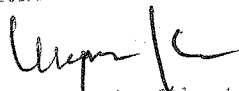

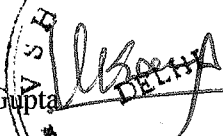
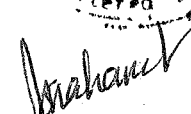




(CIN-L65923DL1985PLC195299)

## Form A

1.	Name of the company	Capital Trust Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by-	
	• CEO/Managing Director	For Capital Trust Limited.  Yogen Khosla Managing Director
	• CFO	 Sukumara Pillai
	• Auditor of the company	 Vivek K Gupta
	• Audit Committee Chairman	 S Mahanti



**28th Annual Report  
2013-2014**



**Capital Trust Limited**

507 Courtyard, DLF Place, Saket, New Delhi-110017

Ph: 011-41627007 Email: [info@capital-trust.com](mailto:info@capital-trust.com)

Web: [www.capital-trust.com](http://www.capital-trust.com)

**CORPORATE INFORMATION**  
**(CIN- L65923DL1985PLC195299)**

**REGISTERED & CORPORATE OFFICE**

507 Courtyard,  
DLF Place, Saket  
New Delhi-110017

**BOARD OF DIRECTORS**

**Surendra Mahanti**

*Chairman*

**K L Khullar**

*Non-Executive Director*

*(Resigned w.e.f. 07 Nov 2013)*

**Vijay Kumar**

*Non -Executive Director*

**Hari Baskaran**

*Non-Executive Director*

*(Appointed w.e.f. 21 Nov 2013)*

**CHIEF EXECUTIVE OFFICER**

Yogen Khosla, Managing Director

**CHIEF FINANCIAL OFFICER**

Sukumara Pillai

**COMPANY SECRETARY**

Tanya Sethi

**AUDITORS**

**VSH & Associates**

E-346, Nirman Vihar

New Delhi-110092

Firm Reg. No. 012420N

**AUDIT COMMITTEE**

**Surendra Mahanti**, Chairman

**K L Khullar**, Member

*(Resigned w.e.f. 07 Nov 2013)*

**Vijay Kumar**, Member

**Hari Baskaran**, Member

*(Appointed w.e.f. 21 Nov 2013)*

**Yogen Khosla**, Member

**Tanya Sethi**, Secretary

**REMUNERATION COMMITTEE**

**Surendra Mahanti**, Chairman

**Vijay Kumar**, Member

**Hari Baskaran**, Member

*(Appointed w.e.f. 21 Nov 2013)*

**BANKERS**

HDFC Bank

Vijaya Bank

State Bank of India

Punjab National Bank

Corporation Bank

Axis Bank

**REGISTRAR & SHARE AGENT**

**Mas Services Limited**

T-34, IInd Floor

Okhla Industrial Area, Phase-II

New Delhi 110020

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## *Chairman's Message*

**Dear Shareowners,**

I am truly proud of how well Capital Trust Limited (CTL) has fared for the year despite difficult economic situations because CTL has continued to perform outstandingly well despite the Indian economy, for the year under review, performing as bad as the previous year. So, to begin with, Congratulations!! to Mr. Yogen Khosla, your Company's Managing Director and the Management team.

I wish even India's economy could have been anywhere close to being congratulatory. In FY2013, India achieved real GDP growth of just 4.5%. In the milieu of prevalent inactivity, risk aversion and non-governance, no improvement was seen in the investment cycle and, thus, the growth rate. In the first three quarters of FY2014, the growth rates were: 4.4%, followed by 4.8%, and then 4.7%. The Central Statistical Organization's forecasted growth for FY2014 is 4.9%. Personally, I am afraid that even this growth is possible. However, even if it occurs, India's GDP will have grown by less than 5% for two consecutive years.

Low growth was not all; even inflation remained relatively high throughout FY2014, making it difficult for the Reserve Bank of India (RBI) to pursue an unwavering, yet growth oriented, monetary policy. Investments for capital formation desiccated. Based on rough estimates, a real GDP growth of 7% in India requires gross fixed capital formation (GFCF) to be in the region of 36% to 37% of GDP. Thanks to a poor investment climate, the GFCF for FY2014 is estimated at 32.5% of GDP — well short of what is needed to considerably boost growth and in the financial sector, there were problems associated with low credit growth, an impulsive interest rate environment and high non-performing assets (NPAs).

Despite such headwinds, CTL has done superbly. Let me share some facts:

The Company's gross income for the financial year ended march 31, 2014 increased to Rs. 1796.10 lakh from Rs. 908.75 lakh in previous year, an increase of 97.64 per cent. The operating profit of the company is increased by 101.63 per cent to Rs. 980.90 lakh during the year, from Rs. 486.50 lakh, in the previous year. Interest expenses for the year increased by 108.67 per cent to Rs. 678.83 lakh, from Rs. 325.31 lakh in the previous year. Depreciation was at Rs. 7.37 lakh as against Rs. 6.77 lakhs in the previous year. An amount of Rs. 36.49 Lakh was transfer to Statutory Reserve Fund pursuant to Sec 45-IC of Reserve Bank of India Act, 1934.

Like the previous year, CTL has done well in Loan deployment for Business Loans. Your Company has been one of the largest financiers of business loans for micro enterprises in the year and, through more than 62 branches across North India, it acquired over 75000 customers.

Present in 3 states of India, CTL continued to be growing as premier finance lending company in the country.

I am particularly happy with CTL conducting its rural lending business since 2008. This focuses on relatively better off rural customers by meeting their borrowing needs under the Business loans. I am confident that this business will grow significantly over time.

Once again, my Congratulations to the Management team for performing outstandingly in a very difficult environment, and doing so with the highest standards of financial care, prudence and integrity.

Thank you for your support. Let us all join in wishing Capital Trust more success.

Yours sincerely,

Chairman

## NOTICE

**NOTICE** is hereby given that the **28<sup>th</sup> Annual General Meeting** of the members of **Capital Trust Limited** will be held on Tuesday, the 30<sup>th</sup> day of September, 2014 at 9:00 a.m. at MCD Community Centre, Gautam Puri, Badarpur, New Delhi-110044 to transact the following businesses:

### ORDINARY BUSINESS

#### Item No. 1 Adoption of Financial Statements

To receive, consider, approve and adopt the financial statements of the Company for the year ended **March 31, 2014**, including the audited Balance Sheet as at March 31, 2014, the Statement of Profit & Loss for the year ended on that date together with Reports of the Board of Directors and Auditors thereon.

#### Item No. 2 Declaration of Dividend

To declare a dividend on Preference shares for the Financial Year 2013-14 @ 18% amounting **Rs. 26.48 Lacs**

#### Item No. 3 Appointment of Director

To appoint a director in place of Vijay Kumar (DIN- 05300541), who retires by rotation in terms of section 152(6) of the Companies Act, 2013, being eligible, offers himself for re-appointment.

#### Item No. 4 Appointment of Statutory Auditors of the Company and to fix their remuneration

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, VSH & Associates, Chartered Accountants, Delhi, Firm Registration No. 012420N, the retiring auditors of the company, be and are hereby re-appointed as the auditors of the company, to hold office from the conclusion of this Annual General Meeting to the conclusion of sixth consecutive Annual General Meeting (subject to ratification of appointment by the members at every Annual General Meeting to be held hereafter) and that the Board of Directors be and is hereby authorised to fix such remuneration as may be determined by the audit committee in consultation with the auditors."

### SPECIAL BUSINESS

#### Item No. 5 Regularisation and approval to continue Hari Baskaran as independent director

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

**"RESOLVED THAT** Hari Baskaran (DIN 02666053) who was appointed by the Board of Directors as an Additional Director under section 161(1) of the Companies Act, 2013 and who vacates his office at this annual general meeting and in respect of whom the Company has, as required by section 160 of the Companies Act, 2013, received a notice in writing, be and is hereby appointed as an independent director on the Board of Directors of the Company, pursuant to section 149, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereunder, for a consecutive period of five years from 1<sup>st</sup> October 2014 to 30<sup>th</sup> September 2019."

#### Item No. 6 Approval to continue Vijay Kumar as independent director

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

**"RESOLVED THAT** pursuant to section 149, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereunder, approval be and is hereby given for the appointment of Vijay Kumar (DIN 05300541), on the Board of Directors of the Company, for a consecutive period of five years from 1<sup>st</sup> October 2014 to 30<sup>th</sup> September 2019."

#### Item No. 7 Approval to continue Surendra Mahanti as independent director

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

**"RESOLVED THAT** pursuant to section 149, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereunder, approval be and is hereby given for the appointment of Surendra Mahanti (DIN 01077614), as an independent director on the Board of Directors of the Company, for a consecutive period of five years from 1<sup>st</sup> October 2014 to 30<sup>th</sup> September 2019."

#### Item No. 8 Approval for redemption of Preference Shares

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

**"RESOLVED that,** consent of members is hereby accorded, to redeem 30,00,000 18% Preference Shares of Rs. 10 each aggregating to Rs. 3 (three) Crores issued to Indo Crediop Private Limited on such terms and conditions including but not limited to the payment mechanism, manner of redemption and amount of premium, if any as the Board may think fit."

#### Item No. 9 Approval Under Section 180(1)(C) Of The Companies Act, 2013

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; the

consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs. 300 crores from MAS Financial Services Limited and Rs 100 crs from other companies [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immoveable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves."

#### Item No. 10 Approval for acceptance of Subordinate debts

**"RESOLVED THAT** the consent of members of the Company be, and is hereby, accorded to accept subordinate debts amounting of and upto fifteen crores."

#### Item No. 11 Acquisition of Property by way of purchase

**"RESOLVED THAT** the consent of members of the company be and is hereby accorded to make the company eligible for acquisition of property in view of expanding business operations."

By Order of the Board of Directors  
for **CAPITAL TRUST LIMITED**

Sd/-  
**TANYA SETHI**  
COMPANY SECRETARY

Place : New Delhi  
Date : 5th May 2014

### NOTES

- During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
- Explanatory statement pursuant to section 102(1) of the Companies Act, 2013 forms part of this notice.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. A BLANK FORM OF PROXY IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE DEPOSITED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS FROM THE COMMENCEMENT OF THE MEETING.
- Corporate members intending to send their authorised representatives to attend the meeting are requested to send in advance duly certified copy of board resolution/power of attorney authorising their representative to attend and vote on their behalf at the meeting.
- Members/proxies are requested to bring their copies of annual reports to the meeting.
- Pursuant to section 91 of the Companies Act, 2013, the register of members and the share transfer books of the Company will remain closed from 20 September 2014 to 30 September 2014 (both days inclusive) for the purpose of annual general meeting and payment of dividend.
- The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the share transfer agent (i.e. MAS Services Limited) of the Company. Corporate Members intending to send their respective authorized representatives are requested to send a duly certified copy of the Board/Governing Body resolution authorizing such representatives to attend and vote at the Annual General Meeting.
- Members, holding shares in physical form, are requested to notify any change in their addresses, if any, to the Registrar and Share transfer agent (i.e. MAS services Limited) of the Company before 05 September 2014. Beneficial owners holding shares in electronic form are requested to notify any change in their addresses, etc. to their respective depository participants and make sure that such changes are recorded by them correctly before 05 September 2014.
- Members are requested to bring their Client ID and DP ID or Folio Nos, as may be applicable, for easy identification of attendance at the meeting.
- Pursuant to Section 205A read with Section 205C of the Companies Act, 2013, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. After such transfer no claim of the members whatsoever shall subsist on the said amount.



