



Capital Trust

**24th Annual Report
2009-2010**



Capital Trust Limited

47, Community Centre
Friends Colony, New Delhi 110025
Ph: 011-41627007 Email: info@capital-trust.com
Web: www.capital-trust.com

LETTER TO THE SHAREHOLDERS

Managing Director's Message

Dear Shareholders,

Your Company has made new beginnings. During the Financial Year 2009-2010 the company closed down the business of Two-wheeler Retail Finance and has entered new gainful business activities in Microfinance.

The microfinance industry has made great strides in recent years. Microfinance institutions have recorded an increase of almost 4 million customers during 2008, accompanied by growth in the outstanding loan portfolio by almost Rs 25 billion. Net of adjustments, more than 54 million customers are estimated to have been reached by the microfinance sector in different forms. This is the first time that the narrowly defined microfinance clientele has crossed the 50 million mark. The magnitude of growth over the last two years is unprecedented in the industry. The notable feature of the growth story is the mutuality of needs, providers and users of the services, and their faith in the microfinance movement. Note however, the distribution of the microfinance services across the country and also the coverage of the most vulnerable sections of population are matters for closer scrutiny. The north, east and north-east still have considerable headroom to grow. In terms of coverage of the vulnerable, it is difficult to conclude that the most poor have been prioritized. Studies and anecdotal evidence point to the coverage of the upper strata of the poor and not so much to the ultra poor. Thus, the microfinance sector has the potential for significant improvement. Capital Trust aims to benefit from the strong growth in the microfinance sector, and further, to expand into untapped regional markets in order to become a major player in the industry.

I am pleased to inform the shareholders that the Company reported a profit after tax of Rs.22.07 lacs against a total income of Rs.391.14 lacs for the financial year ended 31.03.2010. Corresponding figures with respect to the financial year ended 31.03.2009 were -132.69 lacs and 168.07 lacs respectively.

I am further pleased to inform you that the Company is continuing to make profits on a monthly basis and we are hopeful that the accumulated losses will be wiped out during the current financial year 2010-11, subject to unforeseen circumstances. Capital Trust offers Income Generating Loans (IGL) to its clients. The target clients are poor or moderately poor women who either own an existing business or can present a definite and detailed plan to start income generating activity.

Income Generating Loans (IGL) fund businesses of poor families, specifically poor or moderately poor women, to allow them to start or enhance an existing business. JLG model is being followed for loan lending where group takes the responsibility of all client in the group for the repayment of loan. The borrowers initially take a modest loan and are required to return the loan within 48 weeks. Provided they return the loan plus interest, they are allowed a larger loan. Loan sizes start at INR 4,000 to as much as INR 12,000 in the first year and INR 10,000 to INR 14,000 in the second year. Loans are handed out in groups of 10 to 20 clients. I also take this opportunity of thanking the bankers and Financial Institutions who have reposed faith in the company and we look forward to their continued support.

Last, but not least, I thank the employees of the company with whose dedication, support and hard work, the company has overcome obstacles, crossed milestones towards achieving its goals.

I do hope that your company would be able make contributions towards upliftment of the poor through its microfinance activities.

On behalf of the Company I would like to thank the shareholders who have supported the company and also look forward to their continued association and support in the future.

Place : New Delhi

Date : 09th April, 2010

Yogen Khosla
Managing Director



Capital Trust aims to provide financial loans to women with a vision of reducing poverty and empowering the poor to be economically self-reliant.

Gauri is a micro finance customer of Capital Trust Limited. She is a resident of Madanpur Khadar resettlement Colony, New Delhi. She runs a petty shop from which she could never make enough money because she could only access funds at exorbitant rates

Gauri made use of this opportunity to access group funding from Capital Trust along with some of her friends. Low cost money enabled her to increase the stock of goods in her petty shop and earn a reasonable livelihood from the same.

Today people recognize Gauri as a woman who can successfully run a small business. Earlier she was simply known as her husband's wife, or the mother of her son as is the practice in any resettlement colony. What changed her life was her ability to earn from her petty shop. Today, she is a Business woman. She banks (in a Limited sense) with Capital Trust Limited.

BOARD OF DIRECTORS

S. Mahanti (Chairman)
Yogen Khosla (Managing Director)
Cdr. K. L. Khullar (Retd.)(Director)
K. K. Raj Director
J. S. Tomar Additional Director
C. R. Sharma Additional Director

COMPANY SECRETARY

Devendar Agarwal

Auditors

M/s V. S. H. & Associates
Chartered Accountants
316, Khaneja Complex, R-22
Shakarpur, Vikas Marg, Delhi 110092

BANKERS

VIJAYA BANK
INDIAN BANK
HDFC BANK
CORPORATION BANK
STATE BANK OF INDIA

LISTING ON STOCK EXCHANGE

Bombay Stock Exchange Limited
25th Floor, P. J. Towers,
Dalal Street, Bombay-400001

LENDERS

Intellectcash Microfinance Network Co. Pvt. Ltd.
Ananya Finance for inclusive Growth Pvt. LTD.
IFMR Capital Finance Pvt. Ltd.,
Vijaya Bank
Indian Bank

REGISTRARS & SHARE TRANSFER AGENTS

Mas Services Ltd.
T-34, 2nd Floor, Okhla Industrial Area
Phase II, New Delhi-110020

Audit Committee

Mr. S. Mahanti, Chairman
Cdr. K. L. Khullar, Member
Mr. Yogen Khosla, Member

Remuneration Committee

Mr. S. Mahanti, Chairman
Cdr. K. L. Khullar, Member
K. K.Raj, Member

Shareholder Grievances Committee

Cdr. K. L. Khullar, Chairman
Mr. S. Mahanti, Member
Mr. Yogen Khosla, Member

Registered & Corporate Office:

47, Community Center, Friends Colony,
New Delhi - 110025

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NOTICE

NOTICE is hereby given that the Twenty-fourth Annual General Meeting of the Members of Capital Trust Limited will be held on Monday, the 24th day of May, 2010, at 9.00 a.m. at **Priyanka's Banquet Hall, Behind District Court, Near Vandana Public School, Sect. 10, Dwarka, New Delhi-110075**, to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
- To appoint a Director in place of Mr. K. K. Raj who retires by rotation and has expressed his unwillingness to be reappointed.
- To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT VSH & Associates, Chartered Accountant, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this annual General Meeting until the conclusion of next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors."

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. J. S. Tomar, who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956, read with Article 133 of the Articles of Association of the Company, and who holds the office up to the date of this Annual General Meeting, and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956 from him signifying his attention to propose him as a candidate for the office of Director of the Company, be and is hereby appointed as a Directors of the Company, liable to retire by rotation."

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

"RESOLVED THAT Mr. C. R. Sharma, who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956, read with Article 133 of the Articles of Association of the Company, and who holds the office up to the date of this Annual General Meeting, and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956 from him signifying his attention to propose him as a candidate for the office of Director of the Company, be and is hereby appointed as a Directors of the Company, liable to retire by rotation."

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

Place: New Delhi
Date: 09.04.2010

Devendar Agarwal
COMPANY SECRETARY

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
- Explanatory Statement(s) pursuant to Section 173(2) in respect of the Special Business under items 4 to 5 herein are annexed hereto and forms part of this notice.
- Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of Directors seeking appointment and re-appointment at the Annual General Meeting are annexed hereto.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 18th May, 2010 to 24th May, 2010 (both days inclusive).
- Members are requested to:
 - Quote their Folio/ID numbers in all correspondence with the Company.
 - Notify/send immediately to the Company Registered/Corporate Office change, if any, in their registered address alongwith PIN Code No.
- Members/Proxies are requested to bring their Attendance Slips (enclosed) duly filled in for attending the meeting.
- The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, is available at the AGM for inspection by the Members.
- Members seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready.
- The Company has appointed M/s Mas Services Pvt. Ltd. as Registrar and Share Transfer Agent of the company for both physical and electronic form of shareholdings. All communications relating to shares should be directly addressed to:
Mas Services Pvt. Ltd.
T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi -110020
Phone No. : 011-26387281/26387282
Email: info@masserv.com
- Members holding shares in physical mode are requested to intimate all changes pertaining to nominations, power of attorney, change of address/name, etc. to the Registrar and Share Transfer Agent and in case Members are holding shares in

dematerialised mode are requested to intimate all changes to their depository participant only and not to the Company's Registrar and Share Transfer Agents. Changes intimated to the depository participant will then be automatically reflected in the Company's records which will help the Company and its Registrar and Transfer Agents to provide efficient and better service to Members.

- As an economic measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 4

Mr. Jagat Singh Tomar has wide experience in the field of Micro-Finance, banking, accounts, finance, taxation and corporate matters. Mr. J. S. Tomar is presently Director in the Cashpor Micro Credit Private Limited, Cashpor Financial & Tech. Services Private Limited. The appointment of Mr. J. S. Tomar, with his extensive experience and knowledge in the diverse business areas would immensely benefit the Company.

Mr. J. S. Tomar was appointed as an Additional Director of the Company w.e.f. 22nd January, 2010 pursuant to Section 260 of the Companies Act, 1956 and holds office up to the date of the ensuing Annual General Meeting. Mr. J. S. Tomar was holding nil equity shares of the Company on his appointment as well as on 31.03.2010. Pursuant to Section 257 of the Companies Act, 1956 the Company has received a notice from him signifying his intention to propose himself for the office of Director together with a deposit of Rs.500/- (Rupees Five Hundred only) as required under the Act.

The Board of Directors recommends passing of the resolution set out in item no.4 of the accompanying notice.

None of the Directors other than Mr. J. S. Tomar is interested or concerned in passing of the resolution.

Item No. 5

Mr. Chotu Ram Sharma has wide experience in the field of banking, accounts, finance, taxation and corporate matters. Mr. C. R. Sharma is presently Director in the Kash Advisory Services Private Limited, Sterling Tools Limited, PNC Infrateck Limited and Daawat Foods Limited. The appointment of Mr. C. R. Sharma, with his extensive experience and knowledge in the diverse business areas would immensely benefit the Company.

Mr. C. R. Sharma was appointed as an Additional Director of the Company w.e.f. 9th of April, 2010 pursuant to Section 260 of the Companies Act, 1956 and holds office up to the date of the ensuing Annual General Meeting. Mr. C. R. Sharma was holding nil equity shares of the Company on his appointment as well as on 31.03.2010. Pursuant to Section 257 of the Companies Act, 1956 the Company has received a notice from him signifying his intention to propose himself for the office of Director together with a deposit of Rs.500/- (Rupees Five Hundred only) as required under the Act.

The Board of Directors recommends passing of the resolution set out in item no.5 of the accompanying notice.

None of the Directors other than Mr. C. R. Sharma is interested or concerned in passing of the resolution.

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

Place: New Delhi
Date: 09.04.2010

DEVENDAR AGARWAL
COMPANY SECRETARY

Information on Directors appointed / reappointed at this Annual General Meeting

As required under Clause 49 of the Listing Agreement, the particulars of directors who are proposed to be appointed / re-appointed is given below and forms part of Notice:

Nature of Information	Item No.4 of Notice	Item No. 5 of Notice
Name	Mr. J. S. Tomar	Mr. C. R. Sharma
Age	67 Years	68 Years
Qualifications	B. SC./ C. A. I. I. B. (CERTIFIED ASSOCIATE, INDIAN INSTITUTE OF BANKERS)	BA Delhi University
Expertise	Wide experience in Accounts, finance & Micro-Finance field.	Wide Experience in Accounts, Banking, & Finance.
Director of the Company since date	22.01.2010	09.04.2010
Directorship in other Companies	1. Cashpor Micro Credit Private Ltd. 2. Cashpor Financial & Tech. Services Private Limited	Kash Advisory Services P. Ltd. Sterling Tools Limited PNC Infrateck Ltd Daawat Foods Limited
Member of Committee with Chairmanships, if any	NIL	NIL
Nature of Directors' interest if any in the resolution	Except Mr. J. S. Tomar himself, none of the remaining directors is concerned or interested in the Resolution	Except Mr. C. R. Sharma himself, none of the remaining directors is concerned or interested in the Resolution

Directors' Report

TO THE MEMBERS OF
CAPITAL TRUST LIMITED

Your Directors have pleasure in presenting the 24th Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2010.

