

Capital Trust

**25th Annual Report
2010-2011**



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,

This year has been one of the most challenging for the microfinance industry in India. The events were precipitated by the Andhra Pradesh Microfinance Act, which had serious repercussions on all Microfinance Institutions operating in the state. Subsequently, the RBI appointed the Malegam Committee to look into the functioning of the sector and its recommendations presently provide the framework governing the various stakeholders. Even though steps to be 'Malegam compliant' will put some pressures on the company in the short term, the recommendations are welcome as they lay out the regulatory clarity and the continuation of the priority sector tag, both of which are seen to be healthy for the growth of the industry in the long run.

Capital Trust has been able to sail through this turbulent time with deftness and agility, both on account of the fact that it has no exposure in the state of Andhra Pradesh and because it has a modest portfolio size which is easily manageable. The very practices which were seen as too conservative in the face of competition before the crisis have been the backbone of the company's resilience in the recent months. Our painstaking effort on the ground level to have a transparent and humble relationship with our clients has ensured no change in the payback pattern of the loans, despite a slowdown in fresh disbursements. This has given us the confidence that our investment in building social capital has borne fruit and has reaffirmed our intent to continue working in this sector.

The shake-up in the industry has given a much needed 'breathing time' to a game which was otherwise just running after numbers.

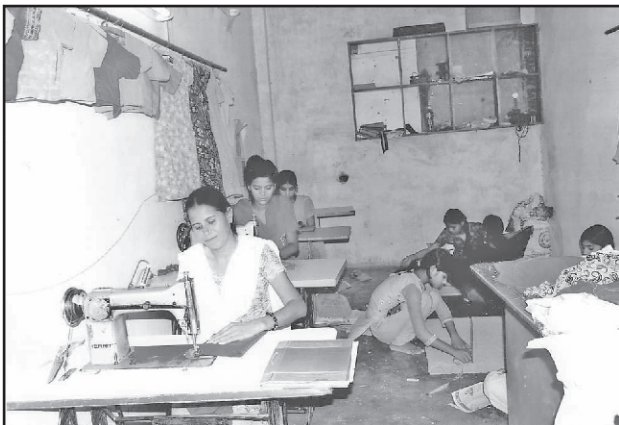
During this period, the company has focused upon consolidation of its operations. Smaller branches have been merged to have healthier, more efficient operations. Stricter adherence to operational rules has improved client discipline, the main foundation of a successful microfinance company. The company has also launched its new product – micro enterprise finance – with loan amounts ranging from 15,000 to 100,000. This shall further improve the asset quality as well as improve efficiency. The company is also exploring other avenues to take advantage of its network in servicing its clients with goods and services.

With this background in mind, I am pleased to inform the shareholders that the Company reported a profit after tax of Rs.49.06 lacs on a total income of Rs.734.50 lacs for the financial year ended 31.03.2011. Corresponding figures with respect to the financial year ended 31.03.2010 were 22.07 lacs and 391.14 lacs respectively.

I would like to convey my thanks to the employees of the company who have shown their loyalty to the company during this trying period. Special thanks to the field staff who have painstakingly motivated the clients to maintain the repayment record. Needless to say, this would have not been possible without the support of our Bankers and Financial Institutions who have reposed faith in the Company and we look forward to their continued association. On behalf of the Company I would also like to thank the shareholders who have supported us in our strive towards "economic empowerment through enterprise".

Place : New Delhi
Date : 2nd August, 2011

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.

The story of Bina is not very different from all other women who have faced helplessness and frustration because of their poor economic conditions. But Bina is different in a way – she had a dream to take it upon herself to lift her family out of the difficult situation.

As a child, Bina had learnt how to use the sewing machine from her father, who was a tailor. All she needed now was a little money to buy a sewing machine, but not even the local moneylender was willing to give her a loan. But her life changed the day she came across Capital Trust.

With the first loan of Rs 8000, Bina bought 2 sewing machines. After sometime, she took a second loan and bought 3 more machines. She now employed 3 women to help her. Because of her good quality work and pleasant mannerism, her business started growing very fast. She approached Capital Trust for a third loan, with which she

bought an overlock machine. She then contacted an export company and started taking small orders on job-work basis.

Today, 10 families depend on Bina's business for their livelihood. In just 2 years, her monthly earnings are now Rs 25000. She can afford to send her son to college. She is thankful to God for giving her the strength to fight, and to Capital Trust for providing her the monetary assistance for fulfilling her dream.

BOARD OF DIRECTORS

S. Mahanti (Chairman)
Yogen Khosla (Managing Director)
Cdr. K. L. Khullar (Retd.) (Director)
C. R. Sharma (Director)
N.V. Ramana (Additional Director)

COMPANY SECRETARY

Nikita Jain

Auditors

M/s V. S. H. & Associates
Chartered Accountants
E-346, Nirman Vihar, Vikas Marg, Delhi-92

BANKERS

VIJAYA BANK
PUNJAB NATIONAL BANK
UNION BANK OF INDIA
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

Punjab National Bank
Union Bank of India
Vijaya Bank
Indian Bank
Ananya Finance for inclusive Growth Pvt. Ltd.
Mass Financial Services Ltd.