- 11) Members holding shares in electronic form may please note that: (a) the dividend, when declared, will be credited to their respective Bank Accounts as furnished to the respective Depository Participants, through Electronic Clearing Service (ECS), where this facility is available; (b) in other cases, Bank details as furnished to the respective Depository Participants will be printed on the Dividend Warrants as per the applicable regulations. The Company shall not entertain any direct request from such Members for deletion of / change of such Bank details. Further, it may be noted that instructions, if any, already given by the Members in respect of shares held in physical form will not be automatically applicable to the dividend paid on their holdings in electronic form.
- 12) Sections 101 and 136 of the Companies Act, 2013 read together with the rules made thereunder, permit the listed companies to send the notice of annual general meeting and the annual report, including financial statements, board's report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents inter-alia indicating the process and manner of evoting alongwith Attendance slip and Proxy form to all the members whose email IDs are registered with the respective depository participants or with the Registrar and share transfer agent of the Company for communication purpose unless hard copy of the same has been requested. Copy of the above documents are being sent to other members whose email IDs are not registered through registered post.
- 13) To receive members' communications through electronic means, including annual reports and notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with MAS Services Limited, at info@masserv.com.
- 14) Documents referred to in the notice and the explanatory statement shall be kept open for inspection by the members at the registered office of the Company on all working days (Monday to Saturday) from 10.00 a.m. to 1.00 p.m. except holidays, upto the date of the meeting.
- 15) Brief details of directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of the Companies Act, 2013 and clause 49 of the listing agreement.
- 16) Voting through electronic means –

In terms of section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the notice) and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of business given in the notice through electronic voting system, to members holding shares as on 22 August 2014 (End of Day) being the cut-off date ("Record date" for the purpose of Rule 20(3)(vii) of the Rules) fixed for determining voting rights of members entitled to participate in the e-voting process through the e-voting platform provided by Central Depository Services (India) Limited.

The procedure and instructions for e-voting are given in the Notice are reproduced hereunder:

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on "Shareholders" tab
- iii. Now, select the "COMPANY NAME-Capital Trust Limited" from the drop down menu and click on "SUBMIT"
- iv. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in physical form should enter folio number registered with the company
- v. Next enter the image verification as displayed and click on Login
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used
- vii. If you are a first time user follow the steps given below:  
Please enter any of the details in order to login. In case both the details are not recorded with the depository or company please enter the Member ID/ Folio no. in the Bank details field

PAN	Enter your digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders)
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Bank Details	Enter the Bank details as recorded in your demat account or in the company records for the said demat account or folio

- viii. After entering the details appropriately, click on "SUBMIT" tab
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members 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 filed. Kindly note that this password is also to be used by demat holders for voting for resolutions of any

other company on which they are eligible to vote, provided that 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.

- x. For Members holding shares in physical form, details can be used only for evoting on the resolutions contained in this Notice.
- xi. Click on the EVSN for Capital Trust Limited
- xii. 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.
- xiii. Click on the "Resolutions File Link" If you wish the entire resolutions.
- xiv. After selecting the resolution you have decided to vote on, 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take print out of the voting done by you by clicking on "Click here to print" option on Voting Page
- xvii. If Demat account holder has forgotten the changed password then enter the User ID and Captcha code and click on forgot password and enter the details as prompted by the system.
- xviii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

- 17) The e-voting period commences on Saturday 20<sup>th</sup> September, 2014 (10 a.m) and ends on Monday 22<sup>nd</sup> September, 2014 (6.00 p.m.). During this period shareholders' of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereunder.

- 18) Any query relating to Accounts or any other items of business set out in the Agenda of the Meeting must be sent to the Company's Corporate Office at 507, Courtyard, DLF Place, Saket, New Delhi-110017 so as to reach **at least seven days before the date of the Meeting so as to enable** the management to keep the information ready. The envelope may please be superscribed **"AGM QUERIES – Attn.: Ms. Tanya Sethi, Company Secretary"**.

#### EXPLANATORY STATEMENT RELATING TO THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

- Item No. 5** In accordance with Article 133 of the Articles of Association of the Company, the Board appointed Mr. Hari Baskaran as an Additional Director under category of independent director fulfilling the requirement of clause 49 of the Listing agreement to hold office till the conclusion of the ensuing Annual General Meeting as per the provisions of Companies Act, 1956. Under the provisions of Companies Act, 2013 1/3<sup>rd</sup> of the directors on the Board fulfilling the laid criteria to be independent directors and this appointment to be approved by the shareholders in the general meeting. Since notice in writing proposing his appointment as a Director has been received by the company, in accordance with the provisions of the Companies Act, 2013.

None of the directors except Mr. Hari Baskaran is interested in the said resolution.

The Board recommends this resolution for your approval.

- Item No. 6** Vijay Kumar has already been appointed as an independent director fulfilling the requirement of clause 49 of the Listing agreement. Under the provisions of Companies Act, 2013 1/3<sup>rd</sup> of the directors on the Board fulfilling the laid criteria to be independent directors and this appointment to be approved by the shareholders in the general meeting. Since notice in writing proposing his appointment as a Director has been received by the company, in accordance with the provisions of the Companies Act, 2013. Hence, ratification by the shareholders is hereby sought by way of Special resolution for the said appointment.

None of the directors except Mr. Vijay Kumar is interested in the said resolution.

The Board recommends this resolution for your approval.

**Item No. 7** Surendra Mahanti serves as a Non Executive Independent Director on the Board of the Company since 30 June 2006 in compliance with the requirement of clause 49 of the Listing agreement. As per the provisions of the Companies Act, 2013 ratification by the shareholders is hereby sought by way of Special resolution for the said appointment.

None of the directors except Mr. Surendra Mahanti is interested in the said resolution.

The Board recommends this resolution for your approval.

**Item No. 8** In terms of the provisions of the Companies Act, 2013 a special resolution has to be passed.

The Company proposes to redeem its preference capital and in view of the requirements of the provisions of the Companies Act, 2013 and the above said rules made there under, the Company has to seek approval of members at the general meeting by way of special resolution.

None of the directors is interested in the said resolution.

The Board recommends this resolution for your approval.

**Item No. 9** Shareholders in the Extra Ordinary General Meeting held on 22<sup>nd</sup> January, 2010 through Ordinary Resolution u/s 293(1)(d) of the Companies Act, 1956 had authorised the Board to Borrow upto Rs. 200 crores for financing projects. Under Companies Act, 2013 Section 180 pertaining to Borrowing powers has replaced Section 293 of the Companies Act, 1956. Section 180 of the new Act provides that Board should obtain the consent of the company by way of special resolution to borrow money where the money to be borrowed together with money already borrowed exceed aggregate of its paid-up share capital and free reserves.

General Circular No. 04/2014 dated 25<sup>th</sup> March, 2014 issued by the Ministry of Corporate Affairs provides that the resolution passed under section 293 of the Companies Act, 1956 prior to 12<sup>th</sup> September, 2013 with reference to borrowings (subject to the limit prescribed) and/or creation of security on assets of the company will be regarded as sufficient compliance of requirements of Section 180 of the new Act for a period of one year from the date of notification of Section 180 of the Companies Act, 2013. The said section notified on 12<sup>th</sup> September, 2013. Ordinary resolution passed in the EGM held in January, 2010 u/s 293(1)(d) shall remain in force only upto 11<sup>th</sup> September, 2014.

The Board in its meeting held on 05 May, 2014 revised the limit of money to be borrowed and recommends this resolution for your approval.

None of the directors is interested in the said resolution

**Item No. 10** The Board in its meeting held on 12 August 2014 has given its consent for acceptance of subordinate debts upto an amount of Rs. fifteen crores depending on the discretion of Board. The Lender's claims on the Borrower in respect of the Subordinated Debt are wholly subordinated to the claims of all other non-subordinated creditors of the Firm. It is agreed that the Subordinated Debt will rank paripassu with all other debt which is subordinated to the other creditors of the Firm unless the Lender has first given its consent in writing to any such other subordinated debt of the Firm having any priority, which consent shall not be unreasonably withheld.

None of the directors is interested in the said resolution.

The Board recommends this resolution for your approval.

## ANNEXURE TO THE NOTICE

BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO THE COMPANIES ACT, 2013 AND CLAUSE 49 OF THE LISTING AGREEMENT

### Mr. Vijay Kumar, Director

Mr. Vijay Kumar is a retired Lt. colonel from Army. He has held various important appointments in the Army including GSO 1 (Ops) of Northern Command and Secretary to Principal Personnel Officers Committee, dealing with all personnel issues of tri services nature. After an illustrious career in the Army, Vijay Kumar took a pre mature retirement in 2008 and joined the corporate 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 2014. He is also a Principal Consultant with Franklin Covey South Asia.

### Mr. Hari Baskaran

Mr. Hari Baskaran is an alumnus of the Indian Institute of Management, Bangalore, India and the College of Engineering, Guindy, Chennai, India. He has worked in the corporate world and now is on the Non-Executive Board of Capital Trust Limited.

He is a Business Leader, Mentor and Executive Coach with a long track record of achievement, developing high performance teams and mentoring team members who now hold responsible positions in several leading companies. He has embarked on a new innings where he is deploying his skills and experience for assisting young professionals and entrepreneurs as an executive coach, management consultant and for conducting leadership development program.

## DIRECTORS' REPORT

TO THE MEMBERS OF

### CAPITAL TRUST LIMITED

On the behalf of Board of Directors of your Company, I have the pleasure in presenting the 28<sup>th</sup> report on our business and operations of the company for the year ended March 31, 2014.

#### 1. Background

Capital Trust Limited ("Company" or "CTL an Non-Banking Finance Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI).

CTL is headquartered in Delhi and has a wide network of approximately 65 offices across India.

#### 2. Share Capital

The paid-up equity share capital of company on March 31, 2014 is Rs.750 lakh. 71.30% of total capital is held by promoter group.

The Preference Share capital of Company on March 31, 2014 stood Rs. 300 lakh,, which is entirely held by Indo Credip Private Limited.

#### 3. Results of our Operations

The financial results of the Company during the year under review are summarized as under:

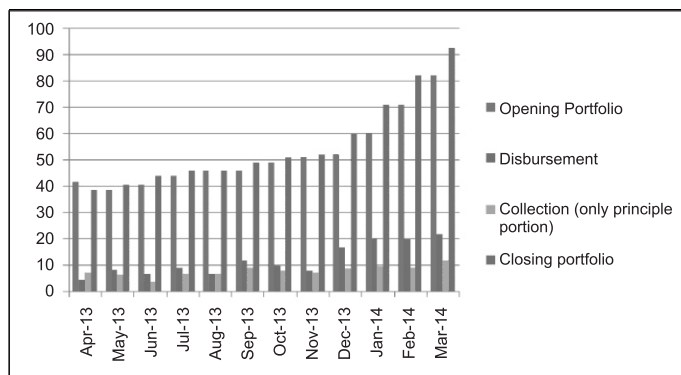
(Rs. in Lakhs)

Particulars	Year Ended 31.03.14	Year Ended 31.03.13
Gross Income from operation	1767.02	899.39
Other Income	29.08	9.36
EBIDTA	980.90	486.50
<b>Less:</b>		
Interest	678.83	325.31
Depreciation	7.37	6.77
Profit Before Tax	294.70	154.41
Profit/(Loss) after tax	182.45	154.41
Available for appropriation	182.45	154.41
Transfer to Reserve fund u/s 45IC of RBI Act, 1934	36.49	30.88
<b>Surplus/deficit carried to Balance Sheet</b>	<b>114.97</b>	<b>123.53</b>

#### 4. Operations

The Company's gross income for the financial year ended March 31, 2014 raised

	Opening Portfolio	Collection	Disbursement	Closing Portfolio
<b>13-Apr</b>	41.863449	4.4784	7.3040695	39.03778
<b>13-May</b>	39.03778	8.3624	6.5068599	40.89332
<b>13-Jun</b>	40.89332	6.9476	3.7429843	44.097936
<b>13-Jul</b>	44.097936	9.0608	6.8342758	46.32446
<b>13-Aug</b>	46.32446	6.7868	6.7861115	46.325148
<b>13-Sep</b>	46.325148	12.0184	9.143611	49.199937
<b>13-Oct</b>	49.199937	10.0644	7.9313415	51.332996
<b>13-Nov</b>	51.332996	8.2156	7.343406	52.20519
<b>13-Dec</b>	52.20519	16.9504	8.6975407	60.458049
<b>14-Jan</b>	60.458049	20.5656	9.6786739	71.344975
<b>14-Feb</b>	71.344975	20.12	9.1745518	82.290423
<b>14-Mar</b>	82.290423	22.024	11.736912	92.577511



and have applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014, and of the profit of the Company for the year ended on that date;

iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;

iv. they have prepared the annual accounts of the Company on a 'going concern' basis.