The year was significant on quite a few counts for the Company. In spite of the global liquidity crunch, the business of the Company in terms of Portfolio during the financial year 2008-09 and 2009-10, has increased from Rs. 40,298,687 to Rs. 123,871,892 and in terms of active loan clients, has increased from 6645 to 27004. The company generated public interest as was reflected in the share price movement of the company.

During the first two quarters there was slow increase in business due to shortage of funds as there was hardly any support from the Banks and other Financial Institutions. The position started improving from the 3rd Quarter. With the improvement in liquidity and better fund flow and support from Financial Institutions like, Friends of World Women Banking, IFMR Finance Capital Private Limited and also from Banks your Company continued to strengthen its position up to end of Financial Year ended 2010.

FINANCIAL RESULTS

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

Particulars	(Rs. In Lakhs)	
	Year Ended 31.03.10	Year Ended 31.03.09
Gross Income from operation	304.04	49.51
Other Income	87.09	118.56
EBIDTA	62.64	(102.93)
Less:		
Interest	31.18	22.61
Depreciation	5.49	5.09
Profit Before Tax	25.97	(130.64)
Profit/(Loss) after tax	22.07	(132.69)
Available for appropriation	0.00	0.00
Transfer to Reserve fund u/s 45IC of RBI Act, 1934	0.00	0.00
Surplus/deficit carried to Balance Sheet	(175.58)	(193.24)

The Company gross income for the year ended 31st March, 2010 is Rs. 62.64 Lacs before EBIDTA.

Dividend

The Company has ongoing need of financial resources as the Company's core business of Microfinance is growing fast. In order to meet its growing funds requirement, the directors have decided not to declare dividend for the current year. It has therefore, decided to plough back its entire profit into the business.

Public Deposits

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding on the date of the Balance Sheet.

Appropriation

The Company has transferred Rs. Nil to Reserve Fund under Section 45 I C of RBI Act, 1934. The Company proposes to retain the balance profit under review and accordingly a sum of 22.07 Lacs is retained in the profit & loss account.

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and Analysis of Financial condition including the results of operations of the Company for the year under review as required under Clause 49 of the Listing agreement with the Stock Exchange, is given as a separate statement in this Annual Report.

Performance Review

The Company has during the year shown a modest growth in providing loans to low income people in Urban, semi-urban and rural areas primarily for meeting their productive needs. Initially the area of operation was Delhi and gradually it has expanded to cover clients in parts of Haryana & Uttar Pradesh. After opening 5 branches in Delhi it established additional 18 branches in rural areas in Haryana and Western UP covering districts of Faridabad, Mathura, Aligarh and Hathras. The company has already deployed its entire capital of Rs.75 Mn. The company plans to expand in rural districts of Uttar Pradesh, Rajasthan, Madhya Pradesh and Chattisgarh

The company channels its financial product to poor women in rural and semi-urban areas through the Grameen based methodology modified to a mini branch model. We have targeted this demographic profile as it represents a section of the population that does not have access to formal financial services. Although this population segment is earning below the international poverty line, these women have proven their ability to run micro businesses. Also, the company appreciates the importance of women empowerment due to the central role within the family and community.

The number of clients in centres varies from 10-20 with an average of 14 clients in each centre. For identifying economic status of client we consider parameters like housing

condition, income level, assets owned, room shared per person, etc. After identifying potential clients through motivation meetings we provide 4 days continuous training to the women. The Branch Manager evaluates the group through the Group Recognition Test (GRT). Once the Branch Manager approves the Centre, loan will be disbursed to 60% clients on the 1st centre meeting day and the rest 40% on the next centre meeting day. Centre meetings are conducted and repayments collected on a weekly basis.

The Board of Directors are pleased to advise shareholders that the Company has turned around in the year under review and has posted a good profit from its core business of Micro financing. The net profit has been modest on account of initial start up expenses incurred on the new business of Microfinance. The Company expects the Microfinance business to contribute to the profits of the Company in the coming financial years by expanding its operations and opening more branches. Being a new line of business, the Company worked on a low key basis with caution and now having gained insight in this line, the Company is hopeful of achieving better results in the coming financial years.

DIRECTORS

At the ensuing Annual General Meeting, Mr. K. K. Raj retires by rotation and is eligible for re-appointment. Further, Mr. K. K. Raj expressed his unwillingness to be re-appointed as Director of company.

Mr. J. S. Tomar & Mr. C. R. Sharma has been appointed as an Additional Director of the Company at the Board Meeting held on 22nd January, 2010 and 09th April, 2010 respectively. The Company has received a notice in writing under their hand signifying their candidature for the office of Director, pursuant to Section 257 of the Companies Act, 1956.

A brief profile of Mr. Yogen Khosla, Mr. S. Mahanti, Mr. K. K. Raj, Cdr. K. L. Khullar, Mr. J. S. Tomar and Mr. C. R. Sharma is provided elsewhere in this Annual Report as an Annexure to the Notice.

DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

Pursuant to Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed,

- That in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review;
- That the Directors have taken proper and sufficient care 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
- That the Directors have prepared the accounts for the financial year ended March 31, 2010 on a going concern basis.

The above statements have been noted by the Audit Committee at its meeting held on April 09, 2010.

CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

Your Company has complied with all the recommendations of the Corporate Governance Code as provided in Clause 49 of the Listing Agreement. A report on Corporate Governance and Management Discussion & Analysis are annexed hereto and forms integral part of this report. The Compliance Report as recommended is provided elsewhere in the Annual Report.

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

The statement containing the necessary information as required under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988, relating to conservation of energy, technology absorption are not given as the Company is not engaged in any manufacturing activities. And the details of foreign exchange earnings and outgo are annexed hereto and forms an integral part of this report.

EMPLOYEE PARTICULARS

The Statement of employees required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not annexed, as there are no employees drawing salary exceeding the present limits as provided under the Act.

STATEMENT PURSUANT TO LISTING AGREEMENT

The Securities of the Company are listed at Bombay Stock Exchanges and the Company has paid Annual Listing Fees for the financial year 2010-2011 to the Stock Exchange.

AUDIT COMMITTEE

The Audit Committee consists of Mr. Yogen Khosla, Mr. K.K. Raj and Mr. S. Mahanti (Chairman of the Audit Committee Meeting). The Corporate Governance Report contains other details of the Audit Committee of the Company.

AUDITORS

M/s VSH & Associates, Chartered Accountants, who are statutory auditors of the Company hold office, in accordance with the provisions of the Companies Act, 1956, upto the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. The Company has received a Certificate from the Auditors to the effect that their re-appointment, if made, would be within the limit prescribed under Section 224(1B) of the Companies Act, 1956.

AUDITORS REPORT

For the observations made by the Auditors in their report are self-explanatory and therefore, do not call for any further comments.

ACKNOWLEDGMENTS

Your Directors wish to place on record their appreciation of the dedication and commitment of your Company's employees during this year. Their unstinted support has been and continues to be integral to your Company's ongoing growth.

Your Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by the Company's Bankers, Govt. agencies, customers and business associates for their continued co-operation and guidance and look forward to their continued support in future.

FOR AND ON BEHALF OF THE BOARD
Of CAPITAL TRUST LIMITED

Place: New Delhi
Date: 09.04.2010

Yogen Khosla
Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

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: Rs. 16,82,916/- Outgo : Rs. 2,89,210/-

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Corporate Governance - Capital Trust Limited has maintained the highest standards of Corporate Governance policies, principles and best practices. These policies and code prescribe a set of systems, processes and principles conforming to international standards which are reviewed periodically to ensure their continued relevance, effectiveness and responsiveness to the needs of investors and all other stakeholders. The Company believes that good corporate governance should be an internally driven and not merely an exercise to comply with the statutory requirements. The Company's philosophy on corporate governance is to maximise the long-term value to the shareholders and protect the core values of the Company. The Company's all operations, activities and actions ensures highest level of transparency, accountability and equity leading to the good corporate governance.

The Company is in full compliance with the requirements under Clause 49 of the Listing Agreement with the Stock exchanges.

Our governance philosophy - The Company's philosophy on Corporate Governance is driven by its desire towards attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders; from customers, shareholders and employees, to government, lenders and the wider community. The Company has infused the philosophy of Corporate Governance into all its activities. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall enterprise value and safeguarding the shareholders' trust. In our commitment to practice sound governance principles, we are guided by the following core principles:

1. Transparency - To maintain the highest standards of transparency in all aspects of our interactions and dealings.
2. Disclosures - To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.

3. Empowerment and Accountability - To demonstrate the highest levels of personal accountability and to ensure that employees consistently pursue excellence in everything they do.
4. Compliances - To comply with all laws and regulations as applicable to the Company
5. Ethical Conduct - To conduct the affairs of the Company in an ethical manner.
6. Stakeholders Interests

To promote the interest of all stakeholders including of customers, shareholders, employees, lenders, vendors, government and the community.

Governance practices beyond regulatory requirements - Our governance practices seek to go beyond the statutory and regulatory requirements. Our endeavour is to follow the spirit of good governance rather than the mere letter of the conditions specified by regulatory authorities. With this objective, we have formulated, inter alia, the following policy documents and introduced best practices of governance:

1. Values and commitments - We have set out and adopted policy documents on 'values and commitments' of Capital Trust. We believe that any business conduct can be ethical only when it rests on the nine core values of honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.
2. Code of ethics - Our policy document on 'code of ethics' in essence, directs that our employees should conduct the business with integrity by excluding consideration of personal advantage.
3. Business policies - Our 'business policies' cover a comprehensive range of governance issues such as fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety and environment and quality.
4. Separation of the Board's supervisory role from the executive management - In line with the best global practices, we have adopted the policy of separating the Board's supervisory role from the executive management. We have also split the posts of Chairman and CEO.
5. Prohibition of insider trading policy - The documents contains the policy on prohibiting trading in the Equity Shares of the Company, based on inside or privileged information.
6. Prohibition of sexual harassment - Our policy of prevention of sexual harassment aims at promoting work environment that protects the individual against sexual misdemeanor of any kind whatsoever.
7. Whistle blower policy - Our whistle blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse action.
8. Environment policy - The Company is committed to achieving excellence in environmental performance, and preservation and promotion of environment are of fundamental concern in all our business activities.
9. Risk Management - Our risk management procedures ensure that the management controls risks through means of a properly defined frame work.

Board of Directors

1. Board of Directors
- A. Board Strength and representation

As of March 31, 2010 the board consisted of five members. The composition and the category of Directors on the Board of the Company as at March 2010 were as under:

Category	Particulars of the Directors
Non-executive & Independent Director	Shri S. Mahanti, Chairman Shri K. L. Khullar Shri K. K. Raj Shri J. S. Tomar (Additional Director)
Executive Directors & Promoter	Shri Yogen Khosla

Notes:

- a. None of the directors is related to any other director
- b. None of the directors has any business relationship with the Company
- c. None of the directors received any loans or advances from the Company during the year.
- d. 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.
- e. Shri J. S. Tomar was appointed as Additional Director of the Company in the Board meeting held on 22nd of January, 2010 till forthcoming Annual General Meeting of the Company.

The Company has appointed Mr. Devendar Agarwal as a Company Secretary as the Compliance Officer of the company in terms of provisions of Companies Act 1956.

B. Conduct of Board Proceedings - The day-to-day business is conducted by the executives of the Company under the direction of the Chairman and the supervision of the Board. The Board holds periodic meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company. The Board performs the following specific functions in addition to the oversight of the business and the management.

- review, monitor and approve financial and business strategies and corporate actions;
- assess critical risks facing the Company review options for their mitigation;
- provide counsel on the selection, evaluation, development and compensation of senior management;
- ensure that processes are in place for maintaining the integrity of
 - a. the Company
 - b. the financial statements;
 - c. compliance with laws;
 - d. relationships with customers, suppliers and other stakeholders;
- delegation of appropriate authority to the senior executives or the Company for effective management of operations

The agenda and the notes of agenda are circulated to the Directors in advance in the defined Agenda format. All the information as required under clause 49 of the listing agreement, as is required from time to time, is circulated to the Board for its consideration.

