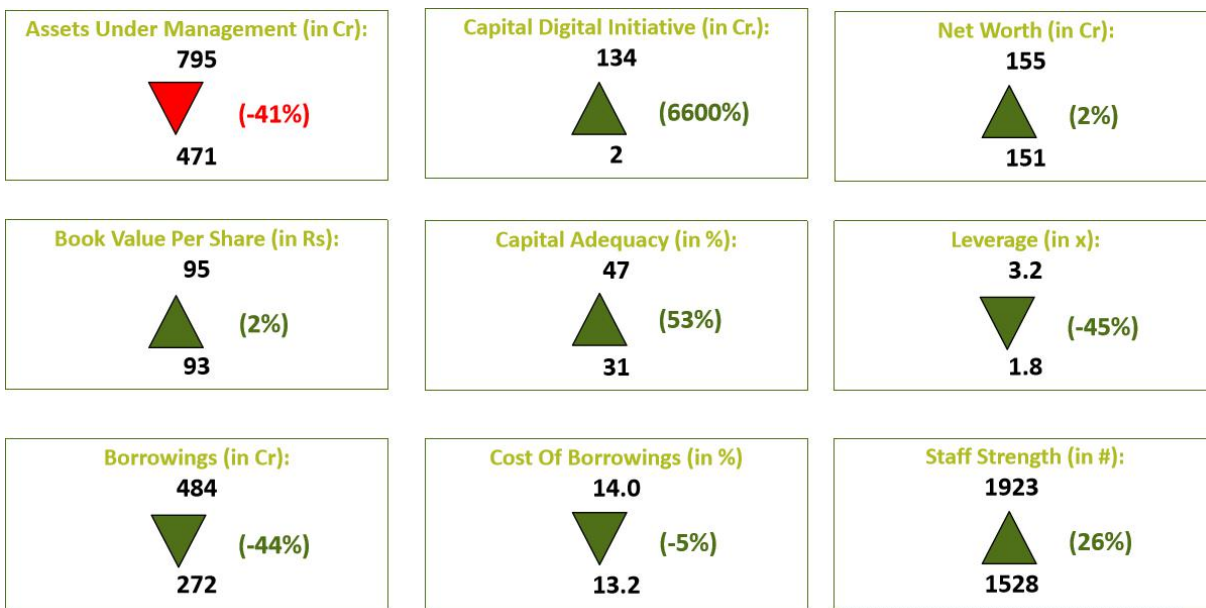
Even amid COVID-19 pandemic lock-down, CTL is in talks of entering into a Co-lending partnership arrangement worth Rs.600 Crores with a leading NBFC.

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 15 Kms.

The company is presently operating through 241 branches in 10 states. The company is not presently disbursing any loans in 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**.

Year – Over – Year Growth (FY 20 Vs FY 19)



Sectors addressed

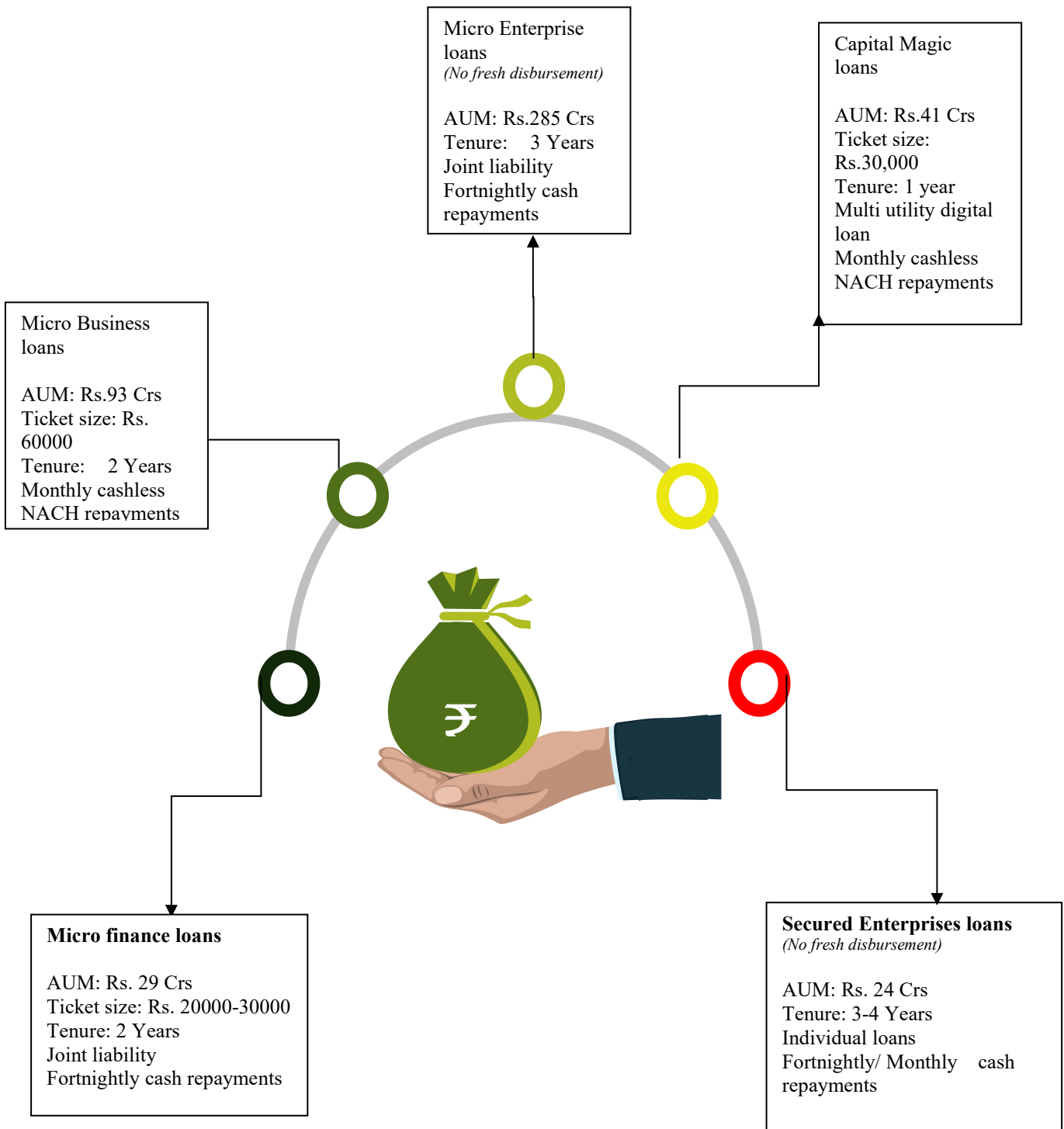
The company is providing financial assistance to the customers in Rural and Semi Urban Areas. The company has provided loans who are beyond the reach of Microfinance and too small for bank and bigger NBFCs. We call this segment as missing middle. Our clients are engaged in various activities like farming, 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, 2020 are provided below:

Sectors	%age of the AUM
Agriculture	2.22%
Dairy and Livestock	46.43%
Food	2.74%
Home Improvement Loan	0.00%
Manufacturing	3.56%
Multi-utility	5.25%
Retail	17.16%
Services	16.08%
Small Commercial Vehicle	0.00%
Trading	6.55%
Two Wheeler	0.00%
Grand Total	100%

Company Milestones

- 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

Company Products



BOARD OF DIRECTORS AND LEADERSHIP TEAM

Board of Directors

Name	Designation	Brief Profile
Mr. Yogen Khosla	Chairman & Managing Director	Mr. Yogen Khosla is a finance veteran with over 20 years of experience. He holds a Bachelor's degree in Commerce from Loyala College, Chennai and has studied at the Ealing College in London. He is a member of the Institute of Financial Accountants in the UK and was a Board member of Kinetic Capital Finance and DBS Capital Trust Securities India Pvt. Limited. Since 2003, he has been working as the Managing Director of Capital Trust Limited. He introduced the company into retail lending of micro loans in the MSME business. He has led the company to being adjudged as one of the top 100 Small and Medium Enterprises in India by India SME Forum.
Mrs. Anju Khosla	Director	Mrs. Anju Khosla graduated from Delhi University and has a Masters degree in Business Economics. She joined Capital Trust in 1989 and was initially involved with the Consultancy division. Subsequently, she handled an authorized dealership for Honda two wheelers for 3 years, which was acknowledged as the second best dealership in North India
Mr. Sanjiv Syal	Independent Director	Mr. Syal is a practicing Chartered Accountant with an experience spanning over 25 years in consulting and accountancy. Prior to setting up his accountancy practice in 2001, he set up and managed a leasing finance Company ABL Leasing for 9 years. He is also founder & Non-Executive Director in a software development company focussed on E-Learning solutions Compro Technologies. He has been a catalyst in start up of many successful projects in the BPO, IT & Financial Services space. Some of the successful startups where he has played a role include Yatra online, RAC, Gulliver Travels, DMI Finance & Cisco Systems Capital.
Colonel Vijay Kumar (Retd.)	Independent Director	Col. Vijay Kumar (Retd.) is a retired colonel from the Indian army. He has held various important appointments in the Army, including GSO 1 (Ops) of Northern Command and Secretary to Principal Personnel Officers Committee. After an illustrious career in the Army, Col Vijay Dhawan took pre-mature retirement in 2008 and joined the corporate world looking after Training and Development in HCL Infosystems Ltd. The exposure in HCL has given him a deep insight into the functioning of the corporate world. He joined the Board in 2013. He is also a Principal Consultant with Franklin Covey South Asia.
Mr. Nikhel	Independent	Mr. Nikhel Kochhar is a Practicing Chartered Accountant

Kochhar	Director	<p>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.</p> <p>His area of interest is Internal Controls & Audit, Risk Management, Corporate Governance, Organizational Systems & Processes and Corporate & Institutional Training.</p>
Mr. Abhinav Sharma	Independent Director	<p>Mr. Abhinav Sharma is a CFA Charter holder from CFA Institute, USA and a certified Financial Risk Manager from Global Association of Risk Professionals, USA. He received his MBA(Finance) from ICFAI Business School, Hyderabad and his B.A(Hons) Economics from Delhi University. His focus area is Debt Funding (Bank Loans, Project Finance, NCDs, Securitization, Cross border transactions) and Strategic Consulting (Risk Management, Credit Administration Systems, RBI Compliance, Capital Structure, Strategic Growth Planning.) He is also on the board of Manba Finance Limited.</p>
Ms. Suman Kukrety	Independent Woman Director	<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>

Leadership team

Colonel Navin Sharma (Retd)	Chief Operating Officer	<p>Col. Navin Sharma(Retd.) is a Military Veteran with over 30 years of rich service experience in various facets of Operations, HR, Leadership and Finance. He is a Graduate of the Defense Services Staff College, Wellington and has held important command & staff appointments at various hierarchical levels. An avid mountaineer, he served as an instructor at the prestigious High-Altitude Warfare School.He recently completed his Business Management Course from IIM Indore.</p>
Mr. Vinod Raina	CFO and Head-Compliances	<p>Mr. Raina is a qualified Company Secretary and Law Graduate with over 18 years of experience in the areas of Legal Compliances, Litigation, Secretarial Functions, Financial Management, Fund Raising through various modes 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.</p>

Mr. Mukesh Aggarwal	Deputy Chief Operating Officer	Mr. Aggarwal is a Chartered Accountant and Company Secretary. He is a commerce graduate with more than 12 years of experience in credit. He has worked with organizations like Citibank, DHFL and HSBC prior to joining Capital Trust. He has been working with the company since December 2016 and has been instrumental in the company's shift towards more advanced data analysis and machine learning
Mr. Mihir Chakraborty	Business Head	Mr. Chakraborty is an MBA from IMT Ghaziabad. He holds 16 years of experience in consumer lending and insurance in sales and business development. He has an expertise in retail sales, alternate channel, credit policy framework and setting up new states and regions for business. Mr. Chakraborty has worked with Muthoot Fincorp Ltd, Ujjivan Small Finance Bank, Vistaar Finance, Fullerton India Credit Co Ltd and Bajaj Allianz.
Mr. Pallav Majumdar	Training and Audit Head	Mr. Majumdar is an MBA and has a certificate in micro-finance from IIBF. With over 15 years of experience in learning and development across sectors (insurance, NBFC and pharma), Mr. Pallav has expertise in the areas of competency mapping and leadership development. Prior to Capital Trust, he has worked with Eli Lilly Ranbaxy, ICICI Lombard, L&T Insurance & Arohan Financial Services.
Mr. Gaurav Gaba	Legal Head	Mr. Gaba has over 15 years of work experience in the legal domain including litigation, compliance, contract drafting and legal recovery. In his past assignments he was associated with ICICI Lombard, Reliance, Edu Smart Services Pvt. Ltd, Indiabulls Housing Finance Limited and Frankfinn Institute of Airhostess in various capacity. He has been conferred with the degree of law (LL.B.) from M.J.P. Rohilkhand University in 2004 and he is a Licentiate Member of Insurance Institute of India.
Mr. Sukumara Pillai	Chief Accounts Officer	The longest serving employee of Capital Trust, Mr. Pillai has been with the company since its inception in 1985. He graduated from Kerala University in 1980 with a degree in commerce and is responsible for the accounts and MIS reporting. He also coordinates with Statutory and Internal Auditor of the Company, submitting statutory reports to the Reserve Bank of India and Income Tax Department.
Mr. Karan Singh	Recovery Head	Mr. Singh is a political science graduate from Jamiya, Delhi and has been involved in the day-to-day functioning of the company for the last 27 years. He joined the company as Assistant Auditor and has risen to the ranks of Recovery Head through his hard work, dedication and loyalty to the company. As Recovery Head, he is responsible for overall collections of the branches.

<p>Commander Manish Kundu (Retd)</p>	<p>Operations Head</p>	<p>Commander Kundu is an alumnus of the prestigious Indian Naval Academy. He has put in 12 years of glorious service to the nation during which he been awarded 3 Commendation Cards for meritorious service. He graduated in Computer Applications from Punjab University, Chandigarh and did his Post Graduate in International Logistics and Supply Chain from Symbiosis Institute of Management Studies, Pune. The officer has also been nominated to undergo a course at prestigious Centre for UN Peacekeeping, on Logistics and Staff Functions.</p>
<p>Ms. Tanya Sethi</p>	<p>Company Secretary</p>	<p>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</p>
<p>Mr. Vahin Khosla</p>	<p>Senior Vice President – Finance</p>	<p>Having done his schooling from The Doon School, Mr. 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.</p>
<p>Mr. Yuv Vir Khosla</p>	<p>Assistant Vice President - Business</p>	<p>Mr. Yuv Vir Khosla graduated as the Head Boy of The Doon School, Dehradun. He went on to receive 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 previously interned at 3i Debt Management in New York and Cantor Fitzgerald in Hong Kong. Yuv also holds a private pilot license.</p>

CORPORATE INFORMATION

Corporate Identification No. : L65923DL1985PLC195299

Registered & Corporate Office : 507 DLF Courtyard,
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New Delhi - 110017
Ph: +91-97168 44571
Email: info@capitaltrust.in
cs@capitaltrust.in

(Erstwhile: 366 Sultanpur, MG Road, New Delhi- 110030)

Board of Directors :

- Mr. Yogen Khosla (Chairman and Managing Director)
- Ms. Anju Khosla (Executive Director)
- Mr. Sanjiv Syal (Independent Director)
- Col. Vijay Kumar (Retd.) (Independent Director)
- Mr. Nikhel Kochhar (Independent Director)
- Mr. Abhinav Sharma (Independent Director) (w.e.f. 12.12.2019)
- Ms. Suman Kukrety (Independent Woman Director) (w.e.f. 28.03.2020)

Board Committees :
Audit Committee :

- Mr. Nikhel Kochhar (Chairman)
- Col. Vijay Kumar (Retd.)
- Mr. Sanjiv Syal
- Mr. Yogen Khosla
- Mr. Abhinav Sharma

Nomination and Remuneration Committee :

- Mr. Nikhel Kochhar (Chairman)
- Col. Vijay Kumar (Retd.)
- Mr. Sanjiv Syal
- Mr. Abhinav Sharma

Shareholders' Grievance Committee :

- Mr. Nikhel Kochhar (Chairman)
- Mr. Yogen Khosla
- Ms. Anju Khosla
- Mr. Abhinav Sharma

Risk Management Committee :

- Col. Vijay Kumar (Retd.) (Chairman)
- Mr. Yogen Khosla
- Ms. Anju Khosla
- Mr. Nikhel Kochhar
- Mr. Abhinav Sharma

**Corporate Social
Responsibility Committee**

- : • Mr. Sanjiv Syal (Chairman)
- Mr. Yogen Khosla
- Ms. Anju Khosla
- Col. Vijay Kumar (Retd.)

Company Secretary

: Ms. Tanya Sethi

Chief Finance Officer

: Mr. Vinod Raina

Auditors

: M/s Singhi & Co.
Chartered Accountants
Unit No.1704, 17th Floor,
World Trade Tower (Tower-B),
Delhi Noida Direct Flyway,
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Registrar & Transfer Agent

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Partners



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Scenario

Global Economy

The COVID-19 pandemic is inflicting high and rising human costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity. As a result of the pandemic, the global economy is projected to contract sharply by –3 percent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario, which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8% in 2021 as economic activity normalizes, helped by policy support. On a positive note, while the world GDP growth rate in 2020 is expected to be in negative trajectory, the corresponding GDP growth rate of Emerging and Developing Asia is expected to be 1% led by India (1.9%) and China (1.2%).

There is extreme uncertainty around the global growth forecast. The economic fallout depends on factors that interact in ways that are hard to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, the extent of supply disruptions, the repercussions of the dramatic tightening in global financial market conditions, shifts in spending patterns, behavioural changes (such as people avoiding shopping malls and public transportation), confidence effects, and volatile commodity prices. Many countries face a multi-layered crisis comprising a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals, and a collapse in commodity prices. Risks of a worse outcome predominate.

Effective policies are essential to forestall worse outcomes. Necessary measures to reduce contagion and protect lives will take a short-term toll on economic activity but should also be seen as an important investment in long-term human and economic health. The immediate priority is to contain the fallout from the COVID-19 outbreak, especially by increasing health care expenditures to strengthen the capacity and resources of the health care sector while adopting measures that reduce contagion. Economic policies will also need to cushion the impact of the decline in activity on people, firms, and the financial system; reduce persistent scarring effects from the unavoidable severe slowdown; and ensure that the economic recovery can begin quickly once the pandemic fades.

Because the economic fallout reflects particularly acute shocks in specific sectors, policy-makers will need to implement substantial targeted fiscal, monetary, and financial market measures to support affected households and businesses. Such actions will help maintain economic relationships throughout the shut-down and are essential to enable activity to gradually normalize once the pandemic abates and containment measures are lifted. The fiscal response in affected countries has been swift and sizable in many advanced economies (such as Australia, France, Germany, Italy, Japan, Spain, the United Kingdom, and the United States). Many emerging market and developing economies (such as China, Indonesia, and South Africa) have also begun providing or announcing significant fiscal support to heavily impacted sectors and workers. Fiscal measures will need to be scaled up if the stoppages to economic activity are persistent, or the pick-up in activity as restrictions are lifted is too weak. Economies facing financing constraints to combat the pandemic and its effects may require external support. Broad-based fiscal stimulus can pre-empt a steeper decline in confidence, lift aggregate demand, and avert an even deeper

downturn. But it would most likely be more effective once the outbreak fades and people are able to move about freely.

The significant actions of large central banks in recent weeks include monetary stimulus and liquidity facilities to reduce systemic stress. These actions have supported confidence and contribute to limiting the amplification of the shock, thus ensuring that the economy is better placed to recover. The synchronized actions can magnify their impact on individual economies and will also help generate the space for emerging market and developing economies to use monetary policy to respond to domestic cyclical conditions. Supervisors should also encourage banks to renegotiate loans to distressed households and firms while maintaining a transparent assessment of credit risk.

Strong multilateral cooperation is essential to overcome the effects of the pandemic, including to help financially constrained countries facing twin health and funding shocks, and for channelling aid to countries with weak health care systems. Countries urgently need to work together to slow the spread of the virus and to develop a vaccine and therapies to counter the disease. Until such medical interventions become available, no country is safe from the pandemic (including a recurrence after the initial wave subsides) as long as transmission occurs elsewhere.

(Source- World Economic Outlook, April 2020)

However, in Jun-20 The World Bank said the swift and massive shock of the coronavirus pandemic and shut-down measures to contain it have plunged the global economy into a severe contraction. It said this would be the most synchronised contraction in per capita output for economies since 1870, estimating a 5.2% contraction in 2020 with a 4.2% rebound next year.

"That would represent the deepest recession since the Second World War, with the largest fraction of economies experiencing declines in per-capita output since 1870," the World Bank said. According to The Global Economic Prospects report released in Jun-20 by World Bank ('GEP report'), 90% of economies would be in recession, higher than levels seen during the Great Depression of the 1930s.

While the baseline scenario assumes the outbreak recedes in time to allow economies to lift mitigation measures by around mid-year, a predominant downside risk of a protracted pandemic could see world output shrinking by 8% this year with a sluggish 1% recovery in 2021.

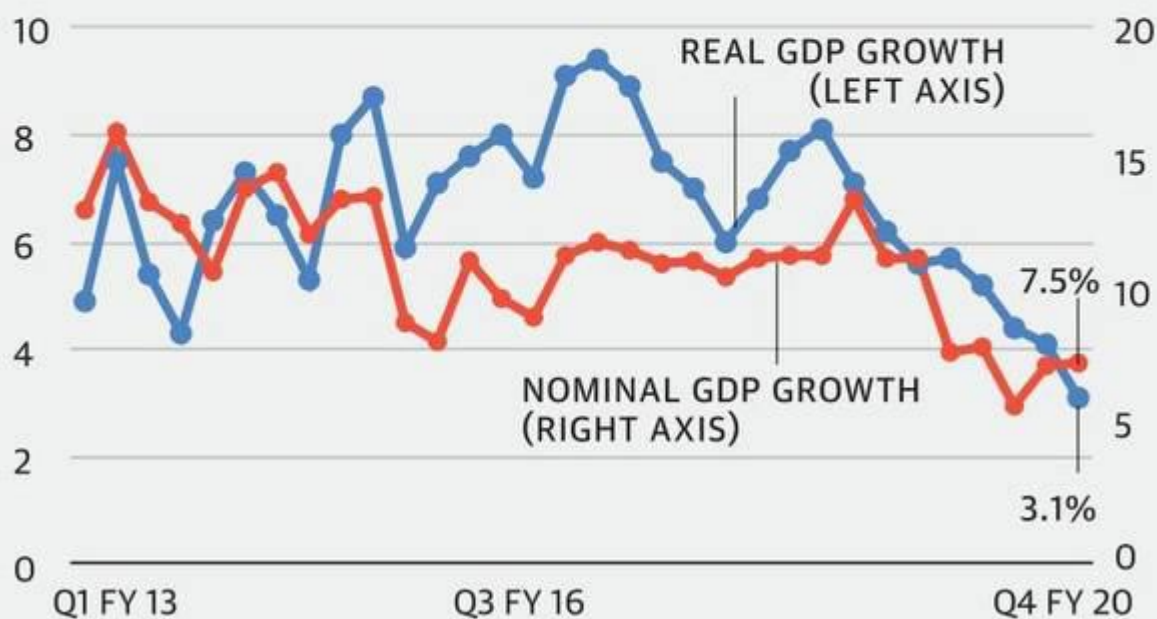
Source: Economic times

INDIAN ECONOMY

In 2019-20, the Indian Economy grew by 4.2% against the 6.1% expansion in 2018-19. Although it was the lowest growth rate in 11 years, the Jan-Mar growth rate of 3.1% (lowest in the 44 quarters) was still higher than the 2.2% growth predicted by most economists and rating analysts.

Downward spiral

India's real GDP growth rate slowed to 3.1% for the fourth quarter of FY 2020. Nominal GDP growth rate, at 7.5%, saw a marginal improvement compared to the previous quarter



This was primarily due to fall in three components of demand, that is, slowed consumption demand and negative growth in investments & exports. Government reforms bolstered the formal sector over the past few years; however, income levels in the informal areas suffered as a result. In addition, Credit growth among non-banking financial companies steadily declined due to a freeze in the wholesale money market during most of 2019. This affected overall credit growth, particularly in the informal sector.

A slowdown in consumption demand, delayed and uneven progress of the monsoon, heavy rainfall in Aug-Sep 2019 along with delayed withdrawal of monsoon leading to floods, decline in manufacturing growth, inability of Insolvency and Bankruptcy Code to resolve cases in a time-bound manner, and rising global trade tensions adversely impacted exports, kept growth subdued in FY20.

In order to boost personal consumption, corporate profits and hence private led investment, several fiscal measures were introduced:

- PM-KISAN scheme was expanded with direct money transfer to farmers in a targeted way
- Corporates were provided an option to pay tax at a basic rate of 22%, provided they give up all the exemptions. While the new manufacturing companies needed to pay only 15%. This was against the basic rate of 30% for all companies while companies with revenue upto Rs.400 Crores were paying tax at basic rate of 25%.

- Personal income tax regime was simplified with reduced rates, in line with the streamlining of the tax code and enhanced funds in the hands of taxpayers to enhance individual consumption
- Dividend distribution tax was removed to incentivize capital formation and attract foreign investment
- Higher spending on long-term initiatives such as rural roads, water infrastructure, irrigation, warehousing and transportation to improve the productivity of the economy

In addition, there were supportive monetary measures:

- In mid-December 2019, the RBI announced a simultaneous purchase of long-term bonds and sale of short-term government bonds under its open market operations program to effectively bring down long-term rates.
- At its policy meeting in February 2020, the RBI announced the long-term repurchase of one-year and three-year bonds, a program that amounted to INR 1 trillion (0.5% of GDP) to keep short-term rates aligned with the recently cut policy rate.
- Despite higher liquidity and rate cuts by the RBI, credit transmission has remained a persistent issue over the past few quarters in both quantum and the pricing of credit. To ease this situation, the RBI lowered reserve requirements for auto loans, lending to micro, small, and medium enterprises, and allowed banks some flexibility, delaying classification of commercial real estate loans by one year where the projects were deferred due to reasons beyond the control of developers.

Source: www.manulifeim.com

However, due to sluggishness in urban consumption and other factors as mentioned above led to slow growth in rural wages and hence weak rural consumption.

In the fourth quarter FY20, Manufacturing shrank 1.4% as factories shut toward the end of March. Agriculture and public administration grew 5.9% and 10.1%, respectively. Construction contracted 2.2% while the financial sector, usually one of the fastest-growing, saw only a 2.4% rise. Gross fixed capital formation (GFCF), an indicator of investment, shrank 6.4% year-on-year in the March quarter. Major indicators such as crude oil production, commercial vehicle sales, aggregate bank deposits and cargo handled at airports, contracted in the fourth quarter.

Centre's gross tax revenues fell an unprecedented 3.4% in 2019-20, while fiscal deficit increased to 4.6% of GDP, well above the revised estimate of 3.8%. (Source: the Hindu)

Indian Economy outlook

A nationwide lockdown was imposed on March 25, 2020 but business activity had begun grinding to a halt a few weeks before that. The core sector contracted by a record 38% in April as the lockdown hit all eight infrastructure sectors. Cement output fell 86% while fertilisers and crude oil shrank 4.5% and 6.4%, respectively, in Apr'20.

In view of nationwide lockdown during April 2020 due to Covid-19 pandemic, various industries — coal, cement, steel, natural gas, refinery, crude oil etc — experienced substantial loss of production.

Source: *economic times*

In view of pandemic global and local impact, the World Bank expects India's economy to contract 3.2% in the current fiscal year, a sharp downgrade from its April projection of 1.5% - 2.8% growth, citing stringent lock-down and spill overs from weaker global growth. The GEP report said the lock-down would severely curtail activity despite fiscal and monetary stimulus. Further, weaker global economic performance and balance sheet stress in the financial sector would also weigh on activity.

The latest report expects the economy to make a modest recovery to 3.1% growth in the next fiscal year, in comparison to the 6.1% expansion projected in the January report.

A number of firms including Goldman Sachs and Nomura have projected a contraction of as much as 5% for India in FY21. The report said the pandemic's impact would be particularly hard on emerging markets and developing economies (EMDEs) with large informal sectors, like India. It would "take an especially heavy humanitarian and economic toll on these economies", it said

The vulnerabilities associated with informality like widespread poverty, deficient public health and medical resources, and weak social safety nets have amplified the economic shock to livelihoods from Covid-19, according to the GEP report.

Moody's Investors Service on June 1, 2020 cut long-term sovereign rating for India from 'Baa2' to 'Baa3' — a notch above junk (still in investment grade). The global rating agency maintained its negative outlook, citing structural weaknesses, weak policy effectiveness, and slow reforms momentum even before the Covid-19 pandemic.

Moody's feels India is heading for a sustained period of low growth, which its policymakers won't be able to mitigate. "While the action was taken in the context of Covid-19, it was not driven by its impact. Rather, the pandemic amplifies vulnerabilities in India's credit profile that were building prior to the shock. As per Moody, Indian GDP is expected to contract by 4.0% in FY20 due to COVID-19 pandemic and lock-down measures, while same is expected to grow by 8.7% in FY21 and ~6% thereafter.

Source: Business Standard.

However, in order to fuel future growth, the Rs.20 lakh crore package has been announced by Finance Minister Ms. Nirmala Sitharaman with prime focus on improving liquidity through banking channels and structural changes to address sustainable reforms and enhance local manufacturing. The RBI has cut rates twice to record lows besides providing liquidity support and regulatory relief.

The brief package details are as follows:

Category	Funds Allocation
Funding for MSMEs through W/C facility, sub-ordinate debt and Funds of funds	Rs.3,70,000 Crores
Reduced EPF rates and EPF support for Business and Workers	Rs.9,550 Crores
Special Liquidity scheme for NBFCs / HFCs / MFIs and Partial credit guarantee scheme 2.0 for liabilities of NBFCs / MFIs	Rs.75,000 Crores

Liquidity injection for DISCOMs	Rs.90,000 Crores
Reduction in TDS / TCS rates	Rs.50,000 Crores
Free food grains supply to Migrant workers for 2 months	Rs.3,500 Crores
Financial relief through interest subvention for MUDRA Shishu loans, housing CLSS-MIG, additional KCC credit, additional emergency working capital through NABARD and street vendors special credit facility	Rs.3,06,500 Crores
Agri Infrastructure and other measures for agriculture and allied sectors	Rs.1,50,000 Crores
Viability Gap Funding	Rs.8,100 Crores
Additional MGNREGS allocation	Rs.40,000 Crores
RBI measures (TLTROs, CRR cut, Marginal Standing Facility hike, refinancing of financial institutions and special liquidity facility for MFs) (On actual basis)	Rs.8,01,603 Crores
Earlier measures including PMGKP	Rs.1,92,800 Crores
Total	Rs.20,97,053 Crores

Source: Times of India

Even though the announcements made are worth over Rs.20 lakh crores, the actual cash outlay by the government this year and the impact on the fiscal deficit will be far less (expected to be less than Rs.2.50 lakh crores, ~1% of GDP). Many of the government's proposals are credit-focused or are aimed at easing liquidity concerns for many affected sectors. In some of these cases, any costs incurred will be initially covered through banks or other financial institutions and thus not result in actual cash outgo by the Centre.

Source: the wire

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. In November 2019, government also allocated Rs 10,000 crore to set up AIFs for revival of stalled housing projects. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64 per cent of the total assets held by the financial system.

India's gross national savings (GDS) as a percentage of Gross Domestic Product (GDP) stood at 30.50% in 2019. During FY16-FY20, credit off-take grew at a CAGR of 13.93%. As of FY20, total credit extended surged to US\$ 1,936.29 billion. While during FY16-FY20, deposits grew at a CAGR of 6.81 per cent and reached US\$ 1.90 trillion in FY20. Deposits under Pradhan Mantri

Jan Dhan Yojana (PMJDY) also increased to Rs 1.28 lakh crore (US\$ 18.16 billion) during the week ended April 8, 2020. As of November 2019, there were a total of 19 million subscribers under Atal Pension Yojna.

Access to banking system has improved over the years due to persistent government efforts to promote banking-technology and promote expansion in unbanked and non-metropolitan regions. As on January 31, 2020, the total number of ATMs in India increased to 210,263 and is further expected to increase to 407,000 by 2021. There has been continued focus on increasing rural penetration. As of September 2019, 44 regional rural banks were functioning in the country. RBI has allowed regional rural banks with net worth of at least US\$ 15.28 million to launch internet banking facilities.

For digital initiatives, In FY19, over 3,133 crore digital transactions were registered and reached 1,527 crore in FY20 (till September 2019). Debit cards have radically replaced credit cards as the preferred payment mode in India after demonetisation. Transactions through Unified Payments Interface (UPI) stood at 1.24 billion in March 2020, valued at Rs 2.06 lakh crore (US\$ 29.47 billion). India's mobile wallet industry is also estimated to grow at a Compound Annual Growth Rate (CAGR) of 150% to reach US\$ 4.4 billion by 2022 while mobile wallet transactions to touch Rs.32 trillion (US\$ 492.6 billion) by 2022.

On demand side, 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 Micro and Small Enterprises, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). In 2017, a new portal named 'Udyami Mitra' was launched by the Small Industries Development Bank of India (SIDBI) with the aim of improving credit availability to Micro, Small and Medium Enterprises' (MSMEs) in the country. Under the Interest Subvention Scheme for MSMEs, Rs 350 crore (US\$ 50.07 million) has been allocated under Union Budget 2019-20 for 2 % interest subvention for all GST registered MSMEs, on fresh or incremental loans. In addition, there have been multiple measures for MSMEs to avail funding in post COVID era to re-initiate their business activities, as explained earlier in Rs.20 lakh Crore package by Finance Minister of India.