#### 13. Audit Observations

Auditors' observations are suitably explained in notes to the Accounts and are self-explanatory.

#### 15. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in Directors' Report) Rules, 1988 is given in as an Annexure to this report.

#### 16. Employee Particulars

The information required in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended from time to time) and forming part of the Directors' Report for the year ended March 31, 2014 is not annexed, as there is no employee drawing salary exceeding the present limits as provided under the Act.

#### 17. Corporate Social Responsibility

In pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors.

#### ACKNOWLEDGMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from the Reserve Bank of India, Securities and Exchange Board of India, Registrar of Companies and other government and regulatory agencies and to convey their appreciation to CTL, customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation of the commitment, commendable efforts, team work and professionalism of all the employees of the Company.

#### FOR AND ON BEHALF OF THE BOARD OF CAPITAL TRUST LIMITED

Sd/-  
S Mahanti  
Chairman  
Date: 05.05.2014  
Place: New Delhi

Sd/-  
Yogen Khosla  
Director

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**1. Industry Structure and Development:** Due to the highly dynamic situation of our country, India must be consistent in regaining its position as a leading emerging market investment destination. This can only be possible if consistency and clarity is in our policies. In anticipation of the election results the equity markets have created an all time high and currency markets are buoyant but investors (private and foreign) are waiting for stability of governance. They will see policy actions before committing long term capital to India. Basically, India is experiencing a difficult economic situation on the growth, asset quality, inflation and fiscal deficit fronts. Growth estimation graph shows bottomward trends but recovery is predicated upon clarity of policy matters and decision making by the Government. Both of the factors are out of the control of private enterprises.

On the other hands, gross non performing loans show rising trend to be at 3.6% in FY 2013-14 from 2.5% in FY 2012-13, which have probably been acceptable to the Indian banks due to the capital requirements. However, if the restructured assets are included at 9.4%, the asset quality issue is definitely a concern. The RBI has initiated its efforts to recognize and clean up Non-Performing Assets ("NPA"). Hence, it introduced a shift in focus to Consumer Price Inflation (CPI) from Wholesale Price Inflation (WPI).

Higher growth would be achieved by reviving investments, initially by revival of stalled projects, especially in the higher domestic savings and financial savings by containing inflation and positive real return. The coming years will be very challenging on the interest rate and credit quality front, however, if India votes for a stable Government, we could see an improvement in asset quality and return growth.

**2. Opportunities:** The sector uses the loans for various business activities ranging from Agriculture, Handicrafts, Trading, Services, Shops, Livestock, and Production to others. As banks are unable to appraise the credit requirements of the micro and small businesses they are unable to extend credit facilities with collateral security. The banking system will not be able to meet this demand and a wide gap exists giving the Company an opportunity to grow in its financing of Small Business Loans.

**Threat:** Major threat faced by Capital trust would be the unfortunate circumstances of not being able to raise funds for its future business operations.

**3. Segment-wise Performance:** The Company is engaged in finance/lending. Details of performance have been provided in this report.

**4. Outlook:** Capital Trust Limited expects to maintain its performance in financial year 2015 and hopes to grow at rate faster than the growth of bank credit. The approach would be to continue with the growth momentum while balancing risk. As before, it will continue to invest in strengthening risk management practices; and in maintaining its investment in technology and human resources to consolidate its position as a leading NBFC in India.

#### 6. Risk Management:

Risk Management is an integral part of our Company's business strategy. A dedicated team is a part of the management processes governed by the senior management team. This team reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyzes risk exposure related to specific issues and provides oversight of risk across the organization. The team nurtures a healthy and independent risk management function to avoid any kind of misappropriations in the Company. As part of the Risk Management framework, the management of Credit Risk, Market Risk, Operational Risk and Fraud Risk are placed under the Head – Risk. The Credit Risk management structure includes separate credit policies and procedures for various businesses. The risk policies define prudential limits, portfolio criteria, exceptional approval metrics, etc. and cover risk assessment for new product offerings. Concentration Risk is managed by analyzing counter-party, industry sector, geographical region, single borrower and borrower group. Retail Finance credit approval is based on product / programs and monitoring is primarily done at the portfolio level across products and programs. Causal analysis is carried out and corrective actions are implemented on key risk indicators. A Senior Management oversight committee meets periodically to review the operational risk profile of the organization. Fraud risks are mitigated through a fraud risk management team.

#### 7. Internal Control Systems and their adequacy:

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company. The Company's internal control system is commensurate with the size, nature and operations of the Company.

#### 8. Human Resources

We recognize people as our most valuable asset and we have built an open, transparent and meritocratic culture to nurture this asset. Talent Management is a key people planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within our organization. Attrition has been managed well and has been below industry benchmarks. Capital Trust Limited has kept a sharp focus on Employee Engagement. We are focusing on developing our employees and offer them compulsory training of at least 5% of their annual working days regularly. We follow 360 degree feedback to ensure the satisfaction of our people. We have a strong system of grievance handling too. No concern of our people goes without addressing. We strive for excellence by thriving on Capital Trust Limited's positivity.

#### 9. Information and Technology

Our IT team has proved to be one of the most efficient and highly technical team in the industry. Their objective is to use the highly efficient operations, technologies and processes of modern financial institutions to act as a strong backbone to bring economies of scale to financial operations. We have developed a sound and secured IT infrastructure that supports the full scale operations and back office. The system is entirely automated and interactive that enables us to execute and take quick decisions. We have an in-house server that houses our database.

#### 10. Compliance

The Company has complied and continues to comply with all the applicable regulations, circulars and guidelines issued by the RBI such as Capital Adequacy, Net Owned Funds, provisioning for Non-Performing Assets and for standard assets, Concentration of Credit and Investment, filings, etc. The Company has deployed "ComplianceCheck" ("Application"), an online platform to report and monitor compliances. The Application has features such as generation of compliance alerts, generation of compliance reports and updating the compliance tasks based on regulatory developments.

The Company has complied with all applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 and the RBI Act, 1934 and other applicable rules/regulations/guidelines issued from time to time.



## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE REPORT

The commitment of Capital Trust Limited to the highest standards of good corporate governance practices predates SEBI and clause 49 of the listing agreement. Transparency, fairness, disclosure and accountability are central to the working of CTL. The Company maintains the same tradition and commitment.

Given below are the Company's corporate governance policies and practices for FY 2014. As will be seen, the Company's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements in accordance with the provisions of clause 49 of the listing agreement.

SEBI vide its circular No. CIR/CFD/POLICY CELL/2/2014 dated 17 April 2014 has notified the revised clause 49 of the listing agreement to be applicable with effect from 1 October 2014. This Report therefore states compliance against the previous clause 49 of the listing agreement, applicable for FY2014.

#### 1) BOARD OF DIRECTORS

In keeping with the commitment of the management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

#### A) COMPOSITION

The Company has a non-executive chairman. As on 31 March 2014, the Board of the Company consisted of four directors, of whom three were non-executive independent. The Board has no institutional nominee directors. As Table 1 shows, the Company is in compliance with the guidelines.

Note: None of the Directors on the Company's Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which he is a Director. All the Directors have made necessary disclosures regarding committee positions occupied by them in other Companies.

#### B) NON-EXECUTIVE DIRECTORS' COMPENSATION

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee corporate governance framework of the Company.

Non-executive directors are paid. sitting fees and reimbursement of expenses for participation in the Board and other meetings of the committee

#### C) CONDUCT OF BOARD PROCEEDINGS

During the year under review Nine Board Meetings were held on 08.05.2013, 15.07.2013, 08.08.2013, 09.09.2013, 21.10.2013, 07.11.2013, 21.11.2013, 24.12.2013 and 11.02.2014. The gap between any two meetings has been less than four months.

**The Composition of the Board, attendance at Board Meetings (BM) held during the financial year under review and at last Annual General Meeting (AGM) and number of directorships and Memberships/ Chairmanships in other Public Companies are given below:**

Attendance record of directors

Table 1: Composition of the Board and attendance record of directors for FY2014

Category	Name of Directors	No. of Board Meetings attended	Whether AGM attended	No. of other Directorship held
Non-executive & Independent Director	S. Mahanti, Chairman	4	Yes	-
	Vijay Kumar	6	No	-
	Hari Baskaran*	-	-	-
	KL Khullar**	5	Yes	-
Executive Director & Promoter	Mr. Yogen Khosla	9	Yes	-

\*Appointed w.e.f. 21.11.2013

\*\*Resigned w.e.f. 07.11.2013

Notes:

- None of the directors is related to any other director
- None of the directors has any pecuniary relationship with the Company
- None of the directors received any loans or advances from the Company during the year.
- Private limited companies, foreign companies and companies under section 25 of the Companies Act, 1956 are excluded for the above purposes.
- None of the directors was a member in more than ten committees nor a chairman in more than five committees across all companies in which he was a director.

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, one-third of the two third of rotational directors of the Company shall retire at every Annual General Meeting. Accordingly, Mr. Vijay Kumar, Director of the Company is liable to retire by rotation in the forthcoming Annual General Meeting.

Review of legal compliance reports

During the year, the Board periodically reviewed legal compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the management.

#### 2) BOARD COMMITTEES

##### A) Audit Committee

Constitution and Composition

With a view to comply with various requirements under the Companies Act and clause

49 of the listing agreement, the Board of Directors has set up an Audit Committee. The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, clause 49 of the listing agreement and NBFC regulations.

The terms of reference are extensive and go beyond what is mandated in clause 49 of the listing agreement, the Companies Act and under NBFC regulations. These broadly include review of financial statements, review of compliances and review of systems and controls.

Composition of the Committee as on 31 March 2014 was as under:

- S. Mahanti, Chairman
- Vijay Kumar
- Hari Baskaran\*
- KL Khullar\*\*
- Yogen Khosla

\*Appointed w.e.f. 21.11.2013

\*\*Resigned w.e.f. 07.11.2013

In compliance with clause 49 of the listing agreement, all the members are non-executive directors and are financially literate and have accounting or related financial management expertise.