Standards issued by ICSI: The Company is in substantial compliance with the secretarial standards governing Board Meetings as also General Meetings as set out in Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India. The Board of Directors of the Company has taken necessary steps to ensure compliance with these standards.

The Board periodically reviews compliance reports of all laws applicable to the Company and takes steps to rectify non-compliances, if any.

During the year under review, four Board Meetings were held on 27.06.2009, 24.07.2009, 29.10.2009 and 22.01.2010. There has not been a time gap in excess of four months between any two meetings of the Board of Directors.

The requisite information as enumerated in Annexure I to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussion and consideration at Board Meetings. 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:

Name of the Director (Designation)	Category	share-holdings	FY 2004-05 Attendance at		No. of Other Directorships Held *	Committee Positions	
			BM	Last AGM		Member	Chairman
Mr. Yogen Khosla (Managing Director)	Promoter & Managing Director	1244865	4	Yes	1	3	Nil
Mr. S. Mahanti (Director)	Independent Non Executive Director	Nil	4	Yes	Nil	1	3
Cdr. K. L. Khullar (Director)	Independent Non Executive Director	Nil	4	Yes	Nil	2	1
Mr. K.K.Raj** (Director)	Independent Non Executive Director	Nil	Nil	No	Nil	1	Nil
Mr. J. S. Tomar***	Independent Non Executive Director	Nil	1	No	Nil	Nil	Nil

* Excludes directorships held in Private Companies and Companies incorporated under Section 25 of the Companies Act, 1956.

** Leave of Absent is granted.

*** Appointed as Additional Director w.e.f. 22.01.2010. Attended the board meeting held on 22.01.2010 as a special invitee.

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, one-third directors of the Company retire at every Annual General Meeting. Accordingly, Mr. K. K. Raj would retire by rotation at the ensuing Annual General Meeting of the company and being eligible for offer himself for re-appointment. Mr. J. S. Tomar and Mr. C. R. Sharma who was appointed as Additional Director on the Board of the Company under Section 260 of the Companies Act, 1956 w.e.f. 22.01.2010 and 09.04.2010 respectively and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice from him under Section 257 of the Companies Act, 1956 proposing to be appointed as the Directors of the Company liable to retire by rotation. Information as required under Clause 49(VI) of the Listing Agreement on directors' appointed/reappointed at this Annual General Meeting is annexed to the Notice of the Annual General Meeting.

Details of Directors

Mr. Yogen Khosla, Managing Director

Mr. Yogen Khosla is a Member of the Institute of Financial Accountants, UK. He joined CTL group since 1988 after returning from UK in 1988. Has been directly involved with the company as Executive Director since 2000 and as Managing director since 2002. He was on the Board of Kinetic Capital Finance (a joint venture between Kinetic Engineering and Capital Trust Ltd to finance Kinetic Honda products in North India from 1994-1999). He also joined the Board of DBS Capital Trust Stock Brokers P Ltd (a joint venture between Development Bank of Singapore and Capital Trust Ltd for conducting Stock Broking activities in India). Mr. Yogen Khosla joined the Board of Director of M/s Capital Trust Limited on 1st of April, 2003. He was appointed as Managing Director of the Company for the period of Five year and eligible for re-appointed. The term of period expired on 31st March, 2008 and he was re-appointed for the further period of Five years.

Mr. K.K.Raj, Director

Age : 55 Yrs
Qualification : M.Sc., CAIIB
Experience : 25 Years experience in Banking including 5 years in Hong Kong with Indian Overseas Bank. 10 Years work experience as a Director with a large size international trading company based in Hong Kong. Overall work experience includes finance, banking and international trading. Associated with Capital Trust Ltd since 2000

Mr. S Mahanti, Director

Age : 66 Yrs
Qualification : Post Graduate and CAIIB
Experience : 30 years experience in Banking including 6 years in Hong Kong with Indian Overseas Bank. Served as Managing Director, Prime East Ltd, a Bangalore based listed NBFC Company engaged in the business of retail finance. Was also Managing Director Kinetic Capital Finance Ltd (a joint venture between Kinetic Engineering and Capital Trust Ltd) to finance Kinetic Honda products in North India. Overall work experience includes Banking and Finance. Has been associated with Capital Trust Group 1990.

Mr. J. S. Tomar, Additional Director

Age : 67 Yrs
Qualification : B. Sc. (Agr), CAIIB
Experience : Worked as Managing Director, Cashpor Micro Credit (a MFI), the 4th best MFI in the world and 2nd in India for 5 years, working for the poor in 15 districts of U P and Bihar (two of the poorest states in India), with a client base of 300,000 and portfolio outstanding of INR 170,000,000, and 1700 employees.

Having Experience of 34 years as Oriental Bank of Commerce (a state owned commercial bank) at entry level officer position, and in due course rose to the position of General Manager holding charge of the departments of Rural Development and Priority Sector, Planning & Development, General Administration and Recovery Management and also have seven years experience with State Governments as Extension officer, Plant Protection Officer etc.

Commander K.L.Khullar (Retd.), Director

Age : 65 Yrs
Qualification : Graduate
Experience : A distinguished officer retired from the Indian Navy. Served in senior management positions, including General Administration, Officer commanding a Naval Unit at Port Blair. Has been associated with Capital Trust since 1995.

a) Specific contribution made by each of the director for the organization.

Mr. Yogen Khosla- He is the Managing Director of the Company and looks after day to day affair.

Mr. K.K.Raj- He is an NRI, He looks after quarterly performance of company

Mr. S Mahanti- He is actively involved in an NGO helping teaching of street children of Delhi and looks after quarterly performance of company

Cdr K.L.Khullar- He is involved in the Administrative guidance to the organization

Audit Committee

The Audit Committee comprises of Shri Surrender Mahanti, Cdr. K. L. Khullar and Shri Yogen Khosla. The Audit Committee is chaired by Shri Surrender Mahanti who has a wide experience on economic, financial and taxation issues. All the other members of the Committee are financially literate within the meaning of clause II(A) Explanation 1 of clause 49 of the listing agreement.

The Audit Committee advises the management on the areas where internal audit can be improved. The minutes of the meetings of the Audit Committee are placed before the Board. The terms of reference of the Audit Committee in accordance with the items listed in clause 49(II)(D) and (E) of the listing agreement are as follows:

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial information is correct, sufficient and credible.
- ii. Recommending the appointment, re-appointment and replacement/removal of statutory auditor and fixation of audit fee
- iii. Approve payment for any other services by statutory auditors.

- iv. Reviewing with management the annual financial statements before submission to the Board focusing primarily on:
 - a. matters required to be included in the Director's Responsibility Statement included in the report of the Board of Directors;]
 - b. any changes, in accounting policies and practices;
 - c. major accounting entries based on exercise of judgment by management;
 - d. significant adjustments arising out of audit;
 - e. compliance with listing and other legal requirements concerning financial statements;
 - f. disclosure of any related party transactions;
 - g. qualifications in the draft audit report
- v. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- vi. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- vii. Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems.
- viii. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and requery of internal audit.
- ix. Discussion with internal auditors on any significant findings and follow up thereon.
- x. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- xi. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- xii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (incase of non-payment of declared dividends) and creditors.
- xiii. To review the functioning of the Whistle Blower mechanism.
- xiv. Carrying out any other function as is mentioned in the terms of reference of the Audit committee.
- xv. Review the following information:
 - a. Management Discussion and Analysis of Financial Condition and results of operations;
 - b. Internal audit reports relating to internal control weaknesses;
 - c. Management letters / letters of internal control weaknesses issued by statutory/internal auditors;
 - d. Statement of significant related party transactions; and
 - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

Composition & Terms of Reference: - The Audit Committee comprises of Mr. Yogen Khosla (Member), Mr. S. Mahanti (Chairman) and Cdr. K. L. Khullar, Member of the Committee and Mr. Devendar Agarwal, Company Secretary of the Company act as Secretary to the Committee. Mr. S. Mahanti is the Chairman of the Audit Committee. Two-third of the directors in the Audit Committee is Non-executive and Independent Directors and one-third is Executive Director. The terms of reference of the Committee includes the matters specified for Audit Committee under the Listing Agreement.

Mr. S. Mahanti, Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 04.09.2009.

Meetings and attendance during the Year: - There were four meetings of the Audit committee during the year on 27.06.2009, 24.07.2009, 29.10.2009 & 22.01.2010. The attendance of each Member of the Committee is given below:

Name of Director	Category of Director	No. of meetings attended
Mr. S. Mahanti (Chairman)	Non-executive, Independent	4
Mr. Yogen Khosla	Executive Director	4
Cdr. K. L. Khullar	Non-executive, Independent	4

Remuneration Committee:

The Remuneration Committee Meeting of the Board of Directors has been constituted to recommend/review the remuneration package of the Whole-time Directors. The Committee comprising of three Non-executive and Independent Directors.

One Remuneration Committee Meeting of Board was held on 23rd of July, 2009 to consider matters relating to lay down, review and revise the remuneration of the Directors / Managing Director/ Executive Director and other related and incidental matters. The remuneration of Managing Director and WholeTime Director are fixed by the Board of Directors within the overall limit fixed by the Companies Act, 1956 and approved by the shareholders in general meeting.

Details of Meeting of the Remuneration committee is as follows:

Date of Meeting: 23rd of July, 2009

Name of Director	Category of Director	No. of meetings attended
Mr. S. Mahanti (Chairman)	Non-executive Director	1
Mr. K. K. Raj	Non-executive Director	Nil
Cdr. K. L. Khullar	Non-executive Director	1

The purpose of the meeting to review the Salary and perquisite of the Mr. Yogen Khosla, Managing Director of the Company

Details of Remuneration paid to Directors

a) Executive Directors

All elements of remuneration package i.e. salary, benefits, bonuses, etc. paid to Executive Directors are as under:

Name of Director	Salary	Perquisites & Allowances	Total
Mr. Yogen Khosla, Managing Director	7,00,000.00	5,35,316.00	12,35,316.00

Notes:

- i. No commission is payable to the Executive Directors.
- ii. No sitting fee is paid to Executive Directors for attending the Meeting of Board of Directors of the Company or committees thereof.
- iii. Mr. Yogen Khosla was appointed as Managing Director of the Company for a period of five years, w.e.f. 01.04.2008.
- iv. There is no separate provision for payment of severance fees.
- v. The Company does not have any Stock Option Scheme.

b) Non-Executive Directors

Non-executive Directors are paid the sitting fees for attending the Board Meetings and Audit Committee Meetings @ Rs. 750/- per meeting and Rs.500/- towards reimbursement of conveyance expenses. Sitting fees for share Transfer Committee is Rs. 1500/- per month. No sitting fee is paid for attending the Shareholders Grievances Committee meetings and Remuneration Committee of the Company.

Name of Director	Sitting fees for Board Meeting @ Rs. 750/- per meeting	Sitting fees for Audit Committee Meeting. @ Rs. 750/- per meeting.	Sitting fees for Share Transfer Committee meeting @ Rs.1500/- p.m.
Mr. S. Mahanti	3000	3000	18000
Cdr. K. L. Khullar	3000	3000	-
Mr. K.K.Raj	-	-	-
Total	6000	6000	18000

Shareholders Grievances Committee:

The Shareholders Committee comprises of Mr. Yogen Khosla, Mr. S. Mahanti and Cdr. K. L. Khullar and Mr. Devendar Agarwal, Company Secretary as 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 27.06.2009, 24.07.2009, 29.10.2009 & 22.01.2010 during the year. The attendance of each member of the Committee is given below:

Name of Director	Category of Director	No. of meetings attended
Mr. S. Mahanti	Non-executive Director	4
Mr. Yogen Khosla	Managing Director	4
Cdr. K. L. Khullar (Chairman)	Non-executive Director	4

Mr. Devendar Agarwal, Company Secretary is the Secretary of the Committee for last two meeting held on 29.10.2009 & 22.01.2010 and Mr. Anuj Kumar was secretary of the Committee for the Committee Meeting held on 27.06.2009, 24.07.2009.