Even in future, there have been several growth drivers for the sustainable growth of financial services in India:

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

NBFC Sector

There were 9642 non-banking financial companies (NBFCs) registered with the Reserve Bank as on September 30, 2019. Out of above 9461 were non-deposit accepting (NBFCs-ND) while there were 82 deposit accepting NBFCs (NBFCs-D) and 99 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). 9461 NBFCs-ND comprised 274 systemically important NBFCs-ND (NBFCs-ND-SI) and 9187 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 have served the unbanked customers by pioneering into retail asset-backed lending, lending against securities and microfinance. NBFCs are rapidly gaining prominence as intermediaries in the retail finance space. While NBFCs finance more than 80 per cent of equipment leasing and hire purchase activities in India, their market share in commercial loans stood at 26.6% in FY19. NBFCs aspire to emerge as a one-stop shop for all financial services. Non-Banking Financial Companies are expected to raise their share to 19-20 per cent by 2020 through recapitalisation program for public sector and New RBI guidelines on NBFCs with regard to capital requirements, provisioning norms and enhanced disclosure requirements are expected to benefit the sector in the long run

Although the NBFC sector grew in size from ₹ 26.2 lakh crore in 2017-18 to ₹ 30.9 lakh crore in 2018-19, the pace of expansion was lower than in 2017-18 mainly due to rating downgrades and liquidity stress in a few large NBFCs in the aftermath of the IL&FS event. This slowdown was witnessed mainly in the NBFCs- ND-SI category, whereas, NBFCs-D broadly maintained their pace of growth. However, in 2019-20 (up to September) growth in balance-sheet size of NBFCs-ND-SI as well as NBFCs-D moderated due to a sharp deceleration in credit growth

Credit extended by NBFCs continued to grow in 2018-19. Industry is the largest recipient of credit provided by the NBFC sector, followed by retail loans and services. Credit to industry and services was subdued in relation to the previous year. However, growth in retail loans continued its momentum. Over 40 per cent of the retail portfolio of NBFCs are vehicle and auto loans. The slowdown in auto loans in 2018-19 could be attributed to a slump in aggregate demand, exacerbated by postponement of vehicle purchases in anticipation of the implementation of BS-VI norms, the sharp increase in insurance costs in case of passenger vehicles and two wheelers, and sizeable enhancement in permissible axle load for commercial vehicles. In the consumer durables segment, a decline in credit extended was observed, reflecting muted consumer demand. NBFCs' credit to commercial real estate decelerated in 2018-19, reflecting their risk aversion in light of the slowdown in real estate sector despite expansion of bank credit to the sector. On the other hand, credit to agriculture and allied activities saw a significant increase in 2018-19, partly attributable to the policy measure of September 2018 enabling co-origination of loans for lending to priority sector by banks and NBFCs.

In terms of resource mobilization, NBFCs-ND-SI mobilise around 70 per cent of their resources through bank borrowings and debentures. As investor confidence in the sector waned in 2018-19 and raising money through debentures became costlier, the reliance on bank borrowings increased. In fact, debenture issuances remained stagnant in 2018-19 whereas bank borrowings grew at a robust pace. The share of CPs declined marginally and CP issuances also decelerated in

2018-19. A slew of measures were taken by the Government of India and the Reserve Bank to alleviate the liquidity stress and strengthen confidence in the sector. Amidst generalised risk aversion affecting various categories of investors, banks emerged as a stable funding alternative for NBFCs in 2018-19. However, In 2019-20 (up to September), bank lending to NBFCs also decelerated in light of defaults by and rating downgrades of a prominent HFC and a NBFC.

In 2018-19, GNPA ratio of NBFCs-ND-SI deteriorated across all categories, except NBFCs-MFI, which reported significant improvement in the GNPA ratio. The improvement in the GNPA ratio of the NBFCs- MFI may be attributed to write offs of aging loans. The NNPA ratio for NBFCs-ND-SI edged up marginally, reflecting the maintenance of adequate buffers, especially by MFIs. In 2019-20 (up to September), the GNPA ratio of NBFCs-ND-SI exhibited an increase, while, the NNPA ratio registered no change.

The risk aversion among NBFCs-ND-SI coupled with their inability to mobilise adequate resources was reflected in the decrease in credit growth in spite of a fall in stressed assets ratio.

NBFCs are generally well capitalised, with the system level capital to risk-weighted assets ratio (CRAR) remaining well above the stipulated norm of 15 per cent, including in 2018-19 when they experienced an increase in non-performing assets. At the end of September 2019, the sector maintained the capital position although there was a deterioration in asset quality.

Although the balance sheet size of the NBFCs constitutes 18.6 per cent of Scheduled Commercial Banks, it has emerged as an important pillar of the Indian financial system. The sector, which had witnessed a robust expansion in 2017-18, experienced headwinds in 2018-19 and 2019- 20 (up to September) as market sentiments turned negative post-IL&FS event and recent defaults by some companies. Although GNPA ratio showed an uptick, their capital position remained stable. HFCs experienced deceleration in credit growth and muted profitability as market confidence in the sector waned.

The Reserve Bank and the government have taken several measures to restore stability in the NBFC space. The Reserve Bank took measures to augment systemic liquidity, buttress standards of asset-liability management framework, ease flow of funds by relaxing ECB guidelines and strengthen governance and risk-management structures. The government provided additional support through the partial credit guarantee scheme, encouraging PSBs to acquire high-rated pooled assets of NBFCs. Furthermore, the Finance Bill 2019 through amendments in the RBI Act, 1934 conferred powers on the Reserve Bank to bolster governance of NBFCs. These measures are geared toward allaying investors' apprehensions and aiding NBFCs in performing their role better.

Source: RBI

Recent developments

Post IL&FS scam, mutual funds are reluctant to lend to NBFCs. The principle behind their operation, which is long-term lending and short-term borrowing, was already perceived as too risky by most commercial banks. Hence, when the NBFCs turned to the banks for funding, only the top ones managed to borrow, mainly from private banks. Situation have been further aggravated with renewed pressure on funding and liquidity post recent RBI takeover of YES Bank.

As the impact of coronavirus is beginning to be felt in India, further risks to economic growth and asset quality are increasing. Rising asset quality and funding risks will place pressure on ratings if conditions worsen materially, said a Fitch Ratings report.

The RBI's planned reconstruction scheme broadly protects the deposits and liabilities of the bank, but calls for a write-down on its Basel III AT1 instruments at present. This may trigger another round of investor risk aversion that tightens market access and raises overall funding costs for borrowers, with wholesale NBFIs likely to remain more vulnerable in this situation.

Commercial banks had recently become an important source of funding for NBFCs. So, if we see a deteriorating condition of more private banks in the near future due to a weak depositor sentiment, it will ultimately lead to constriction of liquidity. A liquidity crunch at a time when financial sector is already impacted by the general economic slowdown and the COVID-19 crisis will only lead to the asset quality risks getting worse. This will eventually force NBFCs to be more hesitant to lend to customers perceived as too risky by Banks as well as SMEs, which contribute largely towards India's GDP.

Source: economic times

Policy Measures

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

- The Finance Bill 2019 through amendments in the RBI Act, 1934 conferred powers on the Reserve Bank to strengthen governance of NBFCs so as to protect depositors'/creditors' interest and secure financial stability. The amendments empowered the Reserve Bank to remove the directors of NBFCs; supersede their board and appoint administrators in order to improve governance; impose penalties in case of non-compliance with various requirements; and to resolve an NBFC by amalgamation, reconstruction or splitting an NBFC into different units or institutions.
- The government amended the Companies (Share Capital and Debentures) Rules by removing Debenture Redemption Reserve (DRR) requirement for NBFCs and HFCs.
- Banks were allowed to provide partial credit enhancement (PCE) to bonds issued by NBFCs-ND-SI registered with RBI and HFCs registered with National Housing Bank, provided the tenor of the bonds is not less than three years, proceeds from such bonds shall only be utilised for refinancing existing debt of the NBFCs-ND-SI/HFCs.
- To encourage NBFCs to securitise/assign their eligible assets, the Reserve Bank has relaxed the minimum holding period (MHP) requirement till December 31, 2019 for originating NBFCs in respect of loans of original maturity above 5 years, subject to certain conditions.
- All scheduled commercial banks (excluding Regional Rural Banks and Small Finance Banks) were allowed to co-originate loans with NBFCs-ND-SI for the creation of eligible priority sector assets, facilitating sharing of risks and rewards.
- The Government of India rolled out the scheme to provide a one-time partial credit guarantee for the first loss up to 10 per cent to public sector banks (PSBs) for purchase of high-rated pooled assets amounting to Rs.1 lakh crore from financially sound NBFCs/HFCs.

In addition, during COVID-time several liquidity boosting measures have been announced by RBI and the government with details as follows:

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

Source: RBI

Company outlook

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

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

The company continues to operate in 10 states through 251 branches in Delhi, Uttar Pradesh, Uttarakhand, Madhya Pradesh, Punjab, Rajasthan, Odisha, Bihar, Chatisgarh and Jharkhand. The company is not disbursing in the states of UP, Delhi and Uttarakhand which were impacted by the demonetization. The loan portfolio of the company is evenly distributed, thus mitigating the locational risk to portfolio concentration in single location. The exposure in the states that were more impacted post demonetization (Uttar Pradesh, Uttarakhand and Delhi) has been reduced from Rs.405 crore or 73% of AUM as on Mar-17 to Rs.65 crore or 15% of AUM as on Mar-20. The highest exposure has been in Punjab among 10 states at Rs. 99 Crores, i.e. 21 % of AUM.

The company introduced Capital Magic Loans and Micro Business Loans. Capital Magic Loan is a multi-utility unsecured loan with tenure upto an year under quick disbursement mode offered by the Company through its mobile application Capital Sales. Micro business loan is a individual loan with 2 year tenure and higher ticket size to fulfil business related needs of the customer.

Even under the prevailing COVID situation and associated lock-downs/ moratorium scenario Company has been in touch with Clients through regular calls made to around 10 lakh clients using in-house developed calling application. There is 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
 - **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 1900 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 more than 20 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 more than Rs. 154 Crores and even after huge write offs, the company has been able to increase its net-worth marginally. The company is highly capitalized as the Capital Adequacy Ratio is 47%. The company can leverage this ratio to raise funds.
9. **Multiple Products:** The Company has varied products satisfying the needs of different set of customers. The company provides loans up to Rs. 60,000 in micro business and capital magic loans products.
10. **Strong Systems and Processes:** The Company has been in existence for more than 33 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.
11. **Renowned Board:** The Board of the Company comprises of Renowned Professionals who provide proper guidance to the company. The Board is an optimum combination of Independent and Executive Directors.

Risk management

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

Risks may be avoided through pre-emptive action and hence the need to identify the risks and put in place various mitigation mechanisms.

Capital Trust has identified the following potential risks that could have an adverse impact on the company:

1. Credit Risk
2. Operational Risk

3. Liquidity Risk
4. Portfolio Concentration Risk
5. Compliance Risk
6. Reputation Risk
7. Strategic Risk
8. Contagion Risk

Credit Risk

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

This risk can result from:

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

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

Mitigation

1.1. Location Selection

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

1.2. Credit Bureau Check

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

1.3. Multi-Step Customer Verification

Capital Trust has established separate customer relationship (acquisition and maintenance) and customer evaluation (credit) personnel in order to ensure the quality of customers acquired as well as eliminate coerced borrowing practices which may lead to genuine customers becoming delinquent. This mitigates the risk of ghost borrowing and ring-leader

scenario. Risk along with internal audit will be monitoring that customer verification process is followed properly else action to be recommended which should be accepted by business.

Operational Risk

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

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

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

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

Mitigation

2.1. Process Compliance

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

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

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

2.2. Employee Rotation Policy:

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

2.3. Document Storage and Retrieval:

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

Portfolio Concentration Risk

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

Mitigation

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

Compliance Risk

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

Mitigation

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

Reputation Risk

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

Mitigation

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

Strategic Risk

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

Mitigation

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

Contagion Risk

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

Mitigation

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

Operational Review

The company continues to operate in 10 states through 251 branches. The company has not entered into any new territory during the year. The portfolio has now diversified and concentration in UP has now come down to 22.74% . The maximum concentration in any state is not more than 25% indicating that the concentration risk has been reduced by the company.

State	Mar-19	Mar-20
BIH	9.80%	17.45%
CTG	1.15%	1.71%
JHA	2.45%	3.71%
MP	12.37%	13.75%
ODS	9.95%	14.85%
PUN	20.85%	20.98%
RAJ	14.65%	13.84%
DEL	0.96%	0.47%
UK	5.09%	2.60%
UP	22.74%	10.64%
Total	100%	100%

At aggregate level, although the portfolio has been reduced to Rs.471 Crores as on Mar'20 from Rs.725 Crores as on Mar'19, the proportion of new loan products has increased from Rs.2 Crs, i.e. 0.3% of portfolio as on Mar'19 to Rs.134 Crs, i.e. 28.4% of portfolio as on Mar'20.

At consolidated level 7.5% of portfolio is NPA, however, majority of the same is concentrated in Affected States. NPA is 4.0% in states other than Affected States representing 86.3% of aggregate CTL portfolio. Further, the NPA in fresh digital loan products is only 0.8% representing 28.4% of aggregate CTL portfolio.

INVESTMENT IN SUBSIDIARIES

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

INTERNAL CONTROL SYSTEM

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

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

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

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

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

- Focusing on key business activities through motivated, skilled and experienced staff who are responsive to the customers' needs;

- Engaging with different entities to facilitate positive changes to existing processes, practices and systems;
- Adopting continuous improvement initiatives and implementing best practices in developing its plan, policies and methods;
- Creating a dynamic working environment which encourages innovation and maximizes the use of new technology;
- Ensuring that its performance is monitored, measured and reported in satisfying the expectations of the different stakeholders.

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

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

The audit recommendations are actively followed up and implemented. As part of the effort to evaluate the effectiveness of the internal control systems, our Company's internal audit department reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. In addition to inhouse 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. The 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 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.
- All staff have access to Capital Sales, the company application, that provides real-time information in even the most remote locations.
- 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.
- 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 1900 employees. The company is market-driven, and technology-based, serving customers in ten states in northern, central and eastern part of India with financial products, and services. The company aims to be the first choice of customers, employees and shareholders.

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

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

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

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

All the employees of the company are equipped with smart phones. The employees mark their attendance through their mobile, apply for leaves, tours and tour claims through mobile app only. This has smoothened the processes and reduced the time to settle the claims. This is also environmental friendly as a lot of paper is being saved in printing.

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

CAUTIONARY STATEMENT

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

Directors' Report 2019-20

Your Directors take pleasure in presenting the Thirty fourth 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, 2020.

1. FINANCIAL RESULTS

The Company's financial performance for year ended 31st March, 2020 is summarized below:

Particulars	Standalone		Consolidated	
	2019-20*	2018-19*	2019-20*	2018-19*
Total Income from operations	14,758.00	18713.32	15,509.10	19,315.67
EBIDTA	7,010.91	8897.47	7,333.28	8925.05
Less:				
Interest	6,071.08	7616.46	5,880.75	7593.13
Depreciation	89.46	93.66	89.46	93.46
Profit Before Tax	850.37	1187.54	1,363.07	1238.46
Profit/(Loss) after tax	53.28	905.62	427.39	850.92
Available for appropriation	53.28	905.62	427.39	850.92
Transfer to Reserve fund u/s 45IC of Act, 1934	10.66	16.80	57.93	16.80

*The figures for the year 2018-19 have been regrouped due to applicability of Ind-AS.

2. FINANCIAL PERFORMANCE

With effect from 1st April, 2019, IND-AS became applicable to the company. The year also impacted due to various external issues with sector. The last year figures has been regrouped due to implementation of IND-AS. The company has now been started Capital Digital Loans where the repayment is taken from the customers digitally.

The income of the company has decreased from Rs. 19315.76 Lakhs to Rs. 15509.10 Lakhs mainly due to drop in portfolio. The interest expenses have come down to Rs. 588.75 Lakhs from Rs. 7593.13 Lakhs during the year. The Profit before tax have increased to Rs. 1363.07 Lakhs from Rs. 1238.46 Lakhs during the year 2019-20. The net profit was Rs. 427.39 Lakhs in year 2020 as compared to Rs. 850.92 Lakhs in the year 2019. The company has 241 branches in 10 states.

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 as on 31st March, 2020.

3. FUND RAISING

During the year under review, there has not been any change in the capital. The total outstanding as on 31st March, 2020 is Rs. 4800 Lakhs from the Banks and other financial institutions. In addition to that the company has also entered into Direct assignment transactions and thus raising Rs. 12094 Lakhs during the year.

During the year the company has prematurely repaid the entire NCDs to Bearing Equity Asia.

4. DIVIDEND

Due to present Covid-19 situation, the management has decided to retain the profits and not to recommend any dividend.

5. RESERVE FUNDS

As per section 45 IC of RBI Act 1934, the Company has transferred Rs. 10.66 Lakhs to Reserve Fund i.e aggregating of 20% of its net profit.

6. CREDIT RATING

The Credit Rating of the Company was BBB from Care Ratings on 31st March, 20.

7. 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.

8. 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.

9. 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.

10. CAPITAL ADEQUACY

The Capital Adequacy Ratio of the company on consolidated basis was 46.66% as of March 31, 2020 as against the minimum capital adequacy requirements of 15% by RBI. The company is having adequate capital to sustain the future growth.

11. SHARE CAPITAL

There has not been any change in the authorised 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.

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 have stopped for the time being.

13. COVID 19 Response Strategy Capital Trust Limited

COVID 19 IMPACT ON BUSINESS

The client base is from the semi-urban / rural segment and are occupationally mainly in the self-employed services segment. The situation is rapidly evolving and we are monitoring it. Impact analysis based on current data is as follows:

A. Low Geographic Correlation: Geographically our operations are not in the urban areas where the incidence of cases is high. Following district wise mapping (based on 26th March 2020 data of 492 cases) shows that 35 out of our 240 branches are in areas with discovered cases. These branches comprise approx. 11% of the AUM. Furthermore, our branches are in the rural areas of these districts and majority of cases discovered are from urban centers.

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

C. Cash collections stopped: In line with Government of India guidelines, initially all cash collections had stopped. Only digital collections are continuing. However now the collection percentage has increased.

D. Moratorium of 3 months given by RBI: Given the exceptional circumstances, the RBI has allowed lenders to give moratorium of 3 months on loan repayments. The company has also given the option of moratorium to its customers.

E. Disbursements have been put on hold since 23rd March 2020. We will evaluate the situation before starting disbursements again.

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

G. Staff Training & Calling: the company is supporting its staff during this difficult time as they are a critical part of the company and the society. Logistics and financial support is being provided wherever required. In the medium term the company will focus on staff training, digital attendance and a work from home protocol that involve regular client calling.

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

I. Constant Touch with customer: During the lockdown period all Capital Trust staff have to make phone call to the clients. The company is calling about 20000 clients per day. The calls are regarding training the clients for option of paying the instalments through digital payments, updation of contact numbers, Arrear calls etc.

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

K. Low leverage: The company has one of the lowest leverage of 1.76X amongst NBFCs in the industry. During this crisis, it is serving as a cushion for both asset quality and liquidity. As a large part of the on balance sheet portfolio is financed through equity, the ALM position becomes strong.

L. Cash & Bank: The company had sufficient liquidity for a moderate stress scenario.

14. CHANGES IN NATURE OF BUSINESS

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

15. CORPORATE SOCIAL RESPONSIBILITY

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

Name	Designation	Category
Col. Vijay Kumar (Retd.)	Chairman	Independent Director
Mr. Sanjiv Syal	Member	Independent Director
Mr. Yogen Khosla	Member	Managing Director
Mrs. Anju Khosla	Member	Executive Director

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

During the year the company has spent Rs. 1.15 Lakhs on CSR.

16. RISK MANAGEMENT POLICY

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

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

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

17. CORPORATE GOVERNANCE

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

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

18. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Information on transaction with related parties pursuant to particulars of contracts or arrangements with related parties referred to in Section 188(1) in the prescribed form AOC -2 is appended as "Annexure - 1" to the Board's Report.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

20. PUBLIC DEPOSITS

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

21. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT - 9 as per provisions of Section 134(3) (a) Companies Act, 2013 and rules thereto is annexed to this report.

22. NUMBER OF MEETINGS OF THE BOARD

The Board met 4 times during the financial year 2019-20 viz., on May 27, 2019, September 14, 2019, December 12, 2019 and February 04, 2020.

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

23. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, Your Directors state that: in the preparation of the annual accounts for the year ended March 31, 2020, 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, 2020 and of the profit of the Company for the year ended on that date;

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

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

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

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

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

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

25. DIRECTORS & KEY MANAGERIAL PERSONNEL

A) RETIRE BY ROTATION

During the year under review, Mrs. Anju Khosla (DIN-03496484), Director of the Company, retires by rotation. She being eligible offers herself for reappointment and was reappointed as Non- Executive Director of the Company.

b) CESSATION/ RESIGNATION

During the year Mr. Sachin Kumar Bhartiya, Nominee Director and Mr. Ashutosh Pradeep Sardesai, Nominee Director resigned from the board due to withdrawal of their nomination by the India 2020 Fund-II. Their resignation was accepted by Board on June 20, 2019 and August 29, 2019 respectively.

The company has appointed Mr. Abhinav Sharma as an Independent Director and Ms. Suman Kukrety as an Independent Woman Director of the company with effect from December 12, 2019 and March 28, 2020 respectively.

Brief profile of the new directors is given hereunder:

Mr. Abhinav Sharma

Abhinav is a CFA Charter holder from CFA Institute, USA. Certified Financial Risk Manager from Global Association of Risk Professionals, USA. MBA(Finance) (ICFAI Business School, Hyderabad India), B.A.(Hons) Economics (Delhi University).His focus area is Debt Funding: Bank Loans, Project Finance, Structured loans from NBFCs, NCDs, Securitization, Cross border transactions (incl. ECB, Masala Bonds), Structured Debt, Strategic Consulting: Risk Management, Credit Administration Systems, RBI Compliance for NBFCs, Capital Structure and Funding Strategy, Strategic Growth Planning.

Ms. Suman Kukrety

Mrs. Kukrety 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 and quasi-judicial tribunals. She has vast experience in ad-hoc as well as institutional arbitrations before Indian Council of Arbitration (ICA), International Centre for Alternate Dispute Resolution (ICADR).

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. 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. Col. Vijay Kumar (Retd.) (DIN 06979864)
2. Mr. Nikhel Kochhar (DIN 01021382)
3. Mr. Sanjiv Syal (DIN 00271256)
4. Mr. Abhinav Sharma (DIN 07641980)
5. Ms. Suman Kukrety (DIN 08730773)

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

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

28. NOMINATION AND REMUNERATION POLICY

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

29. ANNUAL EVALUATION OF BOARD MEMBERS

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

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

The executive Directors are evaluated on the basis of

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

The Independent Directors are evaluated on the basis of:

- Structure of the Board - Competency, Experience and Qualifications of directors, Diversity in Board under various parameters, Appointment Process

- Meetings of the Board - Regularity of meetings and adequacy, discussions and recording of dissent, if any.
- Recording of minutes, dissemination of information
- Functions of the Board - Role and responsibilities of the Board
- Strategy and performance evaluation
- Management of Conflict of interest
- Stakeholder value and responsibility
- Corporate culture and values
- Facilitation of independent directors
- Evaluation of performance of the management and feedback
- Independence of the management from the Board
- Access of the management to the Board and Board access to the management

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

Information on Directors Appointment /Re-appointment

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

30. COMMITTEES OF THE BOARD

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

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

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

31. EMPLOYEE STOCK OPTION SCHEME

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

32. VIGIL MECHANISM

The company has adopted Vigil Mechanism policy with a view to provide a mechanism for directors and employees of the Company to report to the appropriate authorities concerns about unethical behaviour, actual or suspected, fraud or violation of the Company’s code of conduct policy and provides safeguards

against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. The provisions of this policy are in line with the provisions of the Section 177(9) and (10) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015. The policy is available on the website of the company www.capital-trust.com.

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

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

34. AUDITORS AND AUDITORS' REPORT

a) Statutory Auditors

The Statutory Auditors of the Company M/s Singhi & Co. Chartered Accountants (Firm Registration No. 302049E), were appointed as the statutory auditor of the from the conclusion of 31st Annual General Meeting held on 10th August, 2017 to hold office till the conclusion of Thirty Sixth Annual General Meeting in the year 2021-22 on such remunerations may be mutually agreed between the Board of Directors of the Company and the Auditors. However the appointment is subject to the ratification by the members in the ensuing Annual General Meeting. For that purpose the resolution is being placed before the members for their approval.

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 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 forms part of this Report. The Report does not contain any qualification, reservation or adverse remark.

c) Internal Auditor

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

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

(i) Statutory Auditor's report

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

(ii) Secretarial Auditor's Report

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

(iii) Internal Auditors' Report

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

36. DETAILS OF FRAUDS REPORTED BY THE STATUTORY AUDITORS

During the year under review, the Statutory Auditors have mentioned that 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. 45.88 Lakhs by some employees against which Company has recovered Rs. 6.07 Lakhs and Rs. 39.81 Lakhs has been written off in the statement of profit and loss.

37. ANNUAL EVALUATION OF THE BOARD

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

38. 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, 2020.

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

Conservation of Energy/ Technology Absorption

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

Foreign Exchange Earnings and Outgo

The Foreign exchange earnings for the FY 2019-20 were Nil.

Foreign Exchange Inflow: Nil

Foreign Exchange Outflow: Nil

40. PARTICULARS OF EMPLOYEES

The statement showing the name of every employee of the company, who

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. 15381555
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**

41. GRIEVANCE REDRESSAL

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

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

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

43. 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. 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/-

Chairman and Managing Director
DIN-00203165

Dated: 20.06.2020
Place: New Delhi

EXTRACT OF ANNUAL RETURN

in Form MGT-9 as on the Financial Year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2013

I. REGISTRATION AND OTHER DETAILS

1	CIN	L65923DL1985PLC195299
2	Registration Date	23/08/1985
3	Name of the Company	Capital Trust Limited
4	Category / Sub-Category of the Company	Public Listed Company
5	Address of the Registered office and contact details	507 DLF Courtyard, Saket District Center, New Delhi - 110017 Contact Number: 9716844571 Email ID: cs@capitaltrust.in
6	Whether listed company Yes / No	Yes, Bombay Stock Exchange Limited, National Stock Exchange.
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Serial No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Non Banking Finance Company engaged in Loan Business	K-6492	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Serial No.	Name And Address Of The Company	CIN/GLN	Holding / Subsidiary /Associate	% of shares held	Applicable Section
1.	CAPITAL TRUST MICROFINANCE PRIVATE LIMITED	U65921DL1990PTC287461	Subsidiary	100%	2(87)(ii)
2.	CAPITAL TRUST HOUSING FINANCE PRIVATE LIMITED	U67200DL2017PTC314968	Subsidiary	100%	2(87)(ii)

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

i) *Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
<i>1) Indian</i>									
Individual/ HUF	6852917	0	6852917	41.88%	6038917	0	6038917	36.91%	(4.97%)
a) Central Govt	0	0	0	0.00%	0	0	0	0.00%	-
b) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	-
c) Bodies Corp	3973340	0	3973340	24.28%	4787340	0	4787340	29.26%	4.98%
d) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	-
e) Any Other	0	0	0	0.00%	0	0	0	0.00%	-
Sub-total(A)(1):-	10826257	0	10826257	66.17%	10826257	0	10826257	66.17%	-
<i>2) Foreign</i>									
f) NRIs-Individuals	0	0	0	0.00%	0	0	0	0.00%	-
g) Other-Individuals	0	0	0	0.00%	0	0	0	0.00%	-
h) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	-
i) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	-
j) Any Other....	0	0	0	0.00%	0	0	0	0.00%	-
		0				0			
Sub-total(A)(2):-	10826257	0	10826257	66.17%	10826257	0	10826257	66.17%	-
B. Public Shareholding									
<i>1. Institutions</i>									
a) Mutual Funds	100	0	100	0.00%	100	0	100	0.00%	-
b) Banks / FI	0	100	100	0.00%	100	0	100	0.00%	-
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	-
d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	-
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	-
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	-
g) FIIs	0	0	0	0.00%	0	0	0	0.00%	-
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	-

i) Foreign Portfolio Investor	0	0	0	0.00%	0	0	0	0.00%	-
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	-
Sub-total (B)(1)	100	100	200	0.00%	200	0	200	0.00%	-
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	332393	92298	424691	2.60%	377916	68138	446054	2.73%	0.13%
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.2 lakh	1002958	501642	1504600	9.19%	1044154	485672	1529826	9.35%	0.16%
(ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	589454	0	589454	3.60%	573215	0	573215	3.50%	-0.10%
NBFC Registered with RBI	0	0	0	0.00%	0	0	0	0.00%	-
c) Others (Specify) Trust	250	0	250	0.00%	250	0	250	0.00%	-
OCB	2825000	0	2825000	17.27%	2825000	0	2825000	17.27%	-
Non Resident Indian	19922	2000	21922	0.14%	9889	2000	11889	0.07%	-0.07%
Clearing Member	25126	2000	25126	0.15%	4809	0	4809	0.03%	-0.12%
Other									
Sub Total (B)(2)	4795103	595940	5391043	32.95%	4835033	556010	5391043	32.95%	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	4795203	59640	5391243	32.95%	4835233	556010	5391243	32.95%	-
C. Non Promoter Non Public Shareholding									
Shares held by Custodian for GDRs&ADRs Other (Employee Benefits Trust [Share Based Employee Benefit]Regulations, 2014)	143915	0	143915	0.88%	143915	0	143915	0.88%	-
Grand Total (A+B+C)	15765375	596040	16361415	100.00%	15805405	556010	16361415	100.00%	-

i. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year	Shareholding at the end of the year	

		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Yogen Khosla	6852917	41.88%	--	6038917	36.91%	--	-4.97%
2.	Indo Crediop Private Limited	3427885	20.95%	--	3427885	20.95%	--	--
3.	Moonlight Equity Private Limited	545455	3.33%	--	1359455	8.30%	--	4.97%
	Total	10826257	66.16%	--	10826257	66.17%	--	0.00%

ii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2019		Date	Reason	Increase/ Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
	Yogen Khosla	6852917	41.88%	02.04.2019	Inter se transfer	(814000)	6038917	36.91%
	Indo Crediop Private Limited	3427885	20.95%	--	--	--	3427885	20.95%
	Moonlight Equity Private Limited	545455	3.33%	02.04.2019	Inter se transfer	814000	1359455	8.30%

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

Shareholding Pattern of top ten Shareholders-								
Sr. no	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2018		Date	Reason	Increase/ Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	INDIA 2020 II INVESTORS LIMITED	2421519	14.80%	--	--	--	2421519	14.80%

2.	LIGHTHOUSE EMERGING INDIA INVESTORS LIMITED	403481	2.47%	--	--	--	403481	2.47%
3.	ROHINTON SOLI SCREWVALA	209017	1.28%	27.03.2020	Sold	-5000	204017	1.25%
				31.03.2020	Sold	-10000	194017	1.18%
4.	NEHA NIRAV SHETH	180676	1.10%	30.08.2019	Sold	-2000	178676	1.09%
				11.10.2019	Sold	-150000	28676	0.17%
5.	NIRAV SHETH (HUF)	150000	0.92%	--	--	--	150000	0.92%
6.	CAPITAL EMPLOYEE WELFARE TRUST	143915	0.87%	--	--	--	143915	0.87%
7.	KRISHNA KUMAR KARWA	125000	0.76%	--	--	--	125000	0.76%
8.	EMKAY FINCAP LIMITED	101713	0.62%	05.04.2019	Sold	-5313	96400	0.58%
				12.04.2019	Sold	-1	96399	0.58%
				03.01.2020	Sold	-5399	91000	0.55%
				10.01.2020	Sold	-21000	70000	0.43%
				17.01.2020	Sold	-5925	64075	0.39%
9.	ANKUR JHUNJHUNWAL A	49239	0.30%	31.03.2020	Sold	-45000	4239	0.02%
10.	GLOBE CAPITAL MARKET LTD	40284	0.25%	05.04.2019	Sold	-790	39494	0.24%
				12.04.2019	Purchase	170	39664	0.24%
				26.04.2019	Sold	-1	39663	0.24%
				03.05.2019	Sold	-8451	31212	0.19%
				24.05.2019	Sold	-751	30461	0.19%
				31.05.2019	Purchase	43586	74047	0.45%
				07.06.2019	Sold	-8000	66047	0.40%
				14.06.2019	Sold	-37029	29018	0.18%
				21.06.2019	Sold	-653	28365	0.17%
				28.06.2019	Sold	-13247	15118	0.09%
				05.07.2019	Purchase	2538	17656	0.11%
				12.07.2019	Sold	-2000	15656	0.10%
19.07.2019	Purchase	1669	17325	0.11%				

				26.07.2019	Sold	-2769	14556	0.09%
				02.08.2019	Purchase	4999	19555	0.12%
				09.08.2019	Sold	-3035	16520	0.10%
				30.08.2019	Purchase	7828	24348	0.15%
				06.09.2019	Purchase	4800	29148	0.18%
				20.09.2019	Sold	-10880	18268	0.11%
				27.09.2019	Purchase	550	18818	0.12%
				11.10.2019	Sold	-11480	7338	0.04%
				18.10.2019	Purchase	13000	20338	0.12%
				25.10.2019	Purchase	2100	22438	0.14%
				29.11.2019	Purchase	21900	44338	0.27
				31.01.2020	Sold	-170	44168	0.27
				13.03.2020	Purchase	100	44268	0.27
				27.03.2020	Sold	-968	43300	0.26
				31.03.2020	Sold	-100	43200	0.26
11.	CORNELIA INVESTMENTS PVT LTD	34630	0.21%	17.05.2019	Sold	-2768	31862	0.19%
				24.05.2019	Sold	-6609	25253	0.15%
12.	VASUNDHARA BHARGAVA	5000	0.03%	31.03.2020	Purchase	45000	50000	0.30%
13.	APAC CONSULTANTS PRIVATE LIMITED	4000	0.02%	06.09.2019	Purchase	7105	11105	0.06%
				13.09.2019	Purchase	35220	46325	0.28%
				30.09.2019	Purchase	515	46840	0.28%
				11.10.2019	Purchase	137	46977	0.28%
				10.01.2020	Sold	-45363	1614	0.01%
				17.01.2020	Purchase	54942	56556	0.34%
				24.01.2020	Purchase	6000	62556	0.38%
				07.02.2020	Purchase	25371	87927	0.54%

iv. Shareholding of Directors and Key Managerial Personnel

Sr. no	Name of Directors	Shareholding at the beginning of the year as on 01.04.2019		Date	Reason	Increase/ Decrease in Shareholding	Shareholding at the end of the year as on 31.03.2020	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
A.	Yogen Khosla Managing Director	6852917	41.88%	02.04, 19	Sold	Inter promoter transfer	6038917	36.91%
B.	Anju Khosla Director	--	--	--	--	--	--	--
C.	Nikhel Kochhar Independent Director	--	--	--	--	--	--	--

D.	Col.Vijay Kumar (Retd) Independent Director	--	--	--	--	--	--	--
E.	Sanjiv Syal Independent Director	--	--	--	--	--	--	--
F.	Abhinav Sharma Independent Director	--	--	--	--	--	--	--
G.	Suman Kukrety Independent Director							
H.	Vinod Raina CFO (KMP)	--	--	--	--	--	--	--
I.	Tanya Sethi Company Secretary	--	--	--	--	--	--	--

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits Total	Deposits Total
Indebtedness at financial year (01-04-2019)				
I. Principal Amount	41605.48	6787.50		
II. Interest due but not paid	-	-		
III. Interest accrued but not due	479.00	(Including both for Secured and Unsecured)		
Total (I + II + III)	42084.48	6787.50		
Changes in Indebtedness during the financial year				
Addition	1039.74	7429.00		
Reduction	20922.19	7606.00		
Net Change	(19882.45)	(177.00)		
Indebtedness at the end of the financial year(31-03-2020)				
I. Principal Amount	21723.03	6610.50		
II. Interest due but not paid	-	-		
III. Interest accrued but not due	166.84	(Including both for Secured and Unsecured)		
Total (I + II + III)	21889.87	6610.50		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of Managing Director Yogen Khosla	Name of the executive director Anju Khosla	Total Amount (in `)
1.	Gross Salary	15381555	8610000	23991555
	(a) Salary as per provisions contained in			

	section 17(1) of the Income-Tax Act, 1961			
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961			
	(c) Profits in lieu of salary u/s 17(3) of the Income-Tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission			
	- As % of profit			
	- Other, specify			
5.	Others, please specify			
	Total (A)	15381555	8610000	23991555
	Ceiling as per the Act (@ 5% of profits calculated under section 198 of the Companies Act, 2013	Remuneration is as per shareholders resolution		

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount (in Rs.)
		Mr. Nikhel Kochar	Mr. Sanjiv Syal	Col. Vijay Kumar (Retd.)	Mr. Ashutos h P. Sardesai (upto 29.08.2019)	Mr. Sachin Bhartiya (upto 20.06.2019)	Mr. Abhinav Sharma	Ms. Suman Kukrety	
1.	Independent Directors								
	a. Fee for attending board / committee meetings	40000	40000	30000	--	10000	20000	--	140000
	b. Commission								
	c. Others, please specify								
	Total (1)								
2.	Other Non-Executive Directors								
	a. Fee for attending board / committee meetings								
	b. Commission								
	c. Others, please specify								
	Total (2)								
	Total (B)=(1+2)								
	Total Managerial Remuneration								
	Overall ceiling as per the Act (sitting fees not to exceed Rs 1,00,000 per meeting)	The Company is paying only sitting fees to Non-Executive Directors which is below the ceiling of 1,00,000/- per meeting as prescribed under the Companies Act, 2013.							