Meetings and attendance

There were four meetings of the Audit committee held during the year on 08.05.2013, 08.08.2013, 07.11.2013, 11.02.2014. The attendance of each Member of the Committee is given below:

Meetings and attendance during the Year:

Name of Directors	Category	No. of Meetings attended
S. Mahanti, Chairman	Non-executive & Independent Director	4
Vijay Kumar		3
Hari Baskaran*		1
KL Khullar**		2
Mr. Yogen Khosla	Executive Director	4

\*Appointed w.e.f. 21.11.2013

\*\*Resigned w.e.f. 07.11.2013

#### B) Remuneration Committee

Constitution and Composition

The Remuneration Committee meeting of the Board of Directors has been constituted to recommend/review the remuneration package of the directors. The committee comprising of three non-executive & independent directors.

No meeting is held during the financial 2013-14.

Name of Directors	Category
S. Mahanti	Non-executive & Independent Director
Vijay Kumar	
Hari Baskaran*	
KL Khullar**	

\*Appointed w.e.f. 21.11.2013

\*\*Resigned w.e.f. 07.11.2013

During the year under review, there were no material pecuniary relationships and transactions of any non-executive director with the Company.

#### C) Shareholders Grievances Committee:

The Shareholders Committee comprises of Mr. Yogen Khosla, Mr. S. Mahanti, Mr. Vijay Kumar and Mr. Hari Baskaran. Ms Tanya Sethi, Company Secretary acts as the Secretary to the Committee, which looks into the Shareholders and investors related matters.

Meetings and the attendance during the year:

There were four meetings of the Shareholders Grievances Committee held on 08.05.2013, 08.08.2013, 07.11.2013, 11.02.2014 during the year. The attendance of each member of the Committee is given below:

Name of Directors	Category	No. of Meetings attended
S. Mahanti	Non-executive & Independent Director	4
Vijay Kumar, Chairman*		3
Hari Baskaran		1
K.L. Khullar		2
Mr. Yogen Khosla	Executive Director	4

• **Chairman w.e.f. 07.11.2013**

None of the complaints received from the shareholders is pending with the Company. The status of **Shareholders' Grievance Redressal** during 01-04-2013 to 31-03-2014 is as under:

3) **MANAGEMENT**

Management discussion and analysis

This is given as a separate chapter in this Annual Report.

4) **DISCLOSURE OF MATERIAL TRANSACTIONS**

Pursuant to clause 49 of the listing agreement, Senior Management is required to make disclosures to the Board relating to all material, financial and commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company.

5) **COMMUNICATION TO SHAREHOLDERS**

Quarterly, half yearly and annual financial results are published in the Pioneer and Veer Arjun. The Company also sends the half-yearly financial results, along with a detailed write-up, to all shareholders.

The Company has a website [www.capital-trust.com](http://www.capital-trust.com) which contains all important public domain information. All financial information are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

The Company also files the following information, statements, reports on websites specified by BSE Limited

- Full version of the Annual Report including the Balance Sheet, Statement of Profit and Loss, Directors' Report and Auditors' Report, Cash Flow Statement and quarterly financial statements

- Corporate Governance Report

- Shareholding pattern

6) **INFORMATION ON GENERAL BODY MEETINGS**

The last three annual general meetings of the Company were held at MCD Community Centre, Gautam Puri, Badarpur, New Delhi-110044

2012-13	23.09.2013	9.00 a.m.
2011-12	12.09.2011	9.00 a.m.
2010-11	30.07.2012	9.00 a.m.

7) **TENTATIVE FINANCIAL CALENDAR**

Unaudited results for quarter ending 30<sup>th</sup> June 2014: Last week of July 2014

Unaudited results for quarter ending 30<sup>th</sup> September 2014: Last week of October 2014

Unaudited results for quarter ending 31<sup>st</sup> December 2014: Last week of January 2014

Audited results for the year ending 31<sup>st</sup> March 2014: Last week of May 2014

Annual General Meeting for the year ended 31<sup>st</sup> March 2014: July - August 2014

8) **COMPLIANCE OF MANDATORY AND NON-MANDATORY**

Requirements under clause 49

A) **Mandatory**

The Company has complied with all the mandatory requirements of clause 49 of the listing agreement.

B) **Non-mandatory**

The Company has adopted the following non-mandatory requirement:

- 1) Remuneration committee of the Board of Directors has been set up and the particulars of the Committee are given in the Report itself.

- 2) Shareholders Right

The quarterly financial results including summary of significant events of relevant months are published in the newspaper and informed to the Stock exchanges and same is hosted in the website of Stock exchange.

- 3) Training of Board Members

For orientation and to get familiar with the Company business operations, governance procedures and practices, the Director visits the Branches of the Company. Besides, detailed presentations are periodically made to the Board members of the Company, risk profile of the business parameter and their responsibilities as Director.

- 4) Whistle Blower Policy

The Company has formulated a policy to prohibit managerial personnel from taking adverse action against employees disclosing in good faith alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement or misappropriation of Public funds, substantial and specific danger to public health and safety. The policy also lays down the mechanism for making enquiry in to whistle blower complaint received by the Company. Employees aware of any alleged wrongful conduct to the Audit Committee shall be subject to the disciplinary action. No personnel of the Company have been denied access to the Grievance Redressal Mechanism of the Company.

9) **GENERAL SHAREHOLDER INFORMATION**

A) **Distribution of Shareholdings**

The distribution of shareholding as on as on 31.03.2014 is given as under:

No. of Shares	No. of shares held	% of Total Shares	No. of Shareholders	% of Total Shareholders
Up to 5000	828295	11.044	5462	93.208
5001 to 10000	167802	2.237	223	3.805
10001 to 20000	111339	1.485	77	1.314
20001 to 30000	62547	0.834	25	0.427
30001 to 40000	45251	0.603	12	0.205
40001 to 50000	26705	0.356	6	0.102
50001 to 100000	206654	2.755	26	0.444
100001 & above	6051407	80.685	29	0.495
<b>Total</b>	<b>75000000</b>	<b>100</b>	<b>5860</b>	<b>100</b>

B) **Shareholding Pattern as on 31st March, 2014**

Category	No. of Shares Held	% of holding
<b>A. Promoters Holding</b>		
1. Promoters - Indian Promoters	5347897	71.306
Foreign Promoters	Nil	Nil
2. Persons Acting in Concert	Nil	Nil
<b>Sub Total</b>	<b>5347897</b>	<b>71.306</b>
<b>B. Non Promoters Holding</b>		
<b>C. Institutional Investors</b>		
1. Mutual Funds & UTI	100	0.001
2. Banks, Financial Institutions, Insurance companies, Central/State Govt. Institutions, Non Govt. Institutions	100	0.001
3. FIIs	Nil	Nil
<b>Sub Total</b>	<b>200</b>	<b>0.002</b>
<b>Non Institutional Investors</b>		
1. Bodies Corporate	207304	2.764
2. Individual	1883099	25.10
3. NRIs/OCBs	17349	0.231
4. Clearing Member	4385	0.585
5. Trust	300	0.004
<b>Sub Total</b>	<b>2152103</b>	<b>28.694</b>
<b>Total Non Promoters holding (1+2)</b>	<b>2152103</b>	<b>28.694</b>
<b>Grand Total</b>	<b>75000000</b>	<b>100</b>

C) **Dematerialization of Shares and liquidity.**

The trading in the Company's equity shares is permitted only in Demat form. The Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Service Limited (CDSL) for maintaining and facilitating transaction in the Company's shares in electronic mode. The ISIN No. allotted to the Company's equity shares is **INE707C01018**. The details of dematerialization of shares are as under:

Shares Held	No. of Shares	% of Total Issued Capital
In dematerialization form with NSDL	31,76,253	42.35
In dematerialization form with CDSL	33,52,170	44.70
In Physical form	9,71,577	12.95
<b>TOTAL</b>	<b>75000000</b>	<b>100.00</b>

The shares of the Company are listed on Bombay Stock Exchange, which provide sufficient liquidity to the investors.

10) **Outstanding GDRs**

Not Applicable. There were no outstanding GDRs/ADRs/ Warrants or any other Convertible Instruments as on 31.03.2014.

11) **Plant locations**

The Company is a Non- Banking Finance Company (NBFC) engaged in the business of Financing. Hence there is no plant location. However, the Company has Branches in Delhi, Uttar Pradesh and Uttarakhand and Punjab.

**Address for correspondence**

**Registered & Corporate Office:**

507, Courtyard,  
DLF Place, Saket,  
New Delhi-110017  
Tel: 011-41627007  
Email: [info@capital-trust.com](mailto:info@capital-trust.com),  
Web: [www.capital-trust.com](http://www.capital-trust.com)

## 12) CEO & CFO Certification

The Managing Director and the Chief Financial Officer of the company give annual certification on financial reporting to the Board in terms of clause 49 of the Listing Agreement. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of clause 49 of the Listing Agreement. The Annual Certificate given is published in this Report.

## 13) Compliance Certificate of Auditors

Certificate from the Statutory Auditors of the company M/s VSH & Associates, Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is forming part of annexure to Directors' Report.

### CEO and CFO Certification

We, Yogen Khosla, Managing Director and Sukumara Pillai, Chief Manager Accounts, responsible for the finance function certify to the Board of Directors that:

- We have reviewed financial statements and the cash flow statement for the financial year ended on 31<sup>st</sup> March 2014 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 company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 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 violate of the Company's Code of Conduct.
- They 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.
- We have indicated to the Auditors and the Audit Committee
  - Significant changes in the 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.

Sd/-	Sd/-
Yogen Khosla	Sukumara Pillai
(Managing Director & CEO)	(Chief Manager Accounts)

Place: New Delhi  
Date : 5th May 2014

### DECLARATION BY CHIEF EXECUTIVE OFFICER

I hereby confirm and declare that all the Directors of the Company and all Senior Management Personnel as defined in the Code of Conduct of the company have submitted annual declaration confirming their compliance with the same.

Sd/-  
Yogen Khosla  
(Managing Director & CEO)

### CERTIFICATE ON CORPORATE GOVERNANCE

#### TO THE MEMBERS OF

#### CAPITAL TRUST LIMITED

- We have examined the compliance of conditions of Corporate Governance by CAPITAL TRUST LIMITED (the company), for the year ended on 31<sup>st</sup> March 2014 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock exchange in India.
- The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the Compliance with the conditions of the Corporate Governance; it is neither an audit nor an expression of opinion on the Financial statements of the Company.
- In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
- As required by the Guidance Note issued by the Institute of Chartered Accountants of India in respect of 'Shareholders/ Investors Grievances, the Registrar of the Company, who have maintained the records pertaining to 'Shareholders/ Investors Grievances, have certified that there were no investor grievance remaining unattended/pending for more than 30 days.

We further state that such compliance 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.

For VSH & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 012420N  
Sd/-  
(VIVEK K. GUPTA)  
Partner  
(Mem.No. 091926)

Place : New Delhi  
Dated : 5th May 2014

### Particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Under The Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988

A. Conservation of Energy	Not applicable
B. Technology Absorption	Not applicable
C. Foreign Exchange Earning & Outgo	Earnings: NIL
	Outgo : Rs. 14,44,114

### AUDIT REPORT

To the Board of Directors of **Capital Trust Limited**.