The Company has been receiving various correspondences from the shareholders and the required information / documents are furnished at the earliest possible to the satisfaction of shareholders.

None of the complaints received from the shareholders is pending with the company. The status of Investor's Grievance Redressal during 01-04-2009 to 31-03-2010 is as under:

Nature of Grievances	Received	Resolved
Non-receipt of Annual Report, etc.	9	9
Complaint Received through SEBI, BSE & ROC	1	1
Total	10	10

General Body Meetings

Details of the location and time of the last three AGM's held:

Year	Location	Date	Time	No. of Special Resolution Passed
2008-09	Hotel Shelters Padav, Gwalior, Madhya Pradesh	04.09.2009	3:00 p.m	01
2007-08	Hotel Shelters Padav, Gwalior, Madhya Pradesh	26.09.2008	3:00 p.m	NIL
2006-07	Hotel Shelters Padav, Gwalior, Madhya Pradesh	21.09.2007	3:00 p.m	NIL

Details of the location and time of the Extraordinary General Meeting held:

Year	Location	Date	Time
Nil	Nil	Nil	Nil

Details of Postal ballot: The Board of Directors of the Company had passed a resolution on 18th of March, 2010, for obtaining approval of the Shareholders by means of Postal Ballot for 1) altering the Object Clause of Memorandum of Association of the Company, by inserting a Clause to undertake the Business of Micro-Finance as the main Object of the Company which is included in the Other Object of the Company. 2) Ordinary resolution for increasing the borrowing power of the Company upto the limit of 200 Crores. Mr. P. Balodia & Co. is appointed as the scrutinizer for conducting the Postal Ballot process.

The Results of Postal ballot is as follows:

Category	Votes	No. of Shares	% of Votes
Special Resolution under Section 192A and Section 17 of the Companies Act, 1956 to alter the Object Clause of Memorandum of Association	39	3978130	53.045
Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 to borrow the exceeding of paid-up capital and Free Reserves of the Company	39	3978130	53.045

Disclosures :

- None of the transactions with any of the related party was in conflict with any of the related party was in conflict with the interest of the Company at large. The details of related party transactions are given in the Notes on Accounts of the Balance Sheet.
- No strictures / penalties have been imposed on the Company by the Stock Exchanges or the SEBI or any statutory authority on any matters related to capital markets during the last three years. However, Company has received a Show cause Notice from SEBI for delayed in compliance of the regulation 8(3) of SAST for the Financial Year ending 31st March, 2008, to make disclosure to the Stock Exchange within 30 Days from 31st March, 2008 i.e., due date of intimation was 30th April, 2008 and the disclosure was made by us after a delay of 127 days.
- 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.

- The Company has, for the year undertaken voluntary secretarial audit and has also obtained certificate from the Statutory Auditor of the Company confirming the compliance of all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing agreement. Further, the Company has adopted the following non-mandatory requirement:

- Remuneration committee of the Board of Directors has been set up and the particulars of the Committee are given in the Report itself.
- 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.
- Audit Qualification - Strategic decisions were taken during the year resulting in unqualified Financial statements of the Company.
- Training of Board Members - For orientation and to get familiar with the Company business operations, governance procedures and practices, the Director visit 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.
- 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.
- Means of Communication**

i.	Half yearly reports sent to each household of shareholder	No, published in the newspaper
ii.	Quarterly Results sent to each shareholder	No, published in the newspaper
iii.	In which newspaper the results are normally published in	The Pioneer (English) & Rastiya Sahara (Hindi)
iv.	Any Website, where results are displayed	www.Bseindia.com
v.	Whether it also displays official news releases and the presentations made to institutional investors or to the analysts.	No.
vi.	Whether MD&A are part of Annual Report	Yes
vii.	Whether shareholders information forms part of Annual Report	Yes

General Shareholder Information

1. Annual General Meeting.

Year	Location	Day	Date	Time
2009-10	Priyanka Banquet Hall, Behind District Court, Sect. - 10, Dwarka, New Delhi-110 075	Monday	24.05.2010	9:00 A.M.

2. Tentative Financial Calendar 2009-10

Unaudited results for quarter ending June 30, 2010 : Last week of July 2010
 Unaudited results for quarter ending Sept 30, 2010 : Last week of October 2010
 Unaudited results for quarter ending Dec. 31, 2010 : Last week of January 2010
 Audited results for the year ending March31, 2010 : Second week of April 2010
 Annual General Meeting for the year ended 31.03.2010 : May-June, 2010

3. Date of Book Closure

18th of May, 2010 to 24th of May, 2010 (Both days inclusive)

4. Dividend payment date

Not Applicable. No Dividend recommended.

5. Listing on stock exchanges

The Stock Exchange, Bombay (BSE)
 Phiroze Jeejeebhoy Towers
 Dalal Street, Bombay 400 001

6. Stock code

BSE Code: 511505

7. Market Price Data

Month	THE STOCK EXCHANGE, Bombay			
	Month's High Price	Month's Low Price	Month's Open Price	Month's Close Price
Apr-09	7.03	5.82	6.47	6.11
May-09	8.34	6	6	7.19
Jun-09	8.91	6.66	6.84	8.91
Jul-09	11.2	9.1	9.35	10.04
Aug-09	10.54	9.35	9.65	9.56
Sep-09	10.86	9.51	9.61	10
Oct-09	13	9.05	9.6	12.9
Nov-09	13	11	12.9	11.88
Dec-09	12.79	10.51	12.42	11.48
Jan-10	18.75	10.26	10.92	18.75
Feb-10	48.85	19.65	19.65	48.85
Mar-10	68.55	45.75	51.25	63.85

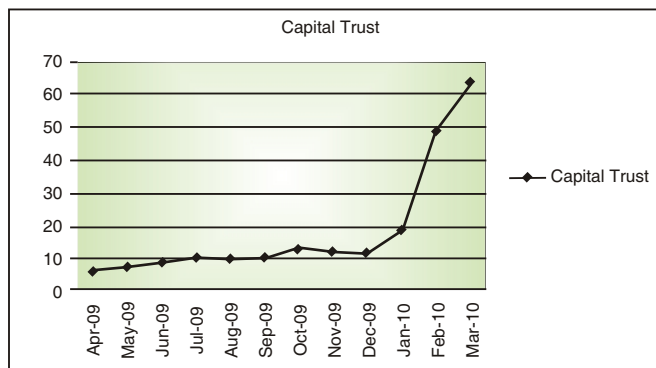
*Source: The Stock Exchange Bombay, website www. bseindia.com.

8. Performance in comparison to BSE Sensex

Month	BSE Sensex			
	Open	Close	High	Low
Apr-09	9,745.77	11,403.25	9,546.29	9,546.29
May-09	11,635.24	14,625.25	11,621.30	11,621.30
Jun-09	14,746.51	14,493.84	14,016.95	14,016.95
Jul-09	14,506.43	15,670.31	13,219.99	13,219.99
Aug-09	15,694.78	15,666.64	14,684.45	14,684.45
Sep-09	15,691.27	17,126.84	15,356.72	15,356.72
Oct-09	17,186.20	15,896.28	15,805.20	15,805.20
Nov-09	15,838.63	16,926.22	15,330.56	15,330.56
Dec-09	16,947.46	17,464.81	16,577.78	16,577.78
Jan-10	17,473.45	16,357.96	15,982.08	15,982.08
Feb-10	16,339.32	16,429.55	15,651.99	15,651.99
Mar-10	16,438.45	17,793.01	16,438.45	16,438.45

*Source: The Stock Exchange Bombay, website www. bseindia.com.

Shares Price Performance of M/s Capital Trust Limited.



9. Registrar & Transfer Agents

M/s. Mas Services Private Limited
T-34, IInd Floor, Okhla Industrial Area, Phase II,
Phone No.: 011-26387281/26387282
Fax : 011- 26387384
Email: info@masserv.com

10. Share Transfer System

Physical Share Transfers lodged for transfer are processed and the share certificates are generally returned within a period of 30 days from the date of lodgment if the documents are clear in all respects. The authority for share transfers etc. is Share Transfer Committee, which generally meets once in fortnight to consider and approve the transfers of shares.

11. Distribution of Shareholdings

The distribution of shareholding as on as on 31.03.2010 is given as under:

No. of Shares	No. of Shares held	% of Total Shares	Number of Shareholders	% of Total Shareholders
Up to 5000	958481	12.780	6002	93.518
5001 to 10000	193786	2.58	258	4.020
10001 to 20000	109759	1.463	75	1.169
20001 to 30000	51463	0.686	21	0.327
30001 to 40000	28060	0.347	8	0.125
40001 to 50000	36476	0.486	8	0.125
50001 to 100000	152090	2.028	19	0.296
100001 & above	5969885	79.598	27	0.421
Total	7500000	100.00	6418	100.00

Shareholding Pattern as on 31st March, 2010

Category	No. of Shares Held	% of holding
A. Promoters Holding		
1. Promoters - Indian Promoters	3937254	52.50
Foreign Promoters	Nil	Nil
2. Persons Acting in Concert	1244865	16.59
Sub Total	5182119	69.09
B. Non Promoters Holding		
C. Institutional Investors		
1. Mutual Funds & UTI	100	0.001
2. Banks, Financial Institutions, Insurance companies, Central/State Govt. institutions, Non Govt. Institutions	100	0.001
3. FI's	Nil	Nil
Sub Total	600	0.008
Others		
1. Private Corporate Bodies	310629	4.14
2. Indian Public	1787173	23.83
3. NRIs/OCBs	208248	2.777
4. Any other (Clearing Member)	11631	0.155
Sub Total	2317681	30.902
Grand Total	7500000	100

NOTE: Total Foreign Holding 208248 2.777%

12. 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 share 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 CDSL	2955160	39.40
In dematerialization form with NSDL	3233611	43.12
In Physical form	1311229	17.48
TOTAL	7500000	100.00

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

13. Outstanding GDRs

Not Applicable. There were no outstanding GDRs/ADRs/ Warrants or any other Convertible Instruments as on 31.03.2010.

14. Plant locations

The Company is a Non- Banking Finance Company (NBFC) engaged in the business of Micro-Finance. Hence there is no plant location. However, the Company has opened different Branches at Parts of Haryana and Uttar Pradesh located at: Aligarh, Hathras, Mathura & Fariadabad.

15. Address for correspondence Registered Office:

47, Community Centre, Friends Colony, New Delhi 110 065.
Tel: 011-51627007, Fax: 011-51628485
Email: info@ capital-trust.com, Web: www.capital-trust.com

Corporate Office:

47, Community Centre, Friends Colony, New Delhi 110 065.
Tel: 011-51627007, Fax: 011-51628485
Email: info@ capital-trust.com, Web: www.capital-trust.com

Code for prevention of Insider Trading Practices

In compliance with SEBI regulations on prevention of Insider trading the Company has instituted a comprehensive Code of Conduct for its management and Staff. The code lays down guidelines and procedure to be followed and disclosures to be made while dealing with the Shares of the Company and cautions them of the consequences of violations.

Risk Management

The Company follows well-established risk assessment and minimization procedures which are periodically reviewed by the Board.

CEO and CFO Certification

We, Yogen Khosla, Managing Director and Sukumara Pillai, Chief Manger Accounts responsible for the finance function certify that:

- a. We have reviewed financial statements and the cash flow statement for the year under review and that to the best of their knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. 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.
- b. 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,
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditor's and the Audit Committeee
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Yogen Khosla
(Managing Director & CEO)

Sukumara Pillai
(Chief Manager Accounts)

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.

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, for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

On the basis on certificate issued by the Registrar of the Company and Minutes of meeting of 'Investor/ Shareholder Grievance Committee' of the Company. We state that, there was no investor grievance pending against the company for a period exceeding one month.

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.