REGISTRARS & SHARE TRANSFER AGENTS

Mas Services Ltd.
T-34, 2nd Floor, Okhla Industrial Area
Phase II, New Delhi-110020
Tel.: 011-26387281/2/3
E-mail : mas_serv@yahoo.com

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
Mr. C.R. Sharma, 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 25th Annual General Meeting of the members of the company will be held on 12th September, 2011 at MCD Community Centre, Gautam Puri, Badarpur to transact following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet at 31st March 2011 and 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. Surendra Mahanti, who retires by Rotation and being eligible offers himself for re-appointment.
- To appoint M/s. VSH & Associates, Chartered Accountants, as Statutory Auditors of the Company and to fix their Remuneration.

SPECIAL BUSINESS

- To consider and thought fit, to pass with or without modification, the following Resolution as special resolution

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956, read with Schedule XIII thereto and the Articles of Association of the Company and subject to the approval of the Shareholders and other such approvals and sanctions as may be necessary, the Board of Directors of the Company be and is hereby in partial- modification of the resolution passed by the Board in its Board meeting held on 28th January 2011, remuneration of Mr. Yogen Khosla, Managing Director be revised with effect from 1st October, 2011 as detailed in the Explanatory Statement annexed to this notice:

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of Mr. Yogen Khosla, he shall be paid above-mentioned salary, perquisites, and other allowances which shall not exceed the limits laid down under Section II of Part II of Schedule XIII to the Companies Act, 1956."

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

"RESOLVED THAT pursuant to the provisions of Section 314 (1B) and rules made there under and subject to the approval of Shareholders, the Board of Directors of the Company in partial modification of the resolution passed by the Board in its meeting held on 28th January, 2011 be and is hereby accord its consent for the promotion and increase in the remuneration of Mrs. Anju Khosla, holding the position of Vice President who is also a relative of Mr. Yogen Khosla, Managing Director, with effect from the date of approval for a period of 5 years, and holding and continue to hold an office or place of profit as President under the Company with effect from 1st August 2011 on the following terms and conditions as detailed in the Explanatory Statement annexed to this notice:

RESOLVED FURTHER THAT in no case aggregate of salary and perquisite including re-imbusement of the medical expenses for self and family shall not exceed Rs. 1,00,000/- per month or Rs.12,00,000/- per annum."

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

Place : New Delhi
Date : 02.08.2011

NIKITA JAIN
COMPANY SECRETARY

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

- Mr. Yogen Khosla, is a member of the Institute of Financial Accounting and has more than 15 years experience in Finance. He is presently working as managing director of the company since 1st April, 2003.

The Board of Directors in its meeting held on 28th January, 2011, decided to enhance the remuneration of Mr. Yogen Khosla in order to partially neutralize the effect of inflation. The increased remuneration is stated below:-

A. Salary Rs.2,50,000 per month

Payment of commission of a sum not exceeding 4% of the net profits of the Company in any financial year calculated in the manner specified in Section 198 of the Companies Act, 1956.

B. Perquisites

- The actual expenditure incurred by the Managing Director on gas, electricity and water will be reimbursed by the Company.
- Medical Re-imbusement – The Managing Director will be provided re-imbusement of medical expenditure upto one month's basic salary in a year for self and family.
- Club Fee- Fees of clubs subject to a maximum of two clubs will be paid by the Company. However, admission fee will not be provided.

The provision of the following benefits to Managing Director shall not be included in the computation of the limits for remuneration or perquisites as aforesaid.

- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961
- Gratuity payable at a rate not exceeding half a month's salary for each completed years of service, and
- Encashment of leave at the end of the tenure

Other Terms and Conditions

- Mr. Yogen Khosla shall not be paid any sitting fees for attending the meetings of the Board of Directors and Committees thereof.
 - The appointment is subject to termination by either party by giving six months notice or salary in lieu thereof.
 - Entertainment Expenses incurred for promoting the business of the Company will be reimbursed on actual basis.
 - The Company shall provide suitable conveyance facilities to Managing Director of the Company.
 - The Company shall provide telephone, telefax and other communication facilities at the residence of Managing Director in connection with the business of the Company.
 - Apart from the aforesaid salary, perquisites, allowances and benefits the Managing Director will be entitled to re-imbusement of expenses incurred in connection with the business of the Company.
- Mrs. Anju Khosla, has graduated from Delhi University and mastered in Business Economics. She is presently working as Vice President of the company since 1st April, 1999.

The Board of Directors in its meeting held on 28th January, 2011, decided to enhance the remuneration of Mrs. Anju Khosla in order to partially neutralize the effect of inflation. The increased remuneration is stated below:-

A. Basic Salary Rs.50,000 per month

B. Perquisites

House Rent Allowance : 50% of Basic Salary

Conveyance Allowance : Rs. 3000/- per month

Medical Re-imbusement will be provided as per company rules

Provident fund- Company's contribution toward Provident fund subject to a ceiling as prescribed under the law applicable in this regard.