We have audited the attached Balance Sheet of Capital Trust Ltd. as at 31<sup>st</sup> March 2014 and the Profit and Loss Account of the company for the year ended on that date annexed thereto as required by Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1999 and report as follows:

- The company has applied for Registration as provided in section 45-1A of the Reserve Bank of India Act, 1934 (2 of 1934) and received the certificate of Registration bearing No.: B-03-00068
- Further to our comments in the annexure referred to in point 1 above, as the company is not accepting public deposits, we report as follows:
  - The Board of Directors has passed a resolution for non-acceptance of any public deposits;
  - The company has not accepted any public deposits during the relevant period; and
  - The company has complied with prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.

for VSH & ASSOCIATES  
Chartered Accountants  
Firm Registration No. : 012420N

Sd/-  
(VIVEK K. GUPTA)

Partner  
(Membership No. 091926)

Place : New Delhi  
Date : 5th May 2014

### INDEPENDENT AUDITORS' REPORT

#### TO THE MEMBERS OF CAPITAL TRUST LIMITED

#### Report on the Financial Statements

We have audited the accompanying Financial Statement of **CAPITAL TRUST LIMITED ('the Company')** which comprise the balance sheet as at 31 March 2014, the Statement of Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;

- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
- As required by Section 227(3) of the Act, we report that:
  - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 and
  - On the basis of written representations received from directors, as on 31 March, 2014 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

for **VSH & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. : 012420N

**Sd/-**  
**(VIVEK K. GUPTA)**  
Partner  
(Membership No. 091926)

Place : New Delhi  
Date : 5th May 2014

## ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of Capital Trust Limited ('the Company') for the year ended 31st March 2014. We report that:

### 1) Fixed Assets

- The Company has maintained proper records showing full particulars including quantitative detail and situation of fixed assets.
- The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner at the end of every year. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

### 2) Inventory

The Company is a service company, primarily lending loans at macro level. Accordingly, it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.

### 3) Loans taken/ given

- The Company has taken loans from 6 (Six) companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 43.88 Crores and the year-end balance of loans/ Advances taken from these parties/ companies was Rs. 32.36 Crores.
- In our opinion and according to the information and explanations given to us, the rate of interest of such loans is prima facie not prejudicial to the interest of the company. There are no other terms and conditions of such loans.
- The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the services. The activities of the company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of our audit.

### 5) Transactions u/s 301

- To the best of our knowledge and belief and according to the information and explanation given to us, we are of the opinion that the transactions of contracts or arrangements that need to be entered in to the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and exceeding the value of Rs 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- In Our Opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the period covered by the audit report. To the best of our knowledge and according to the information and explanations given to us, no order on the company u/s 58A, 58AA or any other relevant provisions of the Act and the rules framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the company.

- In our opinion, the internal audit system of the Company is adequate commensurate with the size of the Company and nature of its business;

- As per information and explanations given to us the central government has not prescribed the Company / class of companies to maintain Cost Records as per Section 209(1)(d) of the Act.*

### 9) Statutory Dues

- According to the information and explanation given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of the account in respect of undisputed statutory dues including provident fund, investor education and protection fund, employee state insurance, income tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. As explained to us, the company did not have any dues on account of Employees' State Insurance, Custom Duty and Excise Duty.

According to the information and explanation given to us, no undisputed statutory dues payable in respect of provident fund, investor education, and protection fund, employee state insurance, income tax, cess were in arrears, as at March 31, 2014 for a period of more than six months from the date they become payable.

- According to the information and explanation given to us, there are no dues of sales tax, income tax and service tax which have not been deposited on account of any dispute.

- The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and also had not incurred any cash losses in the immediately preceding financial year also.

- In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayments of dues to a bank.

- In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- In our opinion and according to the information and explanations given to us, the company is not a chit fund/nidhi/mutual benefit fund/society.**

- In our opinion company has maintained proper records of the transactions and contracts of dealing in shares etc and timely entries have been-made therein. Also the shares, securities and other investments have been held by the Company in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956 (1 of 1956)

- In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

- In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.

- In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used (for long-term investment).

- According to the information and explanations given to us, the Company has made preferential allotment of 18% non-convertible redeemable preference shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. The rate of dividend and other terms and conditions on which these shares are issued are not prima-facie prejudicial to the interests of the company.

- In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our audit. Accordingly, the provisions of clause 4 c (xix) of the Companies (Auditors Report) order 2004 are not applicable to the Company.

- During the period covered by our audit report, the Company has not raised any money by public issues.

- To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

- Other clauses and paragraph 4 of the manufacturing and other Companies (Auditor's Report) Order, 2003 not commented upon are not applicable to the Company.

for **VSH & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 012420N

**Sd/-**  
**(VIVEK K. GUPTA)**  
Partner  
(Membership No. 091926)

Place : New Delhi  
Date : 5th May 2014



**CAPITAL TRUST LIMITED**

Balance Sheet as at 31st March, 2014

Particulars	Notes Reference	As at 31/Mar/14 ₹	As at 31/Mar/13 ₹
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>(1) SHARE HOLDERS FUNDS</b>			
(a) Share Capital	2	1050,00,000	750,00,000
(b) Reserve & Surplus	3	339,47,165	188,00,808
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	16,86,531	14,97,359
(b) Other Non-Current Liabilities	5	26,99,851	21,46,066
<b>(3) CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	6	5195,12,669	1901,10,314
(b) Trade Payables	7	84,06,445	64,75,128
(c) Other Current Liabilities	8	241,60,390	4,807,796
<b>Total</b>		<b>6954,13,051</b>	<b>2988,37,471</b>
<b>II ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed assets			
(i) Tangible assets	9	60,97,135	46,50,421
(b) Non-current investments	10	5	5
(c) Deferred tax asset	11	23,39,160	-
<b>(2) CURRENT ASSETS</b>			
(a) Trade receivables	12	78,15,968	52,59,459
(b) Cash and cash equivalents	13	237,89,511	191,10,738
(c) Short-term loans and advances	14	6553,71,271	2698,16,848
<b>Total</b>		<b>6954,13,051</b>	<b>2988,37,471</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

See accompanying notes forming part of financial statements

As per our report attached

**For VSH & ASSOCIATES**

Chartered Accountants

Firm Registration No. 012420N

**Sd/-**  
**(VIVEK K. GUPTA)**  
 Partner  
 Membership No.091926

**Sd/-**  
**YOGEN KHOSLA**  
 Managing Director

**Sd/-**  
**VIJAY KUMAR**  
 Director

 Place : New Delhi  
 Date : 5th May 2014

**Sd/-**  
**TANYA SETHI**  
 Company Secretary

**CAPITAL TRUST LIMITED**
**Statement of Profit & Loss for the Year ended 31st March, 2014**

Particulars	Notes Reference	As at 31/Mar/14 ₹	As at 31/Mar/13 ₹
<b>I</b> Revenue from operations	15	1767,02,184	899,39,171
<b>II</b> Other income	16	29,07,769	9,36,140
<b>III Total revenue (I + II)</b>		1796,09,953	908,75,311
<b>IV Expenses</b>			
Employee benefits expense	17	446,43,333	267,48,007
Other expenses	18	368,76,845	154,77,804
<b>Total</b>		815,20,178	422,25,811
<b>V Profit before Depreciation, Interest and Tax</b>		980,89,776	486,49,500
Depreciation and amortization expense	19	7,36,813	6,77,135
Finance costs	20	678,82,962	325,31,422
<b>VI Profit / (Loss) before tax</b>		294,70,001	154,40,993
<b>VII Tax expense</b>			
Current tax		102,74,000	-
Deferred tax		(23,39,160)	-
Income tax adjustments for prior year's (net)		32,90,521	-
<b>VIII Profit for the year</b>		182,44,641	154,40,943
<b>IX EARNINGS PER EQUITY SHARE</b>	21		
Equity shares of par value ₹.10/- each			
(a) Basic		2.43	2.06
(b) Diluted		2.43	2.06
Number of shares used in computing earnings per share			
(a) Basic		75,00,000	75,00,000
(b) Diluted		75,00,000	75,00,000

**SIGNIFICANT ACCOUNTING POLICIES** 1

See accompanying notes forming part of financial statements

 As per our report attached  
**For VSH & ASSOCIATES**  
 Chartered Accountants  
 Firm Registration No. 012420N

**Sd/-**  
**(VIVEK K. GUPTA)**  
 Partner  
 Membership No.091926

**Sd/-**  
**YOGEN KHOSLA**  
 Managing Director

**Sd/-**  
**VIJAY KUMAR**  
 Director

 Place : New Delhi  
 Date : 5th May 2014

**Sd/-**  
**TANYA SETHI**  
 Company Secretary

**CAPITAL TRUST LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	As at 31/Mar/14 ₹	As at 31/Mar/13 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extraordinary items	294,70,001	154,40,943
Adjustments for:		
Depreciation	7,36,813	6,77,135
(Profit)/Loss on Sale of Assets (Net)	16,050	(17,598)
Provision for NPA/ Doubtful Advances	22,32,981	5,77,945
Interest paid to Banks and Financial Institutions	678,82,962	325,31,422
	1003,38,807	492,09,847
Adjustments for:		
Dividend Received	(25,000)	(15,000)
Income Tax Paid	(17,94,904)	-
Operating Profit before Working Capital Changes	985,18,903	491,94,847
Adjustments for:		
(Increase)/Decrease in Current Assets	(3927,62,357)	(1439,08,728)
Increase/(Decrease) in Current Liabilities & Trade Payable	124,71,957	11,52,000
(Inrease)/Decrease in Net Current Assets	(3802,90,400)	(1427,56,728)
Cash generated from Operations	(2817,71,498)	(935,61,881)
Net Cash Flow from Operating activities	(2817,71,498)	(935,61,881)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(24,02,577)	(4,41,595)
Sale of Fixed Assets	2,03,000	5,53,417
Dividend Received	25,000	15,000
Net Cash used in investing activities	(21,74,577)	1,26,822
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid to Banks and Financial Institutions	(678,82,962)	(325,31,422)
Issue of Preference Share Capital	300,00,000	-
Dividend on Pref Shares & Dividend Tax	(30,83,719)	-
Proceeds from Borrowings	3295,91,527	1281,08,183
Net Cash from Financing Activities	2886,24,847	955,76,761
Net increase/ (Decrease) in cash and cash equivalents (A+B+C)	46,78,772	21,41,702
Cash and cash equivalents at the begining of the year	191,10,738	169,69,036
Cash and cash equivalents at the close of the year	237,89,510	191,10,738

SIGNIFICANT ACCOUNTING POLICIES

1

See accompanying notes forming part of financial statements

As per our report attached  
**For VSH & ASSOCIATES**  
 Chartered Accountants  
 Firm Registration No. 012420N

**Sd/-**  
**(VIVEK K. GUPTA)**  
 Partner  
 Membership No.091926

Place : New Delhi  
 Date : 5th May 2014

**Sd/-**  
**YOGEN KHOSLA**  
 Managing Director

**Sd/-**  
**TANYA SETHI**  
 Company Secretary

**Sd/-**  
**VIJAY KUMAR**  
 Director

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Accounting Policies.**

**1.1 Corporate Information**

Capital Trust Limited is a public company incorporated in India under the provisions of the Companies Act, 1956. Its shares are listed on Mumbai Stock Exchange. The Company is engaged in the Business of Small Enterprise Loan.

**1.2 Basis of preparation of financial statements**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of companies act 1956. Pursuant to circular no. 15/2013 dated September 13, 2013 of read with circular 08/ 2014 dated 4th April, 2014, till the standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

**1.3 Use of estimates**

- The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.
- Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.
- The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal.

**1.4 Recognition of Income & Expenditure:-**

- Micro & Small Enterprise Finance Interest income is accounted in accordance with the terms of agreements with the Borrowers on Accrual basis
- All other incomes are accounted for on accrual basis.