(Joyti Aggarwal)
Company Secretary in Pratic

For and on behalf of
Joyti Aggarwal
Company Secretary

Place : New Delhi
Date : April 09, 2010

Management Discussion and Analysis Report

1. Industry Structure and Developments - As you all know there is an unprecedented global crisis and collapse in previous financial year ended 31st march, 2009 for several Financial Institutions, banks and companies has caused a global chain effect that has shaken government, investors and common public alike. India has also been impacted by this crisis and certain industries have been declining sales, credit tightness from Banks, job losses, negative inflation etc.

The Non-Banking Financial Services (NBFC) industry in the private sector in India is represented by a mix of a few large companies with nationwide presence, and a large number of small and medium sized companies with regional focus. These NBFCs provide a variety of services including fund based, and fee based activities, as well as caters to retail and non-retail markets, and niche segments.

The financial sector through the last decade has undergone wide changes. During this period, effective regulations have brought in wide ranging changes on prudential norms and continuous monitoring mechanism, thereby improving overall industry environment. The NBFCs with high credibility, efficiency, and customer-oriented services will dominate the sector in future.

The financial services presently in a phase of high growth accompanied by consideration. The Micro Finance Segment is growing very fast. The Company has already made entry in this segment and hopes to make deep in road into this segment in near future on a fast track.

2. Opportunites - Microfinance can be defined as the supply of financial services to low income populations excluded from the mainstream financial system these are typically engaged in selfemployment, and often operate in the informal economy. The main providers of microfinance services are microfinance institutions (MFIs).

The Microfinance Sector has been growing at a very fast pace internationally and in India. The United Nations after declaring the year 2005 as 'Micro Credit year', brought microfinance on the priority agenda of various government and donor agencies. The Noble peace Prize to **Mohammad Yunus** for his work on microfinance in Bangladesh has not only boosted the sector but has inspired governments, banks, voluntary agencies and individuals to strengthen and expand the microfinance sector.

MFIs have recorded about **8.5 million clients** during the year 2008-09, a growth of **60%** over the previous year. More than **50%** of low income households are covered by some form of microfinance product. The total outstanding microfinance loans posted a growth rate of 30% or 359.39 billion over the last year's level of Rs 229.54 billion. The overall coverage of the sector is estimated to have reached 76.6 million against 59 Million last year. 4 out of 5 microfinance clients in India are women.

The microfinance institutions (MFIs) have recorded an increase of almost 4 million clients during the year 2008, as reported by Sa Dhan based on the information collected from 223 institutions engaged in microfinance. This growth in number of clients is accompanied by a growth in the outstanding portfolio of loans by almost Rs 25 billion.

MFIs have led to an overall increase of 11.15 million clients during 2009. If the overlap between the banks and MFIs in respect of SHG lending is eliminated, still, a net addition of more than 9 million clients seems to have been achieved. Net of adjustments more than 54 million clients are estimated to have been reached by the microfinance sector in different forms, with an expansion of clientele by 9.9 million during 2009.

Our largest opportunity may be the tremendous demand-supply gap for microfinance services in India. In our state-wise growth, we can also enter areas where other organisations, particularly Tier 1 MFIs, are already operating. Despite such competition, Capital Trust still has the opportunity to serve a large portion of the INR 126,000 Crore (USD 30 B) in demand for microfinance. The recognition of such a large market as a good business opportunity has brought more capital, social entrepreneurs, and commercial players such as banks, as well as ideas, solutions, and new technologies into the sector. As such, we have a greater chance to acquire sufficient capital, introduce new products, create innovative delivery channels, and use various techniques and technologies to enhance its operations.

Threats -The three major factors that could form threats to Capital Trust growth are political interference, an unclear regulatory environment, and increasing competition. The looming possibility of interest rate caps and restrictions on funding sources will hinder our institutional growth at a time when it needs significant amounts of capital to streamline operations and scale up. Restrictions on product offerings will also retract from our client-centric need-based approach. More specifically, if the proposed Microfinance Bill becomes enacted as it is, it would restrict Capital Trust from providing various other services. As both the sector and Capital Trust expands, it is expected that we will face increasing competition. Despite a large underserved market, such competition can nevertheless adversely affect business, existing clients, and staff. Multiple financing of clients by different MFIs for instance can cause repayment problems. Unethical practices such as poaching of staff may also be a threat.

3. Segment wise Performance - The Company is operating in Micro Finance Business. The details of performance of the Company is mentioned in this report.

4. Outlook - The Company's outlook for the year ending 31st March, 2010 is to achieve positive growth in the business and ramp up the business to significant levels.

5. Risks and Concerns - The company is exposed to the normal industry risk factors of interest rate volatility, economic cycle, and credit risk. The Company manages these risks by maintaining a conservative financial profile, and by following prudent business and risk management practices.

6. Risk Management - Capital Trust is a for-profit organisation. The company is treading into unexplored status and expand across the nation, it is but expected that there is likelihood of more risks. A greater number of factors such as diverse geographies and stakeholders come into play within the existing operating environment. It is therefore important to assess our current risk management strategies and create a plan for the risk management processes and systems that must be enhanced to minimise all risks.

7. Internal Control Systems and their adequacy - The Company has in place adequate systems of internal control and document procedures covering all financial and operating functions. The Company has well defined roles, responsibilities and authorities for employees at all levels. The Company continuously improves various quality processes in line with customer expectations. The Company has also its own software package, which is very modern, and helps company to monitor results on online basis.

The Company has an audit committee comprising of Independent Directors of the Company which reviews regularly the adequacy of internal control system, audit plans, significant audit findings as well as compliance with Accounting Standards.

Internal Audit - The Company has a professionally managed team assisting the organisation to achieve its stated object. It uses a systematic methodology for analyzing the company's business process, procedures and activities with the goal of highlighting the company's organisational problems and recommending solutions. The team conducts various audits including Branch Audit, Branch Sanitation, Fraud Control Audit and Staff Verification.

Credit Risk - As Capital Trust's portfolio grows, particularly due to expansion in new states, there is an increased risk of loan defaults and therefore, potential for losses. The threat of multiple financing of our clients by various competitor MFIs also exists. A key advantage for our team is its rigorous targeting and loan appraisal through centralised MIS and monitoring methodology and a close association with the clientele which has helped our organisation maintain its portfolio quality. We will further adopt good provisioning practices well-informed by periodic measurement of Capital Trust's portfolio quality.

8. Financial Performance with respect to operational finance - The core business activity of the Company is Micro finance and providing consultancy to foreign banks. During the last financial year your Company has been able to made substantial disbursements and is expected to do good business in the coming years. The details are dealt with in the Directors Report.

9. Human Resources - Industrial Relations at all the Works remained cordial throughout the year. Your Company has created a friendly atmosphere that helps retaining talented professionals and nurturing their career growth along with the growth of the Organisation. People always have been and shall continue to be central for the Capital Trust growth story. Always at the forefront in terms of the employee engagement and HR initiatives, the Company is continually investing in the development of its human resources through a series of employee-friendly measures aimed at talent acquisition, development, motivation and retention.

For this purpose, the Company held various employees training programmes during the year, in order to boost employee morale, skill, efficiency and includes inter-personnel behavior.

The total number of employee of the Company as on 31st March, 2010 was 219.

10. Cautionary Statement - The management of Capital Trust Limited has prepared and is responsible for the Financial Statements that appear in this report. These Financial Statements are in conformity with the accounting principles professionally accepted in India. The Statements in Management Discussion and analysis are based on its current assessment, expectations and projections about future events. Such statements involve known and unknown factors that may cause actual to differ. These factors include, but are not limited to, changes in local and global economic conditions, the unknown or unanticipated results of the Company strategies and operation, the markets expectation of and demand for its product, growth and expansion, technology change and exposure to market risks. The expectation and projections are Obviously only estimates and could be different from actual results in the future.

**For and on behalf of Board of Directors
of Capital Trust Limited**

Chairman

Date : 09.04.2010
Place : New Delhi

AUDIT REPORT

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

We have audited the attached Balance sheet of **Capital Trust Ltd.** as at 31st March 2010 and the Profit & 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-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and received the Certificate of Registration bearing No. B-14-03203
- 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 V S H & ASSOCIATES
Chartered Accountants

(VIVEK K. GUPTA)

Partner

(Membership No. 091926)

Place: New Delhi

Date: 09/04/2010

AUDIT REPORT

TO THE MEMBERS OF
CAPITAL TRUST LIMITED

- We have audited the attached Balance Sheet of CAPITAL TRUST LIMITED, as at 31 March 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 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.
- Subject to the foregoing we further 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, the Profit & Loss Account 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 Profit & Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - in our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the notes thereon, give the information required by the Companies Act, 1956, 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 the Company's affairs as at 31 March, 2010; and
 - in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
- On the basis of written representations received from directors, as on 31 March, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

for V S H & ASSOCIATES
Chartered Accountants

(VIVEK K. GUPTA)

Partner

(Membership No. 091926)

Place: New Delhi

Date: 09/04/2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

1) Fixed Assets

- a) The Company has maintained proper records showing full particulars including quantitative detail and situation of fixed assets.
- b) As explained to us, All the Fixed Assets of the company have been physically verified by the management as at the end of the year except the leased assets, which have not been physically verified. The company has reportedly noticed no material discrepancies between book records and the physical verification of the fixed assets. However, in absence of physical verification of leased assets discrepancies with book records, if any could not be ascertained.
- c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed assets has not been disposed off by the Company during the period.

2) Stock

- a) As explained to us, the stock of trading goods and spare parts held for sale have been physically verified by the Management as at the end of the financial year, or after the year end. In our opinion, the frequency of verification is reasonable in relation to the size of the company and nature of its business.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material having regard to the size of the operations of the company.

3) Loans taken/given

- a) According to the information and explanations given, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - b) The Company has taken loans from 2 (Two) company firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. the maximum amount involved during the year was Rs. 193.25 Lacs and the year-end balance of loans/ Advances taken from these parties/ companies was Rs. 139.40 Lacs.
 - c) The Company has not given any loan to companies firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - d) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken /given from / to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956 are not, prima facie, prejudicial to the interest of the Company.
 - e) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- 4) 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 inventories and fixed assets and with regard to the sale of goods and services.

5) Transactions u/s 301

- a) 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 registered maintained under section 301 of the Companies Act, 1956 have been so entered.
6. 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.
7. In our opinion, the internal audit system of the Company is adequate commensurate with the size of the Company and nature of its business;

8. Statutory Dues

- a) According to the information and explanation given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education, and protection fund, employee state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable with the appropriate authorities.. 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, sales tax, wealth tax, service tax, customs duty, excise duty, cess were in arrears, as at March 31, 2010 for a period of more than six months from the date they become payable.

- b) According to the information and explanation given to us, there are no dues of sales tax, income tax, excise duty and service tax which have not been deposited on account of any dispute.
- 9 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 and 58aa has been passed by the Company Law Board.
- 10 The accumulated losses of the Company at the end of the financial year are not more than the fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit. However the Company had incurred cash losses of Rs.69.89 lacs in the immediately preceding financial year.
- 11 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.
- 12 In our opinion and according to the information and explanations given to us, the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities (xii) In our opinion, the Company is not a chit fund or a nidhi/mutual fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2004 are not applicable to the Company.
- 13 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)
- 14 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
- 15 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
- 16 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 (or long-term investment).
- 17 According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 18 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.
- 19 During the period covered by our audit report, the Company has not raised any money by public issues.
- 20 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the financial year under the audit.
- 21 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 **V S H & ASSOCIATES**
Chartered Accountants

(VIVEK K. GUPTA)
Partner
(Membership No. 091926)

Place: New Delhi
Date: 09/04/2010

Particulars	Schedule	As at 31/Mar/10 Rs.	As at 31/Mar/09 Rs.
<u>SOURCE OF FUNDS</u>			
<u>SHARE HOLDERS FUNDS</u>			
a) Share Capital	'1'	75,000,000.00	75,000,000.00
(b) Reserve & Surplus	'2'	14,224,221.07	13,782,721.07
<u>LOAN FUNDS</u>			
(a) Secured Loans	'3'	54,941,466.68	11,337,890.03
(b) Unsecured Loans	'4'	13,940,000.00	4,300,000.00
		<u>158,105,687.75</u>	<u>104,420,611.10</u>
<u>APPLICATION OF FUNDS</u>			
<u>FIXED ASSETS</u>			
Gross Block	'5'	9,588,439.76	9,920,186.76
Less: Accumulated Depreciation		<u>5,034,982.68</u>	<u>4,827,119.68</u>
		4,553,457.08	5,093,067.08
<u>INVESTMENTS</u>			
	'6'	1.00	1.00
<u>CURRENT ASSETS LOANS AND ADVANCES</u>			
Closing Stock	'7'	55,934.00	5.00
Stock on Hire (at agreement values)		1,827,157.00	2,561,481.00
Sundry Debtors	'8'	1,575,808.00	1,023,602.35
Cash & Bank Balances	'9'	11,168,963.65	34,421,942.93
Loans & Advances	'10'	<u>142,326,583.44</u>	<u>60,829,196.79</u>
		156,954,446.09	98,836,228.07
Less : Current Liabilities & Provisions	'11'	<u>21,577,488.80</u>	<u>18,833,154.89</u>
NET CURRENT ASSETS		135,376,957.29	80,003,073.18
Miscellaneous Expenditure (to the extent not written off)	'12'	616,564.50	-
Profit & Loss Account		17,558,707.88	19,324,469.84
Deferred Tax Asset		-	-
		<u>158,105,687.75</u>	<u>104,420,611.10</u>
Accounting Policies & Notes on Accounts	'17'		
Balance Sheet Abstract and Company's General Business Profile	'18'		

This is the Balance sheet referred to in our report of even date.