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration				Total Amount (in
		Company	CFO	CFO (Mr.	

		Secretary (Ms.Tanya Sethi)	(Mr.Rahul Malik) upto 13.09.2019	Vinod Raina) wef 14.09.2019	Rs.)
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	750000	2407000.0	2333000	5490000
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary u/s 17(3) of the Income-Tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission	--	--	--	--
	- As % of profit	--	--	--	--
	- Other, specify	--	--	--	--
5.	Others, please specify	--	--	--	--
	Total (A)	750000	2407000.0	2333000	5490000
	Ceiling as per the Act (@ 5% of profits calculated under section 198 of the Companies Act, 2013				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers In Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

[Pursuant to section 204(1) of Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Capital Trust Limited
366 Sultanpur,
MG Road,
New Delhi-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, 2020** complied with the statutory provisions listed hereunder. The Company has proper Board – processes and compliance –mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2018 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 Audit Period**);
- 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 as the Company during the Audit Period**];
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999;
 - 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 Audit Period]
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable to the company during the Audit Period].**

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

- 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 Bombay Stock Exchange and National Stock Exchange.

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

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

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

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

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

We further report that during the audit period:

- a. The Listed Secured Non-convertible Debentures of the Company aggregating to Rs 7,500 Lakhs (outstanding Rs. Nil as on 31 March, 2020) ,during the period, the Company has reduced face value of Debentures from Rs. 1,00,000 to Rs. 72973.81.
- b. As per the provision of Section 135 sub-section 5 of the Companies Act, 2013, the board shall ensure that the Company spends in every financial year at least 2% of the average net profit of the preceding 3 financial year for undertaking CSR activities. However it is further clarified as per the second proviso of Section 135(5), if the Company fails to spend such amount for its CSR Activities, then the Company shall specify in its Board Report the reason for not spending such amount.

The Company is of the view that it is working for the upliftment of poor people and also imparting financial literacy. The Company has provided training to urban people in various fields in finance and credit sector free of cost and has provided employment to deserving candidates among them. So the Company feels that there is no additional CSR expenditure required.

- c. The E Forms DPT-3 has not been filed by the Company during the period as the Company is a Non-banking Financial Company which is registered with Reserve Bank of India ("RBI") and as per the provisions of rule 3 of the Companies (Acceptance of Deposits) Rules, 2014, the said rule is not applicable to it.
- d. The Company has created ESPS Trust for the welfare of employees in the name of Capital Employees Welfare Trust. That the Trust is holding 143915 Equity shares in the company in the category of Non promoter Non Public. The Trust has not granted any options to the employees yet.

SHASHANK SHARMA & ASSOCIATES
Company Secretaries
Shashank Sharma

Date: 18.06.2020
Place: New Delhi
UDIN: A019311B000353348

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
Shashank Sharma

Date: 18.06.2020
Place: New Delhi
UDIN: A019311B000353348

Company Secretary
ACS 19311
CP No. 7221

CORPORATE GOVERNANCE REPORT

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.

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.

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, 2020, the Company has seven Directors. Of the seven directors, five (i.e. 71.42 percent) are Non-Executive Independent Directors. The profiles of Directors can be found on [https://www. capitaltrust.in/aboutus/boardmembers](https://www.capitaltrust.in/aboutus/boardmembers). The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- ii. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 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. Four 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: May 27, 2019; September 14, 2019; December 12, 2019; February 4, 2020. 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, 2020 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 30.09.19	No. Of Directorships in other public companies	Number of Committee positions held in other Public Companies	Directorship in other listed entity (Category of Directorship)
Mr. Yogen Khosla	Chairman and Managing Director	4	Yes	Nil	Nil	Nil
Mrs. Anju Khosla	Executive Director	3	No	Nil	Nil	Nil
Col. Vijay Kumar (Retd.)	Non-Executive-Independent Director	3	No	Nil	Nil	Nil
Mr. Sachin Kumar Bhartiya	Non Executive Non Independent Director, Nominee Director	1	No	Nil	Nil	Nil
Mr. Nikhel Kochhar	Non-Executive-Independent Director	4	Yes	Nil	Nil	Nil
Mr. Sanjiv Syal	Non-Executive-Independent Director	4	No	Nil	Nil	Nil
Mr. Abhinav Sharma	Non-Executive-Independent Director	1	-	1	Nil	Nil
Ms. Suman Kukrety	Non-Executive-Independent Director	-	-	Nil	Nil	Nil

1. Nomination of Mr. Sachin Kumar Bhartiya was withdrawn by Lighthouse Emerging India Investors Limited w.e.f 20th June, 2019.

2 Mr.Ashutosh Rajdeep Sardesai was appointed as nominee directors of the company w.e.f 20th June, 2019, but he resigned on 29th August, 2019 after withdrawal of his nomination. There was no meeting held during his tenure as director.

3. Mr. Abhinav Sharma was appointed as Non-Executive-Independent Director w.e f. December 12, 2019.

4. Ms. Suman Kukrety was appointed as Non-Executive-Independent Director w.e f. March 28, 2020.

5. 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 Mrs. Anju Kholsa and Mr. Yogen Khosla.

7. None of the Directors has received any loans or advances from the company during the year.

8. Profile of exiting directors:

Name	Designation	Brief Profile
Mr. Yogen Khosla	Chairman & Managing Director	Mr. Yogen Khosla is a finance veteran with over 20 years of experience. He holds a Bachelor's degree in Commerce from Loyala College, Chennai and has studied at the Ealing College in London. He is a member of the Institute of Financial Accountants in the UK and was a Board member of Kinetic Capital Finance and DBS Capital Trust Securities India Pvt. Limited. Since 2003, he has been working as the Managing Director of Capital Trust Limited. He introduced the company into retail lending of micro loans in the MSME business. He has led the company to being adjudged as one of the top 100 Small and Medium Enterprises in India by India SME Forum.
Mrs. Anju Khosla	Director	Mrs. Anju Khosla graduated from Delhi University and has a Masters degree in Business Economics. She joined Capital Trust in 1989 and was initially involved with the Consultancy division. Subsequently, she handled an authorized dealership for Honda two wheelers for 3 years, which was acknowledged as the second best dealership in North India
Mr. Sanjiv Syal	Independent Director	Mr. Syal is a practicing Chartered Accountant with an experience spanning over 25 years in consulting and accountancy. Prior to setting up his accountancy practice in 2001, he set up and managed a leasing finance Company ABL Leasing for 9 years. He is also founder & Non-Executive Director in a software development company focussed on E-Learning solutions Compro

Technologies. He has been a catalyst in start up of many successful projects in the BPO, IT & Financial Services space. Some of the successful startups where he has played a role include Yatra online, RAC, Gulliver Travels, DMI Finance & Cisco Systems Capital.

Colonel Vijay Kumar (Retd.) Independent Director

Col Vijay Kumar (Retd) is a retired colonel from the Indian army. He has held various important appointments in the Army, including GSO 1 (Ops) of Northern Command and Secretary to Principal Personnel Officers Committee. After an illustrious career in the Army, Col Vijay Kumar (Retd.) took pre-mature retirement in 2008 and joined the corporate world looking after Training and Development in HCL Infosystems Ltd. The exposure in HCL has given him a deep insight into the functioning of the corporate world. He joined the Board in 2013. He is also a Principal Consultant with Franklin Covey South Asia.

Mr. Nikhel Kochhar Independent Director

Mr. Nikhel Kochhar is a Practicing Chartered Accountant and at present in CEO – India Internal Auditors Association. He is also Member of the Indian Public Schools Society (IPSS) and Member Selection Committee for appointment of Board Members.

His area of interest is Internal Controls & Audit, Risk Management, Corporate Governance, Organizational Systems & Processes and Corporate & Institutional Training.

Ms. Suman Kukrety Independent Woman Director

Ms. Suman is a competent professional with 17 years of quality experience in legal consultancy, legal documentation in civil and criminal cases before the Supreme Court of India, High Courts, District Courts, quasi-judicial tribunals, institutional arbitrations before Indian Council of Arbitration (ICA), International Centre for Alternate Dispute Resolution (ICADR). She secured 1st position in Advocate-on-Record examination held by the Supreme Court of India, in June, 2009.

Mr. Abhinav Sharma Independent Director

Mr. Abhinav Sharma is a CFA Charter holder from CFA Institute, USA and a certified Financial Risk Manager from Global Association of Risk Professionals, USA. He received his MBA(Finance) from ICFAI Business School, Hyderabad and his B.A(Hons) Economics from Delhi University. His focus area is Debt Funding (Bank Loans, Project Finance, NCDs, Securitization, Cross border transactions) and Strategic Consulting (Risk Management, Credit Administration Systems, RBI Compliance, Capital Structure, Strategic Growth Planning.) He is also on the board of Manba Finance Limited.

- vi. None of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.
- vii. During FY 2020, one meeting of the Independent Directors was held on 27th May, 2019.
- 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, 2020 are given below:

Name	Category	Number of equity shares
Mr. Yogen Khosla	Chairman and Managing Director	6038917
Mrs. Anju Khosla	Executive Director	-
Col. Vijay Kumar (Retd.)	Non-Executive-Independent Director	-
Mr. Nikhel Kochhar	Non-Executive-Independent Director	-
Mr. Sanjiv Syal	Non-Executive-Independent Director	-
Mr. Abhinav Sharma	Non-Executive-Independent Director	-
Ms. Suman Kukrety	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.capital-trust.com.

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.

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, 2020 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		No. of meetings held	No. of meetings attended
Name	Category		
Mr. Nikhel Kochhar (Chairman)	Non-Executive-Independent Director	4	4
Mr. Yogen Khosla	Executive Director	4	4
Col. Vijay Kumar (Retd)	Non-Executive-Independent Director	4	3
Mr. Sanjiv Syal	Non-Executive-Independent Director	4	4
Mr. Abhinav Sharma	Non-Executive-Independent Director	-	-

- Four meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.
- 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. Shareholders' Grievance Committee

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

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

Category and Composition

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

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

Details of Shareholders' Complaints:

Name and Designation of Compliance Officer:

Ms. Tanya Sethi
 Company Secretary
 Capital Trust Limited
 507 DLF Courtyard
 Saket District Center
 New Delhi-110017

Number of shareholders' compliant received for the year 2019-20:	4
Number of shareholders' compliant solved during the year to the satisfaction of shareholders:	4
Number of complaints not solved to the satisfaction of shareholders:	-
Number of pending complaints :	-

iii. Nomination and Remuneration Committee

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

Category and Composition

Name	Category	Nomination and Remuneration Committee meetings held	Nomination and Remuneration Committee meetings attended
Mr. Nikhel Kochhar (Chairman)	Non-Executive-Independent Director	4	4
Col. Vijay Kumar (Retd)	Non-Executive-Independent Director	4	3
Mr. Sanjiv Syal	Non-Executive-Independent Director	4	4
Mr. Abhinav Sharma	Non-Executive-Independent Director	-	-

- Four meetings were held during the year under review.

Term of Reference:

- All the members of the Nomination and Remuneration Committee are Non-Executive Independent Directors.
- Term of Reference of Nomination and Remuneration Committee:
 - 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;
 - 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 27nd May, 2019 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, 2019 have affirmed compliance with their respective codes of conduct.

C. Remuneration of Directors

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

S. No.	Details	Disclosure by the Company
1.	The ratio of the remuneration of each Whole time director to the median remuneration of the employees of the company for the financial year	Managing Director : 101:1 Executive Director : 60:1
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Managing Director : Nil Executive Director : Nil% Chief Financial Officer : Nil Mr. Rahul Malik joined the company during the year on 27 th May, 2019 and resigned on 31 st August, 2019. There was also no increase in salary of CFO. Thereafter Mr. Vinod Raina was appointed as CFO with effect from 31 st August, 2019. Company Secretary: 29%
3.	The percentage increase in the median remuneration of employees in the financial year;	15%
4.	The number of permanent employees on the rolls of Company	1560
5.	The explanation on the relationship between average increase in remuneration and company performance	In the year 2019-20 the impact of demonetisation was still existent. There have been issues in the NBFC sector during the year which has impacted the borrowings. The profits of the company have decreased. The average salary increase of the employees was 15%.
6.	Comparison of the remuneration of the Key	The profits have decreased

	Managerial Personnel against the performance of the company	due to higher provisioning and writeoffs arising because of cash liquidity crunch in the market after NBFC Crisis. There was no increase in remuneration to the Managing Directors and Executive director during the year.
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	<p>The market capitalization of the company as on 1st April, 2010 was Rs. 344.89 Crores. The market capitalization as on 31st March, 2020 was Rs. 82.95 Crores showing a decrease of 76%. The Price Earning Ratio as on 31st March 2020 was Rs. 19.24 as compared to Rs. 41.27 as on 31st March, 2019. The market price of the equity shares of the company as on 29st March 2019 was Rs. 218.5 whereas the share price as on 31st March, 2020 was Rs.50.70.</p> <p>The percentage increase in market price of shares in comparison with the last public offer was 80%.</p>
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<p>The average salary of the employees other than Key Managerial persons was 15% whereas average increase in salary of KMPs was 10%. There has not been no increase in remuneration to the Managing Directors and Executive director during the year.</p>
9.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	The growth of the company was stagnant for the year due to crisis in the NBFC sector. So 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, 2020:

a. Non-Executive Directors

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

Ms. Suman Kukrety was appointed as a Non- Executive Independent Director on the Board w.e.f March 28, 2020. Since then, no Board Meeting was held in the financial year 2019-20.

b. Managing Director and Executive Director

Name	Salary	Benefits, perquisites and allowances	Commission
Mr. Yogen Khosla	12100000	3281555	-
Mrs. Anju Khosla	7380000	1230000	-

iv. Corporate Social Responsibility Committee Category and Composition

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

- One meeting was held during the year under review.

Key Responsibilities of the CSR Committee:

- 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
- 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	Shareholder s' Grievance Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee
No. of meetings held	4	4	4	1
Date of Meetings	27.05.2019 14.09.2019 12.12.2019 04.02.2020	27.05.2019 14.09.2019 12.12.2019 04.02.2020	27.04.2019 14.09.2019 12.12.2019 04.02.2020	12.12.2019
	No. of Meetings attended			
Mr. Yogen Khosla	4	4	-	1
Mrs. Anju Khosla	-	3	-	1
Col. Vijay Kumar (Retd.)	3	-	3	-
Mr. Nikhel Kochhar	4	4	4	-
Mr. Sanjiv Syal	4	-	4	1
Mr. Abhinav Sharma	-	-	-	-
Ms. Suman Kukrety	-	-	-	-

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

IT Governance & Strategy Committee

During the current year, the Board, in accordance with the provisions of Reserve Bank of India's Master Direction on the Information Technology Framework for the NBFC Sector, constituted IT Governance & Strategy Committee ("IT Committee") at its meeting held on 1st March, 2019.

The IT Committee comprises of three (3) members, two of whom are Independent Directors and one is Chief Technical Officer of the Company.

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
2019	September 30, 2019	09:00 a.m.	366 Sultanpur, M G Road, New Delhi-110030
2018	September 29, 2018	09:00 a.m	366 Sultanpur, M G Road, New Delhi-110030
2017	August 10, 2017	09:00 a.m	366 Sultanpur, M G Road, New Delhi-110030

b. Extraordinary General Meeting

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

c. Special resolution

Year	Particulars
2019	For raising of funds through various options including qualified institutional placement/ non convertible debentures upto rs. 1000 crores
2018	For raising of funds through various options including qualified institutional placement/ non convertible debentures upto rs. 1000 crores.
	Alteration in Object Clause of Memorandum of Association of the Company
	Alteration in Memorandum of Association of the Company to commensurate with Companies Act, 2013
	Alteration in Articles of Association of the Company to commensurate with Companies Act, 2013.
2017	Payment of incentive to Mr. Yogen Khosla.
	Increase in borrowing powers under section 180(1) (C) of the Companies Act, 2013.
	Raising of Funds through various options including Qualified Institutional Placement/ Debentures upto Rs. 600

Crores.

Increase in Authorised Share Capital of the Company to Rs. 30 Crores.

Acquisition of a company registered under Companies Act, 2013 and to register it as a Housing Finance Company with the National Housing Bank.

To appoint and fix the remuneration of Mr. Yuv Vir Khosla.

To re-appoint Mr. Yogen Khosla as Chairman and Managing Director for five years.

ii. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

No postal ballot was conducted during the FY 2020.

iii. Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

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, English Newspaper having a wide circulation in substantially the whole of the India and in Naya India Hindi vernacular newspaper. The results are also available on the website of the company www.capital-trust.com.

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 2020 Date :**

10.08.2020

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 :

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

iv. Stock Codes / Symbol

NSE : CAPTRUST

BSE : 511505

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 96.61 percent of the Company's equity share capital are dematerialized as on March 31, 2020. 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, 2020, 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
507 DLF Courtyard,
Saket District Center,
New Delhi-110017

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-19	234.9	185.9	42,142
May-19	236.5	176.5	103,990
Jun-19	189.9	128.8	101,287
Jul-19	137.4	56.0	74,045
Aug-19	82.9	45.7	64,553
Sep-19	165.0	82.6	34,539
Oct-19	142.6	76.0	62,210
Nov-19	88.2	78.2	6,436
Dec-19	138.4	71.1	28,091
Jan-20	211.1	138.0	150,242
Feb-20	150.7	96.0	53,611
Mar-20	100.9	190.0	60,196

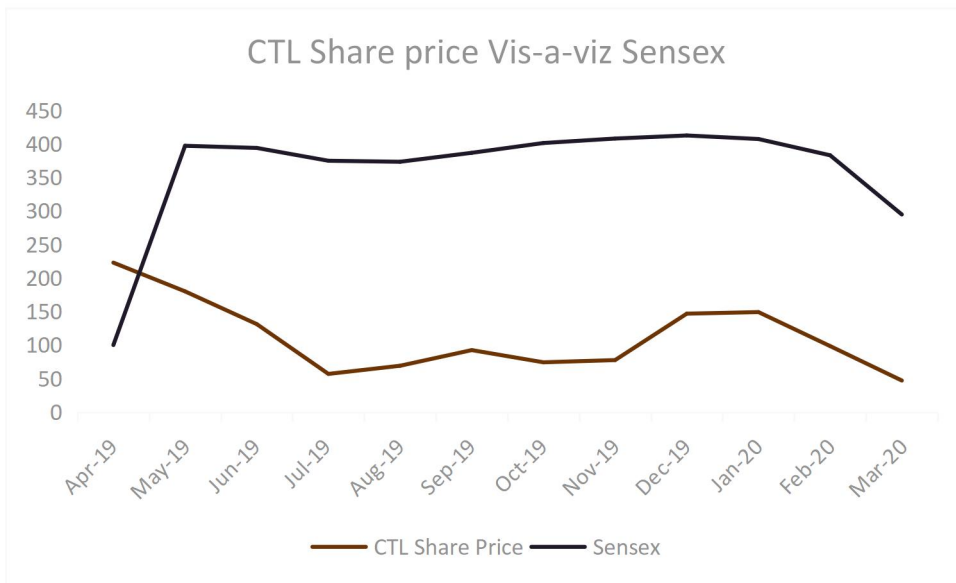
The monthly high low for the equity shares of the Company at BSE.

Month	High Price	Low Price	Volume
Apr-19	241.0	191.0	8,25,505
May-19	235.0	168.1	6,021
Jun-19	192.8	122.5	18,233
Jul-19	140.7	56.9	19,044
Aug-19	74.8	46.5	7,367
Sep-19	92.4	72.5	1,228
Oct-19	117.0	74.2	8,525
Nov-19	80.9	71.5	1,520
Dec-19	146.8	79.8	13,455
Jan-20	213.4	139.7	73,565
Feb-20	141.7	98.4	6,183
Mar-20	100.9	47.1	14,289

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)

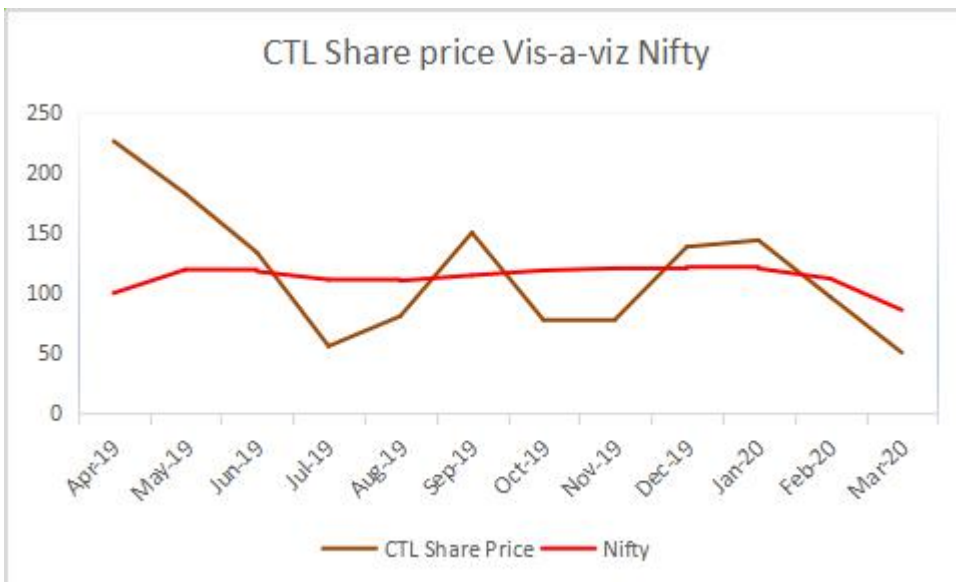
(Base is taken as 100 at April 1, 2019)

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, 2019)



xiv. Shareholding Pattern as on March 31, 2020

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, 2020

No of shareholders	% to total	Shareholding nominal value (Rs.)	No of shares	of Amount (Rs.)	in % to total
5868	92.468	1 TO 5000	746493	7464930	4.563
247	3.892	5001 TO 10000	183764	1837640	1.123
90	1.418	10001 TO 20000	135196	1351960	0.826
36	0.567	20001 TO 30000	90073	900730	0.551
24	0.378	30001 TO 40000	85956	859560	0.525
19	0.299	40001 TO 50000	87798	877980	0.537
31	0.488	50001 TO 100000	229985	2299850	1.406
31	0.488	100001 AND ABOVE	14802150	148021500	90.47
6346	100	TOTAL	16361415	163614150	100

xvi) Dematerialisation of Shares: As on March 31, 2020:
15805405 of the total number of equity shares were held in dematerialized form.

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

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

J. Other Disclosures

- a. The Company has not entered into any material related party transactions. Other related party transactions were approved by the Audit Committee and the Board.
- b. There is no non-compliance by the company and there have been no penalties, strictures imposed on by stock exchange or the board or any statutory authority, on any matter related to capital markets, during the last three years.
- c. The Company has complied with Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations 2015 regarding the Whistle Blower policy/ Vigil Mechanism for the directors and employees. As per the mechanism, concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy are reported. The Audit Committee is open to all the employees. The policy is available on our website www.capital-trust.com.
- 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.capital-trust.com.
- g. The company is not dealing in any commodity, so there are no commodity hedging required.
- h. The Company is compliance with the corporate governance requirements specified in regulation 17 to 27 of SEBI (LODR) Regulations 2015 and has an operational website www.capital-trust.com wherein the information as required under Regulation 46 of the SEBI(LODR) Regulations has been disseminated.

K. 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.

L. 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.

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

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



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, 2020. For the purpose of this declaration, Senior Management Team means the Chief Financial Officer and the Company Secretary.

Date: 20.06.2020

Place: New Delhi

For **Capital Trust Limited**

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 for the 2018-19 and that to the best of their knowledge and belief:

these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and the Audit committee

significant changes in internal control over financial reporting during the year;

significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

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: 20.06.2020

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

To the Members of Capital Trust Limited
366 Sultanpur, MG Road,
New Delhi-110030

The Corporate Governance Report prepared by Capital Trust Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ("Applicable criteria") with respect to Corporate Governance for the year ended March 31, 2020. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

MANAGEMENT'S RESPONSIBILITY

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

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

Based on the procedures performed by us and according to the information and explanations given to us, we are of the opinion that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the Listing Regulations referred to in paragraph 1 above as applicable for the year ended March 31, 2020 except non submission of related party transactions to stock exchanges for the half year end September 30, 2019 as required under regulation 23(9) of the Listing Regulations.

OTHER MATTERS AND RESTRICTION ON USE

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

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

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

Date: June 20, 2020
Place: Noida (Delhi-NCR)

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN : 20088926AAAAFA4137

NOTICE

NOTICE is hereby given that the Thirty Fourth Annual General Meeting (AGM) of Capital Trust Limited (the Company) will be held on Monday, August 10, 2020, 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, 2020, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Anju Khosla (DIN-03496484), who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. APPOINTMENT OF MR. ABHINAV SHARMA AS INDEPENDENT DIRECTOR

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, Mr. Abhinav Sharma (DIN: 07641980), who was appointed as an Additional Independent Director of the Company with effect from December 12, 2019, and whose term expires at this AGM, and in respect of whom the Company has received a notice in writing along with a deposit from a member proposing his candidature for the office of an Independent Director not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years with effect from August 10, 2020.”

4. APPOINTMENT OF MS. SUMAN KUKRETY AS WOMAN INDEPENDENT DIRECTOR

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, Ms. Suman Kukrety (DIN: 08730773), who was appointed as an Additional & Independent Director of the Company with effect from March 28, 2020, and whose term expires at this AGM, and in respect of whom the Company has received a notice in writing along with a deposit from a member proposing his candidature for the office of an Independent Director not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years with effect from August 10, 2020.”

5. 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 *pari passu* 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.”

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

Sd/-

Tanya Sethi

Company Secretary

Date: June 20, 2020

Place: New Delhi

NOTES

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) has permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. 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. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the Annual General Meeting.

The said Resolution/Authorization shall 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.

4. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 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 or Company's Registrars and Transfer Agents, MAS Services Limited for assistance.
5. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with TCPL in case the shares are held by them in physical form.
6. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to TCPL in case the shares are held by them in physical form.
7. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to MAS Services Limited in case the shares are held in physical form.
8. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
10. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 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 and Annual Report 2019-20 will also be available on the Company's website www.capitaltrust.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
11. In case you have not registered your email id with depository or RTA you may register your email id in following manner.

Physical	Send a signed request to Registrar and Transfer Agents of the Company,
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Holding	MAS Services Limited at info@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) for registering email address.
Demat Holding	Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

12. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
13. At the Thirty First AGM held on 10th August, 2017 the Members approved appointment of M/s. Singhi & Co, Chartered Accountants (Firm Registration No. FRN 302049E) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Thirty Sixth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the Thirty Fourth AGM.
14. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 is annexed.
15. Additional information, pursuant to Regulation 36 (3), of the Listing Regulations, in respect of directors reappointing at the Annual General Meeting and Explanatory Statement as required under Section 102 of the Companies Act, 2013, in respect of special business under item numbers 3 to 5 of the Notice is appended hereto and forms part of this Notice.
16. The Register of Members and Share Transfer Books of the Company will remain closed from 4th August, 2020 to 10th August, 2020 (both days inclusive).
17. Any member requiring further information on the Accounts at the meeting is requested to send the queries through email on cs@capitaltrust.in atleast one week before the meeting.
18. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agent, in respect of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company/Registrar and Share Transfer Agent, members are requested to quote their folio numbers or DP ID and Client ID for physical or electronic holdings respectively.
19. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.
20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
21. Instructions for e-voting and joining the AGM are as follows:

INSTRUCTION FOR REMOTE EVOTING , EVOTING AND JOINING OF AGM THROUGH VIDEO CONFERENCING

- (vi) The shareholders need to visit the e-voting website <http://www.evotingindia.com/>.

- (vii) Click on “Shareholders” module.
- (viii) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (ix) Next enter the Image Verification as displayed and Click on Login.
- (x) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (xi) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders), in window opened after entering the User ID. <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence/PAN number which is mentioned in email..
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (xii) After entering these details appropriately, click on “SUBMIT” tab.
- (xiii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xiv) For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (xv) Click on the EVSN for the Capital Trust Limited.
- (xvi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same, the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xvii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xviii) After selecting the resolution on which you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xx) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xxi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xxii) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES :

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, copy of PAN card and Aadhar card to info@masserv.com
2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com

INSTRUCTIONS FOR JOINING MEETING THROUGH VC:

- (i) To join the meeting, the shareholders should log on to the e-voting website <http://www.evotingindia.com/> and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to 'cisco' website.

In the “Name” field - Put your USERID as informed in e-email.
In the “last name” field - Enter your Name
In the “Email ID” field - Put your email ID

In the “Event password” field - Put the password as “cdsl@1234”
Click join now button.

Now screen will be displayed for downloading CISCO driver for VC. Please click on run temporary file download. Downloading of driver will be start open driver and click on run.

Event will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store .

PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:

1. System requirement:

- ✓ Windows 7, 8 or 10
- ✓ I3
- ✓ Microphone, speaker
- ✓ Internet speed minimum 700 kbps
- ✓ Date and time of computer should be current date and time

PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:

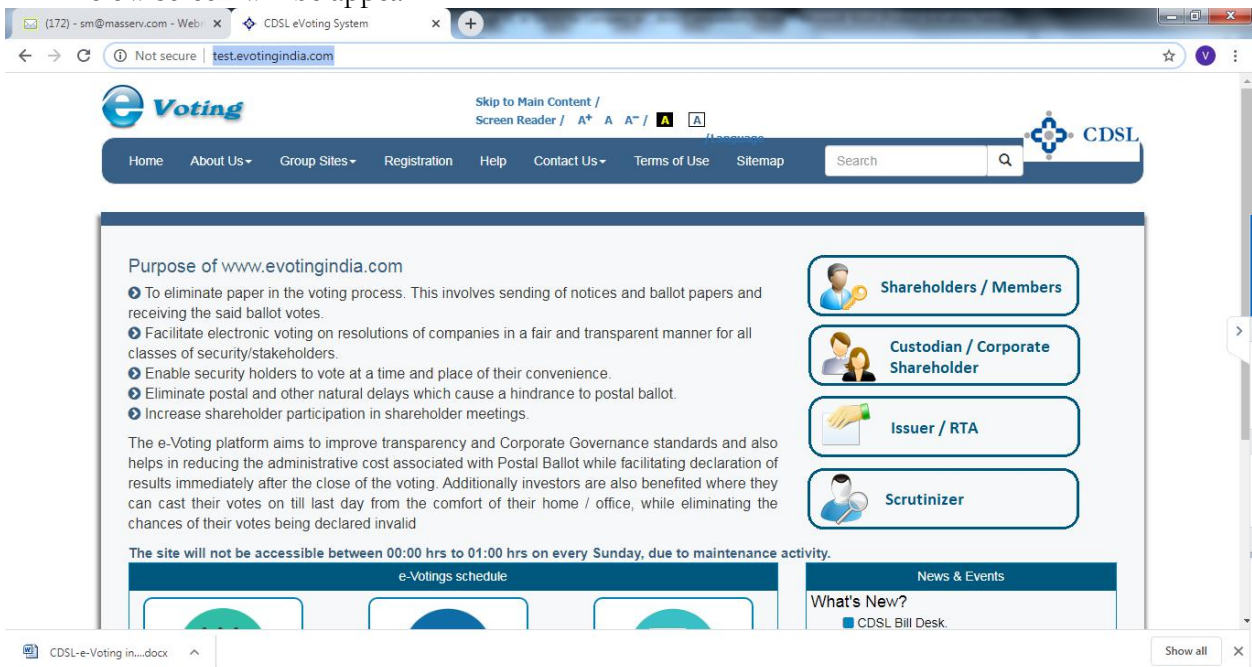
- ✓ Please download webex application from play store

NOTE:IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE,TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-IN DURING THE AGM.

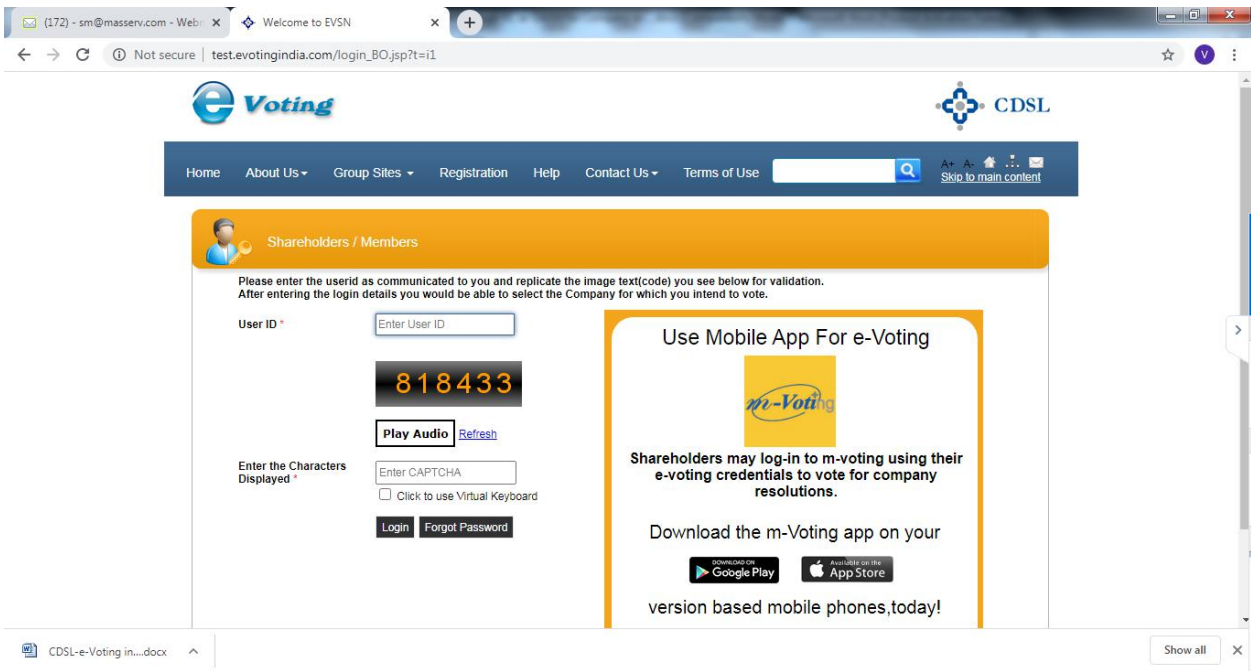
PROCEDURE FOR E-VOTING AND JOINING OF MEETING THROUGH VC (EXPLAINED USING SCREENSHOTS):

- i. The shareholders should log on to the e-voting website <http://www.evotingindia.com/>.

Below screen will be appear.

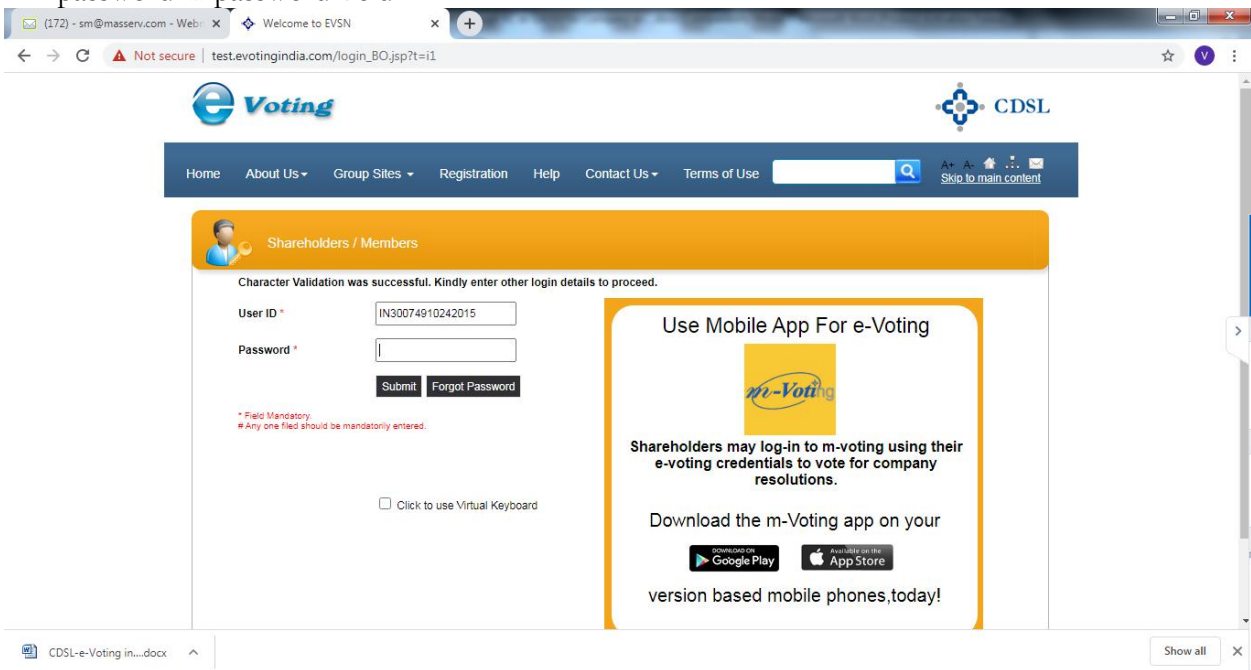


- ii. Press Shareholders/Members tab, after which the below screen will be appear.

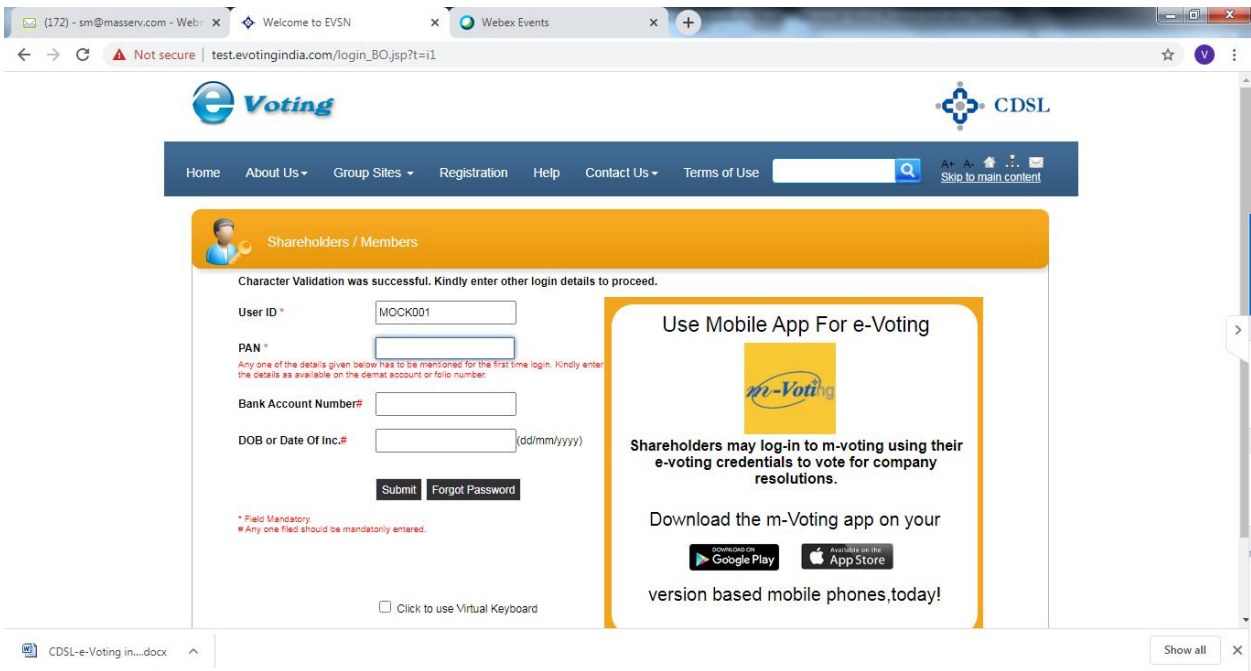


iii. Enter user id as mentioned in your invite email, or read point number (iii) as given above.

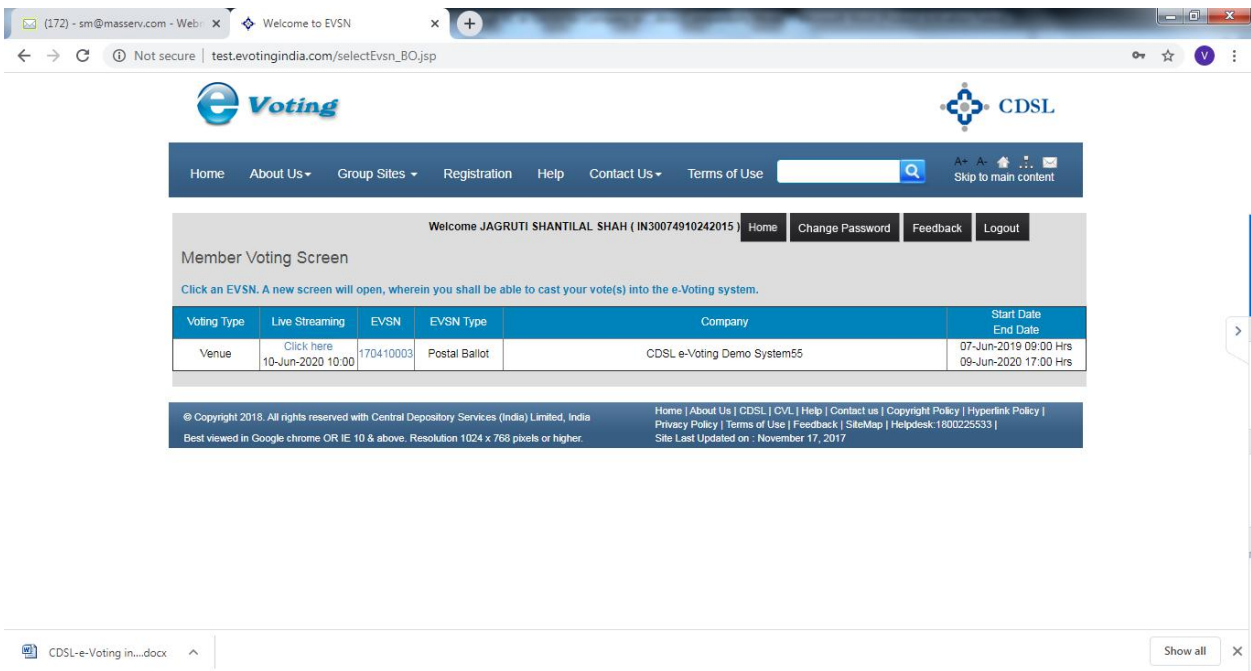
Since you are a registered user, below screen will be appear. Enter your existing CDSL password in password field.



iv. In case you are 1st time user of CDSL e-voting system, then below screen will be appear.

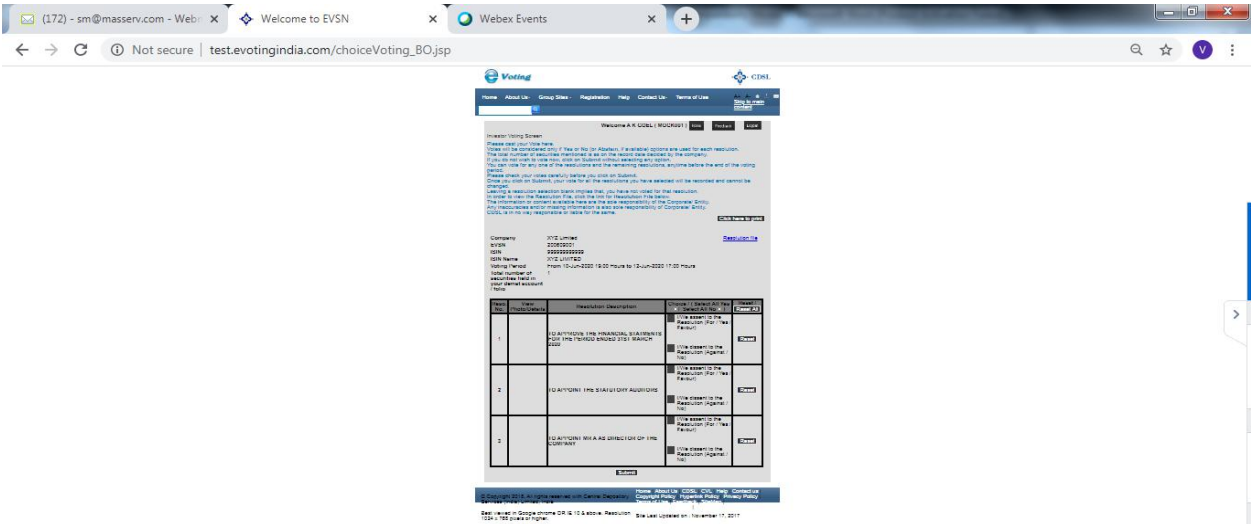


- v. Enter your PAN and bank detail/DOB or follow instruction as given point number (vi) above or mentioned in invite email; then below screen will be appear.

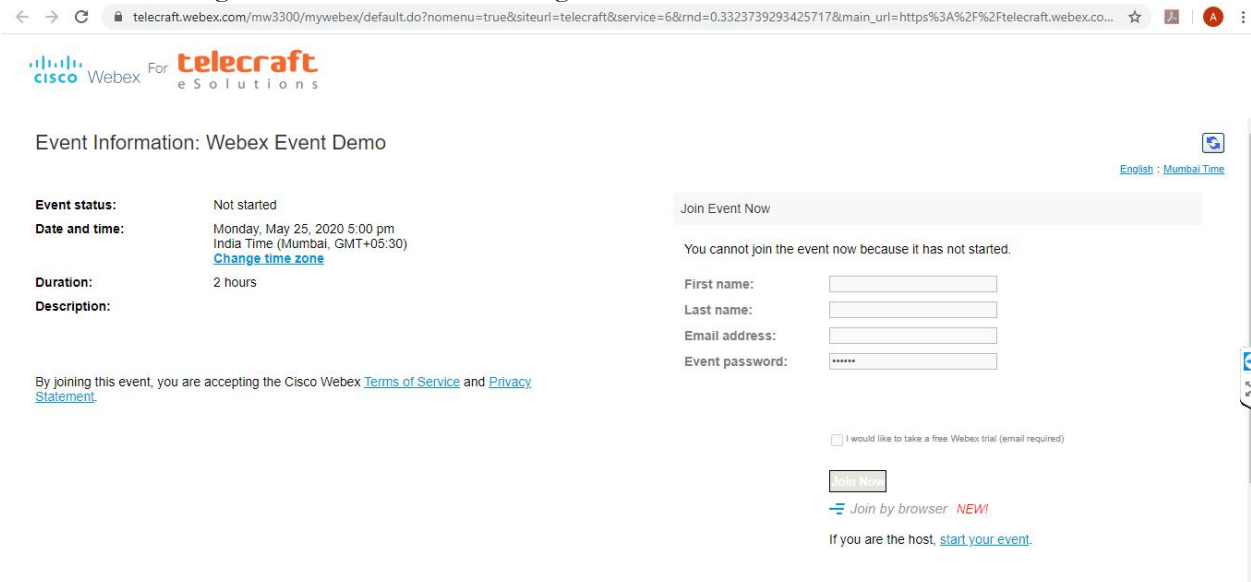


- vi. For e-voting, press EVSN number given in EVSN column; and for joining AGM through video conferencing, click on “Click here” tab under the live streaming column.

E-voting screen will be shown as below, where you can cast your vote and press submit button given at the bottom of the screen.



Screen for login into Video Conferencing is shown below:



Fill the details as:

In the “Name” field - Enter your USERID as given in email

In the “last name” field - Enter your Name

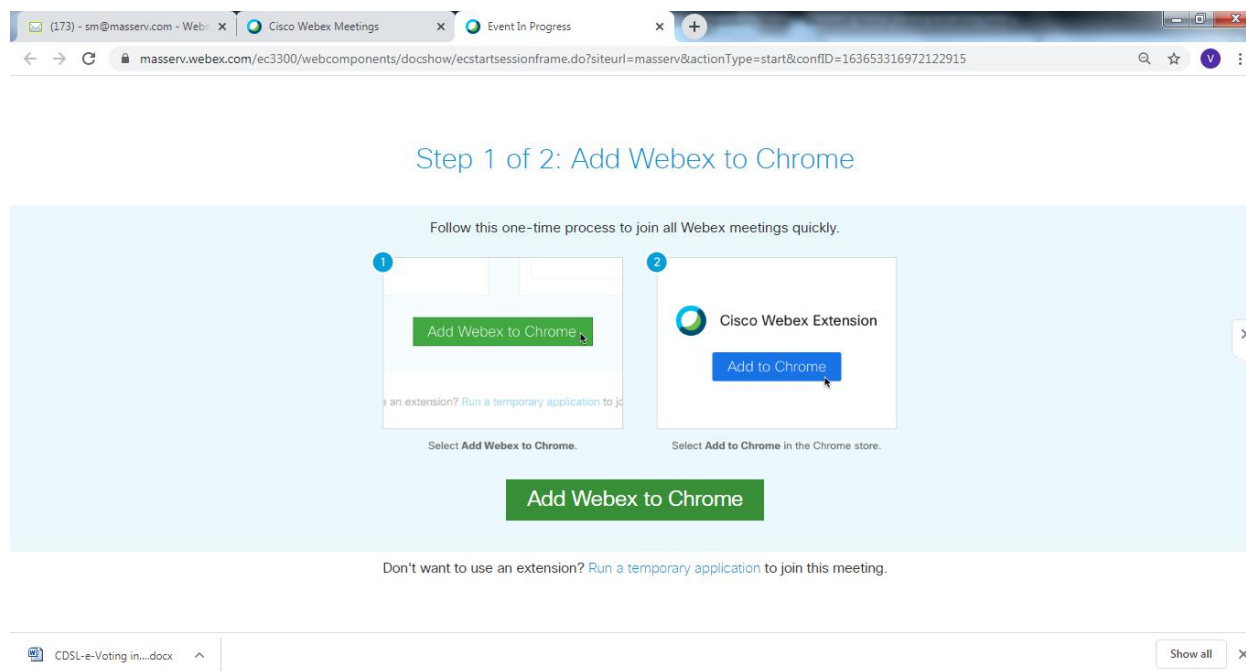
In the “Email ID” field - Put your email ID

In the “Event password” field - Put the password as “cdsl@1234”

Click join now button.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store .

vii. Once you click on 'Join now' tab, the following screen will be appear :



viii. Now, Kindly click on 'Run a temporary application', after which a Webex driver will get downloaded. After downloading webex driver, run the application and you will be directed to the AGM.

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

Item No. 3

The Non-Executive Directors and the Independent Directors of your Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, approved the appointment of Mr. Abhinav Sharma as an Additional (Independent Director) on the Board of the Company with effect from December 12, 2019, to hold office as Director till the date of forthcoming General Meeting, pursuant to Section 161 of the Companies Act, 2013 ('Act') and Articles of Association of the Company.

The details of Mr. Abhinav Sharma as required to be given pursuant to the Listing Regulations and the Secretarial Standards, are attached to the Notice.

In respect of Mr. Abhinav Sharma, the Company has received a notice in writing along with a deposit from a member proposing his candidature for the office of an Independent Director not liable to retire by rotation.

The Board of Directors commend the Ordinary Resolution as set out in Item no. 3 of the Notice for the approval of the shareholders, as in the opinion of the Board, Mr. Abhinav Sharma fulfils the conditions for appointment as specified in the Companies Act, 2013 and having regard to the

qualification, experience and knowledge, his appointment as an Independent Director will be in the interest of the Company.

Mr. Abhinav Sharma has given his consent to act as Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Sharma fulfills the conditions specified in the Act and the rules framed thereunder for appointment as Independent Director and he is independent of the Management.

Board is of the opinion that having regard to the qualification, experience and knowledge, his appointment as an Independent Director will be in the interest of the Company.

Your Directors commend the Resolution for your approval as an Ordinary Resolution.

Except Mr. Abhinav Sharma being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.3.

Item No. 4

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, approved the appointment of Ms. Suman Kukrety as an Additional (Independent Director) on the Board of the Company with effect from March 28, 2020, subject to the shareholders' approval to hold office as Director till the date of forthcoming General Meeting pursuant to Section 161 of the Companies Act, 2013 ('Act') and Articles of Association of the Company.

The details of Ms. Suman Kukrety, as required to be given pursuant to the Listing Regulations and the Secretarial Standards, are attached to the Notice.

In respect of Ms. Suman Kukrety, the Company has received a notice in writing along with a deposit from a member proposing his candidature for the office of an Independent Director not liable to retire by rotation.

The Board of Directors commend the Ordinary Resolution as set out in Item No. 4 of the Notice for the approval of the shareholders, as in the opinion of the Board, Ms. Suman Kukrety fulfils the conditions for appointment as specified in the Companies Act, 2013 and having regard to the qualification, experience and knowledge, his appointment as an Independent Director will be in the interest of the Company.

Ms. Suman Kukrety has given his consent to act as Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Ms. Suman Kukrety fulfills the conditions specified in the Act and the rules framed thereunder for appointment as Independent Director and he is independent of the Management.

Except Ms. Suman Kukrety being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.4.

Item No. 5

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.

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

1.	Name of Director	Mr. Abhinav Sharma	Ms. Suman Kukrety
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2.	Category	Independent Director	Independent Director
3.	DIN	07641980	08730773
4.	Date of birth	13.10.1980	08.01.1976
5.	Qualification	CFA, FRM	B.Sc (Hons.), LLB
B	Nature of Expertise/Experience	Risk management, business intelligence and finance	Law
7.	Brief Resume	Appended at end of this table	Appended at end of this table
8.	Appointment on the Board	December 12, 2019	March 28, 2020
9.	Terms & Conditions of Appointment/re-appointment	Appointment as an Independent Director for 5 years.	Appointment as an Independent Director for 5 years.
10.	Last Drawn Remuneration Details along with remuneration sought to be paid	As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board/Committee.	As a Non-Executive Independent Director, she is entitled to sitting fees for attending meetings of the Board/Committee.
11.	No. of shares held in the company as at March 31, 2020	Not Applicable	Not Applicable
12.	Relationship with other Directors/ Manager/KMP	No Relation	No Relation
13.	No. of Board meetings attended out of ----- meetings held during the year	1	Not Applicable
14.	Directorship details	1	
15.	Committee Positions	Nil	Nil

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

Mrs. Anju Khosla

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

Mr. Abhinav Sharma

Mr. Abhinav Sharma is a CFA Charter holder from CFA Institute, USA and a certified Financial Risk Manager from Global Association of Risk Professionals, USA. He received his MBA(Finance) from ICFAI Business School, Hyderabad and his B.A(Hons) Economics from Delhi University. His focus area is Debt Funding (Bank Loans, Project Finance, NCDs, Securitization, Cross border transactions) and Strategic Consulting (Risk Management, Credit Administration Systems, RBI Compliance, Capital Structure, Strategic Growth Planning.) He is also on the board of Manba Finance Limited.

Ms. Suman Kukrety

Ms. Suman Kukrety 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 arbitration before Indian Council of Arbitration (ICA), International Centre for Alternate Dispute Resolution (ICADR).

She has secured 1st position in Advocate-on-Record examination held by the Supreme Court of India.

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 2020, the statement of profit and loss, including the statement of other comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the 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, 2020. 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
Adoption of new accounting framework (Ind AS)	
<p>Refer Note No. 1.2 and 51 to the standalone financial statements.</p> <p>Effective April 01, 2019, the Company adopted the Ind AS notified by the Ministry of Corporate Affairs with the transition date of April 01, 2018.</p>	<p>We have assessed the design, implementation and operating effectiveness of key internal controls over management’s evaluation of transition date choices and exemptions availed in line with the principles under</p>

Key audit matters	How our audit addressed the key audit matter
<p>The following are the major impact areas for the Company upon transition:</p> <ul style="list-style-type: none"> • Classification and measurement of financial assets • Accounting of expected credit losses as per Ind AS 109 • Complexity of disclosure <p>Transition to the new financial reporting framework is an intricate process involving multiple decision points for management i.e. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.</p> <p>We identified the transition date accounting as a key audit matter because of the significant degree of management judgement in the first-time application of Ind AS principles as at the transition date particularly in the areas noted above and the additional disclosures associated with transition to Ind AS.</p>	<p>Ind AS 101.</p> <p>We understood the methodology implemented by management to give impact on the transition;</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 performed the audit procedures on transition adjustments and subsequent measurements and found management's assessment to be reasonable and the disclosures are appropriate.</p>

Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the 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. We have nothing to report in this regard. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of management for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under

section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance Sheet, the statement of profit and loss including the statement of other comprehensive income, statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197(16) 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.

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

Date: June 20, 2020
Place: Noida (Delhi-NCR)

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN : **20088926AAAAFC8961**

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

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
- b. The Company physically verify its property, plant and equipment in every alternate year, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Accordingly, property, plant and equipment were not physically verified during the year.
- c. The title deeds of immovable properties included in investment properties [note 12 to the standalone financial statements] are held in the name of the Company.
- (ii) The Company has no inventory. Therefore, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured loan to a director and a company covered in the register maintained under Section 189 of the Act. The terms and conditions of the grant of such loans are not prejudicial to the interest of the Company. The Company has stipulated schedules of repayment of principal and payment of interest and repayment of the principal amount and receipt of interest are regular. The Company has also granted interest free loan in earlier year to a trust covered in the register maintained under section 189 of the Companies Act, 2013, under Employee Stock Option Scheme ("ESOP") to purchase equity shares of the Company under such scheme, which was not due for repayment. The Company has not granted any loan to Firms or Limited Liability Partnership covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has complied with provisions of section 186 of the Act in respect of loan granted during the year and Investments made in earlier years. According to information and explanations given by the management, no loans, guarantees and securities covered under section 185 and no guarantees and securities covered under section 186 of the Act have given during the year.
- (v) The Company has not accepted deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not prescribed maintenance of cost records u/s 148(1) of the Act. Therefore, the provisions of clause 3 (vi) of the Order are not applicable.
- (vii) a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues where deducted/ accrued in the books, with the appropriate authorities. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable except Professional Tax Rs. 0.44 Lakhs.

- b. According to the records of the Company, there are no dues outstanding of income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax and value added tax on account of any dispute.
- (viii) The Company has not defaulted in repayment of dues to banks, financial institutions and dues to debenture holders. The Company did not have any borrowing from Government.
- (ix) The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) or raised any term loan during the year. Therefore, the provisions of clause 3(ix) of the Order are not applicable.
- (x) According to the information and explanations given to us, we report that no fraud by the Company has been noticed or reported during the year. However, the Company has discovered instances of embezzlement of cash aggregating Rs. 45.88 Lakhs by some employees against which Company has recovered Rs. 6.07 Lakhs and Rs. 39.81 Lakhs has been written off in the statement of profit and loss.
- (xi) The managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us and as per records of the Company, transactions with the related parties as identified by the Company are in compliance with section 177 and 188 of the Act where applicable and details for the same have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) In our opinion, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained.

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

Date: June 20, 2020
Place: Noida (Delhi-NCR)

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN : **20088926AAAAFC8961**

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, 2020 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India however same need to be further strengthened.

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

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN : 20088926AAAAFC8961

Date: June 20, 2020
Place: Noida (Delhi-NCR)

(Amounts in ₹ in lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
ASSETS				
Financial Assets				
Cash and Cash Equivalents	4	790.05	699.43	1,373.75
Bank Balances other than Cash and Cash Equivalents	5	2,915.64	4,030.84	3,372.07
Receivables				
- Other Receivables	6	57.24	38.86	53.23
Loans	7	28,953.39	50,492.44	56,144.64
Investments	8	8,764.42	4,991.96	4,991.01
Other Financial Assets	9	1,215.50	1,600.12	1,697.92
Total Financial Assets		42,696.24	61,853.65	67,632.62
Non Financial Assets				
Current Tax Assets (Net)	10	216.15	476.99	-
Deferred Tax Assets (Net)	11	2,328.40	2,791.14	3,039.65
Property, Plant and Equipment	12	218.22	181.59	171.71
Right to use Asset	13	180.21	233.16	276.96
Other Intangible Assets	14	10.88	20.81	2.33
Other Non Financial Assets	15	104.62	79.20	68.47
Total Non-Financial Assets		3,058.48	3,782.89	3,559.12
Total Assets		45,754.72	65,636.54	71,191.74
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Trade Payables	16			
Total outstanding dues of Micro Enterprises & Small Enterprises		-	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		74.95	34.33	73.12
Debt Securities	17	-	7,394.45	-
Borrowings (other than debt securities)	18	23,739.63	36,152.87	48,410.97
Deposits	19	30.00	30.00	30.00
Subordinated Liabilities	20	4,469.16	4,459.13	4,449.13
Lease Liabilities		212.78	255.18	276.96
Other Financial Liabilities	21	1,491.07	1,629.63	2,760.51
Total Financial Liabilities		30,017.59	49,955.59	56,000.69
Non-Financial Liabilities				
Current Tax Liabilities (Net)	22	-	-	168.90
Provisions	23	117.47	85.40	80.75
Other Non-Financial Liabilities	24	211.43	148.97	294.57
Total Non-Financial Liabilities		328.90	234.37	544.22
EQUITY				
Equity Share Capital	25	1,621.75	1,621.75	1,621.75
Other Equity		13,786.48	13,824.83	13,025.08
Total Liabilities and Equity		15,408.23	15,446.58	14,646.83
Total Liabilities And Equity		45,754.72	65,636.54	71,191.74

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

1-57

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

As per our report of even date attached

For Singh & Co.