**1.5 Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**1.6 Depreciation**

- Depreciation is provided on SLM as per schedule XIV to the Companies Act 1956 on pro-rata basis with reference to the period of use.

- Depreciation on additions to assets or on sale/discardment of assets is calculated on pro-rata basis from the date of such addition or up to the date of such sale/discardment, as the case may be.

**1.7 Fixed Assets:**

All Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Subsequent expenditure, which substantially enhances the previously assessed standard performance of the asset, is added to the carrying value.

**1.8 Foreign currency transaction:**

All incomes or expenditure in Foreign Currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

**1.9 Retirement Benefits:**

The Company has subscribed the "Group Gratuity Scheme of LIC" for purpose of discharging the gratuity liability under the payment of Gratuity Act. The provision of Gratuity is made as per premium due/payable for the year as per calculation of premium on Actuarial basis certified by a Certified Actuary as required by AS-15. Out of this provision of gratuity, some portion is also funded by LIC of India. Contributions to the Provident Fund and Superannuation Fund are charged to the Profit & Loss Account.

**1.10 Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset is capitalizes as part of the cost of that asset wherever applicable. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**1.11 Earning Per Share:**

The Company reports basic and diluted Earning Per Share in accordance with Accounting Standard-20 on "Earning Per Share". Basic Earning Per Share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted Earning Per Share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

**1.12 Impairment of Assets:**

At the Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there is any indication that those assets suffered an impairment loss and provides, if any.

**1.13 Taxation:**

- provision for tax is created in view of taxes paid/payable during the Financial year.
- Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realized in future.

**1.14 Investment**

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or non current based on Management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value of each investment individually. Non current investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

**1.15 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



## Notes to financial statements for the year ended 31 March 2014

	31 March 2014 ₹	31 March 2013 ₹
<b>2. Share capital</b>		
<b>Authorized shares capital</b>		
15000000 (31 March 2013 : 15000000) equity shares of ₹ 10/- each	1500,00,000	1500,00,000
3000000 (31 March 2013 : Nil) Preference shares of ₹ 10/- each	300,00,000	-
	<b>1800,00,000</b>	<b>1500,00,000</b>
<b>Issued, subscribed and paid-up capital</b>		
7500000 (31 March 2013 : 7500000) equity shares of ₹ 10/- each	750,00,000	750,00,000
3000000 (31 March 2013 : Nil) 18% Preference shares of ₹ 10/- each	300,00,000	-
Total issued, subscribed and fully paid-up shares capital	<b>1050,00,000</b>	<b>750,00,000</b>

### Equity Shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each holder of equity shares is entitled to one vote per share

### Preference Shares

The company has only one class of preference shares having a par value of ₹ 10 per share.

### Reconciliation of the shares outstanding

#### Equity shares

At the beginning of the period	75,00,000	75,00,000
Addition / (Deletions)	NIL	NIL
<b>Outstanding at the end of the period</b>	<b>75,00,000</b>	<b>75,00,000</b>

#### Preference shares

At the beginning of the period	NIL	NIL
Addition / (Deletions)	30,00,000	
<b>Outstanding at the end of the period</b>	<b>30,00,000</b>	<b>30,00,000</b>

### Details of Terms/ rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. All issued shares rank pari-passu and have same voting rights per share. 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.

### Details of Terms/ rights attached to non- convertible redeemable preference shares

30,00,000 - 18% Preference Shares Rs. 10 each fully paid up are issued and redemption period will be defined on or after the seeking prior approval from members in general meeting in every 12 months by way of Special Resolution.

### Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
I C Construction & Services Ltd	-	-	2784053	37.121%
Yogen Khosla	2168064	28.91%	1244865	16.598%
Indo Credip Pvt Ltd	3179833	42.40%	1153201	15.376%
<b>Total</b>	<b>5347897</b>	<b>71.31%</b>	<b>5182119</b>	<b>69.095%</b>

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Indo Credip Pvt Ltd	3000000	100.00%	-	-
<b>Total</b>	<b>3000000</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>

## Notes to financial statements for the year ended 31 March 2014

	31 March 2014 ₹	31 March 2013 ₹
<b>3 Reserve and surplus</b>		
(a) <b>Capital Reserve</b>		
Balance as per the last financial statements	2,27,400	2,27,400
Add./Less: Additions/Deletions		
<b>Closing Balance</b>	<b>2,27,400</b>	<b>2,27,400</b>
(b) <b>Securities premium account</b>		
Balance as per the last financial statements	86,14,800	86,14,800
Add./Less: Additions/Deletions	-	-
<b>Closing Balance</b>	<b>86,14,800</b>	<b>86,14,800</b>
(c) <b>General reserve</b>		
Balance as per the last financial statements	34,56,545	34,56,545
Add: amount transferred from surplus balance in the statement of profit and (Loss)	-	-
<b>Closing Balance</b>	<b>34,56,545</b>	<b>34,56,545</b>
(d) <b>Reserve Fund</b> <b>u/s 45 I C of RBI Act, 1934</b>		
Balance as per the last financial statements	63,52,976	32,64,776
Add: additions during the period	36,48,928	30,88,200
<b>Closing Balance</b>	<b>100,01,904</b>	<b>63,52,976</b>
(e) <b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per the last financial statements	1,49,087	(122,03,656)
Profit for the year	182,44,641	154,40,943
Less: Transferred to Reserve Fund u/s 45 I C of RBI Act 1934	36,48,928	30,88,200
Less: Proposed dividend on preference shares	26,48,219	-
Less: Corporate dividend tax	4,50,065	-
<b>Net surplus in the statement of profit and loss</b>	<b>116,46,516</b>	<b>1,49,087</b>
<b>Total</b>	<b>339,47,165</b>	<b>188,00,808</b>
<b>4. Long-term borrowings -Secured</b>		
Term loans **		
- from banks		
i. HDFC Bank (Auto Loan)	54,629	2,59,086
ii. HDFC Bank (Auto Premium Loan)	8,59,648	12,38,273
iii. HDFC Bank (Auto Premium Loan)	5,27,746	-
iv. HDFC Bank (Auto Premium Loan)	2,44,508	-
<b>Total</b>	<b>16,86,531</b>	<b>14,97,359</b>
1. Vehicle Loans are secured against hypothecation of respective Vehicles		
i. HDFC Bank Auto Loan No. 16774738 repayable in 60 monthly equal instalments of Rs.18,537/- including interest @ 10.76% P A commencing from 5th July 2010.		
ii. HDFC Bank Auto Premium Loan No.20464597 repayable in 60 monthly equal instalments of Rs.41,852/- including interest @ 11.57% PA commencing from 5th March 2012		
iii. HDFC Bank Auto Premium Loan No.25239755 repayable in 60 monthly equal instalments of Rs.15,133/- including interest @ 10.75% PA commencing from 7th October 2013.		
iv. HDFC Bank Auto Loan No.26837649 repayable in 60 monthly equal instalments of Rs.6598/- including interest @ 11.50% PA commencing from 7th Feb 2014		
<b>5. Other Long-Term Liabilities</b>		
Provision for Gratuity	26,99,851	21,46,066
<b>Total</b>	<b>26,99,851</b>	<b>21,46,066</b>

- 1) The liability for gratuity is covered under the group gratuity scheme with Life Insurance Corporation of India and Contributions made for the current year have been charged to profit and loss account as per certificate provided by LIC of India and counter certificate from certified Actuary as on 31st March 2014.
- Contributions made to the current year have been charged to Profit & Loss Account as per certificate provided by LIC of India and counter certificate from Certified Actuary as on 31st March 2014.

## Notes to financial statements for the year ended 31 March 2014

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 ₹

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 ₹

### 6 Short Term Borrowings - Secured

#### I Term Loans - Secured

Term Loan from Banks

a) Cash Credit from Vijaya Bank, New Delhi	100,79,341	99,86,985
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#### II Term Loan from Others (Unsecured)

a) Term Loan from Mas Financial Services Ltd.	1708,33,328	1033,33,329
b) Term Loan from Mount Nathan Advisors Pvt Ltd.	100,00,000	100,00,000

#### III Loans and advances from related parties\*

a) Call Deposit from Corporate Bodies	3286,00,000	667,90,000
---------------------------------------	-------------	------------

Total	5195,12,669	1901,10,314
-------	-------------	-------------

- Cash Credit from Vijaya Bank secured against assignment of Small Enterprise Finance receivables on 1st charge on specific book debts and personal guarantee of Managing Director  
Cash Credit Limit for a period of 12 months repayable monthly along with interest @ 16.25% PA as per drawing power based on monthly stock statement.
- Term Loans from others (unsecured) except Mount Nathan are secured against assignment of Micro & Small Enterprise Finance receivables on 1st charge on specific book debts. Terms of Loans given in the table.

Name	Loan Amount Outstanding	Date of Disbursement	Period in months	Rate of Interest	Monthly EMI
Mas Financial Services Ltd	8333330	2-Feb-13	12 months	16%	4166667
Mas Financial Services Ltd	12499998	27-May-13	12 months	16%	4166667
Mas Financial Services Ltd	50000000	27-Jan-14	12 months	17%	4166667
Mas Financial Services Ltd	50000000	25-Feb-14	12 months	17%	4166667
Mas Financial Services Ltd	50000000	10-Mar-14	12 months	17%	4166667
Mount Nathan Advisors Pvt Ltd	10000000	2-Mar-13	9 months	9%	Bullet end term with Interest

- Call Deposits from Corporate Bodies terms of loans are :

Name	Loan Amount Outstanding	Date of Disbursement	Rate of Interest	Repayment Term
First Realtors Pvt Ltd	3185000	11-Nov-13	20%	12 Month
First Realtors Pvt Ltd	17200000	11-Nov-13	20%	12 Month
First Realtors Pvt Ltd	30000000	12-Nov-13	20%	12 Month
First Realtors Pvt Ltd	30000000	12-Nov-13	20%	12 Month
First Realtors Pvt Ltd	30000000	12-Nov-13	20%	12 Month
First Realtors Pvt Ltd	30000000	12-Nov-13	20%	12 Month
First Realtors Pvt Ltd	30000000	12-Nov-13	20%	12 Month
First Realtors Pvt Ltd	8000000	13-Nov-13	20%	12 Month
First Realtors Pvt Ltd	5500000	19-Nov-13	20%	12 Month
First Realtors Pvt Ltd	10500000	22-Nov-13	20%	12 Month
First Realtors Pvt Ltd	32200000	27-Nov-13	20%	12 Month
First Realtors Pvt Ltd	6915000	6-Jan-14	20%	12 Month
First Realtors Pvt Ltd	4900000	23-Jan-14	20%	12 Month
First Realtors Pvt Ltd	4250000	18-Feb-14	20%	12 Month
First Realtors Pvt Ltd	3900000	11-Mar-14	20%	12 Month
First Realtors Pvt Ltd	5500000	21-Mar-14	20%	12 Month
First Realtors Pvt Ltd	10000000	25-Mar-14	20%	12 Month
First Realtors Pvt Ltd	15000000	26-Mar-14	20%	12 Month
Indo Crediop Pvt Ltd	4250000	20-Jan-14	20%	12 Month
Indo Crediop Pvt Ltd	9400000	24-Jan-14	20%	12 Month
Indo Crediop Pvt Ltd	8200000	31-Jan-14	20%	12 Month
Indo Crediop Pvt Ltd	500000	3-Feb-14	20%	12 Month
Indo Crediop Pvt Ltd	19000000	19-Mar-14	20%	12 Month
Indo Crediop Pvt Ltd	700000	31-Mar-14	20%	12 Month
Faridabad Paper Mills Ltd	5000000	29-Mar-14	16%	12 Month
V.K.Consultants Pvt Ltd	4500000	5-Dec-13	16%	12 Month