For V S H & ASSOCIATES

Chartered Accountants

(VIVEK GUPTA)

Partner

M. No.091926

For and on behalf of the Board

YOGEN KHOSLA
 MANAGING DIRECTOR

S MAHANTI
 DIRECTOR

K.L. KHULLAR
 DIRECTOR

 PLACE : NEW DELHI
 DATED : 9th April 2010

Particulars	Schedule	As at 31/Mar/10 Rs.	As at 31/Mar/09 Rs.
INCOME :			
Interest Received Micro Credit Loan		30,404,034.70	4,951,345.00
Interest Received (Tax deducted at source Rs.19655/- (Previous Year Rs.72,007/-)		430,724.89	7,070,265.35
Management Consultancy Fee (Tax deducted at source Rs NIL/- Previous Year 45,320/-)		1,687,530.00	2,487,393.00
Other income (Tax deducted at source Rs 5578 /- (Previous Year Rs.47,833/-)	'13'	6,536,545.12	2,515,516.85
Profit/(Loss) on trading of shares	'14'	55,929.00	(217,398.41)
		<u>39,114,763.71</u>	<u>16,807,121.79</u>
EXPENDITURE :			
Operational Expenses	'15'	31,357,317.12	21,473,697.44
Miscellaneous Balances Written off		313,444.00	10,957.00
Loss on sale of Assets		116,280.00	0.00
Interest Paid		3,118,778.17	2,261,065.00
Provision for Audit Fee		49,635.00	49,635.00
Provision for N P A	'16'	<u>1,013,457.46</u>	<u>5,566,391.51</u>
		<u>35,968,911.75</u>	<u>29,361,745.95</u>
Profit before Depreciation and Tax		3,145,851.96	(12,554,624.16)
Depreciation on Fixed assets		549,090.00	509,391.00
		<u>0.00</u>	<u>509,391.00</u>
Profit before Tax		2,596,761.96	(13,064,015.16)
Current Tax		389,500.00	0.00
Fringe Befefit Tax		0.00	200,604.00
Deferred Tax (Asset) Liability		0.00	0.00
Prior Period Income Tax Adjustment		<u>0.00</u>	<u>4,481.00</u>
Profit after Tax		2,207,261.96	(13,269,100.16)
Appropriations :			
Transferred to Reserve Fund u/s 45 I C of RBI Act, 1934		441,500.00	0.00
Balance Brought Forward from Previous Year		<u>(19,324,469.84)</u>	<u>(6,055,369.68)</u>
Balance carried to Balance sheet		<u>(17,558,707.88)</u>	<u>(19,324,469.84)</u>
Weighted average number of Equity Shares outstanding during the year		7,500,000	7,500,000
Basic and diluted earnings per share (in Rs.)		0.29	(1.77)
Accounting Policies & Notes on Accounts	'17'		
Balance Sheet Abstract & Company's General Business Profile	'18'		

For VSH & ASSOCIATES

Chartered Accountants

(VIVEK GUPTA)

Partner
M. No.091926

For and on behalf of the Board

YOGEN KHOSLA
MANAGING DIRECTOR

S MAHANTI
DIRECTOR

K.L. KHULLAR
DIRECTOR

PLACE : NEW DELHI
DATED : 9th April 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31/Mar/10 Rs.	As at 31/Mar/09 Rs.
SCHEDULE '1'		
SHARE CAPITAL		
Authorised :		
1,00,00,000 (Previous year 1,00,00,000) Equity Shares of Rs. 10/- each	<u>100,000,000.00</u>	<u>100,000,000.00</u>
Issued		
75,00,000(Previous year 75,00,000) Equity Shares of Rs. 10/- each fully paid-up	<u>7,500,000.00</u>	<u>75,000,000.00</u>
Subscribed and Paid-up		
75,00,000(Previous year 75,00,000) Equity Shares of Rs. 10/- each fully paid-up	<u>75,000,000.00</u>	<u>75,000,000.00</u>
	<u>75,000,000.00</u>	<u>75,000,000.00</u>
Schedule '2'		
RESERVES AND SURPLUS		
(i) Capital Reserve	227,400.00	217,150.00
(ii) Security premium	8,614,800.00	8,614,800.00
(iii) Profit and Loss Account :		
Opening Balance	0.00	0.00
Balance transferred from Profit & Loss account	<u>0.00</u>	<u>0.00</u>
(iv) General Reserve :		
Opening Balance	3,456,545.05	3,456,545.05
Add : Transferred from Profit & Loss Account	<u>0.00</u>	<u>0.00</u>
(v) Reserve Fund		
u/s 45 - I C of RBI Act, 1934.		
Opening Balance	1,483,976.02	1,483,976.02
Add: Transferred from Profit & Loss Account	<u>441,500.00</u>	<u>0.00</u>
	<u>1,925,476.02</u>	<u>1,483,976.02</u>
	<u>14,224,221.07</u>	<u>13,782,721.07</u>
SCHEDULE '3'		
SECURED LOANS		
From Banks :		
(a) Cash credit secured against assignment of Micro Finance receivables on 1st charge on specific book debts	9,894,999.68	7,870,517.03
(b) Demand Loan from Indian Bank against assignment of Micro Finance receivables on 1st charge on specific book debts	707,581.00	1,000,000.00
(c) I C I C I Bank vehicle Loan (secured against hypothecation of Vehicle) From Corporate Bodies	0.00	217,373.00
(a) Term Loan from Intellectash Micro Finance Network Co Pvt Ltd (Previously Virkant Investments Pvt Ltd) against assignment of Micro Finance receivables on 1st charge on specific book debts	450,000.00	2,250,000.00
(b) Term Loan From Ananya Finance for Inclusive Growth Pvt Ltd against assignment of Micro Finance receivables on 1st charge on specific book debts	23,888,886.00	0.00
(c) Term Loan From I F M R Capital Finance Pvt Ltd against assignment of Micro Finance receivables on 1st charge on specific book debts	20,000,000.00	0.00
	<u>54,941,466.68</u>	<u>11,337,890.03</u>
SCHEDULE '4'		
UNSECURED LOANS		
(a) Call Deposits from Corporate Bodies	<u>13,940,000.00</u>	<u>4,300,000.00</u>
	<u>13,940,000.00</u>	<u>4,300,000.00</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE "5"

STATEMENT SHOWING FIXED ASSETS AS AT 31ST MARCH 2010

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AT COST AS ON 01.04.2009	ADDITIONS DURING THE YEAR	DEDUCTIONS/ TRANSFER DURING THE YEAR	COST AS ON 31.03.2010	AS AT 31.03.2009	FOR THE YEAR	DEDUCTIONS/ TRANSFER	ACCUMULATED DEP AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
LEASED ASSETS:										
PLANT & MACHINERY	2575001.00	0.00	0.00	2575001.00	1111752.00	0.00	0.00	1111752.00	1463249.00	1463249.00
VEHICLES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AIR CONDITIONERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COMPUTERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	2575001.00	0.00	0.00	2575001.00	1111752.00	0.00	0.00	1111752.00	1463249.00	1463249.00
OTHER ASSETS:										
PLANT & MACHINERY	2650050.00	0.00	595000.00	2055050.00	1341000.00	120428.00	226413.00	1235015.00	820035.00	1309050.00
VEHICLES	2286067.50	0.00	242507.00	2043560.50	961007.00	207992.00	114814.00	1054185.00	989375.50	1325060.50
FURNITURE & FIXTURES	1057563.59	0.00	0.00	1057563.59	673139.36	64966.00	0.00	738105.36	319458.23	384424.23
COMPUTERS	775973.00	468260.00	0.00	1244233.00	505042.00	134753.00	0.00	639795.00	604438.00	270931.00
OFFICE EQUIPMENTS	475531.67	37500.00	0.00	513031.67	230149.32	19319.00	0.00	249468.32	263563.35	245382.35
BUILDING	100000.00	0.00	0.00	100000.00	5030.00	1632.00	0.00	6662.00	93338.00	94970.00
TOTAL	7345185.76	505760.00	837507.00	7013438.76	3715367.68	549090.00	341227.00	3923230.68	3090208.08	3629818.08
GRAND TOTAL	9920186.76	505760.00	837507.00	9,588,439.76	4827119.68	549090.00	341227.00	5034982.68	4553457.08	5093067.08
PREVIOUS YEAR	9744186.76	176000.00	0.00	9920186.76	4317728.68	509391.00	0.00	4827119.68	5093067.08	5426458.08

Notes: Please refer note 1 (c) of Schedule 17 forming part of the accounts

Particulars	As at 31/Mar/10 Rs.	As at 31/Mar/09 Rs.
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SCHEDULE '6'

INVESTMENTS (LONG TERM)

Trade Investments

Unquoted Shares (at cost)

i. 10000 Equity Shares (Previous Year 10000) of Vasavi Financial services Ltd fully paid- up of Rs. 10/- each (Rs. 1/- taken as closing value)	81,100.00	81,100.00
	81,100.00	81,100.00
Less Provision for Diminution in Investments	81,099.00	81,099.00
	1.00	1.00
	1.00	1.00