Chartered Accountants

Firm Reg. No. 302049E

For and on behalf of the Board of Directors

Bimal Kumar Sipani

Partner

Membership No. 088926

Yogen Khosla

CEO & Managing Director

DIN: 00203165

Abhinav Sharma

Director

DIN: 07641980

Place: Noida (Delhi-NCR)

Date: June 20, 2020

Tanya Sethi

Company Secretary

M. No. A31566

Vinod Raina

CFO & Compliance Officer

Place: New Delhi

Date: June 20, 2020

Capital Trust Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2020



(Amounts in ₹ in lakhs except EPS)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations			
Interest Income	26	10,788.04	14,225.66
Dividend Income	27	-	0.10
Fees and commission income	28	1,553.35	1,983.16
Net gain on fair value changes	29	149.12	51.76
Net gain on derecognition of financial instruments under amortised cost category	30	378.07	161.75
Other operating income	31	1,399.20	1,582.05
Total Revenue from operations		14,267.78	18,004.48
Other income	32	490.22	708.84
Total Income		14,758.00	18,713.32
EXPENSES			
Finance costs	33	6,071.08	7,616.46
Fees and commission expenses	34	778.03	556.48
Employee benefits expenses	35	3,656.60	3,390.85
Impairment on financial instruments	36	1,525.28	408.53
Depreciation, amortization and impairment	37	89.46	93.46
Other expenses	38	1,787.18	1,736.95
Total expenses		13,907.63	13,802.73
Profit before exceptional items and tax		850.37	4,910.59
Exceptional items	39	-	3,723.04
Profit before tax		850.37	1,187.55
Tax expense			
Current tax	40	336.69	30.61
Deferred tax	11	460.39	251.31
Total Tax expense		797.08	281.92
Profit for the year (A)		53.29	905.63
Other comprehensive income (OCI)			
1. (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit liabilities/assets		9.33	(10.05)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.35)	2.80
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)		6.98	(7.25)
Total comprehensive income (A+B)		60.27	898.38
Earnings per equity share (Face value of ₹ 10 each)			
(a) Basic (₹)	41	0.33	5.58
(b) Diluted (₹)		0.33	5.58
Summary of Significant Accounting Policies and other notes on Standalone Financial Statements			
	1-57		

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

As per our report of even date attached

For **Singhi & Co.**

Chartered Accountants

Firm Reg. No. 302049E

For and on behalf of the Board of Directors

Bimal Kumar Sipani

Partner

Membership No. 088926

Yogen Khosla

CEO & Managing Director

DIN: 00203165

Abhinav Sharma

Director

DIN: 07641980

Place: Noida (Delhi-NCR)

Date: June 20, 2020

Tanya Sethi

Company Secretary

M. No. A31566

Vinod Raina

CFO & Compliance Officer

Place: New Delhi

Date: June 20, 2020

Capital Trust Limited

Standalone Statement of Changes in Equity for the year ended March 31, 2020



(Amounts in ₹ in lakhs)

(A) Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No. of Shares	Amount	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	16,361,415	1,636.14
Changes in Equity during the year	-	-	-	-	-	-
	16,361,415	1,636.14	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")) - Refer Note No. 51(8)	(143,915)	(14.39)	(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	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	
Restated balance as at March 31, 2018	545.59	300.00	12,488.26	34.57	1,560.20	(1,903.54)	13,025.08
Profit for the year	-	-	-	-	-	905.63	905.63
Other Comprehensive Income (net of tax)	-	-	-	-	-	(7.25)	(7.25)
Total Comprehensive Income for the year	-	-	-	-	-	898.38	898.38
Transfer to Statutory Reserve	-	-	-	-	16.80	(16.80)	-
Dividend paid for the year including dividend distribution tax	-	-	-	-	-	(98.62)	(98.62)
Balance as at March 31, 2019	545.59	300.00	12,488.26	34.57	1,577.00	(1,120.58)	13,824.83
Profit for the year	-	-	-	-	-	53.29	53.29
Other Comprehensive Income (net of tax)	-	-	-	-	-	6.98	6.98
Total Comprehensive Income for the year	-	-	-	-	-	60.27	60.27
Transfer to Statutory Reserve	-	-	-	-	12.05	(12.05)	-
Dividend paid for the year including dividend distribution tax	-	-	-	-	-	(98.63)	(98.63)
Balance as at March 31, 2020	545.59	300.00	12,488.26	34.57	1,589.05	(1,170.99)	13,786.48

Nature and purpose of reserve
1. Capital Reserve

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

2. Capital Redemption Reserve

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

3. Securities Premium

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

4. General Reserve

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

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

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

6. Retained earnings

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

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

As per our report of even date attached.

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

For and on behalf of Board of Directors

Bimal Kumar Sipani
 Partner
 Membership No. 88926

Yogen Khosla
 CEO & Managing Director
 DIN:00203165

Abhinav Sharma
 Director
 DIN: 07641980

 Place: Noida (Delhi-NCR)
 Date: June 20, 2020

Tanya Sethi
 Company Secretary
 M. No. A31566

Vinod Raina
 CFO & Compliance Officer

 Place: New Delhi
 Date: June 20, 2020

Standalone Cash flow Statement for the year ended March 31, 2020

(Amounts in ₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities		
Profit before tax	850.37	1,187.55
Adjustments for:		
Depreciation, amortization and impairment	89.46	93.46
Impairment on financial instruments	1,525.28	408.53
Loan written off	331.43	3,723.04
Net gain/(loss) on derecognition of property, plant and equipment	(2.44)	-
Gain on sale of investments	(58.13)	(50.82)
Unrealised (gain)/loss on fair value changes of investments	(90.98)	(0.94)
Effective interest rate adjustment for financial instruments	(1,175.99)	(1,074.44)
Dividend Income	-	(0.10)
Operating profit before working capital changes	1,469.00	4,286.28
(Increase)/ decrease of receivables	(18.38)	14.37
(Increase)/ decrease of loans	21,120.14	2,681.36
(Increase)/ decrease of other financial assets	384.61	97.81
(Increase)/ decrease of other non financial assets	(25.42)	(10.73)
Movement in fixed deposits	1,117.64	(654.79)
Increase/ (decrease) of trade payables	40.62	(38.80)
Increase/ (decrease) of other financial liabilities	(138.57)	(1,130.88)
Increase/ (decrease) of provisions	41.39	(5.40)
Increase/ (decrease) of other non-financial liabilities	60.02	(149.59)
Cash generated / (used) in operating activities	24,051.06	5,089.63
Income taxes (paid) /refund	(75.84)	(676.50)
Net cash inflow / (outflow) from operating activities	23,975.21	4,413.13
A		
Cash flows from investing activities		
Purchase of property, plant & equipment	(78.00)	(78.03)
Proceed from sale of property, plant & equipment	5.25	-
Movement in investments	(3,623.34)	50.81
Dividend received	-	0.10
Net cash inflow / (outflow) from investing activities	(3,696.09)	(27.12)
B		
Cash flows from financing activities		
Dividend including dividend distribution tax paid	(98.62)	(98.63)
Proceed from issue of non convertible debentures	-	7,500.00
Repayment of non convertible debentures	(7,500.00)	-
Payment of lease liabilities	(30.42)	(21.78)
Net repayment of borrowings	(12,559.46)	(12,439.93)
Net cash inflow / (outflow) from financing activities	(20,188.50)	(5,060.33)
C		
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	90.62	(674.32)
Cash and cash equivalents at the beginning of the year	699.43	1,373.76
Cash and cash equivalents at the end of the year (refer note 4)	790.05	699.43

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

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

As per our report of even date attached

For **Singhi & Co.**

Chartered Accountants

Firm Reg. No. 302049E

For and on behalf of the Board of Directors

Bimal Kumar Sipani

Partner

Membership No. 088926

Yogen Khosla

CEO & Managing Director

DIN.00203165

Abhinav Sharma

Director

DIN: 07641980

Vinod Raina

CFO & Compliance Officer

Place: New Delhi

Date: June 20, 2020

Tanya Sethi

Company Secretary

M. No. A31566

Place: New Delhi

Date: June 20, 2020

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 Micro Finance and Small Enterprise Loan. 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.

The Company's standalone financial statements up to and for the year ended March 31, 2019 were prepared in accordance with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), notified under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable including the NBFC Master Directions.

The financial statements for the year ended March 31, 2020 are the first financial statements of the Company prepared under Ind AS. The Company followed the provisions of Ind-AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition i.e April 01, 2018. Some of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its policies applied under Indian GAAP as at March 31, 2018 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arose from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at April 01, 2018 as required by Ind-AS 101. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 51.

These financial statements were authorised for issue by the Board of Directors on their meeting held on June 20, 2020.

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 45.

(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.

Transition to Ind AS

The Company has elected to continue with the carrying value of all its property plant and equipment recognised as at April 01, 2018 measured as per the previous GAAP, and use that carrying value as the deemed cost of the PPE.

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.

Transition to Ind AS

The Company has elected to continue with the carrying value of all its other intangible assets recognised as at April 01, 2018 measured as per the previous GAAP, and use that carrying value as the deemed cost of the Other Intangible assets.

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 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 approve 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)

Notes to the Standalone Financial Statements

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 long-term employee benefits

The Company has long term employment benefit plans i.e. accumulated leave. As per Company's policy, unutilised leaves will be lapsed 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. There is no such notification which would have been applicable from April 1, 2020.

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
4 Cash and cash equivalents			
Cash on hand	32.72	75.66	31.62
Balances with banks in current accounts	757.33	623.77	1,342.13
	790.05	699.43	1,373.75
5 Bank balances other than Cash and cash equivalents			
Bank deposits	2,886.00	4,003.64	3,348.85
Earmarked balances with banks			
On dividend accounts	29.64	27.20	23.22
	2,915.64	4,030.84	3,372.07
\$\$ Represents deposits placed as margin money to avail term loans from banks and financial institutions.			
6 Other Receivables*			
At Amortised Cost			
Considered good - Unsecured	57.24	38.86	53.23
Less: Allowance for impairment loss	-	-	-
	57.24	38.86	53.23
* 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	29,587.87	59,138.22	64,925.94
b) Minimum Retention on Direct Assignments of Portfolio Loans	1,349.33	794.62	896.17
c) Others			
i) Loan to employees	2.44	0.70	-
ii) Loan to related parties (Refer Note No - 50)	10.00	-	800.00
Gross Loans	30,949.64	59,933.54	66,622.11
Less: Unamortization of processing fess	(546.07)	(1,983.88)	(3,144.60)
Less: Impairment loss allowance	(1,450.18)	(7,457.22)	(7,332.87)
Net Loans	28,953.39	50,492.44	56,144.64
7.1 Breakup of total loans			
Secured by tangible assets	2,330.57	8,857.21	-
Unsecured	28,619.07	51,076.33	66,622.11
Gross Loans	30,949.64	59,933.54	66,622.11
Less: Unamortization of processing fess	(546.07)	(1,983.88)	(3,144.60)
Less: Impairment loss allowance	(1,450.18)	(7,457.22)	(7,332.87)
Net Loans	28,953.39	50,492.44	56,144.64
7.2 Loans in India			
Public Sector	-	-	-
Others	30,949.64	59,933.54	66,622.11
Gross Loans	30,949.64	59,933.54	66,622.11
Less: Unamortization of processing fess	(546.07)	(1,983.88)	(3,144.60)
Less: Impairment loss allowance	(1,450.18)	(7,457.22)	(7,332.87)
Net Loans	28,953.39	50,492.44	56,144.64
7.3	Loans to related party includes ₹ 10 lakhs (previous periods ₹ Nil) due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member.		
7.4 Additional disclosure under RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020	A comparison between provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 is given in Annexure to standalone financial statements.		
8 Investments			
Others (At Cost)			
In equity instruments (Unquoted)			
Investment in subsidiary			
Capital Trust Microfinance Private Limited \$@	3,922.43	3,922.43	3,922.43
16,20,010 (March 31, 2019: 16,20,010 and April 1, 2018: 16,20,010) Equity Shares of ₹100 each			
Capital Trust Housing Finance Private Limited \$@	1,051.00	1,051.00	1,050.99
1,05,10,000 (March 31, 2019: 1,05,10,000 and April 1, 2018: 1,05,09,900) Equity Shares of ₹10 each			
Fair Value Through Profit and Loss			
In equity instruments (Unquoted)			
2,400 (March 31, 2019: 2,400 and April 1, 2018: 2,400) Equity Shares fully paid in Indo Deutch Proteins Limited ^	-	-	-
3,600 (March 31, 2019: 3,600 and April 1, 2018: 3,600) Equity Shares fully paid in Tina Electronics Limited ^	-	-	-
2,000 (March 31, 2019: 2,000 and April 1, 2018: 2,000) Equity Shares fully paid in Parasrampur Industries Limited ^	-	-	-
14,800 (March 31, 2019: 14,800 and April 1, 2018: 14,800) Equity Shares fully paid in Naina Semiconductors Limited ^	-	-	-

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
10,000 (March 31, 2019: 10,000 and April 1, 2018: 10,000) Equity Shares fully paid in Asavi Financial Services Limited	0.81	0.81	0.81
Less: Allowances for impairment	(0.81)	(0.81)	(0.81)
In mutual funds (Quoted)			
Nil (March 31, 2019: 1,50,000 and April 1, 2018: 1,50,000) units in Investment SBI Dual Advantage Fund-Series XIV-Reg-Growth-MF	-	18.53	17.59
24,21,835 (March 31, 2019: Nil and April 1, 2018: Nil) units in ICICI Prudential Short Term Regular Plan #	1,021.28	-	-
21,05,023 (March 31, 2019: Nil and April 1, 2018: Nil) units in IDFC Bond Fund -Medium Term Plan Growth #	718.75	-	-
21,93,449 (March 31, 2019: Nil and April 1, 2018: Nil) units in Kotak Banking and PSU Fund Growth #	1,024.70	-	-
68,98,598 (March 31, 2019: Nil and April 1, 2018: Nil) units in Nippon India Banking & PSU Debt Fund Growth #	1,026.26	-	-
	8,764.42	4,991.96	4,991.01
§ Wholly owned Subsidiary			
@ Share Valuing of ₹ 1000 has been hold by Mr. Yogen Khosla as Nominee Shareholder			
# Mutual funds have been hypothecated for securing Credit limits from Bank.			
^ Full value is ₹ 1			
Breakup of total investments			
In India	8,764.42	4,991.96	4,991.01
Outside India	-	-	-
	8,764.42	4,991.96	4,991.01
9 Other Financial Assets			
Interest accrued	362.63	387.94	313.95
Interest receivable from related party	-	-	9.67
Security deposits @	456.21	1,147.52	1,159.15
Other recoverables	474.26	142.26	227.97
Less: Impairment loss allowance	(77.60)	(77.60)	(12.82)
	1,215.50	1,600.12	1,697.92
@ Represents deposits placed as margin money to avail term loans from banks and financial institutions.			
10 Current Tax Assets (Net)			
Advance Income Tax (Net of Provision)	216.15	476.99	-
	216.15	476.99	-
11 Deferred Tax Assets (Net)			
Deferred tax assets			
Property, plant and equipment	1.54	0.92	-
Origination and reversal of temporary differences	41.30	32.60	40.37
Impairment loss allowance	383.85	2,054.72	2,012.75
Financial assets measured at amortized cost	170.50	577.59	916.51
Business losses	1,693.10	-	-
MAT Credit Entitlement	-	26.44	-
Others	61.01	98.87	71.11
Total deferred tax assets	2,351.30	2,791.14	3,040.74
Deferred tax liabilities			
Property, plant and equipment	-	-	1.09
Fair Valuation of Financial Instruments	22.90	-	-
Total deferred tax liability	22.90	-	1.09
Deferred tax assets (net)	2,328.40	2,791.14	3,039.65

11.1 Refer Note No. 40.2

11.2 The Company has recognised deferred tax assets on carried forward tax losses. The Company has incurred the tax losses due to substantial portfolio written off in current year. The Company has concluded that the deferred tax assets on tax losses will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Company is expected to generate taxable income in near future. The tax losses can be carried forward as per local tax regulations and the Company expects to recover the same in due course.

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
15 Other Non Financial Assets			
Prepaid expenses	74.63	9.31	11.00
Input tax credit	29.99	69.89	57.47
	104.62	79.20	68.47
16 Trade Payables **			
Total outstanding dues of Micro Enterprises & Small Enterprises	-	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	74.95	34.33	73.12
	74.95	34.33	73.12
** Based on the information available as identified by the Company, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006, are given below:			
a	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
b	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-
c	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d	The amount of interest accrued and remaining unpaid during the accounting year.	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-
17 Debt Securities			
Valued at Amortised Cost			
Debentures (Secured)			
16.5% Non convertible Debentures	-	7,500.00	-
Less: Unamortised Ancillary cost of arranging the borrowings	-	(105.55)	-
	-	7,394.45	-
Breakup of Debt securities			
In India	-	7,394.45	-
Outside India	-	-	-
	-	7,394.45	-
17.1	Secured by way of mortgage of land and building, exclusive charge on identified pool of assets and Demand Promissory note.		
18 Borrowings (other than debt securities)			
Measured at Amortised Cost			
Term Loan			
Secured			
from banks	12,843.53	19,540.63	14,749.34
from financial institutions	4,872.31	14,168.94	32,357.39
Unsecured			
from Corporate entities (Related Party)	1,100.00	1,485.00	1,088.00
from Corporate entities	810.50	802.50	140.50
from financial institutions	200.00	-	-
Repayable on demand from banks - Secured	4,007.18	395.92	497.69
Less: Unamortised Ancillary cost of arranging the borrowings	(93.89)	(240.12)	(421.95)
	23,739.63	36,152.87	48,410.97
Breakup of Borrowings			
In India	23,739.63	36,152.87	48,410.97
Outside India	-	-	-
	23,739.63	36,152.87	48,410.97
18.1	Borrowings are secured by way hypothecation of portfolio loans arising out of its business operation, cash collateral in the form of fixed deposits and mutual funds.		
18.2	Vehicles are hypothecated for respective borrowings availed for purchase of property, plant and equipment.		
18.3	It has also been guaranteed by promoter director of the Company in his personal capacity and corporate guarantee of Indo Crediop Private Limited (Shareholders). Details are given below:-		
Term Loan			
from banks	6,415.01	10,228.39	14,749.34
from financial institutions	2,740.13	10,367.16	14,752.70
Repayable on demand from banks	496.55	395.92	497.69
	9,651.69	20,991.47	29,999.73

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
19 Deposits			
At Amortised Cost			
Security Deposit from others	30.00	30.00	30.00
	30.00	30.00	30.00
20 Subordinated Liabilities (Unsecured)			
At Amortised Cost			
From Bank	4,500.00	4,500.00	-
From financial institutions	-	-	4,500.00
Less: Unamortised Ancillary cost of arranging the borrowings	(30.84)	(40.87)	(50.87)
	4,469.16	4,459.13	4,449.13
Breakup of Subordinated Liabilities			
In India	4,469.16	4,459.13	4,449.13
Outside India	-	-	-
	4,469.16	4,459.13	4,449.13
21 Other Financial Liabilities			
Interest accrued	171.40	479.00	352.23
Employees emoluments	247.01	252.55	321.63
Interest and principal payable on direct assignment	772.49	867.45	298.90
Recovered premium payable to insurance company	144.01	-	1,760.93
Unpaid dividend	29.64	27.20	23.22
Other liabilities	126.52	3.43	3.60
	1,491.07	1,629.63	2,760.51
22 Current Tax Liabilities			
Provision for income tax (net of advance tax)	-	-	168.90
	-	-	168.90
23 Provisions			
Provision for employee benefits (Refer note 49)	117.47	85.40	80.75
	117.47	85.40	80.75
24 Other non-financial liabilities			
Advance EMI received	5.85	63.84	16.05
Deferred Revenue Expenditure	131.39	-	-
Statutory dues payable	74.19	85.13	278.52
	211.43	148.97	294.57

Term of repayment of debt securities, other borrowings and subordinated liabilities as at March 31, 2020											
Particulars	Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		More than 3 years		Total
			No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	Amount
Debt Securities											
			-	-	-	-	-	-	-	-	-
Borrowings other than Debt Securities	Monthly	8% to 12%	48	16.09	48	17.57	29	10.14	38	15.56	59.36
		12.01% to 16%	126	8,178.73	42	3,457.77	11	1,015.77	-	-	12,652.27
		Variable	74	2,885.46	58	2,301.29	24	785.82	24	444.44	6,417.01
	Quarterly	12.01% to 16%	7	708.32	-	-	-	-	-	-	708.32
	On Demand	Variable	-	3,996.56	-	-	-	-	-	-	3,996.56
				255	15,785.16	148	5,776.63	64	1,811.73	62	460.00
	Less: Unamortised Ancillary cost of arranging the borrowings										(93.89)
											23,739.63
Subordinated Liabilities											
	Bullet	Above 16%	-	-	-	-	-	-	2	4,500.00	4,500.00
	Less: Unamortised Ancillary cost of arranging the borrowings										(30.84)
											4,469.16

Term of repayment of debt securities, other borrowings and subordinated liabilities as at March 31, 2019											
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											
	Quarterly	Above 16%	-	-	-	-	3	3,750.00	3	3,750.00	7,500.00
	Less: Unamortised Ancillary cost of arranging the borrowings										(105.55)
											7,394.45
Borrowings other than Debt Securities	Monthly	8% to 12%	24	8.60	24	9.35	24	10.17	5	2.03	30.15
		12.01% to 16%	271	11,984.43	116	5,692.03	48	3,804.20	11	1,015.77	22,496.43
		Variable	111	4,362.59	59	2,281.61	59	2,611.99	21	972.22	10,228.41
	Quarterly	12.01% to 16%	25	2,534.27	7	707.80	-	-	-	-	3,242.07
	On Demand	Variable	-	395.93	-	-	-	-	-	-	395.93
				431	19,285.82	206	8,690.79	131	6,426.36	37	1,990.02
	Less: Unamortised Ancillary cost of arranging the borrowings										(240.12)
											36,152.87
Subordinated Liabilities											
	Bullet	Above 16%	-	-	-	-	-	-	2	4,500.00	4,500.00
	Less: Unamortised Ancillary cost of arranging the borrowings										(40.87)
											4,459.13

Term of repayment of debt securities, other borrowings and subordinated liabilities as at April 01, 2018											
Particulars	Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		More than 3 years		Total
			No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	Amount
Debt Securities											
			-	-	-	-	-	-	-	-	-
Borrowings other than Debt Securities	Monthly	8% to 12%	34	146.80	24	8.60	24	9.35	14	12.21	176.96
		12.01% to 16%	260	11,914.07	170	6,911.24	67	4,514.31	30	3,616.10	26,955.72
		Variable	120	4,558.65	110	4,362.59	82	3,295.52	57	2,533.25	14,750.01
	Quarterly	12.01% to 16%	32	3,211.06	27	2,616.36	6	625.13	-	-	6,452.55
	On Demand	Variable	-	497.68	-	-	-	-	-	-	497.68
				446	20,328.26	331	13,898.79	179	8,444.31	101	6,161.56
	Less: Unamortised Ancillary cost of arranging the borrowings										(421.95)
											48,410.97
Subordinated Liabilities											
	Bullet	Above 16%	-	-	-	-	-	-	-	4,500.00	4,500.00
	Less: Unamortised Ancillary cost of arranging the borrowings										(50.87)
											4,449.13

12 Property, plant and equipment
For the financial year 2019-20

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charged during the year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Land and Building#	23.54	-	-	23.54	0.26	0.37	-	0.64	22.91	23.28
Plant and equipment	5.19	-	-	5.19	4.90	-	-	4.90	0.29	0.29
Computer	25.99	17.43	-	43.41	11.37	11.24	-	22.61	20.80	14.61
Furniture and fixtures	81.96	0.72	-	82.67	7.68	9.36	-	17.04	65.64	74.28
Vehicles	59.22	51.81	6.30	104.73	10.73	10.25	3.48	17.49	87.24	48.49
Office equipment	26.59	8.05	-	34.64	5.96	7.33	-	13.29	21.35	20.63
Total	222.49	78.00	6.30	294.19	40.90	38.55	3.48	75.97	218.22	181.59

For the financial year 2018-19

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	Charged during the year	Disposals	As at March 31, 2019	As at March 31, 2019	As at April 01, 2018
Land and Building#	-	23.54	-	23.54	-	0.26	-	0.26	23.28	-
Plant and equipment	5.19	-	-	5.19	-	4.90	-	4.90	0.29	5.19
Computer	21.34	4.65	-	25.99	-	11.37	-	11.37	14.61	21.34
Furniture and fixtures	67.22	14.73	-	81.96	-	7.68	-	7.68	74.28	67.22
Vehicles	59.22	-	-	59.22	-	10.73	-	10.73	48.49	59.22
Office equipment	18.73	7.86	-	26.59	-	5.96	-	5.96	20.63	18.73
Total	171.71	50.78	-	222.49	-	40.90	-	40.90	181.59	171.71

Land and Building has been mortgaged for securing NCDs- Refer Note 17.1

13 Right to use Asset (Refer Note 48)

For the financial year 2019-20

PARTICULARS	GROSS BLOCK			AMORTISATION				NET BLOCK		
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charged during the year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Leasehold Buildings	276.96	-	24.67	252.29	43.79	40.98	12.69	72.08	180.21	233.16
Total	276.96	-	24.67	252.29	43.79	40.98	12.69	72.08	180.21	233.16

For the financial year 2018-19

PARTICULARS	GROSS BLOCK			AMORTISATION				NET BLOCK		
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	Charged during the year	Disposals	As at March 31, 2019	As at March 31, 2019	As at April 01, 2018
Leasehold Buildings	276.96	-	-	276.96	-	43.79	-	43.79	233.16	276.96
Total	276.96	-	-	276.96	-	43.79	-	43.79	233.16	276.96

14 Other Intangible Assets

For the financial year 2019-20

PARTICULARS	GROSS BLOCK			AMORTISATION				NET BLOCK		
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charged during the year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Software	29.58	-	-	29.58	8.77	9.93	-	18.70	10.88	20.81
Total	29.58	-	-	29.58	8.77	9.93	-	18.70	10.88	20.81

For the financial year 2018-19

PARTICULARS	GROSS BLOCK			AMORTISATION				NET BLOCK		
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 1, 2018	Charged during the year	Disposals	As at March 31, 2019	As at March 31, 2019	As at April 01, 2018
Software	2.33	27.25	-	29.58	-	8.77	-	8.77	20.81	2.33
Total	2.33	27.25	-	29.58	-	8.77	-	8.77	20.81	2.33

(Amounts in ₹ in lakhs)

Particulars	As at		As at		As at	
	March 31, 2020		March 31, 2019		April 01, 2018	
	Number	Amount	Number	Amount	Number	Amount
25 Equity Share capital						
(a) Authorised						
Equity shares of ₹10 each	30,000,000	3,000.00	30,000,000	3,000.00	30,000,000	3,000.00
		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	16,361,415	1,636.14
Less: Equity shares held by Capital Welfare Trust	(143,915)	(14.39)	(143,915)	(14.39)	(143,915)	(14.39)
(shares transferred to the trust pursuant to the scheme of Employee Stock Option Scheme("ESOP")) - Refer Note No. 51(8)						
		1,621.75		1,621.75		1,621.75
(c) Reconciliation of the Equity share capital						
	Number	Amount	Number	Amount	Number	Amount
Balance at the beginning of the year	16,361,415	1,636.14	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	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		As at		As at	
	March 31, 2020		March 31, 2019		April 01, 2018	
	Number	%	Number	%	Number	%
Yogen Khosla	6,038,917	36.91%	6,852,917	41.88%	7,942,917	48.55%
Indo Crediop Private Limited	3,427,885	20.95%	3,427,885	20.95%	2,844,885	17.39%
India 2020 II Investors Limited	2,421,519	14.80%	2,421,519	14.80%	2,421,519	14.80%
Moonlight Equity Private Limited	1,359,455	8.31%	-	-	-	-

(Amounts in ₹ in lakhs except EPS)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
26 Interest Income		
At Amortised Cost		
Interest income on loan portfolio	10,430.89	13,848.66
Interest income on Security Deposits on Loan	64.44	106.44
Interest income on fixed deposit	292.71	270.56
	<u>10,788.04</u>	<u>14,225.66</u>
27 Dividend Income		
Dividend Received	-	0.10
	<u>-</u>	<u>0.10</u>
28 Fees and commission Income		
Service fees & facilitation charges	1,553.35	1,983.16
	<u>1,553.35</u>	<u>1,983.16</u>
29 Net gain on fair value changes		
Net gain on financial instruments measured at fair value through profit or loss	149.12	51.76
	<u>149.12</u>	<u>51.76</u>
Fair value change:		
Realised	58.13	50.82
Unrealised	90.98	0.94
	<u>149.12</u>	<u>51.76</u>
30 Net gain on derecognition of financial instruments under amortised cost category		
Gain on sale of loan portfolio through assignment	378.07	161.75
	<u>378.07</u>	<u>161.75</u>
31 Other Operating Income		
Assignor's Yield on Direct Assignments of Portfolio	1,118.42	1,385.13
Recovered from portfolio written off	280.79	196.92
	<u>1,399.20</u>	<u>1,582.05</u>
32 Other income		
Net gain on derecognition of property, plant and equipment	2.44	-
Operational Fee from a related party	195.00	643.21
Service fees from business correspondent	220.44	-
Provision no longer required written back	-	63.63
Miscellaneous income	72.35	2.00
	<u>490.22</u>	<u>708.84</u>
33 Finance costs (on financial liabilities measured at amortised cost)		
Interest expenses:		
- on Debt Securities	1,213.43	627.23
- on Borrowing (other than debt securities)	3,802.84	5,861.98
- on Subordinate Debts	790.00	790.00
- on Others	7.14	-
Other borrowing costs	257.68	337.25
	<u>6,071.08</u>	<u>7,616.46</u>
34 Fee and Commission Expense		
Professional Fee and consultancy	526.75	536.42
Commission	251.28	20.06
	<u>778.03</u>	<u>556.48</u>
35 Employee benefit expense		
Salaries, wages and bonus	3,178.41	2,947.50
Contribution to provident and other funds	163.05	162.98
Staff welfare expenses	315.14	280.37
	<u>3,656.60</u>	<u>3,390.85</u>

(Amounts in ₹ in lakhs except EPS)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
36 Impairment on financial instruments (On financial assets measured at amortised cost)		
Impairment on Loans portfolio	3,425.47	408.53
Less : Portfolio written off	1,900.19	-
	<u>1,525.28</u>	<u>408.53</u>
37 Depreciation, amortization and impairment		
On property, plant and equipment	38.55	40.90
On right to use assets	40.98	43.79
On other intangible assets	9.93	8.77
	<u>89.46</u>	<u>93.46</u>
38 Other expenses		
Rates & Taxes	34.68	43.15
Electricity	44.39	51.59
Rent	243.08	337.51
Reversal of input GST Credit	85.37	104.20
Repairs and maintenance -Others	24.92	82.60
Insurance	9.85	12.65
Directors sitting fee	1.40	1.41
Business promotion expenses	18.58	13.73
Travelling and conveyance	443.17	561.01
Communication costs	99.80	132.44
Printing and stationery	50.86	93.69
Verification Expenses	22.03	72.00
Payment to auditors (Refer note (a) below)	9.57	5.85
Corporate Social responsibility expenses (Refer note 56)	1.15	-
Bank charges	32.34	34.20
Provision made / write off related towards employees embezzlement	39.81	64.79
Portfolio written off	7,863.76	284.18
Less: Impairment loss allowance created in current year	1,900.19	-
Less: Impairment loss allowance created in earlier years	5,632.14	-
Miscellaneous Expenses	294.75	126.12
	<u>1,787.18</u>	<u>1,736.95</u>
(a) Payment to auditors		
As auditors		
Statutory audit	5.50	4.00
Limited Review certification	3.00	1.25
Certification fee	0.50	0.25
Reimbursement of Expenses	0.57	0.35
	<u>9.57</u>	<u>5.85</u>
39 Exceptional Items		
Portfolio loan written off	-	3,723.04
	<u>-</u>	<u>3,723.04</u>

39.1 During the previous year, in addition to the provisions made as per prudential norms, the Company has written off loan aggregating of ₹ 3723.04 Lakhs as same could not be realized despite best efforts by Company.

(Amounts in ₹ in lakhs except EPS)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
40 Tax Expense		
Current Tax		
Current Tax for the year	-	30.61
Current Tax adjustments for earlier year (Net)	336.69	-
	<u>336.69</u>	<u>30.61</u>
40.1 Components of Income Tax Expense:		
Amounts recognised in the Statement of Profit and Loss		
Current tax	336.69	30.61
Deferred tax	460.39	251.31
Amounts recognised in the Statement of Profit and Loss		
Income tax relating to items that will not be reclassified to profit or loss	2.35	(2.80)
Income Tax expense for the year	<u>799.43</u>	<u>279.12</u>
40.2 Reconciliation of effective tax :		
Income before Income Tax	850.37	1,187.55
Income Tax Rate	25.168%	29.120%
Expected Income Tax Expense	214.02	345.81
Tax effect of adjustments:		
Impact of allowable and disallowed income and expenses	(153.05)	(66.69)
Impact in deferred tax due to change in tax rates	375.33	-
MAT Credit Entitlement written off	26.44	-
Taxes adjustments related to earlier years	336.69	-
Total Tax expense	<u>799.43</u>	<u>279.12</u>
40.3		
The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended March 31, 2020 and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section. The full impact of this change has been recognised during the year.		
41 Earning Per Share		
Net Profit for the year	53.29	905.63
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 (₹)	0.33	5.58
Diluted EPS (₹)	0.33	5.58

42 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, 2020		As at March 31, 2019		As at April 1, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets measured at fair value through profit and loss						
Investments	3,790.99	3,790.99	18.53	18.53	17.59	17.59
	3,790.99	3,790.99	18.53	18.53	17.59	17.59
Measured at amortized cost						
Financial Assets						
Cash and Cash Equivalents	790.05	790.05	699.43	699.43	1,373.75	1,373.75
Bank Balances other than Cash and Cash Equivalents	2,915.64	2,915.64	4,030.84	4,030.84	3,372.07	3,372.07
Receivables - Others	57.24	57.24	38.86	38.86	53.23	53.23
Loans	28,953.39	28,953.39	50,492.44	50,492.44	56,144.64	56,144.64
Other Financial Assets	1,215.50	1,215.50	1,600.12	1,600.12	1,697.92	1,697.92
	33,931.82	33,931.82	56,861.69	56,861.69	62,641.61	62,641.61
Financial Liabilities						
Trade Payables	74.95	74.95	34.33	34.33	73.12	73.12
Debt Securities	-	-	7,394.45	7,394.45	-	-
Borrowings (other than debt securities)	23,739.63	23,739.63	36,152.87	36,152.87	48,410.97	48,410.97
Deposits	30.00	30.00	30.00	30.00	30.00	30.00
Subordinated Liabilities	4,469.16	4,469.16	4,459.13	4,459.13	4,449.13	4,449.13
Lease Liabilities	212.78	212.78	255.18	255.18	276.96	276.96
Other Financial Liabilities	1,491.07	1,491.07	1,629.63	1,629.63	2,760.51	2,760.51
	30,017.59	30,017.59	49,955.59	49,955.59	56,000.69	56,000.69

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, 2020	3,790.99	-	-	3,790.99
As at March 31, 2019	18.53	-	-	18.53
As at April 01, 2018	17.59	-	-	17.59

Valuation technique used to determine fair value

The fair value of investments in quoted equity shares and mutual funds are based on the current bid price of respective investment as at the balance sheet date.

During the year ended March 31, 2020 and March 31, 2019, 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.