## Notes to financial statements for the year ended 31 March 2014

	31 March 2014 ₹	31 March 2013 ₹
<b>7 Trade Payables</b>		
(a) Trade payables ( Due within 1 year)		
Sundry creditors		
(i) Due to Micro, Small and Medium Enterprise	-	-
(ii) Due to Others	8,406,445	6,475,128
	<u>8,406,445</u>	<u>6,475,128</u>
<b>8 Other Current Liabilities</b>		
(a) Current Commitments of Long Term Borrowings	7,48,973	521,137
(b) Statutory dues payable		
-TDS and Service Tax payable	16,05,270	704,965
-PF, ESI payable	5,74,418	3,50,192
(c) Other Current Liability	44,49,463	-
(d) Proposed Dividend and Dividend Tax	30,98,284	-
	<u>104,76,408</u>	<u>15,76,294</u>
(e) Provision		
Provision for gratuity	7,82,283	7,46,838
Provision for Bonus	9,49,287	7,37,581
Provision for Salary	26,01,238	16,30,002
Provision for Income Tax (net of Advance Tax)	93,51,174	-
Other Provisions	-	117,081
	<u>136,83,982</u>	<u>32,31,502</u>
Total	<u>241,60,390</u>	<u>48,07,796</u>

## 9 Fixed Assets

Tangible Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	At 1st April 2013	Additions	Disposals	At 31st March 2014	At 1st April 2013	Charge for the year	Disposals	At 31st March 2014	At 31st March 2014	At 31st March 2013
Plant & Equipments	574,240	50,500	-	624,740	109,811	29,314	-	139,125	485,615	464,429
Computer	1,019,198	492,691	-	1,511,889	294,619	149,767	-	444,386	1,067,503	724,579
Furniture & Fixtures	711,297	550,485	-	1,261,782	609,882	56,252	-	666,134	595,648	101,415
Vehicles	4,938,789	1,226,211	1,368,400	4,796,600	1,630,621	494,902	1,149,350	976,173	3,820,427	3,308,168
Office Equipments	117,704	82,690	-	200,394	65,874	6,578	-	72,452	127,942	51,830
Total	<b>7,361,228</b>	<b>2,402,577</b>	<b>1,368,400</b>	<b>8,395,405</b>	<b>2,710,807</b>	<b>736,813</b>	<b>1,149,350</b>	<b>2,298,270</b>	<b>6,097,135</b>	<b>4,650,421</b>
Previous Year	8,176,533	441,595	1,256,900	7,361,228	2,754,753	677,135	721,081	2,710,807	4,650,421	5,421,780

Profit/(Loss) Net on disposal of Fixed Assets during the year ended 31st March 2014 is ₹ (16050) Previous Year ₹ 17598

## 10 NON CURRENT INVESTMENTS - UNQUOTED

(a) Investments in Equity shares : Un Quoted		
- Investment in others -unquoted shares	81,104	81,104
	<u>81,104</u>	<u>81,104</u>
Less:-Provision for diminution	81,099	81,099
	<u>5</u>	<u>5</u>

## 11 Deferred Tax Asset (NET)

Deferred Tax Assets	26,82,242	-
Deferred Tax Liability	(3,43,081)	-
Total	<u>23,39,160</u>	<u>-</u>

## 12 Trade Receivables

### (Unsecured, considered good)

Outstanding for a period exceeding 6 months from the date they are due for payment	10,000	1000
Other Debts	78,05,968	52,58,459
Total	<u>78,15,968</u>	<u>52,59,459</u>



## Notes to financial statements for the year ended 31 March 2014

	31 March 2014 ₹	31 March 2013 ₹
<b>13 Cash and Cash Equivalents</b>		
Cash on hand	1,24,907	81,722
<b>Balances with banks:</b>		
in current accounts	236,14,605	190,29,016
In Fixed Deposits	50,000	
	237,89,511	191,10,738
<b>14. Short Term Loans and advances</b>		
<b>(a) Short Term Advances (Unsecured)</b>		
(i) Micro & Small Enterprise Finance	9257,75,110	4058,07,003
Less Assignment of receivables by way of Sale	-	112,51,874
	9257,75,110	3945,55,129
Less Assignment of receivables by way of Managed Portfolio	4253,02,552	2206,66,665
	5004,72,558	1738,88,464
Less Contingent Provision Against Standard Assets/ Loan Loss Provision including Managed Portfolio/Sold Portfolio	38,35,621	25,81,384
	4966,36,937	1713,07,080
	4966,36,937	1713,07,080
<b>(b) Security Deposits</b>		
Unsecured, considered good	1485,55,395	884,42,432
	1485,55,395	884,42,432
<b>(c) Advances recoverable in cash or kind (specify nature)</b>		
Unsecured, considered good	8,19,156	6,09,020
	8,19,156	6,09,020
<b>(d) Other Loans and Advances</b>		
Income Tax Paid ( Net of Provisions)	-	24,18,444
Loan to employees	1,59,481	94,722
Prepaid expenses	92,00,302	69,45,150
	93,59,783	94,58,316
<b>Total</b>	6553,71,271	2698,16,848
<b>15 Revenue from operations</b>		
Interest Received on Micro & Small Enterprise Finance	1059,13,730	641,65,415
Income from Portfolio Sale	-	63,34,830
Interest Received on Security Deposit/Loan	82,37,130	57,45,609
Interest Received on Managed Portfolio	625,51,324	136,93,317
	1767,02,184	899,39,171
<b>15 Other income</b>		
<b>Interest income</b>		
- from Bank Short Term Deposits	7,83,257	3,43,515
<b>Dividend income</b>		
- from Long-term investments	25,000	15,000
<b>Other Income</b>	20,99,512	5,77,625
	29,07,769	9,36,140

1. Other Income includes Rs.149000/- (Previous Year Rs.223990/-) in respect of amount received on closure of two wheler finance division of the company as out of court settlement of NPA's Civil cases pending in District Courts.

## Notes to financial statements for the year ended 31 March 2013

	31 March 2013 ₹	31 March 2012 ₹
<b>17 Employee benefit expense</b>		
Salaries, wages and bonus and staff welfare	385,66,115	204,81,485
Contribution to provident fund and other funds	25,80,866	27,29,780
Directors Remuneration	34,96,352	35,36,742
	<b>446,43,333</b>	<b>267,48,007</b>
<p>The Company has subscribed the "Group Gratuity Scheme of LIC" for purpose of discharging the gratuity liability under the payment of Gratuity Act. The provision of Gratuity is made as per premium due/payable for the year as per calculation of premium on Actuarial basis certified by a Certified Actuary as required by AS-15. Out of this provision of gratuity, some portion is also funded by LIC of India. Contributions to the Provident Fund and Superannuation Fund are charged to the Profit &amp; Loss Account.</p>		
<b>18 Other expenses</b>		
Listing & Filing Fee	275,640	72,137
Electricity expenses	568,185	505,268
Rent Paid	6,196,649	4,391,565
Repairs and maintenance - Plant & Equipments	342,795	234,207
Repairs and maintenance - Others	3,562,112	1,065,535
Insurance	3,221,263	634,639
Vehicle Running Expenses	488,723	377,657
General Expenses	512,143	97,554
Legal and professional expenses	238,595	334,935
Directors sitting fee	32,750	30,750
Loss on sale / disposal of assets (Net)	16,050	-
Business Promotion Expenses	267,443	268,387
Postage & Stamps	632,547	656,171
Advertising and sales promotion	138,911	84,704
Travelling and conveyance Directors	1,444,140	430,727
Travelling and conveyance Others	5,580,050	3,340,352
Communication costs	1,107,923	900,154
Interest Paid on Income Tax/TDS	208,269	-
Printing and stationery	934,115	637,154
Commission Paid	7,187,729	-
Brokerage Paid	179,250	-
<i>Auditors Remuneration</i>		
(a) Statutory Audit Fees	115,000	112,360
(b) Taxation matters	16,854	16,854
(c) Other Services (certification fees)	-	11,236
Loan Loss w/off	1,376,728	697,513
Loan Loss Provision	965,723	161,851
Provision Against Standard Assets	1,267,258	416,094
	<b>36,876,845</b>	<b>15,477,804</b>
<b>19 Depreciation and amortization expenses</b>		
Depreciation of tangible assets	7,36,813	6,77,135
	<b>7,36,813</b>	<b>6,77,135</b>
<b>20 Finance costs</b>		
Interest Expenses		
Term Loan	195,61,190	179,49,768
Cash Credit	8,97,202	7,89,306
Intercompany Deposits	365,95,038	92,78,935
Processing Fee	103,48,093	40,06,351
Interest on Vehicle Loan	2,45,670	2,58,888
Bank Charges	2,35,768	2,48,174
	<b>678,82,962</b>	<b>32,531,422</b>
<b>21 EARNINGS PER EQUITY SHARE</b>		
Equity shares of par value ₹.10/- each		
(a) Basic	2.43	2.06
(b) Diluted	2.43	2.06
Number of shares used in computing earnings per share		
(a) Basic	7,500,000	7,500,000
(b) Diluted	7,500,000	7,500,000

## Notes to financial statements for the year ended 31 March 2014

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 ₹

### 21 GRATUITY

#### Gratuity and other post-employment benefit plans

The Company has made provision in the Accounts for Gratuity based on Actuarial valuation. The particulars under the AS 15 (Revised) furnished below are those which are relevant and available to company for this year.

#### Statement of profit and loss

##### Net employee benefit expense recognised in the employee cost

Current service cost	510,980	441,810
Past service cost	-	-
Interest cost on benefit obligation	314,630	272,989
Expected return on plan assets	(93,597)	(85,563)
Net actuarial (gain)/loss recognized in the year	(67,783)	134,931
<b>Net benefit expense</b>	<b>664,230</b>	<b>764,167</b>
Actual return on plan assets	(93,597)	(85,563)

#### Balance sheet

##### Benefit asset/liability

Present value of defined benefit obligation	4,607,123	3,932,870
Fair value of plan assets	1,049,989	1,039,966

##### Plan asset/(liability)

3,557,134	2,892,904
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#### Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	3,932,870	3,174,293
Current service cost	510,980	441,810
Past Service cost	-	-
Interest cost	314,630	272,989
Benefits paid	(78,750)	(91,153)
Actuarial (gain)/losses on obligation	(72,607)	134,931

#### Closing defined benefit obligation

4,607,123	3,932,870
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#### The principal assumptions used in determining gratuity and Compensated absence benefit obligations for the company's plan are shown below:

Discount rate	9.00	8.00
Expected salary Escalation rate	10.00	10.00
Retirement Age	58	58
Mortality table	Indian Assured Lives Mortality (2006-2008) (modified)	Indian Assured Lives Mortality (1994-96) (modified)
Withdrawal rate	Withdrawal rate(%)	Withdrawal rate(%)
All Ages	17.78% per annum	17.78% per annum

#### Amounts for the current and previous available periods are as follows:

##### Gratuity

Defined benefit obligation	4,607,123	3,932,870
Plan assets	1,049,989	1,039,966
Surplus/(deficit)	(3,557,134)	(2,892,904)
Experience adjustments on plan liabilities	(108,523)	(32,945)
Experience adjustments on plan assets	(4,824)	-

##### Post employment medical benefit

Defined benefit obligation	-	-
Experience adjustments on plan liabilities	-	-

23 Actual receipts of foreign currency is Rs.NIL (previous Year Rs.NIL).

24 Foreign currency outflow on travelling and business promotion expenses are ₹.14,44,114 /- (previous year ₹.168,346/-)

## Notes to financial statements for the year ended 31 March 2013

### 25 Segment Reporting

The Company has only one business segment "Financing" as its primary segment and hence disclosure of segment-wise information is not required under Accounting Standard 17 - "Segmental Information" notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

The Company has only one Geographical Segment. The Company caters mainly to the needs of the domestic market.