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31/Mar/10 Rs.	As at 31/Mar/09 Rs.
SCHEDULE '7'		
Closing Stock (has been valued at cost or market price whichever is less.)		
Equity Shares		
i. 2400 Equity Shares (Previous Year 2400) of Indo Deutch Proteins Ltd fully paid-up Rs. 10/- each (Market Value N.A.) Rs. 1 taken as closing value)	1.00	1.00
ii. 3600 Equity Shares (Previous Year 3600) of Tina Electronics Ltd fully paid-up of Rs. 10/- each (Market Value N.A) (Rs.1/- taken as closing value)	1.00	1.00
iii. 2000 Equity Shares (Previous Year 2000) of Parasrampur Industries Ltd fully paid-up of Rs.10/- each (Market Value N.A) (Rs.1/- taken as closing value)	1.00	1.00
iv. 200 Equity Shares (Previous Year 200) of Pacific Industries Ltd fully paid-up of Rs.10/- each (Market Value 279.65 per share)	55,930.00	1.00
v. 14800 Equity Shares (Previous Year 14800) of Naina Semiconductors Ltd fully paid-up of Rs.10/- each (Market Value N.A) (Rs.1/- taken as closing value)	1.00	1.00
GRAND TOTAL CLOSING STOCK	<u>55,934.00</u>	<u>5.00</u>
SCHEDULE '8'		
SUNDRY DEBTORS :		
(Unsecured and considered good by the Management) Amount recoverable from Hirers and Lessees against hire purchase and lease agreements consultancy fees receivable and other misc. debtors.		
More than Six Months	153,113.00	155,105.00
Less than Six Months	1,422,695.00	868,497.35
	<u>1,575,808.00</u>	<u>1,023,602.35</u>
SCHEDULE '9'		
CASH & BANK BALANCES		
a. (i) Cash in hand	667.46	1,669,310.46
b. Balance with Scheduled Banks		
(i) In Current Account	11,068,296.19	32,387,543.47
(ii) In Short Term Deposits	100,000.00	365,089.00
	<u>11,168,963.65</u>	<u>34,421,942.93</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31/Mar/10 Rs.	As at 31/Mar/09 Rs.
SCHEDULE '10'		
LOANS AND ADVANCES		
(Unsecured considered good unless specified otherwise)		
(i) Loan (Secured Against Hypothecations of Movable assets) (at agreements value)	14,005,570.28	20,121,143.28
Less: Interest not yet accrued	<u>1,135,126.40</u>	<u>1,455,545.05</u>
	12,870,443.88	18,665,598.23
Less: Assignments of receivables by way securitization to	-	-
I C I Bank	-	-
(ii) Other Loans	<u>880,098.00</u>	<u>916,625.00</u>
Less: Interest not yet accrued	<u>38,558.24</u>	<u>39,896.24</u>
iii) Micro Credit Loan	123,871,892.00	40,298,687.00
(iv) Advances recoverable in cash or in kind for value to be received	<u>1,817,460.00</u>	<u>1,416,393.00</u>
Less Provision for Doubtful Assets	-	-
(v) Security Deposits	2,504,996.00	226,218.00
(vi) Income Tax paid	397,663.80	431,930.80
(vii) Fringe Benefit Tax paid	22,588.00	0.00
	<u>142,326,583.44</u>	<u>60,829,196.79</u>

SCHEDULE '11'

CURRENT LIABILITIES & PROVISIONS

Current Liabilities

(a) Other Liabilities	4,615,317.16	2,763,255.00
(b) Sundry Creditors	0.00	76,082.00
(c) Unmatured Finance Charges	625,888.67	648,301.38

Provisions:

(a) Provision for Income Tax Payable	0.00	0.00
(b) Provision for Fringe Benefit Tax Payable	0.00	22,691.00
(C) Provision for NPA/LOAN LOSS PROVISION MICRO CREDIT	<u>16,336,282.97</u>	<u>15,322,825.51</u>
	<u>21,577,488.80</u>	<u>18,833,154.89</u>

Schedule forming part of the Profit & Loss Account	Year ended 31/Mar/10 Rs.	Year ended 31/Mar/09 Rs.
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SCHEDULE '12'

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

(i) Deferred Revenue Expenses				
Opening Balance	0.00		0.00	
Additions During the year	<u>770,705.50</u>		<u>0.00</u>	
	770,705.50		0.00	
Less: Written off during the year/transferred	<u>154,141.00</u>	<u>616,564.50</u>	0.00	0.00

SCHEDULE '13'

Schedule forming part of the Profit & Loss Account

Commission Received	0.00	808.00
Exchange Fluctuation Difference	0.00	269,669.00
Maintenance Charges Received	0.00	95,000.40
Miscellaneous Income	983,529.80	2,150,039.45
	<u>983,529.80</u>	<u>2,515,516.85</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

Particulars	Period ended 31/Mar/10 Rs.	Year ended 31/Mar/09 Rs.
SCHEDULE '14'		
Profit/ (Loss) on Trading of Shares		
Opening Stock of shares	5.00	300,005.00
Add Purchase of shares	<u>0.00</u>	<u>0.00</u>
Less Closing Stock of shares (Valued at lower of cost or market value)	<u>55,934.00</u>	<u>5.00</u>
Cost of Sale of shares	(55,929.00)	300,000.00
Sale of shares	<u>0.00</u>	<u>82,601.59</u>
Profit/(Loss) on trading of shares	<u>55,929.00</u>	<u>(217,398.41)</u>
SCHEDULE '15'		
OPERATIONAL EXPENSES		
Salaries (Includes Cont. to PF & other Funds Rs.18,39,475.00 (Previous year Rs.8,22,407.00)	15,834,589.00	9,732,282.00
Staff Welfare	805,624.00	656,694.00
Directors Remuneration	1,235,316.16	803,529.00
Repairs & Maintenance		
Office Equipment	481,758.00	239,096.00
Others	<u>670,376.00</u>	<u>569,104.40</u>
Insurance	49,020.39	33,413.00
Professional & Consultancy Charges	2,320,833.00	2,318,845.00
Travelling & Conveyance		
Directors'	561,275.58	688,104.38
Others	<u>2,242,862.14</u>	<u>885,909.00</u>
Repossession Charges	14,000.00	48,000.00
Exchange Fluctuation Difference	98,459.70	-
Printing & Stationery	605,210.00	380,049.00
Postage & Stamps	173,954.00	162,857.00
Telephone, Telex and Telegram	1,088,907.00	744,487.60
Advertisement	99,326.00	91,227.00
Directors Sitting Fee	30,000.00	33,000.00
Vehicle Running & Maintenance Expenses	418,805.00	188,772.00
Business Promotion	131,138.93	68,217.33
Service Tax on Rent	222,480.00	174,276.00
Commission Paid	361,194.00	94,636.00
Rent Account	3,237,485.00	2,716,078.00
Bank Charges	284,074.22	310,837.46
Listing & Filing Fee	70,885.00	64,169.00
Festival Celebration Exps	1,500.00	9,030.00
Micro Submit Participation Fee	16,900.00	22,800.00
Electricity & Water	195,455.00	245,975.00
General Expenses	<u>105,889.00</u>	<u>192,309.27</u>
	<u>31,357,317.12</u>	<u>21,473,697.44</u>
SCHEDULE '16'		
PROVISION FOR N P A		
PROVISION FOR N P A (TWO WHEELER FINANCE)	790,972.46	5,566,391.51
LOAN LOSS PROVISION (MICRO FINANCE)	<u>222,485.00</u>	<u>0.00</u>
NET PROVISION FOR N P A	<u>1,013,457.46</u>	<u>5,566,391.51</u>

SCHEDULE 17:

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

I. Accounting Policies.

(a) Valuation of Inventories:

- (i) Stock of shares is valued at lower of cost or market rate on the balance sheet date. Market rate is calculated as the last quoted rate on the balance sheet date.

- (b) Use of Estimates:- The Preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that effect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

(c) Depreciation:

- (a) Own assets:
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.

(b) Leased assets:

- (i) Depreciation on leased assets is charged on pro-rata basis on straight line method, in accordance with Schedule XIV of the Companies Act, 1956.

(d) Recognition of Income & Expenditure:-

- (i) Micro Finance Interest income is accounted in accordance with the terms of agreements with the Borrowers on Accrual basis.
- (ii) The financial charges in respect of hire purchase transactions and other items of income and expenditure are accounted for on accrual basis.

- (e) Income on hire purchase transactions and loan transactions are recognised as per RBI's Prudential Norms.

- (f) The Company had collected a sum of Rs.12,51,617.39/- (Net) from its members by way of Welfare Fund reflected in Other Liabilities. The Fund is created exclusively for the utilization of the welfare activities of the members after successful and timely completion of Loan repayments. This Fund would be utilized for adjustment of Loan in case of any eventuality of serious injury or death, insurance premium for death cases, development of the surrounding area of borrowers villages, development by way of construction of Roads, Bridges, community centers in the vicinity of Borrowers living areas, Financial aid for the education of the members children's, and medical assistance to the members.

- (g) 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 of performance of the assets, is added to the carrying value.

(h) Foreign Currency Transactions:

- (i) Balances in the form of Current Assets and Current Liabilities in Foreign Currency outstanding at the close of the year are converted in Indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.
- (ii) All incomes or expenditure in Foreign Currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

(i) Investments:-

- (i) All the investment of the company is long term investments.
- (ii) Long term investments in unquoted shares are valued at cost as per AS-13 issued by Institute of Chartered Accountants of India. However necessary provision for depreciation in value of investments have been made wherever found necessary.

(j) 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 premium due/payable for the year has been charged to Profit & Loss Account as per Actuarial basis. Contributions to the Provident Fund and Superannuation Fund are charged to the Profit & Loss Account

(k) 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. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(l) 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.

(m) 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.

(n) Taxation:

Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for taxes on income". Income taxes comprise both current and deferred tax. Current tax is calculated using applicable tax rates and laws. Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences. The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax assets or deferred tax liability.

(o) Contingent Liability:

Contingent liabilities as defined in Accounting Standard 29 are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

Contingent assets as defined in Accounting Standard 29 in accordance with the Standard not recognised or disclosed in the financial statements.

II. NOTES TO ACCOUNTS:

1. Contingent Liabilities (not provided for) in respect of Claims against the Company not acknowledged as debt, which are pending in different courts.

Particulars	Current Year		Previous Year	
	No of Cases	Amount (Rs)	No of Cases	Amount (Rs)
1. State Commission, New Delhi	Nil	0	1	20000
2. National Commission, New Delhi	Nil	0	0	0
3. Civil Judge, Tis Hazari Court	Nil	0	3	59076
4. Consumer Forum	Nil	0	3	60000
Total Rs.	Nil	0	7	139076

2. In the opinion of the Board of Directors aggregate value of the Current Assets, Loans & Advances on realization in the ordinary course of the business shall not be less than the amount at which they are stated in the Balance Sheet.
3. Other income includes Rs.25,000/- from trade investments. (Previous year Rs. NIL).
4. The Company has during the year discontinued its Two Wheeler Finance Division and all advances lying there are either provided or settled out of court.
5. Other Income includes Rs. 54,71,688/- in respect of amount received on closure of two wheeler finance division of the company as out of court settlement of NPA's Civil cases pending in District Courts.
6. Other Income also includes Rs.67,839/- lying under un-matured Finance Charges in respect of 130 old NPA Cases settled during the year by way of out of Court Settlements
7. Gratuity has been provided on the basis of Actuarial calculations whereas the company has not obtained a certificate from Registered Actuary for the same. Actuarial gains and losses are also not recognized in two cases, due to non availability of Actuarial Value calculated by LIC of India as on 31.03.2009
8. The company has entered into an agreement with Foreign Investment Advisor for raising Equity and Debt from Foreign Market and paid a total advisory cost of USD 16,500/-. The company has decided to treat this expenditure as Deferred Revenue Expenditure spread over next 5 years. One fifth of the total expenditure is charged to revenue under Deferred Expenses written off.
9. 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 .
10. Aggregate amount of debtors/loans due from directors and companies in which they are directors/members are Rs.NIL (Previous Year Rs.NIL)
11. Debt due by directors or other officers of the company is Rs. NIL (previous year NIL) Maximum amount of such debts due at any time during the year was Rs. NIL (Previous year (NIL)
12. Deferred Tax:
Actual receipts of foreign currency is Rs.16,82,916/- (previous Year Rs.20,32,531/-) which is received as consultancy fees and reimbursement of expenses.
13. Foreign currency outflow on travelling and business promotion expenses are 2,89,210/- (previous year 4,44,012/-)
14. Small Scale Industrial Undertaking to whom the Company owes a sum are Rs .NIL
15. Hire purchase installments are secured against hire purchase contracts.
16. Previous year figures have been re-grouped wherever necessary to correspond with current year's presentation.

17. Deferred Tax: In view of no taxable income in the current year and also due to uncertainty in future taxable income, the Company has not recorded net Deferred Tax Assets of Rs.48.45 Lacs as on 31.03.2010 (Previous Year Rs.48.22 Lacs) arising on account of timing difference as stipulated in Accounting Standard-22 on "Accounting for Taxes on Income".

18. The company has been advised that a computation of net profit (for the purpose of calculation of Director's remuneration under section 349 of the Companies Act, 1956) need not be enumerated since no commission is paid to the directors.