43 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, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	28,791.99	824.72	1,332.93	30,949.64
Allowance of ECL	949.28	101.44	399.46	1,450.18

Loans secured against collateral

The Company's secured portfolio pertains to Secured Enterprise loans (SEL), which are secured against tangible assets. The Company does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are overdue, the Company initiate the legal proceedings against the defaulted customers. The maximum exposure to credit risk is ₹ 2330.57 Lakhs (March 31, 2019 ₹ 8857.21 Lakhs and April 1, 2018 ₹ NIL).

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 analyse the Company financial assets and liabilities into relevant maturity grouping based on their contractual maturities.

As at March 31, 2020

Particulars	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
Financial Liabilities					
Trade Payables	74.95	-	-	-	74.95
Borrowings (other than debt securities)	15,691.27	5,776.63	1,811.73	460.00	23,739.63
Deposits	-	-	-	30.00	30.00
Subordinated Liabilities	-	-	-	4,469.16	4,469.16
Lease Liabilities	27.89	31.71	44.64	108.54	212.78
Other Financial Liabilities	1,491.07	-	-	-	1,491.07
Total	17,285.18	5,808.34	1,856.37	5,067.70	30,017.59

As at March 31, 2019

Particulars	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
Financial Liabilities					
Trade Payables	34.33	-	-	-	34.33
Debt Securities	-	-	3,750.00	3,644.45	7,394.45
Borrowings (other than debt securities)	19,045.70	8,690.79	6,426.36	1,990.02	36,152.87
Deposits	-	-	-	30.00	30.00
Subordinated Liabilities	-	-	-	4,459.13	4,459.13
Lease Liabilities	32.88	37.41	31.71	153.18	255.18
Other Financial Liabilities	1,629.63	-	-	-	1,629.63
Total	20,742.54	8,728.20	10,208.07	10,276.78	49,955.59

As at April 1, 2018

Particulars	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
Financial Liabilities					
Trade Payables	73.12	-	-	-	73.12
Borrowings (other than debt securities)	19,906.31	13,898.79	8,444.31	6,161.56	48,410.97
Deposits	-	-	-	30.00	30.00
Subordinated Liabilities	-	-	-	4,449.13	4,449.13
Lease Liabilities	21.78	32.88	37.41	184.89	276.96
Other Financial Liabilities	2,238.37	522.14	-	-	2,760.51
Total	22,239.58	14,453.81	8,481.72	10,825.58	56,000.69

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, 2020	As at March 31, 2019	As at April 01, 2018
Liabilities			
Borrowings (other than debt securities)	10,413.57	10,624.34	15,247.69
Total	10,413.57	10,624.34	15,247.69

Sensitivity Analysis

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest rates - increase by 0.50%	52.07	53.12
Interest rates - decrease by 0.50%	(52.07)	(53.12)

(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, 2020	As at March 31, 2019	As at April 01, 2018
Investments			
Maximum exposure to price risk	3,790.99	18.53	17.59
Total	3,790.99	18.53	17.59

Sensitivity Analysis

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Investments at FVTPL - increase by 1%	37.91	0.19
Investments at FVTPL - decrease by 1%	(37.91)	(0.19)

44 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, 2020	As at March 31, 2019	As at April 01, 2018
Debt Securities	-	7,394.45	-
Borrowings (Other than Debt Securities)	23,739.63	36,152.87	48,410.97
Subordinated Liabilities	4,469.16	4,459.13	4,449.13
Interest Accrued	171.40	479.00	352.23
Less: Cash and Cash Equivalents	(790.05)	(699.43)	(1,373.75)
Less: Bank Balances other than Cash and Cash Equivalents	(2,915.64)	(4,030.84)	(3,372.07)
Net Debt	24,674.50	43,755.18	48,466.51
Equity	1,621.75	1,621.75	1,621.75
Other Equity	13,786.48	13,824.83	13,025.08
Total Capital	15,408.23	15,446.58	14,646.83
Net debt to equity ratio	1.60	2.83	3.31

45 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, 2020		As at March 31, 2019		As at April 1, 2018	
	within 12 months	after 12 months	within 12 months	after 12 months	within 12 months	after 12 months
ASSETS						
Financial Assets						
Cash and Cash Equivalents	790.05	-	699.43	-	1,373.75	-
Bank Balances other than Cash and Cash Equivalents	2,359.50	556.14	2,454.52	1,576.32	2,346.57	1,025.50
Receivables - Others	57.24	-	38.86	-	53.23	-
Loans	21,474.00	7,479.39	25,646.29	24,846.15	24,944.22	31,200.42
Investments	-	8,764.42	18.53	4,973.43	17.58	4,973.43
Other Financial Assets	1,175.62	39.88	562.18	1,037.94	849.35	848.57
Total	25,856.41	16,839.83	29,419.81	32,433.84	29,584.70	38,047.92
Non Financial Assets						
Current Tax Assets (Net)	216.15	-	476.99	-	-	-
Deferred Tax Assets (Net)	-	2,328.40	-	2,791.14	-	3,039.65
Property, Plant and Equipment	-	218.22	-	181.59	-	171.71
Right to use Asset	-	180.21	-	233.16	-	276.96
Intangible Assets	-	10.88	-	20.81	-	2.33
Other Non Financial Assets	104.62	-	79.20	-	68.47	-
Total	320.77	2,737.71	556.19	3,226.70	68.47	3,490.65
Total Assets	26,177.18	19,577.54	29,976.00	35,660.54	29,653.17	41,538.57
LIABILITIES AND EQUITY						
LIABILITIES						
Financial Liabilities						
Trade Payables	74.95	-	34.33	-	73.12	-
Debt Securities	-	-	-	7,394.45	-	-
Borrowings (Other than Debt Securities)	15,691.27	8,048.36	19,045.70	17,107.17	19,906.31	28,504.66
Deposits	-	30.00	-	30.00	-	30.00
Subordinated Liabilities	-	4,469.16	-	4,459.13	-	4,449.13
Lease Liabilities	27.89	184.89	32.88	222.30	21.78	255.18
Other Financial Liabilities	1,491.07	-	1,629.63	-	2,238.37	522.14
Total	17,285.18	12,732.41	20,742.54	29,213.05	22,239.58	33,761.11
Non-Financial Liabilities						
Current Tax Liabilities (Net)	-	-	-	-	168.90	-
Provisions	27.52	89.95	17.87	67.53	9.67	71.08
Other Non-Financial Liabilities	211.43	-	148.97	-	294.57	-
Total	238.95	89.95	166.84	67.53	473.14	71.08
Total Liabilities	17,524.13	12,822.36	20,909.38	29,280.58	22,712.72	33,832.19
Net Equity	8,653.05	6,755.18	9,066.62	6,379.96	6,940.45	7,706.38

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
46 Contingent liabilities not provided for			
Claims against the Company not acknowledged as debts	-	-	0.29

47 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.

48 Leases

As a Lessee

a)

The Company has adopted IND AS 116 Leases effective from April 01, 2019, applied to all contracts having lease components existing on April 01, 2019 using full retrospective method consequently previous year figures are restated. The Company has measured lease liability at present value of remaining lease payment discounted using the incremental borrowing rate and Right of Use (ROU) asset is measured at an amount equal to lease liability, adjusted by the amount of prepaid and accrued lease payments relating to lease recognised in the balance sheet. On April 01, 2018, the change in accounting policy affected in increase of right of use asset and lease liability by ₹ 276.96 lakhs in balance sheet.

b)

The Company incurred ₹ 243.08 Lakhs for the year ended March 31, 2020 (Previous year ₹ 337.51 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.

c) There were no impact on retained earnings upon implementation of Ind AS 116 "Leases".

d)

There are no income from subleasing right-of-use assets nor any gains or losses from sales and leaseback for the year ended March 31, 2020 and March 31, 2019.

e) There are no variable lease payments for the year ended March 31, 2020 and March 31, 2019.

f) Total cash outflow on leases for the year ended March 31, 2020 of Rs. ₹ 59.47 Lakhs and March 31, 2019. ₹ 56.15 Lakhs

49 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 Mar 31, 2020	For the year ended Mar 31, 2019
Contribution to employees Provident fund	109.65	140.03

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 2020. 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, 2020	As at March 31, 2019	As at April 01, 2018
Present value of defined benefit obligation	122.95	91.70	89.45
Fair value of plan assets	5.48	6.30	8.70
Net defined benefit liability	117.47	85.40	80.75

(ii) Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Amount recognised in the statement of Profit & Loss		
Current service cost	45.38	15.57
Interest cost	6.69	6.08
Interest income on plan assets	-	-
	52.07	21.66

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Amount recognised in the other comprehensive income		
Actuarial (gain)/loss unrecognised during the year	(9.33)	10.05
	(9.33)	10.05
Movement in defined benefit obligation (DBO)		
Present value of DBO as at the beginning of the year	91.70	89.45
Current service cost	45.38	15.57
Interest cost	6.69	6.08
Remeasurements (gain)/loss	(9.24)	9.93
Benefit paid out of the fund	(11.58)	(29.33)
Present value of DBO as at the end of the year	122.95	91.70
Movement in the plan assets recognised in the balance sheet		
Fair Value of Plan Assets at the beginning of the year	6.30	8.70
Actual Return on Plan Assets	0.46	0.59
Contributions by the employer	10.22	26.46
Benefits Paid	(11.58)	(29.33)
Actuarial gain / (loss) on Plan Assets	0.09	(0.12)
Fair Value of Plan Assets at the end of the year	5.48	6.30

(iii) Maturity profile of defined benefit obligation (based on undiscounted basis):

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Within next twelve months	19.97	31.85	46.88
Between one to five years	64.59	51.87	40.86
Beyond five years	38.39	7.99	1.71
Total	122.95	91.70	89.45

(iv) Actuarial assumptions

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

Discount rate (in %)	6.40%	7.30%	6.80%
Expected rate of future salary increase (in %)	10.00%	10.00%	10.00%
Expected average remaining working lives of employees (in years)	31.21	30.81	31.35

(v) Category of plan assets

Insurer managed funds	100%	100%	100%
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In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

(vi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
	Discount Rate		Average salary escalation rate	
- Impact due to increase of 1%	(5.04)	(1.83)	4.25	1.37
- Impact due to decrease of 1%	5.52	1.91	(3.99)	(1.33)

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.

50 Related party as identified by the Company

1 Name & Relationship of the related parties:

Wholly owned subsidiaries	Capital Trust Microfinance Private Limited Capital Trust Housing Finance Private Limited
Key Management Personnel (KMP)	Mr. Yogen Khosla (Managing Director) Mrs. Anju Khosla (Executive Director, Wife of Managing Director) Mr. Surender Mahanti (Director) ceased with effect from August 11, 2018 Mr. Sachin Bhartiya (Director) ceased with effect from June 20, 2019 Mr. Hari Baskaran (Director) ceased with effect from August 11, 2018 Mr. JP Dua (Director) ceased with effect from November 10, 2018 Mr. Vijay Kumar (Director) Mr. Nikhil Kochhar (Director) with effect from August 11, 2018 Mr. Sanjiv Syal (Director) with effect from August 11, 2018 Mr. Ashutosh Pradeep Sardesai (Director) from June 20, 2019 to August 27, 2019 Mr. Abhinav Sharma (Director) with effect from December 12, 2019 Ms. Suman Kukretty (Director) with effect from March 28, 2020 Mr. Vinod Raina (Chief Financial Officer) from September 14, 2019 Mr. Rahul Malik (Chief Financial Officer) from May 13, 2019 to August 31, 2019 Mr. Madhusudan Gupta (Chief Financial Officer) upto March 31, 2019 Mrs. Tanya Sethi (Company Secretary)
Relatives of Key Management Personnel	Mr. Vahin Khosla (Son of Managing director) Mr. Yuv Vir Khosla (Son of Managing director)
Enterprise over which KMP and their relatives is having significant influence	Indo Crediop Private Limited Moonlight Equity Private Limited Capital Trust Infotech Private Limited Vaibhav Farms Private Limited Yogen Khosla & Sons (HUF) Italindian Trade & Financial Services Private Limited

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	-	-	-	31.00
	-	-	-	(440.00)
Moonlight Equity Private Limited	-	-	-	249.00
	-	-	-	-
Capital Trust Infotech Private Limited	-	-	-	64.00
	-	-	-	(130.00)
Vaibhav Farms Private Limited	-	-	-	116.00
	-	-	-	(100.00)
Capital Trust Microfinance Private Limited	5,400.00	-	-	-
	(300.00)	-	-	-
Capital Trust Housing Finance Private Limited	-	-	-	-
	(1,241.00)	-	-	-
Mr. Yogen Khosla	-	925.00	-	-
	-	-	-	-
Loan repaid				
Moonlight Equity Private Limited	-	-	-	249.00
	-	-	-	-
Indo Crediop Private Limited	-	-	-	31.00
	-	-	-	(440.00)
Capital Trust Infotech Private Limited	-	-	-	64.00
	-	-	-	(130.00)
Vaibhav Farms Private Limited	-	-	-	116.00
	-	-	-	(100.00)
Capital Trust Microfinance Private Limited	5,700.00	-	-	-
	-	-	-	-
Capital Trust Housing Finance Private Limited	85.00	-	-	-
	(1,144.00)	-	-	-
Mr. Yogen Khosla	-	925.00	-	-
	-	-	-	-

(Amounts in ₹ in lakhs)

Particulars	Subsidiary	Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprise over which KMP and their relatives can exercise significant influence
Loan given				
Capital Trust Microfinance Private Limited	150.00 (2,300.00)	- -	- -	- -
Mr. Abhinav Sharma	-	10.00	-	-
	-	-	-	-
Loan received back				
Capital Trust Microfinance Private Limited	150.00 (3,100.00)	- -	- -	- -
Interest Paid				
Moonlight Equity Private Limited	-	-	-	6.99
	-	-	-	-
Indo Crediop Private Limited	-	-	-	2.33
	-	-	-	(7.63)
Capital Trust Microfinance Private Limited	185.49 (114.55)	- -	- -	- -
Capital Trust Housing Finance Private Limited	63.82 (0.26)	- -	- -	- -
Vaibhav Farms Private Limited	-	-	-	16.83
	-	-	-	(0.70)
Capital Trust Infotech Private Limited	-	-	-	2.44
	-	-	-	(2.37)
Mr. Yogen Khosla	-	25.68	-	-
	-	-	-	-
Interest received				
Capital Trust Microfinance Private Limited	0.32 (345.88)	- -	- -	- -
Mr. Abhinav Sharma	-	0.59	-	-
	-	-	-	-
Operational fee received				
Capital Trust Microfinance Private Limited	195.00 (643.21)	- -	- -	- -
Remuneration and other perquisites to Company's KMPs and their relatives*				
Short term employee benefit	-	294.82	49.36	-
	-	(290.05)	(51.57)	-
Defined Contribution Plan	-	25.94	4.89	-
	-	(26.25)	(5.37)	-
Directors Sitting Fees	-	1.40	-	-
	-	(1.41)	-	-

Apart from above Managing director and a director of the company has given corporate guarantees to the bankers to secure loan availed by the company.

The above remuneration is excluding provision for Gratuity where the actuarial valuation is done on overall Company basis.

3 Outstanding balance as at year end	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Loans & Advances:			
Capital Trust Microfinance Private Limited	-	-	800.00
Mr. Abhinav Sharma	10.00	-	-
Unsecured Loans:			
Capital Trust Microfinance Private Limited	-	300.00	-
Capital Trust Housing Finance Private Limited	1,100.00	1,185.00	1,088.00
Interest receivables:			
Capital Trust Microfinance Private Limited	-	-	9.67
Other receivables:			
Capital Trust Microfinance Private Limited	10.80	0.01	63.69
Interest Payable:			
Capital Trust Housing Finance Private Limited	-	10.09	35.72
Capital Trust Microfinance Private Limited	-	0.24	-
Indo Crediop Private Limited	-	-	0.93
Remuneration and other perquisites to Company's KMPs and their relatives			
Short term employee benefit	21.87	19.88	23.98

51 First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For the year ended March 31, 2019, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ("Previous GAAP").

The accounting policies set out in Note 2 and 3 have been applied in preparing the financial statements for the year ended March 31, 2020, the comparative information presented in these financial statements for the year ended March 31, 2019 and in the preparation of an opening Ind AS statement of financial position at April 01, 2018 (the Company's date of transition).

In preparing its opening Ind AS statement of financial position as at April 01, 2018, the Company has adjusted amounts reported previously in financial statements for the year ended March 31, 2019 prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables. Exemptions and exceptions availed set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A Ind AS mandatory exemption availed

a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS, where application of Ind AS require an entity to make certain estimates that were not required under previous GAAP, those estimates should reflect condition that existed at the date of transition (for preparing opening Ind AS balance sheet or at the end of the comparative period (for presenting comparative information as per Ind-AS).

Ind AS estimates as at April 01, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

b) Classification and measurement of financial assets and financial liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B Ind AS optional exemption availed

a) Investment in subsidiaries

As permitted by para D14 & D15 of Ind AS 101, the Company has elected to measure the investments in subsidiaries at cost calculated at the previous GAAP carrying amount as on the date of transition, as the Company has elected to measure such investments at Cost under Ind AS 27 "Separate Financial Statements".

b) Property, plant and equipment and other intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for investment properties covered by Ind AS 38 "Intangible Asset".

Accordingly, the Company has elected to measure all of its property, plant and equipment and other intangible asset at their previous GAAP carrying value.

C Reconciliation of transition effect from previous GAAP to Ind AS in Company's financial statements

Reconciliation of total equity as at March 31, 2019

Particulars	Notes to first time adoption	As at March 31, 2019		
		Previous GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and Cash Equivalents		699.43	-	699.43
Bank Balances other than Cash and Cash Equivalents		4,030.84	-	4,030.84
Receivables - Others		38.86	-	38.86
Loans	1, 5 & 8	59,548.94	(9,056.50)	50,492.44
Investments	3	4,991.01	0.95	4,991.96
Other Financial Assets	2	1,602.72	(2.60)	1,600.12
		70,911.80	(9,058.15)	61,853.65
Non-financial Assets				
Current Tax Assets (Net)		476.99	-	476.99
Deferred Tax Assets (Net)	7	288.99	2,502.15	2,791.14
Property, Plant and Equipment		181.59	-	181.59
Other Intangible Assets		20.81	-	20.81
Right to use Asset		-	233.16	233.16
Other Non Financial Assets	2	80.13	(0.93)	79.20
		1,048.51	2,734.38	3,782.89
Total Assets		71,960.31	(6,323.77)	65,636.54

LIABILITIES AND EQUITY

Liabilities

Financial Liabilities

Trade Payables		34.33	-	34.33
Debt Securities	4	7,438.65	(44.20)	7,394.45
Borrowings (Other than Debt Securities)	4	35,874.75	278.12	36,152.87
Deposits		30.00	-	30.00
Subordinated Liabilities	4	4,462.47	(3.34)	4,459.13
Lease Liabilities		-	255.18	255.18
Other Financial Liabilities		1,629.63	-	1,629.63
		49,469.83	485.76	49,955.59

Non-financial Liabilities

Current Tax Liabilities (Net)			-	-
Provisions		85.40	-	85.40
Other Non-Financial Liabilities		148.97	-	148.97
		234.37	-	234.37

Equity

Equity Share Capital	8	1,636.14	(14.39)	1,621.75
Other Equity	9	20,619.97	(6,795.14)	13,824.83
		22,256.11	(6,809.53)	15,446.58

Total Liabilities and Equity		71,960.31	(6,323.77)	65,636.54
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Reconciliation of total equity as at April 01, 2018

Particulars	Notes to first time adoption	As at April 01, 2018		
		Previous GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and Cash Equivalents		1,373.75	-	1,373.75
Bank Balances other than Cash and Cash Equivalents		3,372.07	-	3,372.07
Receivables - Others		53.23	-	53.23
Loans	1, 5 & 8	66,269.04	(10,124.40)	56,144.64
Investments		4,991.01	-	4,991.01
Other Financial Assets	2	1,700.93	(3.01)	1,697.92
		77,760.03	(10,127.41)	67,632.62
Non-financial Assets				
Deferred Tax Assets (Net)	7	292.20	2,747.45	3,039.65
Property, Plant and Equipment		171.71	-	171.71
Intangible Assets		2.33	-	2.33
Right to use Asset		-	276.96	276.96
Other Non Financial Assets	2	68.21	0.26	68.47
		534.45	3,024.67	3,559.12
Total Assets		78,294.48	(7,102.74)	71,191.74
LIABILITIES AND EQUITY				
Liabilities				
Financial Liabilities				
Trade Payables		73.12	-	73.12
Borrowings (Other than Debt Securities)	4	48,137.22	273.75	48,410.97
Deposits		30.00	-	30.00
Subordinated Liabilities	4	4,478.68	(29.55)	4,449.13
Lease Liabilities		-	276.96	276.96
Other Financial Liabilities		2,760.51	-	2,760.51
		55,479.53	521.16	56,000.69
Non-financial Liabilities				
Current Tax Liabilities (Net)		168.90	-	168.90
Provisions		80.75	-	80.75
Other Non-Financial Liabilities		294.57	-	294.57
		544.22	-	544.22
Equity				
Equity Share Capital	8	1,636.14	(14.39)	1,621.75
Other Equity	9	20,634.59	(7,609.51)	13,025.08
		22,270.73	(7,623.90)	14,646.83
Total Liabilities and Equity		78,294.48	(7,102.74)	71,191.74

Reconciliation of total equity as on March 31, 2019 and April 01, 2018

Particulars	Notes to first time adoption	As at	As at
		March 31, 2019	April 01, 2018
Equity as reported under previous GAAP		1,636.14	1,636.14
Adjustments:			
Reduction of equity as per Ind AS 32	8	(14.39)	(14.39)
Equity as per Ind AS		1,621.75	1,621.75
Other equity as reported under previous GAAP		20,619.97	20,634.59
Adjustments:			
Measurement of financial assets and financial liabilities at amortized cost	1, 2 & 4	(2,093.09)	(3,288.74)
Allowances for expected credit losses	5	(6,268.22)	(6,174.70)
Reduction of other equity as per Ind AS 32	8	(790.71)	(790.71)
Others	3 & 4	(145.27)	(102.82)
Tax impact on above	7	2,502.15	2,747.45
Total Adjustments		(6,795.14)	(7,609.52)
Other Equity as per Ind AS		13,824.83	13,025.07

Reconciliation of Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Notes to first time adoption	for the year ended March 31, 2019		
		Previous GAAP	Adjustments	Ind AS
INCOME				
Revenue from Operations				
Interest Income	2	14,225.27	0.39	14,225.66
Dividend Income		0.10	-	0.10
Fees and commission Income	1	984.18	998.98	1,983.16
Net gain on fair value changes	3	50.82	0.94	51.76
Net gain on derecognition of financial instruments under amortised cost category	1	-	161.75	161.75
Other Operating Income		1,582.05	-	1,582.05
Total Revenue from operations		16,842.42	1,162.06	18,004.48
Other income		708.84	-	708.84
Total Income		17,551.26	1,162.06	18,713.32
EXPENSES				
Finance costs	4	7,595.72	20.74	7,616.46
Fees and commission expense		556.48	-	556.48
Employee benefits expense	6	3,400.90	(10.05)	3,390.85
Impairment on financial instruments	5	315.01	93.52	408.53
Depreciation, amortization and impairment		49.67	43.79	93.46
Other expenses		1,792.61	(55.66)	1,736.95
Total expenses		13,710.39	92.34	13,802.73
Profit before exceptional items and tax		3,840.87	1,069.72	4,910.59
Exceptional items		3,723.04	-	3,723.04
Profit before tax		117.83	1,069.72	1,187.55
Tax expense				
Current tax		30.61	-	30.61
Deferred tax	7	3.22	248.09	251.31
Total Tax expense		33.83	248.09	281.92
Profit / (loss) for the period		84.00	821.63	905.63
Other comprehensive income				
Items that will not be reclassified to profit & loss				
Remeasurement of defined benefit liabilities/assets	6	-	(10.05)	(10.05)
Income Tax relating to above	7	-	2.80	2.80
Total other comprehensive income for year		-	(7.25)	(7.25)
Total comprehensive income		84.00	814.37	898.38

Reconciliation of total comprehensive income for the year ended March 31, 2019

Particulars	Notes to first time adoption	For the year ended
		March 31, 2019
Profit / (Loss) after tax under previous GAAP		84.00
Adjustments:		
Measurement of financial assets and financial liabilities at amortized cost	1, 2 & 4	1,195.65
Allowances for expected credit losses	5	(93.52)
Others	3	(32.41)
Tax impact on above	7	(248.09)
Total Adjustments		821.63
Profit after tax as per Ind AS		905.63
Remeasurement of defined benefit obligation	6-7	(7.25)
Total Comprehensive Income / (Loss) under Ind AS		898.38

Impact of Ind AS adoption on the Statement of Cash Flows for the year ended March 31, 2019

There are no material adjustments on transition to Ind AS in the Statement of Cash Flows for the year ended March 31, 2019.

D Notes to First Time Adoption

1 Loans

Under previous GAAP, all the service fee and facilitation charges received against sourcing of loans were recognised to statement of profit and loss. Under Ind AS, such service fee and facilitation charges received are adjusted from the carrying amount of loans on initial recognition. These transaction costs are recognised in the statement of profit and loss over the tenure of the such loans as part of the interest income by applying the effective interest rate method.

2 Security Deposits Given

Under previous GAAP, security deposits were initially recognised at transaction price. Subsequently, finance income was recognised based on contractual terms, if any. Under Ind AS, such security deposits are initially recognised at fair value and subsequently carried at amortised cost determined using effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss.

3 Fair valuation of investments measured under FVTPL

Under previous GAAP, investments in long-term equity instruments were carried at cost and tested for other the temporary diminution. Under Ind AS, investments other than investment in Subsidiaries are carried either at fair value through profit and loss or (FVTPL).

Under previous GAAP, investments in mutual funds were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at fair value through profit and loss.

4 Borrowings (including debt securities and subordinate liabilities)

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to statement of profit and loss on straight-line basis over the period of borrowing. Under Ind AS, such transaction costs are netted off from the carrying amount of borrowings on initial recognition. These transactions costs are then recognised in the statement of profit and loss over the tenure of the such borrowings as part of the interest expense by applying the effective interest rate method.

5 Impairment of Loans

Under previous GAAP, the Company were created impairment allowance on loan assets basis the provisioning norms prescribed by Reserve Bank of India (RBI). Under Ind AS, impairment allowance has been determined on expected credit loss (ECL) model.

6 Remeasurement of defined benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these measurements were forming part of statement of profit and loss.

7 Deferred Tax

Under previous GAAP, deferred tax was prepared using income statement approach. Under Ind AS, company has prepared deferred tax using balance sheet approach. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

8 Trust shares

Taking conservative view of Ind AS 32, own equity instruments that were transferred to trust pursuant to the scheme of Employee Stock Option Scheme ("ESOP"). Company's interest as sole beneficiary in independent non-promoter trust of ₹ 805.10 Lakhs which was included in Loans and advance interest free collateral free loan (Previous GAAP). Under Ind AS, it has been reduced from equity share capital/other equity. Equity share capital has been reduced by ₹ 14.39 Lakhs being face value of equity shares held by these trusts and ₹ 790.71 Lakhs has been reduced from other equity.

9 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in the statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income'. The concept of other comprehensive income did not exist under previous GAAP.

52 Remittance in foreign currency on account of Dividends

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Amount of dividend remitted in foreign exchange	0.11	0.33
Number of Non-Resident Shareholders	46	45
Number of Shares held by such Non-Resident Shareholders	22997	21922

53 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, 2020	March 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2019
Subsidiaries :-						
Capital Trust Microfinance Pvt. Ltd	-	-	800.00	150.00	3,100.00	809.67

54 Pursuant to the master direction DNBR.PD. 088/03.10.119/2016-17 dated September 01, 2016 as amended from time to time (the NBFC Master Direction 2016) (updated as on 17th February 2020), the Company is a Systemically Important Non-Deposit taking Non-Banking Financial.

55 Events after the Balance Sheet Date

The Board of Directors has recommended dividend of ₹ Nil (Previous Year of ₹ 0.50) per equity shares aggregating ₹ Nil (Previous Year of ₹ 98.61 Lakhs) including dividend distribution tax of ₹ Nil (Previous Year of ₹ 16.80 Lakhs) for the financial year ended March 31, 2020 and same is subject to the approval of shareholders at the ensuing Annual General Meeting.

56 As per the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹ 29.30 Lakhs (Previous Year ₹ 42.24 lakhs). During the year ended March 31, 2020, in respect of CSR activities the Company incurred revenue expenditure which was recognised in the statement of profit and loss amounting to ₹ 1.15 lakhs (Previous year Nil).

57 The Novel Corona virus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020) has contributed to significant decline and volatility in global and Indian market and significant decrease in economic activity. On March 24, 2020, the Indian government announced lockdown till April 14, 2020, which was further extended till May 31, 2020 through the subsequent announcements, to contain the spread of virus. This has led to significant disruptions and disclosures for individuals and business, impacting Company's regular operations including lending and collection activities. The Company's client base and AUM is from the semi-urban/rural segment, where the impact of COVID-19 has been relatively lower. A large segment of our customers are linked to the local economy & operation in essential services and the government has announced a series of economic relief measures for MSME sector, which is expected to support borrower's repayment capacity. From June 1, 2020 onwards, further relaxation in lock down has been granted across the Country, which has helped the Company employees to contract the borrowers.

Further, pursuant to Reserve Bank of India circular dated March 31, 2020 and May 23, 2020 allowing lending institution to offer moratorium to borrowers on payment of installment falling due between March 1, 2020 and August 31, 2020, the Company gave the option of availing moratorium to all its borrowers from March 1, 2020 for three months. In management's view, providing moratorium to borrower at a large scale based on RBI directives, by itself is considered to result in a significant increase in credit risk for such borrowers. Accordingly, considering the unique impact and widespread impact of COVID-19 pandemic, the company has estimated expected credit loss allowance over and above normal provision amounting to ₹ 266.27 lakhs, based on information available at that point in time 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. These estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. Given the dynamic nature of pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of pandemic, including government and regulatory measures on the business and financial metrics of the Company.

As per our report of even date attached

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

For and on behalf of the Board of Directors of

Bimal Kumar Sipani
Partner
Membership No. 088926

Yogen Khosla
CEO & Managing Director
DIN.00203165

Abhinav Sharma
Director
DIN: 07641980

Place: Noida (Delhi-NCR)
Date: June 20, 2020

Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO & Compliance Officer

Place: New Delhi
Date: June 20, 2020

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, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the 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, 2020, the consolidated profit, consolidated total 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 Group in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 standalone financial statements for the financial year ended March 31, 2020. 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 and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures wherever performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<u>Adoption of new accounting framework (Ind AS)</u>	
<p>Refer Note No. 1.2 and 51 to the consolidated financial statements.</p> <p>Effective April 01, 2019, the Group adopted the Ind AS notified by the Ministry of Corporate Affairs with the transition date of April 01, 2018.</p> <p>The following are the major impact areas for the Company upon transition:</p> <ul style="list-style-type: none"> • Classification and measurement of financial assets • Accounting of expected credit losses as per Ind AS 109 • Complexity of disclosure <p>Transition to the new financial reporting framework is an intricate process involving multiple decision points for management i.e. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.</p> <p>We identified the transition date accounting as a key audit matter because of the significant degree of management judgement in the first-time application of Ind AS principles as at the transition date particularly in the areas noted above and the additional disclosures associated with transition to Ind AS.</p>	<p>We have assessed the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101.</p> <p>We understood the methodology implemented by management to give impact on the transition;</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 performed the audit procedures on transition adjustments and subsequent measurements and found management's assessment to be reasonable and the disclosures are appropriate.</p>

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. We have nothing to report in this regard. 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 requirements 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 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 Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Parent company and of its subsidiaries are responsible for assessing the ability of the 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 the 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. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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, 2020 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

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 companies, 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 preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of change 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 Indian 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, 2020 taken on record by the Board of Directors of Holding Company and subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on March 31, 2020 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 subsidiary companies incorporated in India, refer to our separate Report in “Annexure A” to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197(16) 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 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, 2020;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

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

Date: June 20, 2020
Place: Noida (Delhi-NCR)

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN : 20088926AAAAFB3462

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, 2020 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 companies 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to consolidated financial statements

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the 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 with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to consolidated financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India however same need to be further strengthened.