### 26 Schedule to the Balance sheet of NBFC (as required in terms of paragraph 9BB of Non Banking Financial Companies prudential norms (Reserve Bank ) directions, 1998.

	Particulars	Amount in (Rs.)	
	<b>Liabilities Side:</b>		
1	Loans and advances availed by the NBFCs inclusive of interest thereon but not paid:	Amount outstanding	Amount overdue
	(a) Debentures : Secured	0	0
	: Unsecured (other than falling within the Meaning of public deposits)	0	0
	(b) Deferred Credits	0	0
	(c) Term Loans	183268832.3	0
	(d) Inter-corporate loans and borrowing	328600000	0
	(e) Commercial Paper	0	0
	(f) Public Deposits	0	0
	(g) Other Loans (Specify nature)		
	Cash Credit Facility	10079340.68	0
2.	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	0	0
	(a) In the form of Unsecured debentures	0	0
	(b) In the form of partly secured debentures i.e debentures where there is a shortfall in value of security	0	0
	(c) Other Public deposits		
	<b>Assets side:</b>		
		Amount Standing	
3	Break-up of Leased Assets and Advances including Bills receivables (other than those included in (4) below:		
	(a) Secured	0	
	(b) Unsecured -Receivable under financing activity	925775110	
4	Break-up of Leased Assets and stock on hire and Hypothecation loans counting towards EL/HP activities		
	(i) Lease assets including lease rentals under sundry Debtors:	0	
	(a) Financial Lease	0	
	(b) Operating Lease	0	
	(ii) Stock on hire including hire charges under Sundry Debtors		
	(a) Assets on hire	0	
	(b) Repossessed Assets	0	
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed	0	
	(b) Loans other than (a) above	0	
5	Break-up of Investments:		
	Current investments:		
	1. Quoted:		
	(i) Shares:		
	(a) Equity	0	
	(b) Preference	0	
	(ii) Debentures and Bonds	0	
	(iii) Units of mutual funds	0	
	(iv) Government Securities	0	
	(v) Others (Please specify)	0	

	(2) Unquoted:			
	(i) Shares: (a) Equity		0	
	(b) Preference		0	
	(ii) Debentures and Bonds		0	
	(iii) Units of mutual funds		0	
	(iv) Government Securities		0	
	(v) Others (Please specify)		0	
	Long Term Investments:			
	1. Quoted:			
	(i) Shares: (a) Equity		0	
	(b) Preference		0	
	(ii) Debentures and Bonds		0	
	(iii) Units of mutual funds		0	
	(iv) Government Securities		0	
	(v) Others (Please specify)		0	
	(2) Unquoted:			
	(i) Shares: (a) Equity		0	
	(b) Preference		0	
	(ii) Debentures and Bonds		0	
	(iii) Units of mutual funds		0	
	(iv) Government Securities		0	
	(v) Others (Please specify)		0	
6	Borrower group-wise classification of all leases assets, Stock-on-hire and loans and advances:			
	Category	Amount Net of Provisions		
		Secured	Unsecured	Total
	1. Related Parties**			
	(a) Subsidiaries	0	0	0
	(b) Companies in the same group	0	0	0
	(c) Other related parties	0	0	0
	2. Other than related parties	0	921939489	921939489
	<b>Total</b>	0	<b>921939489</b>	<b>921939489</b>
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :			
	Category	Market Value/Break-up or fair value or NAV	Book Value (Net of Provisions)	
	1. Related Parties **			
	(a) Subsidiaries	0	0	
	(b) Companies in the same group	0	0	
	(c) Other related parties	0	0	
	(d) Other than related parties	1	1	
	<b>Total</b>	<b>1</b>	<b>1</b>	
8	Other information			
	Particulars	Amount	Amount	
	(i) Gross Non-Performing Assets	1907190	0	
	(a) Related parties	0	0	
	(b) Other than related parties	1907190	0	
	(ii) Net Non-performing Assets	1907190	0	
	(a) Related parties	0	0	
	(b) Other than related parties	1907190	0	
	(iii) Assets acquired in satisfaction of debt	0	0	

### 29. Related Party Information:

1. Relationship
  - (a) Key Management Personnel
    - 1 Mr. Yogen Khosla (Managing Director)
    - 2 Mr. Surendra Mahanti (Director)
    - 3 Mr. Vijay Kumar (Director)
    - 4 Mr. Hari Bhaskaran (Director)
  - (b) Relatives of Key Management Personnel
    - 1 Mrs. Anju Khosla
    - 2 Yogen Khosla & Sons HUF



## Notes to financial statements for the year ended 31 March 2014

- (c) Other Related Parties where control exists:
1. M/s. First Realtors Pvt Ltd.
  2. M/s. Italindian Trade & Financial Services P. Ltd.
  3. M/s. Indo Crediop Pvt Ltd.
  4. M/s. Vaibhav Farms Pvt Ltd.
  5. M/s. Vishwas Credit & Livelihood Programme
  6. M/s. Dreamcann Foods Pvt Ltd.
  7. M/s. I C Construction & Services Ltd.
  8. M/s. VELO Sportive Pvt Ltd.
  9. M/s. V.K. Consultant Pvt. Ltd.

- 30 MSME undertakings as defined under the Micro, Small and Medium Development Act 2006, to whom the Company owes a sum are Rs .NIL Previous year NIL.

### Note:

- 1 Related party relationship on the basis of requirements of Accounting Standard 18 (AS-18) is identified by the Company and relied upon by the Auditors.
- 2 Transaction carried out with related parties referred in 1 above, in ordinary course of business:

(₹. In Lacs.)

Nature of Transactions		Related Parties			
		Year Ended	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
Finance	Loans & Advances				
	Unsecured Loans				
	(Deposits Taken.)	3/31/2014			6648.07
		3/31/2013			559.08
	(Deposits Repaid)	3/31/2014			4079.97
		3/31/2013			210.18
	(Deposits Given.)	3/31/2014			33.50
		3/31/2013			0
	(Deposits Recd Back.)	3/31/2014			33.50
		3/31/2013			0
Expenses	Interest Paid	3/31/2014			356.93
		3/31/2013			92.79
	Directors Remuneration	3/31/2014	34.96 (including Perquisites)		
		3/31/2013	35.37 (including Perquisites)		
	Directors Sitting Fee	3/31/2014	0.328		
		3/31/2013	0.31		
	Salary	3/31/2014		10.73	
		3/31/2013		10.73	
	Rent	3/31/2014			18.73
		3/31/2013			31.04
	Electricity	3/31/2014			1.61
		3/31/2013			2.02
	Water Charges	3/31/2014			0.04
		3/31/2013			0.07
	Travelling	3/31/2014	14.51	2.90	
		3/31/2013	4.26	0.08	
	Other reimbursement	3/31/2014	0.55	1.93	
		3/31/2013	1.72	1.35	
Outstandings	Interest Received	3/31/2014			0.17
		3/31/2013			0
	Finance				
	Loans & Advances	3/31/2014			
		3/31/2013			
	Unsecured Loans	3/31/2014			3236.00
		3/31/2013			667.90

### For VSH & ASSOCIATES

Chartered Accountants

Firm Registration Number 012420 N

Sd/-  
(VIVEK K. GUPTA)  
Partner  
M. No.091926

Place : New Delhi  
Date : 5th May 2013

Sd/-  
Yogen Khosla  
Managing Director

Sd/-  
Tanya Sethi  
Company Secretary

Sd/-  
Vijay Kumar  
Director



(CIN- L65923DL1985PLC195299)

Registered & Corporate Office : 507 Courtyard, DLF Place, Saket, New Delhi-110017

## **28th ANNUAL GENERAL MEETING**

### **POLLING PAPER - FORM NO. MGT - 12**

[Pursuant to section 109(5) of the Companies Act, 2013 and  
Rule 21(1)(c) of the companies (Management and Administration) Rules, 2014]

### **BALLOT PAPER**

S.No.	PARTICULARS	DETAILS
1	Name of the First Named Shareholder (IN BLOCK LETTERS)	
2	Postal Address	
3	Registered Folio No. / * Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4	Class of Share	

I hereby exercise my vote in respect of Ordinary / Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner :

No.	ITEM NO.			
1	Item No. 1 Adoption of the audited Balance Sheet of the Company as at 31st March, 2014 and the Statement of Profit & Loss for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.			
2	Item No. 2 Declaration of dividend on Preference Shares			
3	Item No. 3 Re-appointment of Mr. Vijay Kumar who retires by rotation			
4	Item No. 4 Appointment of Auditors and fixing their remuneration			
5	Item No. 5 Appointment of Mr. Hari Baskaran as Independent Director			
6	Item No. 6 Appointment of Mr. Vijay Kumar as Independent Director			
7	Item No. 7 Appointment of Mr. Surendra Mahanti as Independent Director			
8	Item No. 8 Approval for redemption of preference shares			
9	Item No. 9 Approval under section 180(1)(C) of the Companies Act, 2013			
10	Item No. 10 Approval for acceptance of subordinate debts.			
11	Item No. 11 Approval for acquisition of property by way of purchase			

Place :

Date :



# Capital Trust Limited

Registered Office :

507 Courtyard, DLF Place, Saket, New Delhi-110017

Ph: 011-41627007 Email: info@capital-trust.com Web: www.capital-trust.com

Cliend ID\*..... DP ID No\*.....

**PROXY FORM**

L.F. No.(s)..... No. of Shares hold .....

I/We ..... of ..... being member / members of

Capital Trust Limited hereby appoint..... of.....

of failing him / her ..... of .....

as my / our proxy to attend and vote for me / us and on my/our behalf at the 28th Annual General Meeting of the

Company to be held on Tuesday, the 30th September, 2014 at 9:00 A.M. **MCD Community Centre,**

**Gautam Puri, Badarpur, New Delhi-110044**

Signed this ..... day of ..... 2014

Signed by said .....



Affix One Rupee Revenue Stamp

NOTE : A member may sign this from and send it to the Registered Office of the Company so as to reach atleast 48 hours before the time for holding the meeting.



**ATTENDANCE SLIP**

# Capital Trust Limited

Registered Office :

507 Courtyard, DLF Place, Saket, New Delhi-110017

Ph: 011-41627007 Email: info@capital-trust.com Web: www.capital-trust.com

Cliend ID\*..... DP ID No\*. .....

L.F. No.(s)..... No. of Shares hold .....

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING

HALL. Joint Shareholders may obtain additional Attendance Slips on request.

Name & Address of Shareholders/Proxy .....

.....

.....

I hereby record my presence at the 28th Annual General Meeting of the Company to be held on Tuesday, the 30th September, 2014 at 9:00 A.M. at **MCD Community Centre, Gautam Puri, Badarpur, New Delhi-110044**

**SIGNATURE OF THE SHAREHOLDER OR PROXY\***

\* Applicable for members holding shares in electronic form

\*\*Strike out whichever is not applicable

# BOOK POST

*If undelivered please return to :*

**Capital Trust Limited**

507 Courtyard, DLF Place  
Saket, New Delhi-110017