Details of remuneration paid to Managing Director are as under:

Managing Director:

S.No.	Particulars	TOTAL YEAR ENDED 31.03.2010	TOTAL YEAR ENDED 31.03.2009
1	Remuneration	700000	640000
2	Contribution to PF & Superannuation Fund	96035	84303
3	Other Perquisites	439281.16	79226
	TOTAL	1,235,316.16	803,529.00

19. Sale of Assets Portfolio by way of Securitisation :
During the year, the company securitised a part of its two wheeler finance portfolio to U T I Bank and ICICI Bank. The details pertaining to the securitised assets are as follows:

PARTICULARS	(Rs. In lacs)	(Rs. In lacs)
	31.03.2010	31.03.2009
Assets de recognised	NIL	NIL
Bank Deposits given as collateral	NIL	2.05

20. Opening Stock, Purchases, Sales and Closing Stock:

PARTICULARS	CURRENT YEAR			PREVIOUS YEAR		
	QTY	VALUE (In Rs.)		QTY	VALUE (In Rs.)	
Opening Stock:						
Equity Shares	Nos	23000	5	Nos	24000	300005
Purchases :						
Equity shares	Nos	Nil	Nil	Nos	Nos	Nil
Sales :						
Equity shares	Nos	Nil	Nil	Nos	1000	82602
Closing Stock :						
Equity shares	Nos	23000	55934	Nos	23000	5

Scrip-wise details of opening and closing stocks of shares have been given in schedule '7' of the balance sheet. Scrip-wise details of purchase of shares and sales of shares is as under:

Name of Scrip	CURRENT YEAR				PREVIOUS YEAR			
	Purchases		Sales		Purchases		Sales	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Indiabulls Securities	0	0	0	0	0	0	1000	82602
TOTAL	0	0	0	0	0	0	1000	82602

21. Other clauses of paragraph 3,4C & 4D of Part II Schedule VI of the Companies Act, 1956 not commented up to are not

22. 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.)	
	Liabilities Side:		
1	Loans and advances availed by the NBFCs inclusive of interest thereon but not paid:	Amount outstanding	Amount outstanding
	(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	45046467	0
	(d) Inter-corporate loans and borrowing	13940000	0
	(e) Commercial Paper	0	0
	(f) Public Deposits	0	0
	(g) Other Loans (Specify nature)		
	Cash Credit Facility	9894999	0
2.	Break-up of (1) (f) above (Outstanding public deposits	0	
	(a) In the form of Unsecured debentures	0	
	(b) In the form of partly secured debentures i.e debentures	0	
	(c) Other Public deposits	0	
	Assets side:		
		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	0	
4	Break-up of Leased Assets and stock on hire and Hypothecation loans counting towards EL/HP activities		
	(i) Lease assets including lease rentals under sundry Debtors:		
	(a) Financial Lease	0	
	(b) Operating Lease	0	
	(ii) Stock on hire including hire charges under Sundry		
	(a) Assets on hire	1827157	
	(b) Repossed Assets	0	
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed	0	
	(b) Loans other than (a) above	14005570	
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	123696460	841539	124537999.3
	Total	123696460	841539	124537999.3
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
	Total	1		1
8	Other information			
	Particulars	Amount	Amount	
	(i) Gross Non-Performing Assets	16336283	0	
	(a) Related parties	0	0	
	(b) Other than related parties	16336283	0	
	(ii) Net Non-performing Assets	16336283	0	
	(a) Related parties	0	0	
	(b) Other than related parties	16336283	0	
	(iii) Assets acquired in satisfaction of debt	0	0	

23. Related Party Information:

1. Relationship

(a) Key Management Personnel

- 1 Mr. Yogen Khosla (Managing Director)
- 2 Mr. K.K.Raj (Director)
- 3 Mr. Surendra Mahanti (Director)
- 4 Cdr. K. L. Khullar (Retd.) (Director)
- 5 J.S. Tomar (Additional Director)

(b) Relatives of Key Management Personnel

- 1 Mrs. Anju Khosla
- 2 Yogen Khosla & Sons HUF

(c) Other Related Parties where control exists:

- 1 First Realtors Pvt. Ltd.
- 2 Italindian Trade & Financial Services P. Ltd.
- 3 IC Construction & Services Ltd
- 4 Indo Crediopt Pvt Ltd

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:

(Rs. In Lacs.)

Nature of Transactions		Related Parties		
		Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
Finance	Loans & Advances			
	Unsecured Loans (Deposits Recd.) (Deposits Repaid)			336.45 240.05
Expenses	Interest Paid	12.35		7.66
	Directors Remuneration			
	Directors Sitting Fee	0.30		
	Salary		5.21	
	Rent		2.40	26.22
	Electricity			1.53
	Water Charges			0.02
	Travelling	5.57	0.92	
Other reimbursement	1.49	0.32		
Outstandings	Finance			
	Loans & Advances			
	Unsecured Loans			139.40

Other Disclosures

- Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization structure as well as the differential risks and returns of these segments.
- The Company has disclosed Business segment as the primary segment
- Types of products and services in each business segment:
 - Leasing HP & Loan & others
- Inter Segment revenues are NIL
- The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

For V S H & ASSOCIATES

Chartered Accountants

(VIVEK GUPTA)

Partner, M. No.091926

24. SEGMENT INFORMATION:

A. BUSINESS SEGMENT:

Particulars	Leasing Hire Purchase / Loan Div. & others	Automobile Sales & Service Div	(Rs. in lacs) Total
1. SEGMENT REVENUE	-	-	-
External Revenue	391.15	-	391.15
Inter segment Revenue	-	-	-
Total Revenue	391.15	-	391.15
Segment results before interest and tax:	58.27	-	58.27
Add: Unallocated income (Net of expenses)	-	-	-
Less: Finance charges & Exchange variation	31.19	-	31.19
Less: exceptional items	-	-	-
Less: Deferred Tax Asset Provision written	-	-	-
Less: Provision for taxes/Prior period tax	3.76	-	3.76
Net Profit/Loss	23.32	-	23.32
Other information:			
Segment Assets	1805.34	-	1805.34
Unallocated assets	-	-	-
Total assets	1805.34	-	1805.34
Segment Liabilities	228.70	-	228.70
Unallocated Liabilities	-	-	-
Total Liabilities	228.70	-	228.70
CAPITAL EXPENDITURE:			
Segment Capital Expenditure	-	-	-
Unallocated Capital Expenditure	-	-	-
Total Capital Expenditure	-	-	-
Depreciation and Amortisation			
Segment Depreciation and Amortisation	7.03	-	7.03
Unallocated depreciation and amortisation	-	-	-
Total depreciation and Amortisation	7.03	-	7.03
Significant non-cash expenditure			
Segment significant non-cash expenses	10.13	-	10.13
Un allocated non cash expenses	-	-	-
Total Significant non-cash expenses	10.13	-	10.13

Dated : April 09, 2010
Place: New Delhi

YOGEN KHOSLA
Managing Director

S MAHANTI
Director

K. L. KHULLAR
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

Schedule : '18'

I. Registration Details		
Registration No.	195209	State Code 55
Balance Sheet Date	31 03 2010	
II. Capital Raised during the year (Amount in Rs. Thousands)		
Date Public Issue	Rights Issue	
NIL	NIL	
Bonus Issue	Private Placement	
NIL	NIL	
III. Position Of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)		
Total Liabilities	Total Assets	
158105	158105	
Source of Funds		
Paid-up Capital	Reserve & Surplus	
75000	14224	
Secured Loans	Unsecured Loans	
54941	13940	
Application of Funds		
Net Fixed Assets	Investments	
4553	0	
Net Current Assets	Misc. Expenditure	
135377	617	
Accumulated Losses	Deferred Tax Asset	
17558	NIL	
IV. Performance of Company (Amount in Rs. Thousands)		
Turnover	Total Expenditure	
39115	36518	
+ - Profit/(Loss) Before Tax	+ - Profit/(Loss) After Tax	
2597	2207	
Earning Per Share in Rs.	Dividend rate %	
0.29	NIL	
V. Generic Names of Three Principal Products/Services of the Company	Micro Finance/ Consultants to Foreign Banks	
1. Item Code No. (ITC Code)	NOT AVAILABLE	
Product Description	LOAN/MICRO FINANCE	
2. Item Code No. (ITC Code)	NIL	
Product Description	CONSULTANTS FOREIGN BANKS	
3. Item Code No. (ITC Code)	NIL	
Product Description	NIL	

 For **V S H & ASSOCIATES**
Chartered Accountants

(VIVEK GUPTA)

Partner

M. No.091926

PLACE : NEW DELHI

DATED : 09-Apr-10

YOGEN KHOSLA
MANAGING DIRECTOR

For and on behalf of the Board

S MAHANTI
DIRECTOR

K.L. KHULLAR
DIRECTOR

CAPITAL TRUST LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

	As at 31/Mar/10	As at 31/Mar/09
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary items	2,596,761.96	(13,064,015.16)
Adjustments for:		
Depreciation	549,090.00	509,391.00
Deferred Revenue Expenses w/off	154,141.00	0.00
(Profit)/Loss on Sale of Assets	116,280.00	0.00
(Profit)/Loss on Sale of Investments	0.00	0.00
Provision for NPA/ Doubtful Advances	<u>1,013,457.46</u>	<u>5,566,391.51</u>
	4,429,730.42	(6,988,232.65)
Adjustments for:		
Dividend Received	(25,000.00)	0.00
Prior period Income Tax	<u>(389,500.00)</u>	<u>(184,481.00)</u>
Operating Profit before Working Capital Changes	4,015,230.42	(7,172,713.65)
Adjustments for:		
(Increase)/Decrease in Current Assets	(81,371,197.30)	19,880,743.74
Increase/(Decrease) in Current Liabilities & Trade Payable	1,730,876.45	2,173,116.00
(Increase)/Decrease in Net Current Assets	<u>(79,640,320.85)</u>	<u>22,053,859.74</u>
Cash generated from Operations	<u>(75,625,090.43)</u>	<u>14,881,146.09</u>
Net Cash Flow from Operating activities	<u>(75,625,090.43)</u>	<u>14,881,146.09</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(505,760.00)	(176,000.00)
Sale of Fixed Assets	380,000.00	0.00
Capital Expenditure Deferred Revenue Expenditure	(770,705.50)	0.00
Sale of Investments	0.00	0.00
Dividend Received	<u>25,000.00</u>	<u>0.00</u>
Net Cash used in investing activities	<u>(871,465.50)</u>	<u>(176,000.00)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	53,243,576.65	12,504,997.77
Dividend Paid	<u>0.00</u>	<u>0.00</u>
Net Cash from Financing Activities	53,243,576.65	12,504,997.77
Net increase/ (Decrease) in cash and cash equivalents (A+B+C)	(23,252,979.28)	27,210,143.86
Cash and cash equivalents at the beginning of the year	34,421,942.93	7,211,799.07
Cash and cash equivalents at the close of the year	11,168,963.65	34,421,942.93

AUDITORS REPORT

We have verified the above cash flow statement of CAPITAL TRUST LIMITED derived from the audited financial statements for the year ended March 31st, 2010 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreements with Stock Exchange.

For **V S H & ASSOCIATES**
Chartered Accountants
(VIVEK GUPTA)
Partner
M. No.091926

For and on behalf of the Board

YOGEN KHOSLA
MANAGING DIRECTOR

S MAHANTI
DIRECTOR

K.L. KHULLAR
DIRECTOR

PLACE : NEW DELHI
DATED : 09-Apr-10



Capital Trust Limited

Registered Office :

47, Community Centre, Friends Colony, New Delhi 110025

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

Client 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 24th Annual General Meeting of

the Company to be held on Monday, the 24th May, 2010 at 9:00 A.M. **Priyanka's Banquet Hall,**

Behind District Court, Near Vandana Public School, Sect. 10, Dwarka, New Delhi-110075.

Signed this day of 2010

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 :

47, Community Centre, Friends Colony, New Delhi 110025

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

Client 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 24th Annual General Meeting of the Company to be held on Monday, the 24th May, 2010 at 9:00 A.M. at **Priyanka's Banquet Hall, Behind District Court, Near Vandana Public School, Sect. 10, Dwarka, New Delhi-110075.**

SIGNATURE OF THE SHAREHOLDER OR PROXY*

* Applicable for members holding shares in electronic form

**Strike out whichever is not applicable

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