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

Date: June 20, 2020
Place: Noida (Delhi-NCR)

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN : 20088926AAAAFB3462

Consolidated Balance sheet as at March 31, 2020

(Amounts in ₹ in lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
ASSETS				
Financial Assets				
Cash and Cash Equivalents	4	3,435.98	3,200.63	1,445.04
Bank Balances other than Cash and Cash Equivalents	5	2,915.64	4,030.84	3,572.06
Receivables				
- Other Receivables	6	57.24	38.86	18.12
Loans	7	30,452.82	52,572.33	60,701.90
Investments	8	3,790.99	18.53	17.59
Other Financial Assets	9	1,365.27	1,770.94	2,077.72
		42,017.94	61,632.13	67,832.43
Non Financial Assets				
Current Tax Assets (Net)	10	232.79	476.99	-
Deferred Tax Asset (Net)	11	2,377.97	2,882.99	3,126.39
Property, Plant and Equipment	12	218.22	181.59	171.71
Right to use Asset	13	180.21	233.16	276.96
Other Intangible Assets	14	10.88	20.81	2.33
Other Non Financial Assets	15	192.16	171.62	86.82
		3,212.23	3,967.16	3,664.21
Total Assets		45,230.17	65,599.29	71,496.64
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Trade Payables	16			
Total outstanding dues of Micro Enterprises & Small Enterprises		-	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		77.89	46.32	74.40
Debt Securities	17	-	7,394.45	-
Borrowings (Other than Debt Securities)	18	22,639.64	36,167.87	48,943.84
Deposits	19	30.00	30.00	30.00
Subordinated Liabilities	20	4,469.16	4,459.13	4,449.13
Lease Liabilities		212.78	255.18	276.96
Other Financial Liabilities	21	2,022.16	1,870.86	2,853.59
		29,451.63	50,223.79	56,627.92
Non-Financial Liabilities				
Current Tax Liabilities (Net)	22	-	16.89	186.93
Provisions	23	117.47	85.40	80.75
Other Non-Financial Liabilities	24	215.16	163.06	301.37
		332.63	265.35	569.05
EQUITY				
Share Capital	25	1,621.75	1,621.75	1,621.75
Other Equity		13,824.16	13,488.40	12,677.92
		15,445.91	15,110.15	14,299.67
Total Liabilities And Equity		45,230.17	65,599.29	71,496.64

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

1-56

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

As per our report of even date attached

For **Singhi & Co.**

Chartered Accountants

Firm Reg. No. 302049E

For and on behalf of the Board of Directors

Bimal Kumar Sipani

Partner

Membership No. 088926

Yogen Khosla

CEO & Managing Director

DIN: 00203165

Abhinav Sharma

Director

DIN: 07641980

Place: Noida (Delhi-NCR)**Date: June 20, 2020****Tanya Sethi**

Company Secretary

M. No. A31566

Vinod Raina

CFO &

Compliance Officer

Place: New Delhi**Date: June 20, 2020**

(Amounts in ₹ in lakhs except EPS)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations			
Interest Income	26	11,421.36	15,367.32
Dividend Income	27	-	0.10
Fees and commission Income	28	1,590.58	2,050.95
Net gain on fair value changes	29	187.89	63.59
Net gain on derecognition of financial instruments under amortised cost category	30	378.36	186.04
Other operating income	31	1,591.39	1,582.05
Total Revenue from operations		15,169.58	19,250.05
Other income	32	339.53	65.63
Total Income		15,509.11	19,315.68
EXPENSES			
Finance costs	33	5,880.75	7,593.13
Fees and commission expense	34	787.85	563.46
Employee benefits expense	35	3,883.74	3,695.25
Impairment on financial instruments	36	1,493.48	513.88
Depreciation, amortization and impairment	37	89.46	93.46
Other expenses	38	2,010.75	1,836.77
Total expenses		14,146.03	14,295.95
Profit before exceptional items and tax		1,363.08	5,019.73
Exceptional items	39	-	3,723.04
Profit before tax		1,363.08	1,296.69
Tax expense			
Current tax	40	433.02	66.22
Deferred tax		502.66	314.07
Total Tax expense		935.68	380.29
Profit for the year (A)		427.40	916.40
Other comprehensive income (OCI)			
1. (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit liabilities/assets		9.33	(10.05)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.35)	2.80
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)		6.98	(7.25)
Total comprehensive income (A+B)		434.38	909.14
Earnings per equity share (Face value of ₹ 10 each)	41		
(a) Basic (₹)		2.64	5.65
(b) Diluted (₹)		2.64	5.65
Summary of Significant Accounting Policies and other notes on Consolidated Financial Statements			
	1-56		
The accompanying notes form an integral part of the Consolidated financial statements.			

As per our report of even date attached

For **Singhi & Co.**

Chartered Accountants

Firm Reg. No. 302049E

For and on behalf of the Board of Directors

Bimal Kumar Sipani

Partner

Membership No. 088926

Yogen Khosla

CEO & Managing Director

DIN: 00203165

Abhinav Sharma

Director

DIN: 07641980

Place: Noida (Delhi - NCR)**Date: June 20, 2020****Tanya Sethi**

Company Secretary

M. No. A31566

Vinod Raina

CFO &

Compliance Officer

Place: New Delhi**Date: June 20, 2020**

(A) Equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of Shares	Amount	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	16,361,415	1,636.14
Changes in Equity during the year	-	-	-	-	-	-
	16,361,415	1,636.14	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")) - Refer Note No. 51(8)	(143,915)	(14.39)	(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	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	
Restated balance as at April 01, 2018	545.59	300.00	12,488.26	34.57	1,596.66	(2,287.20)	12,677.88
Profit for the year	-	-	-	-	-	916.40	916.40
Other Comprehensive Income (net of tax)	-	-	-	-	-	(7.25)	(7.25)
Total Comprehensive Income for the year	-	-	-	-	-	909.15	909.15
Transfer to Statutory Reserve	-	-	-	-	37.26	(37.26)	-
Dividend paid including dividend distribution tax	-	-	-	-	-	(98.63)	(98.63)
Balance as at March 31, 2019	545.59	300.00	12,488.26	34.57	1,633.92	(1,513.93)	13,488.40
Profit for the year	-	-	-	-	-	427.40	427.40
Other Comprehensive Income (net of tax)	-	-	-	-	-	6.98	6.98
Total Comprehensive Income for the year	-	-	-	-	-	434.38	434.38
Transfer to Statutory Reserve	-	-	-	-	57.93	(57.93)	-
Dividend paid including dividend distribution tax	-	-	-	-	-	(98.62)	(98.62)
Balance as at March 31, 2020	545.59	300.00	12,488.26	34.57	1,691.85	(1,236.11)	13,824.16

Nature and purpose of other reserves/ other equity

1. Capital reserve

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

2. Capital redemption reserve

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

3. Securities premium

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

4. General reserve

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

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

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

6. Retained earnings

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

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

As per our report of even date attached.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

For and on behalf of Board of Directors

Bimal Kumar Sipani

Partner
Membership No. 88926

Yogen Khosla
CEO & Managing Director
DIN.00203165

Abhinav Sharma

Director
DIN: 07641980

Place: Noida (Delhi-NCR)

Date: June 20, 2020

Tanya Sethi

Company Secretary
M. No. A31566

Vinod Raina

CFO & Compliance Officer

Place: New Delhi
Date: June 20, 2020

Consolidated Cash flow statement for the year ended March 31, 2020

(Amounts in ₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities		
Profit before tax	1,363.08	1,296.69
Adjustments for:		
Depreciation, amortization and impairment	89.46	93.46
Impairment on financial instruments	1,493.48	513.88
Loan written off	483.04	3,723.04
Net gain/(loss) on derecognition of property, plant and equipment	(2.44)	-
Gain on sale of investments	(96.91)	(62.65)
Unrealised (gain)/loss on fair value changes of investments	(90.98)	(0.94)
Effective interest rate adjustment for financial instruments	(1,176.61)	(1,096.64)
Dividend Income	-	(0.10)
Operating profit before working capital changes	2,062.13	4,466.74
(Increase)/ decrease of receivables	(18.38)	(20.74)
(Increase)/ decrease of loans	21,581.41	5,079.70
(Increase)/ decrease of other financial assets	405.67	306.78
(Increase)/ decrease of other non financial assets	(20.54)	(84.80)
Movement in fixed deposits	1,117.64	(454.79)
Increase/ (decrease) of trade payables	31.57	(28.08)
Increase/ (decrease) of other financial liabilities	151.31	(982.73)
Increase/ (decrease) of provisions	41.39	(5.40)
Increase/ (decrease) of other non-financial liabilities	49.67	(142.30)
Cash generated / (used) in operating activities	25,401.87	8,134.38
Income taxes (paid) /refund	(205.70)	(713.24)
Net cash inflow / (outflow) from operating activities A	25,196.16	7,421.13
Cash flows from investing activities		
Purchase of property, plant & equipment	(78.00)	(78.03)
Proceed from sale of property, plant & equipment	5.25	-
Movement in investments	(3,584.57)	62.65
Dividend received	-	0.10
Net cash inflow / (outflow) from investing activities B	(3,657.32)	(15.28)
Cash flows from financing activities		
Dividend including dividend distribution tax paid	(98.62)	(98.63)
Proceed from issue of non convertible debentures	-	7,500.00
Repayment of non convertible debentures	(7,500.00)	-
Net repayment of borrowings	(13,674.45)	(13,029.85)
Payment of lease liabilities	(30.42)	(21.78)
Net cash inflow / (outflow) from financing activities C	(21,303.49)	(5,650.26)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	235.35	1,755.59
Cash and cash equivalents at the beginning of the year	3,200.63	1,445.04
Cash and cash equivalents at the end of the year (refer note 4)	3,435.98	3,200.63

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

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

As per our report of even date attached

For **Singhi & Co.**

Chartered Accountants

Firm Reg. No. 302049E

For and on behalf of the Board of Directors

Bimal Kumar Sipani

Partner

Membership No. 088926

Yogen Khosla

CEO & Managing Director

DIN.00203165

Abhinav Sharma

Director

DIN: 07641980

Place: Noida (Delhi- NCR)

Date: June 20, 2020

Tanya Sethi

Company Secretary

M. No. A31566

Vinod Raina

CFO & Compliance Officer

Place: New Delhi

Date: June 20, 2020

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 Micro Finance and Small Enterprise Loan.

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.

The Consolidated financial statements up to and for the year ended March 31, 2019 were prepared in accordance with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), notified under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable including the NBFC Master Directions.

The consolidated financial statements for the year ended March 31, 2020 are the first financial statements of the Group prepared under Ind AS. The Group followed the provisions of Ind-AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition i.e April 1, 2018. Some of the Group's Ind-AS accounting policies used in the opening Balance Sheet differed from its policies applied under Indian GAAP as at March 31, 2018 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arose from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at April 1, 2018 as required by Ind-AS 101. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Group is provided in Note 51.

These financial statements were authorised for issue by the Board of Directors on their meeting held on June 20, 2020.

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 45.

(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 52.

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.

(iii) Basis of Measurement

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

- i) financial instruments - fair value through other comprehensive income (FVOCI) ;
- ii) financial instruments - fair value through profit and loss (FVTPL).

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

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

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

(iv) Significant accounting Judgements and Estimates

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

Judgements

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

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

Assumptions and estimation uncertainties

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

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

(v) Functional and presentation currency

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

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

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

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

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

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

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

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

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

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

Subsequent Measurement

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

Depreciation

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

Transition to Ind AS

The Group has elected to continue with the carrying value of all its property plant and equipment recognised as at April 01, 2018 measured as per the previous GAAP, and use that carrying value as the deemed cost of the property, plant and equipment.

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.

Transition to Ind AS

The Group has elected to continue with the carrying value of all its other intangible assets recognised as at April 01, 2018 measured as per the previous GAAP, and use that carrying value as the deemed cost of the Other Intangible assets.

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**

Summary of significant accounting policies

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

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

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

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

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

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

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

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

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

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

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

Business model assessment

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

Financial assets: Subsequent measurement and gains and losses

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

Summary of significant accounting policies
(B) Financial liabilities: Classification, subsequent measurement and gains and losses

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

(iii) Derecognition
Financial Assets

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

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

Financial Liabilities

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

(iv) Impairment of Financial Assets

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

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

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

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

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

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

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

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

(v) Offsetting Financial instruments

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

f Borrowing costs

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

Summary of significant accounting policies

g Employee benefits
(i) Short term employee benefits

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

(i) Define Contribution Plan

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

(iii) Define Benefit Plan

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

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

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

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

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(iv) Other 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.

Summary of significant accounting policies

Group as a lessor

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

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

m Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the Group falls within one business segment viz. "Financing Activities".

n Earning per equity share

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

o. Trust Shares

The Group has created a Employee Benefit Trust ("EBT"). EBT holds equity shares of the holding 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 recognised at cost and deducted from Equity / Other Equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

p. Upfront servicers fees booked on direct assignment

Servicer fees payable for servicing loan contracts under direct assignment are discounted at the applicable rate entered into with the assignee and recognised upfront in the balance sheet and amortised on a straight line basis over the remaining contractual maturity of the underlying loans.

q. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
4 Cash and cash equivalents			
Cash on hand	37.39	86.98	50.56
Balances with banks in current accounts	3,398.59	3,113.65	1,394.48
	<u>3,435.98</u>	<u>3,200.63</u>	<u>1,445.04</u>
5 Bank balances other than Cash and cash equivalent			
Bank deposits ^{\$\$}	2,886.00	4,003.64	3,548.85
Earmarked balances with banks			
On dividend accounts	29.64	27.20	23.22
	<u>2,915.64</u>	<u>4,030.84</u>	<u>3,572.06</u>
^{\$\$} Represents deposits placed as margin money to avail term loans from banks and financial institutions.			
6 Other Receivables*			
At Amortised Cost			
Considered good - Unsecured	57.24	38.86	18.12
Less: Allowance for impairment loss	-	-	-
	<u>57.24</u>	<u>38.86</u>	<u>18.12</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 & Advances			
At Amortised Cost			
a Portfolio Loans	31,143.39	61,306.61	70,553.69
b Minimum Retention on Direct Assignments of Portfolio Loans	1,349.33	794.62	896.17
c Others			
i) Loan to employees	2.44	0.70	-
ii) Loan to related parties (Refer Note No - 50)	10.00	-	-
Gross Loans	<u>32,505.16</u>	<u>62,101.93</u>	<u>71,449.86</u>
Less: Unamortization of processing fess	(559.98)	(1,998.40)	(3,185.45)
Less: Impairment loss allowance	(1,492.36)	(7,531.20)	(7,562.51)
Net Loans	<u>30,452.82</u>	<u>52,572.33</u>	<u>60,701.90</u>
7.1 Breakup of total loans			
Secured by tangible assets	2,330.58	8,857.21	-
Unsecured	30,164.58	53,244.72	71,449.86
Gross Loans	<u>32,495.16</u>	<u>62,101.93</u>	<u>71,449.86</u>
Less: Unamortization of processing fess	(559.98)	(1,998.40)	(3,185.45)
Less: Impairment loss allowance	(1,492.36)	(7,531.20)	(7,562.51)
Net Loans	<u>30,442.82</u>	<u>52,572.33</u>	<u>60,701.90</u>
7.2 Loans in India			
Public Sector	-	-	-
Others	32,495.16	62,101.93	71,449.86
Gross Loans	<u>32,495.16</u>	<u>62,101.93</u>	<u>71,449.86</u>
Less: Unamortization of processing fess	(559.98)	(1,998.40)	(3,185.45)
Less: Impairment loss allowance	(1,492.36)	(7,531.20)	(7,562.51)
Net Loans	<u>30,442.82</u>	<u>52,572.33</u>	<u>60,701.90</u>

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

8 Investments

Fair Value Through Profit and Loss

In equity instruments (Unquoted)

2,400 (March 31, 2019: 2,400 and April 1, 2018: 2,400) Equity Shares fully paid in Indo Deutch Proteins Limited ^

- - -

3,600 (March 31, 2019: 3,600 and April 1, 2018: 3,600) Equity Shares fully paid in Tina Electronics Limited ^

- - -

2,000 (March 31, 2019: 2,000 and April 1, 2018: 2,000) Equity Shares fully paid in Parasrampur Industries Limited ^

- - -

14,800 (March 31, 2019: 14,800 and April 1, 2018: 14,800) Equity Shares fully paid in Naina Semiconductors Limited ^

- - -

10,000 (March 31, 2019: 10,000 and April 1, 2018: 10,000) Equity Shares fully paid in Asavi Financial Services Limited

0.81 ## 0.81 0.81

Less: Allowances for impairment

(0.81) (0.81) (0.81)

In mutual funds (Quoted)

Nil (March 31, 2019: 1,50,000 and April 1, 2018: 1,50,000) units in Investment SBI Dual Advantage Fund-Series XIV-Reg-Growth-MF

- 18.53 17.59

24,21,835 (March 31, 2019: Nil and April 1, 2018: Nil) units in ICICI Prudential Short Term Regular Plan #

1,021.28 - -

21,05,023 (March 31, 2019: Nil and April 1, 2018: Nil) units in IDFC Bond Fund - Medium Term Plan Growth #

718.75 - -

21,93,449 (March 31, 2019: Nil and April 1, 2018: Nil) units in Kotak Banking and PSU Fund Growth #

1,024.70 - -

68,98,598 (March 31, 2019: Nil and April 1, 2018: Nil) units in Nippon India

1,026.26 - -

3,790.99 18.53 17.59

Mutual funds have been hypothecated for securing Credit limits from Bank.

^ Full value is Rs. 1

Breakup of total investments

In India 3,790.99 18.53 17.59

Outside India - - -

3,790.99 18.53 17.59

9 Other Financial Assets

Interest accrued but not due 371.10 387.94 366.07

Security deposits @ 606.49 1,298.12 1,459.15

Advances recoverable in cash or kind 465.28 162.48 265.32

Less: Provision for doubtful advances (77.60) (77.60) (12.82)

1,365.27 1,770.94 2,077.72

@ Represents deposits placed as margin money to avail term loans from banks and financial institutions.

10 Current Tax Asset(Net)

Advance Income Tax (Net of Provision) 232.79 476.99 -

232.79 476.99 -

11 Deferred tax asset (Net)

Deferred tax assets

Property, plant and equipment 1.54 0.92 -

Origination and reversal of temporary differences 41.30 32.60 40.37

Impairment loss allowance 391.74 2,074.47 2,086.40

Financial assets measured at amortized cost 174.55 581.82 929.60

Business losses 1,693.10 - -

MAT Credit Entitlement 37.63 94.31 -

Others 61.01 98.86 71.11

Total deferred tax assets 2,400.87 2,882.99 3,127.48

Deferred tax liabilities

Property, plant and equipment - - 1.09

Fair Valuation of Financial Instruments 22.90 - -

Total deferred tax liability 22.90 - 1.09

Deferred tax assets (net) 2,377.97 2,882.99 3,126.39

11.1 Refer Note No. 40.2

11.2 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. 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 as per local tax regulations and the Group expects to recover the same in due course.

15 Other Non Financial Assets

Prepaid expenses	88.65	32.54	17.22
Input tax credit	103.51	139.08	69.60
	<u>192.16</u>	<u>171.62</u>	<u>86.82</u>

16 Trade Payables **

Total outstanding dues of Micro Enterprises & Small Enterprises	-	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	77.89	46.32	74.40
	<u>77.89</u>	<u>46.32</u>	<u>74.40</u>

** Based on the information available as identified by the Group, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

a	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
b	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
c	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
d	The amount of interest accrued and remaining unpaid during the accounting year.	-	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-	-

17 Debt Securities

Valued at Amortised Cost

Debentures (Secured)

16.5% Non convertible Debentures	-	7,500	-
Less: Unamortised Ancillary cost of arranging the borrowings	-	(106)	-
	-	<u>7,394</u>	-

Breakup of Debt securities

In India	-	7,394.45	-
Outside India	-	-	-
	-	<u>7,394.45</u>	-

17.1 Secured by way of mortgage of land and building, exclusive charge on identified pool of assets, on Escrow account, DSRA and Demand Promissory note.

18 Borrowings (Other than Debt Securities)

Measured at Cost

Term Loan

Secured			
from banks	12,843.53	19,540.63	16,374.34
from financial institutions	4,872.31	15,668.94	32,357.39
Unsecured			
from Corporate entities	810.50	802.50	140.50
from financial institutions	200.00	-	-
Repayable on demand from banks - Secured	4,007.19	395.92	497.69
Less: Unamortised Ancillary cost of arranging the borrowings	(93.89)	(240.12)	(426.08)
	<u>22,639.64</u>	<u>36,167.87</u>	<u>48,943.84</u>

Breakup of Borrowings			
In India	22,639.64	36,167.87	48,943.84
Outside India	-	-	-
	22,639.64	36,167.87	48,943.84
18.1	Borrowings are secured by way hypothecation of portfolio loans arising out of its business operation, cash collateral in the form of fixed deposits and mutual funds.		
18.2	Vehicles are hypothecated for respective borrowings availed for purchase of property, plant and equipment.		
18.3	It have also been guaranteed by promoter director of the Company in his personal capacity and corporate guarantee of Indo Crediop Private Limited (Shareholders). Details are given below:-		
Term Loan			
from banks	6,415.01	10,228.39	14,749.34
from financial institutions	2,740.13	11,867.16	16,377.70
Repayable on demand from banks	496.55	395.92	497.69
	9,651.69	22,491.47	31,624.73
19 Deposits			
At Amortised Cost			
Security Deposit from others	30.00	30.00	30.00
	30.00	30.00	30.00
20 Subordinated Liabilities			
At Amortised Cost			
Secured			
From Bank	4,500.00	4,500.00	-
From financial institutions	-	-	4,500.00
Less: Unamortised Ancillary cost of arranging the borrowings	(30.84)	(40.87)	(50.87)
	4,469.16	4,459.13	4,449.13
Breakup of Subordinated Liabilities			
In India	4,469.16	4,459.13	4,449.13
Outside India	-	-	-
	4,469.16	4,459.13	4,449.13
21 Other Financial Liabilities			
Interest accrued but not due	166.83	469.64	323.31
Employees emoluments	265.31	289.74	321.63
Interest and principal payable on direct assignment	884.86	1,010.19	298.90
Recovered Premium Payable to insurance company	160.32	70.66	1,882.93
Unpaid dividend	29.64	27.20	23.22
Other liabilities	515.20	3.43	3.60
	2,022.16	1,870.86	2,853.59
22 Current Tax Liabilities			
Provision for income tax (net of advance tax)	-	16.89	186.93
	-	16.89	186.93
23 Provisions			
Provision for employee benefits (Refer Note No. 49)	117.47	85.40	80.75
	117.47	85.40	80.75
24 Other non-financial liabilities			
Advance EMI received	6.22	63.84	16.05
Deferred Revenue Expenditure	131.39	-	-
Statutory dues payable	77.55	99.21	285.33
	215.16	163.06	301.37

Term of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2020

Particulars	Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		More than 3 years		Total
			No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	Amount
Debt Securities			-	-	-	-	-	-	-	-	-
Borrowings other than Debt Securities	Monthly	8% to 12%	48	16.09	48	17.57	29	10.14	38	15.56	59.36
		12.01% to 16%	125	7,078.73	42	3,457.77	11	1,015.77	-	-	11,552.27
		Variable	74	2,885.46	58	2,301.29	24	785.82	24	444.44	6,417.01
	Quarterly	12.01% to 16%	7	708.32	-	-	-	-	-	-	708.32
	On Demand	Variable	-	3,996.57	-	-	-	-	-	-	3,996.57
			254	14,685.17	148	5,776.63	64	1,811.73	62	460.00	22,733.53
											(93.89)
											22,639.64
Subordinated Liabilities	Bullet	Above 16%	-	-	-	-	-	-	2	4,500.00	4,500.00
											(30.84)
											4,469.16

Term of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2019

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	Quarterly	Above 16%	-	-	-	-	3	3,750.00	3	3,750.00	7,500.00
											(105.55)
											7,394.45
Borrowings other than Debt Securities	Monthly	8% to 12%	24	8.60	24	9.35	24	10.17	5	2.03	30.15
		12.01% to 16%	272	11,999.43	116	5,692.03	48	3,804.20	11	1,015.77	22,511.43
		Variable	111	4,362.59	59	2,281.61	59	2,611.99	21	972.22	10,228.41
	Quarterly	12.01% to 16%	25	2,534.27	7	707.80	-	-	-	-	3,242.07
	On Demand	Variable	-	395.93	-	-	-	-	-	-	395.93
			432	19,300.82	206	8,690.79	131	6,426.36	37	1,990.02	36,407.99
											(240.12)
											36,167.87
Subordinated Liabilities	Bullet	Above 16%	-	-	-	-	-	-	2	4,500.00	4,500.00
											(40.87)
											4,459.13

Term of repayment of debt securities, other borrowings and subordinated liabilities as on April 1, 2018

Particulars	Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		More than 3 years		Total
			No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	Amount
Debt Securities			-	-	-	-	-	-	-	-	-
Borrowings other than Debt Securities	Monthly	8% to 12%	42	813.47	24	8.60	24	9.35	14	12.21	843.63
		12.01% to 16%	282	11,784.38	170	6,911.24	67	4,514.31	30	3,616.10	26,826.03
		Variable	120	4,558.65	110	4,362.59	82	3,295.52	57	2,533.25	14,750.01
	Quarterly	12.01% to 16%	32	3,211.06	27	2,616.36	6	625.13	-	-	6,452.55
	On Demand	Variable	-	497.69	-	-	-	-	-	-	497.69
			476	20,865.25	331	13,898.79	179	8,444.31	101	6,161.56	49,369.91
											(426.08)
											48,943.83
Subordinated Liabilities	Bullet	Above 16%	-	-	-	-	-	-	-	4,500.00	4,500.00
											(50.87)
											4,449.13

12 Property, plant and equipment
for the financial year 2019-20

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charged during the year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Land and Building#	23.54	-	-	23.54	0.26	0.37	-	0.64	22.90	23.28
Plant and equipment	5.19	-	-	5.19	4.90	-	-	4.90	0.29	0.29
Computer	25.99	17.43	-	43.41	11.37	11.24	-	22.61	20.80	14.61
Furniture and fixtures	81.96	0.72	-	82.67	7.68	9.36	-	17.04	65.64	74.28
Vehicles	59.22	51.81	6.30	104.73	10.73	10.25	3.48	17.49	87.24	48.49
Office equipment	26.59	8.05	-	34.64	5.96	7.33	-	13.29	21.35	20.63
Total	222.49	78.00	6.30	294.19	40.90	38.55	3.48	75.97	218.22	181.59

for the financial year 2018-19

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	Charged during the year	Disposals	As at March 31, 2019	As at March 31, 2019	As at April 01, 2018
Land and Building#	-	23.54	-	23.54	-	0.26	-	0.26	23.28	-
Plant and equipment	5.19	-	-	5.19	-	4.90	-	4.90	0.29	5.19
Computer	21.34	4.65	-	25.99	-	11.37	-	11.37	14.61	21.34
Furniture and fixtures	67.22	14.73	-	81.96	-	7.68	-	7.68	74.28	67.22
Vehicles	59.22	-	-	59.22	-	10.73	-	10.73	48.49	59.22
Office equipment	18.73	7.86	-	26.59	-	5.96	-	5.96	20.63	18.73
Total	171.71	50.78	-	222.49	-	40.90	-	40.90	181.59	171.71

Land and Building has been mortgaged for securing NCDs- Refer Note 17.1

13 Right to use Asset (Refer Note 48)
for the financial year 2019-20

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at April 1, 2019	Additions	Disposals	As at March 31, 2020	As at April 1, 2019	Charged during the year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Right to use Asset	276.96	-	24.67	252.29	43.79	40.98	12.69	72.08	180.21	233.16
Total	276.96	-	24.67	252.29	43.79	40.98	12.69	72.08	180.21	233.16

for the financial year 2018-19

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at April 1, 2018	Additions	Disposals	As at March 31, 2019	As at April 1, 2018	Charged during the year	Disposals	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Right to use Asset	276.96	-	-	276.96	-	43.79	-	43.79	233.16	276.96
Total	276.96	-	-	276.96	-	43.79	-	43.79	233.16	276.96

14 Intangible Assets

for the financial year 2019-20

PARTICULARS	GROSS BLOCK			AMORTISATION				NET BLOCK		
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charged during the year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Software	29.58	-	-	29.58	8.77	9.93	-	18.70	10.88	20.81
Total	29.58	-	-	29.58	8.77	9.93	-	18.70	10.88	20.81

for the financial year 2018-19

PARTICULARS	GROSS BLOCK			AMORTISATION				NET BLOCK		
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 1, 2018	Charged during the year	Disposals	As at March 31, 2019	As at March 31, 2019	As at April 01, 2018
Software	2.33	27.25	-	29.58	-	8.77	-	8.77	20.81	2.33
Total	2.33	27.25	-	29.58	-	8.77	-	8.77	20.81	2.33

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	Number	Amount	Number	Total	Number	Total
25 Equity Share capital						
(a) Authorised share capital	30,000,000	3,000.00	30,000,000	3,000.00	30,000,000	3,000.00
Equity shares of ₹10 each		<u>3,000.00</u>		<u>3,000.00</u>		<u>3,000.00</u>
(b) Issued, subscribed and fully paid-up capital						
Equity shares of ₹10 each	16,361,415	1,636.14	16,361,415	1,636.14	16,361,415	1,636.14
Less: Equity shares held by Capital Welfare Trust	(143,915)	(14.39)	(143,915)	(14.39)	(143,915)	(14.39)
(face value of 1,43,915 (31 March 2019: 1,43,915) shares transferred to the trust pursuant to the scheme of Employee Stock Option Scheme("ESOP")) - Refer Note No. 51(8)						
		<u>1,621.75</u>		<u>1,621.75</u>		<u>1,621.75</u>
(c) Reconciliation of the Equity share capital						
	Number	Amount	Number	Amount	Number	Amount
Balance at the beginning of the year	16,361,415	1,636.14	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	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, 2020		As at March 31, 2019		As at April 01, 2018	
	Number	%	Number	%	Number	%
Yogen Khosla	6,038,917	36.91%	6,852,917	41.88%	7,942,917	48.55%
Indo Crediop Private Limited	3,427,885	20.95%	3,427,885	20.95%	2,844,885	17.39%
India 2020 II Investors Limited	2,421,519	14.80%	2,421,519	14.80%	2,421,519	14.80%
Moonlight Equity Private Limited	1,359,455	8.31%	-	-	-	-

(Amounts in ₹ in lakhs except EPS)

	For the year ended March 31, 2020	For the year ended March 31, 2019
26 Interest Income		
At Amortised Cost		
Interest income on loan portfolio	11,051.23	14,958.92
Interest income on Security Deposits on Loan	65.24	122.33
Interest income on fixed deposit	304.89	286.07
	<u>11,421.36</u>	<u>15,367.32</u>
27 Dividend Income		
Dividend Received	-	0.10
	<u>-</u>	<u>0.10</u>
28 Fees and commission Income		
Service fees & facilitation charges	1,590.58	2,050.95
	<u>1,590.58</u>	<u>2,050.95</u>
29 Net gain on fair value changes		
Net gain on financial instruments measured at fair value through profit or loss	187.89	63.59
	<u>187.89</u>	<u>63.59</u>
Fair value change:		
Realised	96.91	62.65
Unrealised	90.98	0.94
	<u>187.89</u>	<u>63.59</u>
30 Net gain on derecognition of financial instruments under amortised cost category		
Gain on sale of loan portfolio through assignment	378.36	186.04
	<u>378.36</u>	<u>186.04</u>
31 Other Operating Income		
Assignor's Yield on Direct Assignments of Portfolio	1,267.08	1,385.13
Recovered from portfolio write off	324.31	196.92
	<u>1,591.39</u>	<u>1,582.05</u>
32 Other income		
Net gain on derecognition of property, plant and equipment	2.44	-
Service fees from business correspondent	263.98	-
Provision no longer required, written back	-	63.63
Miscellaneous income	73.11	2.00
	<u>339.53</u>	<u>65.63</u>
33 Finance costs (on financial liabilities measured at amortised cost)		
Interest expenses:		
- on Debt Securities	1,152.08	627.23
- on Borrowing (other than debt securities)	3,599.55	5,831.87
- on Subordinate Debts	790.00	790.00
- on Others	3.55	-
Other borrowing costs	335.57	344.03
	<u>5,880.75</u>	<u>7,593.13</u>
34 Fee and Commission Expense		
Professional and consultancy	536.57	543.40
Commission	251.28	20.06
	<u>787.85</u>	<u>563.46</u>

(Amounts in ₹ in lakhs except EPS)

35 Employee benefit expense				
Salaries, wages and bonus		3,384.13		3,242.18
Contribution to provident fund and other funds		170.52		166.72
Staff welfare expenses		329.09		286.35
		3,883.74		3,695.25
36 Impairment on financial instruments (On financial assets measured at amortised cost)				
Impairment on Loans portfolio	3,393.67	-	513.88	-
Less : Portfolio written off	1,900.19	1,493.48	-	513.88
		1,493.48		513.88
37 Depreciation, amortization and impairment				
On property, plant and equipment		38.55		40.90
On right to use assets		40.98		43.79
On other intangible assets		9.93		8.77
		89.46		93.46
38 Other expenses				
Rates & Taxes		38.74		46.70
Electricity		44.39		51.59
Rent		247.15		347.79
Reversal of input GST Credit		104.23		168.15
Repairs and maintenance -Others		24.92		82.60
Insurance		9.85		12.65
Directors sitting fee		1.40		1.41
Business promotion expenses		18.58		13.73
Travelling and conveyance		443.17		561.07
Communication costs		106.45		132.57
Printing and stationery		50.86		93.69
Verification Expenses		22.03		72.00
Internal Audit Expenses		11.74		-
Payment to auditors (refer note (a) below)		12.84		6.45
Corporate Social responsibility expenses		1.15		-
Bank charges		36.55		37.52
Provision made towards employees fraud		-		64.79
Portfolio written off	8,015.37		284.18	
Less: Impairment loss allowance created in current year	1,900.19		-	
Less: Impairment loss allowance created in earlier years	5,632.14	483.04	284.18	-
Miscellaneous Expenses		353.67		144.06
		2,010.75		1,836.77
(a) Payment to auditors (including payment to previous auditors)				
Statutory audit		7.00		4.50
Limited Review certification		3.00		1.25
Certification fee		1.17		0.35
Reimbursement of Expenses		0.57		0.35
		11.74		6.45
39 Exceptional Items				
Portfolio loan written off		-		3,723.04
		-		3,723.04
39.1	During the previous year, in addition to the provisions made as per prudential norms, the holding company has written off loan aggregating of ₹ 3723.04 Lakhs as same could not be realized despite best efforts by Company.			
40 Tax Expense				
Current Tax				
Current Tax for the year		95.83		71.69
Current Tax adjustments for earlier year (Net)		337.19		(5.47)
		433.02		66.22

(Amounts in ₹ in lakhs except EPS)

40.1 Components of Income Tax Expense:

Amounts recognised in the Statement of Profit and Loss

Current tax	433.02	66.22
Deferred tax	502.66	314.07
Amounts recognised in the Statement of Profit and Loss		
Income tax relating to items that will not be reclassified to profit or loss	2.35	(2.80)
Income Tax expense for the year	938.03	377.49

40.2 Reconciliation of effective tax :

Income before Income Tax	1,363.07	1,296.66
Income Tax Rate	25.806%	28.906%
Expected Income Tax Expense	351.76	374.81

Tax effect of adjustments:

Impact of allowable and disallowed income and expenses	(152.69)	8.15
Impact in Deferred Tax due to change in Tax rates	375.33	-
MAT Credit Entitlement written off	26.44	-
Taxes for earlier years	337.19	(5.47)
Total Tax expense	938.03	377.49

40.3 The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended March 31, 2020 and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section. The full impact of this change has been recognised during the year. However same option is not exercised by the subsidiary Companies

41 Earning Per Share

Net Profit for the year		427.40	916.40
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 (₹)	₹	2.64	5.65
Diluted EPS (₹)	₹	2.64	5.65

42 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, 2020		As at March 31, 2019		As at April 1, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets measured at fair value through profit and loss						
Investments	3,790.99	3,790.99	18.53	18.53	17.59	17.59
Total	3,790.99	3,790.99	18.53	18.53	17.59	17.59
Financial Assets measured at amortized cost						
Cash and Cash Equivalents	3,435.98	3,435.98	3,200.63	3,200.63	1,445.04	1,445.04
Bank Balances other than Cash and Cash Equivalents	2,915.64	2,915.64	4,030.84	4,030.84	3,572.06	3,572.06
Receivables - Others	57.24	57.24	38.86	38.86	18.12	18.12
Loans	30,452.82	30,452.82	52,572.33	52,572.33	60,701.90	60,701.90
Investments	-	-	-	-	-	-
Other Financial Assets	1,365.27	1,365.27	1,770.94	1,770.94	2,077.72	2,077.72
Total	38,226.95	38,226.95	61,613.61	61,613.61	67,814.85	67,814.85
Financial Liabilities						
Trade Payables	77.89	77.89	46.32	46.32	74.40	74.40
Debt Securities	-	-	7,394.45	7,394.45	-	-
Borrowings (Other than Debt Securities)	22,639.64	22,639.64	36,167.87	36,167.87	48,943.84	48,943.84
Deposits	30.00	30.00	30.00	30.00	30.00	30.00
Subordinated Liabilities	4,469.16	4,469.16	4,459.13	4,459.13	4,449.13	4,449.13
Lease Liabilities	212.78	212.78	255.18	255.18	276.96	276.96
Other Financial Liabilities	2,022.16	2,022.16	1,870.86	1,870.86	2,853.59	2,853.59
Total	29,451.64	29,451.64	50,223.80	50,223.80	56,627.91	56,627.91

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 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, 2020	3,790.99	-	-	3,790.99
As at March 31, 2019	18.53	-	-	18.53
As at April 1, 2018	17.59	-	-	17.59

Valuation technique used to determine fair value

The fair value of investments in quoted equity shares and mutual funds are based on the current bid price of respective investment as at the balance sheet date.

During the year ended March 31, 2020 and March 31, 2019, 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.

43 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	Measurement	Management Actions
Credit Risk	Cash and cash equivalents, loans, investments and other financial assets measured at amortised cost		
Liquidity Risk	Borrowings, Debt securities, Subordinated liabilities, Trade payables and other financial liabilities		
Market Risk - Interest	Change in interest rate of variable rates borrowings, debt securities and subordinated liabilities		
Market Risk - Security price	Investment in mutual funds		

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

a Credit Risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Cash and Cash Equivalents

The Group holds cash and cash equivalents and other bank balances as per note 4 and 5. The credit worthiness of such bank is evaluated by the management on an ongoing basis and is considered to be high.

Loans

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each client. However, management also considers the factors that may influence the credit risk of its client base, including the default risk of the industry and locations in which clients operate. The Management has established a credit policy under which each new client is analysed individually for creditworthiness through internal systems and appraisal process to assess the credit risk. The Group's review includes client's income and 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, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	30,296.07	846.72	1,362.36	32,505.16
Allowance of ECL	970.68	109.08	412.59	1,492.36

Loans secured against collateral

The Group's secured portfolio pertains to Secured Enterprise loans (SEL), which are secured against tangible assets. The Group does not physically 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 initiate the legal proceedings against the defaulted customers. The maximum exposure to credit risk is ₹ 2330.57 Lakhs (March 31, 2019 ₹ 8857.21 Lakhs and April 1, 2018 ₹ NIL).

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits, insurance claim receivables and other recoverables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

b Liquidity Risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. To limit this risk, management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. The Group has developed internal control processes for managing liquidity risk.

The Group maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Group assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group.

The table below analyse the Group financial assets and liabilities into relevant maturity grouping based on their contractual maturities.

As at March 31, 2020

Particulars	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
Financial Liabilities					
Trade Payables	77.89	-	-	-	77.89
Borrowings (Other than Debt Securities)	14,591.28	5,776.63	1,811.73	460.00	22,639.64
Deposits	-	-	-	30.00	30.00
Subordinated Liabilities	-	-	-	4,469.16	4,469.16
Lease Liabilities	27.89	31.71	44.64	108.54	212.78
Other Financial Liabilities	2,022.16	-	-	-	2,022.16
Total	16,719.23	5,808.34	1,856.37	5,067.70	29,451.64

As at March 31, 2019					
Particulars	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
Financial Liabilities					
Trade Payables	46.32	-	-	-	46.32
Debt Securities	-	-	3,750.00	3,644.45	7,394.45
Borrowings (Other than Debt Securities)	19,060.70	8,690.79	6,426.36	1,990.02	36,167.87
Deposits	-	-	-	30.00	30.00
Subordinated Liabilities	-	-	-	4,459.13	4,459.13
Lease Liabilities	32.88	37.41	31.71	153.18	255.18
Other Financial Liabilities	1,870.86	-	-	-	1,870.86
Total	21,010.75	8,728.20	10,208.07	10,276.78	50,223.80

As at April 1, 2018					
Particulars	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
Financial Liabilities					
Trade Payables	74.40	-	-	-	74.40
Borrowings (Other than Debt Securities)	20,439.18	13,898.79	8,444.31	6,161.56	48,943.84
Deposits	-	-	-	30.00	30.00
Subordinated Liabilities	-	-	-	4,449.13	4,449.13
Lease Liabilities	21.78	32.88	37.41	184.89	276.96
Other Financial Liabilities	2,331.45	522.14	-	-	2,853.59
Total	22,866.80	14,453.81	8,481.72	10,825.58	56,627.91

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 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, 2020	As at March 31, 2019	As at April 01, 2018
Liabilities			
Borrowings (Other than Debt Securities)	10,413.58	10,624.34	15,247.69
Total	10,413.58	10,624.34	15,247.69

Sensitivity Analysis

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest rates - increase by 0.50%		52.07
Interest rates - decrease by 0.50%		(52.07)

(ii) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate change whether caused by factors specific to an individual investment, its issuer or the market. The Group's exposure to price risk arises from investments in equity securities and debts securities are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Investments			
Maximum exposure to price risk	3,790.99	18.53	17.59
Total	3,790.99	18.53	17.59

Sensitivity Analysis

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Investments at FVTPL - increase by 1%		37.91
Investments at FVTPL - decrease by 1%		(37.91)

44 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, 2020	As at March 31, 2019	As at April 01, 2018
Debt Securities	-	7,394.45	-
Borrowings (Other than Debt Securities)	22,639.64	36,167.87	48,943.84
Subordinated Liabilities	4,469.16	4,459.13	4,449.13
Less: Cash and Cash Equivalents	(3,435.98)	(3,200.63)	(1,445.04)
Bank Balances other than Cash and Cash Equivalents	(2,915.64)	(4,030.84)	(3,572.06)
Investment in Mutual Funds	3,790.99	18.53	17.59
Net Debt	24,548.18	40,808.51	48,393.45
Equity	1,621.75	1,621.75	1,621.75
Other Equity	13,824.16	13,488.40	12,677.92
Total Capital	15,445.91	15,110.15	14,299.67
Net debt to equity ratio	1.59	2.70	3.38

45 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, 2020		As at March 31, 2019		As at April 01, 2018	
	within 12 months	after 12 months	within 12 months	after 12 months	within 12 months	after 12 months
ASSETS						
Financial Assets						
Cash and Cash Equivalents	3,435.98	-	3,200.63	-	1,445.04	-
Bank Balances other than Cash and Cash Equivalents	2,359.50	556.14	2,454.52	1,576.32	2,546.56	1,025.50
Receivables - Others	57.24	-	38.86	-	18.12	-
Loans	22,608.38	7,844.44	27,364.21	25,208.13	28,176.79	32,525.11
Investments	-	3,790.99	18.53	-	17.59	-
Other Financial Assets	1,325.39	39.88	733.00	1,037.94	1,229.15	848.57
Total	29,786.49	12,231.45	33,809.75	27,822.39	33,433.25	34,399.18
Non Financial Assets						
Current Tax Assets (Net)	232.79	-	476.99	-	-	-
Deferred Tax Assets (Net)	-	2,377.97	-	2,882.99	-	3,126.39
Property, Plant and Equipment	-	218.22	-	181.59	-	171.71
Right to use Asset	-	180.21	-	233.16	-	276.96
Intangible Assets	-	10.88	-	20.81	-	2.33
Other Non Financial Assets	192.16	-	171.62	-	86.82	-
Total	424.95	2,787.28	648.61	3,318.55	86.82	3,577.38
Total Assets	30,211.43	15,018.73	34,458.36	31,140.94	33,520.08	37,976.56
LIABILITIES AND EQUITY						
LIABILITIES						
Financial Liabilities						
Trade Payables	77.89	-	46.32	-	74.40	-
Debt Securities	-	-	-	7,394.45	-	-
Borrowings (Other than Debt Securities)	14,591.28	8,048.36	19,060.70	17,107.17	20,439.18	28,504.66
Deposits	-	30.00	-	30.00	-	30.00
Subordinated Liabilities	-	4,469.16	-	4,459.13	-	4,449.13
Lease Liabilities	27.89	184.89	32.88	222.30	21.78	255.18
Other Financial Liabilities	2,022.16	-	1,870.86	-	2,331.45	522.14
Total	16,719.23	12,732.41	21,010.75	29,213.05	22,866.80	33,761.11
Non-Financial Liabilities						
Current Tax Liabilities (Net)	-	-	16.89	-	186.93	-
Provisions	27.52	89.95	17.87	67.53	9.67	71.08
Other Non-Financial Liabilities	215.16	-	163.06	-	301.37	-
Total	242.68	89.95	197.82	67.53	497.97	71.08
Total Liabilities	16,961.91	12,822.36	21,208.57	29,280.58	23,364.77	33,832.19
Net Equity	13,249.52	2,196.37	13,249.79	1,860.36	10,155.30	4,144.38

(Amounts in ₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
46 Contingent liabilities not provided for			
Claims against the Group not acknowledged as debts	-	-	0.29

47 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.

48 Leases

As a Lessee

- a) The Group has adopted IND AS 116 Leases effective from April 01, 2019, applied to all contracts having lease components existing on April 01, 2019 using full retrospective method consequently previous year figures are restated. The Group has measured lease liability at present value of remaining lease payment discounted using the incremental borrowing rate and Right of Use (ROU) asset is measured at an amount equal to lease liability, adjusted by the amount of prepaid and accrued lease payments relating to lease recognised in the balance sheet. On April 01, 2018, the change in accounting policy affected in increase of right of use asset and lease liability by ₹ 276.96 lakhs in balance sheet.
- b) The Group incurred ₹ 247.15 Lakhs for the year ended March 31, 2020 (Previous year ₹ 347.79 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.
- c) There were no impact on retained earnings upon implementation of Ind AS 116 "Leases".
- d) There are no income from subleasing right-of-use assets nor any gains or losses from sales and leaseback for the year ended March 31, 2020 and March 31, 2019.
- e) There are no variable lease payments for the year ended March 31, 2020 and March 31, 2019.
- f) Total cash outflow on leases for the year ended March 31, 2020 of Rs. ₹ 59.47 Lakhs and March 31, 2019. Rs. ₹ 56.15 Lakhs

49 Employee Benefits

a) Defined Contribution Plan :

The Group makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The Group has been recognized following amounts in statement of Profit & Loss for the year:

	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Contribution to employees Provident fund	117.12	143.77

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 2020. 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, 2020	As at March 31, 2019	As at April 01, 2018
Present value of defined benefit obligation	122.95	91.70	89.45
Fair value of plan assets	5.48	6.30	8.70
Net defined benefit liability	117.47	85.40	80.75

(ii) Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Amount recognised in the statement of Profit & Loss		
Current service cost	45.38	15.57
Interest cost	6.69	6.08
Interest income on plan assets	-	-
	52.07	21.66

(Amounts in ₹ in lakhs)

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Amount recognised in the other comprehensive income		
Actuarial (gain)/loss unrecognised during the year	(9.33)	10.05
	(9.33)	10.05
Movement in defined benefit obligation (DBO)		
Present value of DBO as at the beginning of the year	91.70	89.45
Current service cost	45.38	15.57
Interest cost	6.69	6.08
Remeasurements (gain)/loss	(9.24)	9.93
Benefit paid out of the fund	(11.58)	(29.33)
Present value of DBO as at the end of the year	122.95	91.70
Movement in the plan assets recognised in the balance sheet		
Fair Value of Plan Assets at the beginning of the year	6.30	8.70
Actual Return on Plan Assets	0.46	0.59
Contributions by the employer	10.22	26.46
Benefits Paid	(11.58)	(29.33)
Actuarial gain /(loss) on Plan Assets	0.09	(0.12)
Fair Value of Plan Assets at the end of the year	5.48	6.30

(iii) Maturity profile of defined benefit obligation (based on undiscounted basis):	As at	As at	As at
	March 31, 2020	March 31, 2019	April 1, 2018
Within next twelve months	19.97	31.85	46.88
Between one to five years	64.59	51.87	40.86
Beyond five years	38.39	7.99	1.71
Total	122.95	91.70	89.45

(iv) Actuarial assumptions

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

Discount rate (in %)	6.40%	7.30%	6.80%
Expected rate of future salary increase (in %)	10.00%	10.00%	10.00%
Expected average remaining working lives of employees (in years)	31.21	30.81	31.35

(v) Category of plan assets

Insurer managed funds	100%	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	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
	Discount Rate		Average salary escalation rate	
- Impact due to increase of 1%	(5.04)	(1.83)	4.25	1.37
- Impact due to decrease of 1%	5.52	1.91	(3.99)	(1.33)

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.

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) Mr. Surender Mahanti (Director) ceased with effect from August 11, 2018 Mr. Sachin Bhartiya (Director) ceased with effect from June 20, 2019 Mr. Hari Baskaran (Director) ceased with effect from August 11, 2018 Mr. JP Dua (Director) ceased with effect from November 10, 2018 Mr. Vijay Kumar (Director) Mr. Nikhil Kochhar (Director) with effect from August 11, 2018 Mr. Sanjiv Syal (Director) with effect from August 11, 2018 Mr. Ashutosh Pradeep Sardesai (Director) from June 20, 2019 to August 27, 2019 Mr. Abhinav Sharma (Director) with effect from December 12, 2019 Ms. Suman Kukretty (Director) with effect from March 28, 2020 Mr. Vinod Raina (Chief Financial Officer) from September 14, 2019 Mr. Rahul Malik (Chief Financial Officer) from May 13, 2019 to August 31, 2019 Mr. Madhusudan Gupta (Chief Financial Officer) upto March 31, 2019 Mrs. Tanya Sethi (Company Secretary)
Relatives of Key Management Personnel	Mr. Vahin Khosla (Son of Managing director) Mr. Yuv Vir Khosla (Son of Managing director)
Enterprise over which KMP and their relatives is having significant influence	Indo Crediop Private Limited Moonlight Equity Private Limited Capital Trust Infotech Private Limited Vaibhav Farms Private Limited Yogen Khosla & Sons (HUF) Italindian Trade & Financial Services Private Limited

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	-	-	-	31.00
	-	-	-	(440.00)
Moonlight Equity Private Limited	-	-	-	249.00
	-	-	-	-
Capital Trust Infotech Private Limited	-	-	-	64.00
	-	-	-	(130.00)
Vaibhav Farms Private Limited	-	-	-	116.00
	-	-	-	(100.00)
Mr. Yogen Khosla	-	925.00	-	-
	-	-	-	-
Loan repaid				
Moonlight Equity Private Limited	-	-	-	249.00
	-	-	-	-
Indo Crediop Private Limited	-	-	-	31.00
	-	-	-	(440.00)
Capital Trust Infotech Private Limited	-	-	-	64.00
	-	-	-	(130.00)
Vaibhav Farms Private Limited	-	-	-	116.00
	-	-	-	(100.00)
Mr. Yogen Khosla	-	925.00	-	-
	-	-	-	-

(Amounts in ₹ in lakhs)

Particulars	Subsidiary	Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprise over which KMP and their relatives can exercise significant influence
Interest Paid				
Moonlight Equity Private Limited	-	-	-	6.99
	-	-	-	-
Indo Crediop Private Limited	-	-	-	2.33
	-	-	-	(7.63)
Vaibhav Farms Private Limited	-	-	-	16.83
	-	-	-	(0.70)
Capital Trust Infotech Private Limited	-	-	-	2.44
	-	-	-	(2.37)
Mr. Yogen Khosla	-	25.68	-	-
	-	-	-	-
Loan given				
Mr. Abhinav Sharma	-	10.00	-	-
	-	-	-	-
Interest Received				
Mr. Abhinav Sharma	-	0.59	-	-
	-	-	-	-
Remuneration and other perquisites to Company's KMPs and their relatives*				
Short term employee benefit	-	294.82	49.36	-
	-	(290.05)	(51.57)	-
Defined Contribution Plan	-	25.94	4.89	-
	-	(26.25)	(5.37)	-
Directors Sitting Fees	-	1.40	-	-
	-	(1.41)	-	-

Apart from above Managing director and a director of the company has given corporate guarantees to the bankers to secure loan availed by the company.

The above remuneration is excluding provision for Gratuity where the actuarial valuation is done on overall Company basis.

3 Outstanding balance as at year end	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Interest Payable:			
Indo Crediop Private Limited	-	-	0.93
Loans & Advances:			
Mr. Abhinav Sharma	10.00	-	-
Remuneration and other perquisites to Company's KMPs and their relatives			
Short term employee benefit	21.87	19.88	23.98

51 First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For the year ended March 31, 2019, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ("Previous GAAP").

The accounting policies set out in Note 2 and 3 have been applied in preparing the financial statements for the year ended March 31, 2020, the comparative information presented in these financial statements for the year ended March 31, 2019 and in the preparation of an opening Ind AS statement of financial position at April 01, 2018 (the Company's date of transition).

In preparing its opening Ind AS statement of financial position as at April 01, 2018, the Company has adjusted amounts reported previously in financial statements for the year ended March 31, 2019 prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables. Exemptions and exceptions availed set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A Ind AS mandatory exemption availed

a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS, where application of Ind AS require an entity to make certain estimates that were not required under previous GAAP, those estimates should reflect condition that existed at the date of transition (for preparing opening Ind AS balance sheet or at the end of the comparative period (for presenting comparative information as per Ind-AS).

Ind AS estimates as at April 01, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

b) Classification and measurement of financial assets and financial liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B Ind AS optional exemption availed

a) Investment in subsidiaries

As permitted by para D14 & D15 of Ind AS 101, the Company has elected to measure the investments in subsidiaries at cost calculated at the previous GAAP carrying amount as on the date of transition, as the Company has elected to measure such investments at Cost under Ind AS 27 "Separate Financial Statements".

b) Property, plant and equipment and Other intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for investment properties covered by Ind AS 38 "Intangible Asset".

Accordingly, the Company has elected to measure all of its property, plant and equipment and other intangible asset at their previous GAAP carrying value.

C Reconciliation of transition effect from previous GAAP to Ind AS in Company's financial statements

Reconciliation of total equity as at March 31, 2019

Particulars	Notes to first time adoption	As at March 31, 2019		
		Previous GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and Cash Equivalents		3,200.63	-	3,200.63
Bank Balances other than Cash and Cash Equivalents		4,030.84	-	4,030.84
Receivables - Others		38.86	-	38.86
Loans	1, 5 & 8	61,641.96	(9,069.63)	52,572.33
Investments	3	17.59	0.94	18.53
Other Financial Assets	2	1,773.79	(2.85)	1,770.94
		70,703.68	(9,071.54)	61,632.14

Non-financial Assets				
Current Tax Assets (Net)		476.99	-	476.99
Deferred Tax Assets (Net)	7	472.60	2,410.39	2,882.99
Property, Plant and Equipment		181.59	-	181.59
Right to use Asset		-	233.16	233.16
Other Intangible Assets		20.81	-	20.81
Other Non Financial Assets	2	172.55	(0.93)	171.62
		1,324.54	2,642.62	3,967.16
Total Assets		72,028.22	(6,428.92)	65,599.30
LIABILITIES AND EQUITY				
Liabilities				
Financial Liabilities				
Trade Payables		46.32	-	46.32
Debt Securities	4	7,438.65	(44.20)	7,394.45
Borrowings (Other than Debt Securities)	4	35,889.75	278.12	36,167.87
Deposits		30.00	-	30.00
Subordinated Liabilities	4	4,462.47	(3.34)	4,459.13
Lease Liabilities		-	255.18	255.18
Other Financial Liabilities		1,870.86	-	1,870.86
		49,738.05	485.76	50,223.80
Non-financial Liabilities				
Current Tax Liabilities (Net)		16.89	-	16.89
Provisions		85.40	-	85.40
Other Non-Financial Liabilities		163.06	-	163.06
		265.35	-	265.35
Equity				
Equity Share Capital	8	1,636.14	(14.39)	1,621.75
Other Equity	9	20,388.68	(6,900.28)	13,488.40
		22,024.82	(6,914.68)	15,110.15
Total Liabilities and Equity		72,028.21	(6,428.91)	65,599.30

Reconciliation of total equity as at April 01, 2018

Particulars	Notes to first time adoption	As at April 01, 2018		
		Previous GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and Cash Equivalents		1,445.04	-	1,445.04
Bank Balances other than Cash and Cash Equivalents		3,572.06	-	3,572.06
Receivables - Others		18.13	-	18.12
Loans	1, 5 & 8	70,860.92	(10,159.02)	60,701.90
Investments		17.59	-	17.59
Other Financial Assets	2	2,080.73	(3.01)	2,077.72
		77,994.47	(10,162.03)	67,832.43
Non-financial Assets				
Deferred Tax Assets (Net)	7	292.21	2,834.18	3,126.39
Property, Plant and Equipment		171.71	-	171.71
Right to use Asset		-	276.96	276.96
Other Intangible Assets		2.33	-	2.33
Other Non Financial Assets	2	86.55	0.27	86.82
		552.80	3,111.41	3,664.21
Total Assets		78,547.27	(7,050.62)	71,496.64

LIABILITIES AND EQUITY

Liabilities

Financial Liabilities

Trade Payables		74.39	-	74.40
Borrowings (Other than Debt Securities)	4	48,659.61	284.23	48,943.84
Deposits		30.00	-	30.00
Subordinated Liabilities	4	4,478.68	(29.55)	4,449.13
Lease Liabilities		-	276.96	276.96
Other Financial Liabilities		2,853.59	-	2,853.59
		56,096.28	531.64	56,627.92

Non-financial Liabilities

Current Tax Liabilities (Net)		186.93	-	186.93
Provisions		80.75	-	80.75
Other Non-Financial Liabilities		301.37	-	301.37
		569.06	-	569.05

Equity

Equity Share Capital	8	1,636.14	(14.39)	1,621.75
Other Equity	9	20,245.79	(7,567.87)	12,677.92
		21,881.93	(7,582.26)	14,299.67

Total Liabilities and Equity		78,547.27	(7,050.62)	71,496.64
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Reconciliation of total equity as on March 31, 2019 and April 01, 2018

Particulars	Notes to first time adoption	As at March 31, 2019	As at April 01, 2018
Equity as reported under previous GAAP		1,636.14	1,636.14
Adjustments:			
Reduction of equity as per Ind AS 32	8	(14.39)	(14.39)
Equity as per Ind AS		1,621.75	1,621.75
Other equity as reported under previous GAAP		20,388.68	20,245.79
Adjustments:			
Measurement of financial assets and financial liabilities at amortized cost	1, 2 & 4	(2,105.28)	(3,333.83)
Allowances for expected credit losses	5	(6,269.43)	(6,174.70)
Reduction of other equity as per Ind AS 32	8	(790.71)	(790.71)
Others	3 & 4	(145.26)	(102.81)
Tax impact on above	7	2,410.39	2,834.18
Total Adjustments		(6,900.28)	(7,567.87)
Other Equity as per Ind AS		13,488.40	12,677.92

Reconciliation of Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Notes to first time adoption	for the year ended March 31, 2019		
		Previous GAAP	Adjustments	Ind AS
INCOME				
Revenue from Operations				
Interest Income	2	15,366.90	0.41	15,367.32
Dividend Income		0.10	-	0.10
Fees and commission Income	1	1,049.94	1,001.01	2,050.95
Net gain on fair value changes	3	62.65	0.94	63.59
Net gain on derecognition of financial instruments under amortised cost category	1	-	186.04	186.04
Other Operating Income		1,582.05	-	1,582.05
Total Revenue from operations		18,061.64	1,188.41	19,250.04
Other income		65.63	-	65.63
Total Income		18,127.27	1,188.41	19,315.68

EXPENSES				
Finance costs	4	7,578.99	14.14	7,593.13
Fees and commission expense		563.46	-	563.46
Employee benefits expense	6	3,705.30	(10.05)	3,695.25
Impairment on financial instruments	5	419.15	94.73	513.88
Depreciation, amortization and impairment		49.67	43.79	93.46
Other expenses		1,892.43	(55.66)	1,836.77
Total expenses		14,209.00	86.95	14,295.95
Profit before exceptional items and tax		3,918.27	1,101.45	5,019.73
Exceptional items		3,723.04	-	3,723.04
Profit before tax		195.23	1,101.45	1,296.69
Tax expense				
Current tax		66.22	-	66.22
Deferred tax	7	(112.53)	426.60	314.07
Total Tax expense		(46.31)	426.60	380.29
Profit / (loss) for the period		241.54	674.86	916.40
Other comprehensive income				
Items that will not be reclassified to profit & loss				
Remeasurement of defined benefit liabilities/assets	6	-	(10.05)	(10.05)
Income Tax relating to above	7	-	2.80	2.80
Total other comprehensive income for year		-	(7.25)	(7.25)
Total comprehensive income		241.54	667.60	909.14

Reconciliation of total comprehensive income for the year ended March 31, 2019

Particulars	Notes to first time adoption	For the year ended March 31, 2019
Profit / (Loss) after tax under previous GAAP		241.54
Adjustments:		
Measurement of financial assets and financial liabilities at amortized cost	1, 2 & 4	1,228.57
Allowances for expected credit losses	5	(94.73)
Others	3	(32.38)
Tax impact on above	7	(426.60)
Total Adjustments		674.86
Profit after tax as per Ind AS		916.40
Remeasurement of defined benefit obligation	6-7	(7.25)
Total Comprehensive Income / (Loss) under Ind AS		909.14

Impact of Ind AS adoption on the Statement of Cash Flows for the year ended March 31, 2019

There are no material adjustments on transition to Ind AS in the Statement of Cash Flows for the year ended March 31, 2019.

D Notes to First Time Adoption

1 Loans

Under previous GAAP, all the service fee and facilitation charges received against sourcing of loans were recognised to statement of profit and loss. Under Ind AS, such service fee and facilitation charges received are adjusted from the carrying amount of loans on initial recognition. These transaction costs are recognised in the statement of profit and loss over the tenure of the such loans as part of the interest income by applying the effective interest rate method.

2 Security Deposits Given

Under previous GAAP, security deposits were initially recognised at transaction price. Subsequently, finance income was recognised based on contractual terms, if any. Under Ind AS, such security deposits are initially recognised at fair value and subsequently carried at amortised cost determined using effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss.

3 Fair valuation of investments measured under FVTPL

Under previous GAAP, investments in long-term equity instruments were carried at cost and tested for other the temporary diminution. Under Ind AS, investments other than investment in Subsidiaries are carried either at fair value through profit and loss or (FVTPL).

Under previous GAAP, investments in mutual funds were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at fair value through profit and loss.

4 Borrowings (including debt securities and subordinate liabilities)

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to statement of profit and loss on straight-line basis over the period of borrowing. Under Ind AS, such transaction costs are netted off from the carrying amount of borrowings on initial recognition. These transactions costs are then recognised in the statement of profit and loss over the tenure of the such borrowings as part of the interest expense by applying the effective interest rate method.

5 Impairment of Loans

Under previous GAAP, the Company were created impairment allowance on loan assets basis the provisioning norms prescribed by Reserve Bank of India ('RBI'). Under Ind AS, impairment allowance has been determined on expected credit loss ('ECL') model.

6 Remeasurement of defined benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these measurements were forming part of statement of profit and loss.

7 Deferred Tax

Under previous GAAP, deferred tax was prepared using income statement approach. Under Ind AS, company has prepared deferred tax using balance sheet approach. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

8 Trust shares

Taking conservative view of Ind AS 32, own equity instruments that were transferred to trust pursuant to the scheme of Employee Stock Option Scheme ("ESOP"). Company's interest as sole beneficiary in independent non-promoter trust of ₹ 805.10 Lakhs which was included in Loans and advance interest free collateral free loan (Previous GAAP). Under Ind AS, it has been reduced from equity share capital/other equity. Equity share capital has been reduced by ₹ 14.39 Lakhs being face value of equity shares held by these trusts and ₹ 790.71 Lakhs has been reduced from other equity.

9 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in the statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income'. The concept of other comprehensive income did not exist under previous GAAP.

52 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, 2020	As at March 31, 2019	As at April 01, 2018
Capital Trust Microfinance Private Limited	India	100%	100%	100%
Capital Trust Housing Finance Private Limited	India	100%	100%	100%

53 Material Non- Controlling Interest in Subsidiary Assets

	Capital Trust Microfinance Limited		
	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Financial Assets	4,103.23	5,046.93	6,046.29
Non-Financial Assets	148.73	184.27	105.07
	4,251.95	5,231.20	6,151.36
Liabilities			
Financial Liabilities	544.29	1,737.17	2,626.04
Non Financial Liabilities	3.68	26.42	14.43
Equity			
	3,703.98	3,467.61	3,510.90
	4,251.95	5,231.20	6,151.36

54 Disclosure of the additional information as required by the Schedule III:

March 31, 2020	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
	Parent	61%	15,408.23	12%	53.29	100%	6.98	14%
Capital Trust Limited								
Subsidiaries (Indian)								
Capital Trust Microfinance Private Limited	15%	3,703.98	55%	236.37	0%	-	54%	236.37
Capital Trust Housing Finance Private Limited	5%	1,307.12	32%	137.73	0%	-	32%	137.73
Eliminations	20%	4,973.42	0%	-	0%	-	0%	-
	100%	25,392.75	100%	427.39	100%	6.98	100%	434.36
March 31, 2019								
Parent	62%	15,446.58	99%	905.63	100%	(7.25)	99%	898.38
Capital Trust Limited								
Subsidiaries (Indian)								
Capital Trust Microfinance Private Limited	14%	3,467.61	-5%	(43.29)	0%	-	-5%	(43.29)
Capital Trust Housing Finance Private Limited	5%	1,169.40	6%	54.04	0%	-	6%	54.04
Eliminations	20%	4,973.42	0%	-	0%	-	0%	-
	100%	25,057.00	100%	916.38	100%	(7.25)	100%	909.12

55 Events after the Balance Sheet Date

The Board of Directors of parent company has recommended dividend of ₹ Nil (Previous Year of ₹ 0.50) per equity shares aggregating ₹ Nil (Previous Year of ₹ 98.61 Lakhs) including dividend distribution tax of ₹ Nil (Previous Year of ₹ 16.80 Lakhs) for the financial year ended March 31, 2020 and same is subject to the approval of shareholders at the ensuing Annual General Meeting.

- 56** The Novel Corona virus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020) has contributed to significant decline and volatility in global and Indian market and significant decrease in economic activity. On March 24, 2020, the Indian government announced lockdown till April 14, 2020, which was further extended till May 31, 2020 through the subsequent announcements, to contain the spread of virus. This has led to significant disruptions and disclosures for individuals and business, impacting Company's regular operations including lending and collection activities. The Company's client base and AUM is from the semi-urban/rural segment, where the impact of COVID-19 has been relatively lower. A large segment of our customers are linked to the local economy & operation in essential services and the government has announced a series of economic relief measures for MSME sector, which is expected to support borrower's repayment capacity. From June 1, 2020 onwards, further relaxation in lock down has been granted across the Country, which has helped the Company employees to contract the borrowers. Further, pursuant to Reserve Bank of India circular dated March 31, 2020 and May 23, 2020 allowing lending institution to offer moratorium to borrowers on payment of installment falling due between March 1, 2020 and August 31, 2020, the Company gave the option of availing moratorium to all its borrowers from March 1, 2020 for three months. In management's view, providing moratorium to borrower at a large scale based on RBI directives, by itself is considered to result in a significant increase in credit risk for such borrowers. Accordingly, considering the unique impact and widespread impact of COVID-19 pandemic, the company has estimated expected credit loss allowance over and above normal provision amounting to ₹ 266.27 lakhs, based on information available at that point in time 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. These estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. Given the dynamic nature of pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of pandemic, including government and regulatory measures on the business and financial matrices of the Company.

As per our report of even date attached

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

For and on behalf of the Board of Directors of

Bimal Kumar Sipani
Partner
Membership No. 088926

Yogen Khosla
CEO & Managing Director
DIN.00203165

Abhinav Sharma
Director
DIN: 07641980

Place: Noida (Delhi-NCR)
Date: June 20, 2020

Tanya Sethi
Company Secretary
M. No. A31566

Vinod Raina
CFO & Compliance Officer

Place: New Delhi
Date: June 20, 2020



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