Gratuity – not exceeding half months salary for each completed year of service, subject to a ceiling as prescribed under the provisions of law applicable in this regard.

Entertainment expenses – Entertainment Expenses incurred for promoting the business of the Company will be reimbursed on production of bills, subject to a ceiling of Rs.5000/- per month.

The appointee will give an undertaking to the Company that she will be in the exclusive employment of the Company and shall not hold any office or place of profit in any other Company/entity.

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.
- 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.

6. 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 Ltd.,

T-34, 2nd Floor, Okhla Industrial Area,
Phase II, New Delhi 110020
Tel Phone No. 011-26387281/26387282
Email: mas_serv@yahoo.com

7. 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.
8. 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.

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

NIKITA JAIN
COMPANY SECRETARY

Place: New Delhi
Date: 02.08.2011

DIRECTORS' REPORT

TO THE MEMBERS OF CAPITAL TRUST LIMITED

FINANCIAL RESULTS

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

(Rs. In Lakhs)

Particulars	Year Ended 31.03.11	Year Ended 31.03.10
Gross Income from operation	713.23	304.04
Other Income	21.28	87.11
EBIDTA	215.69	62.64
Less:		
Interest	149.16	31.18
Depreciation	6.70	5.49
Profit Before Tax	59.083	25.97
Profit/(Loss) after tax	49.06	22.07
Available for appropriation	0.00	0.00
Transfer to Reserve fund u/s 45IC of RBI Act, 1934	9.81	0.00
Surplus/deficit carried to Balance Sheet	(136.34)	(171.17)

The Company gross income for the year ended 31st March, 2011 is Rs. 215.69 Lacs before EBIDTA.

Further, non performing assets (NPAs) amounting to Rs. 1,492,817.97 appeared in the Balance Sheet of the Company.

DIVIDEND

In view of carry forwarded losses from previous years the Directors express their inability to declare any dividend.

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. 9.81 lacs Nil to Reserve Fund under Section 45 I C of RBI Act, 1934 in view of a carry forward loss of **Rs. 136.34 Lac in the Accounts of the Company.**

PERFORMANCE REVIEW

The industry was adversely impacted because of the Andhra Pradesh Ordinance on Microfinance. The industry is slowly on its path to recovery after there have been some clarity with the Malegam Committee recommendations and RBI directives on Microfinance.

In spite of the difficult conditions prevalent during the later half of the year the company has turned out impressive results.

The Company's gross income grew from Rs.391.15 lacs (pr. year) to Rs.734.51 lacs during the year. Its net profit also grew from Rs.22.07 lacs (pr. year) to Rs.49.06 lacs during the current year. Net Portfolio of the company for the Financial Year ended 31st March 2010 was Rs.1238 lacs as against Rs. 1435 lacs for the year ended 31st March 2011. Maximum portfolio including managed portfolio by the company was Rs. 2344 lacs in November 2010.

The Company is also happy to note that it has diversified into new districts in Uttar Pradesh and Ultra Khand and has expanded its branch network from 26 to 40.

DIRECTORS

Mr. S. Mahanti liable to retire by rotation at forthcoming annual general meeting and being eligible to offer himself for re-appointment.

A brief profile of Mr. Yogen Khosla, Mr. S. Mahanti, Cdr. K. L. Khullar, Mr. C. R. Sharma and Mr. N.V. Ramana is provided elsewhere in this Annual Report.

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, 2011, 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
- 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, 2011 on a going concern basis.

The above statements have been noted by the Audit Committee at its meeting held on 2nd August 2011.

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 Mumbai Stock Exchanges and the Company has paid Annual Listing Fees for the financial year 2011-2012 to the Stock Exchange.

AUDIT COMMITTEE

The Audit Committee consisted of Mr. Yogen Khosla, Mr. K.L. Khullar and 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. M/s. VSH & Associates were re-appointed as Auditors of the company in the Annual General Meeting held on 24.05.2010 till the conclusion of Annual General Meeting for the year 2010-11.

AUDITORS REPORT

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 the 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: 02.08.2011

S. Mahanti
Director

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. 12,91,854/- Outgo : Rs. 69,775

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- Industry Structure and Development :** Microfinance Industry went through a major turmoil due to the introduction of the Andhra Pradesh Microfinance Institutions (Regulation of Money Lending) Act, 2010 in the state of Andhra Pradesh. Many large institutions were affected resulting in loss of confidence from the banking sector in the industry. Bankers slowed down disbursements, which lead to a slow-down in the industry. However, Capital Trust was not affected in any way from the AP Act as it did not have any exposure in the State.
- Opportunities :** Assuming the entire poor population of India is potential microfinance clientele, the market size for microfinance in India is in the range of 58 to 77 million clients. This translates to an annual credit demand of INR 230 to 773 billion assuming loan sizes between INR 4000 and 10000. If we assume that the low-income but economically active population including small and marginal farmers, landless agricultural laborers, and micro-entrepreneurs, are also potential microfinance clients, the annual credit demand goes further up to an estimated 245.7 million individuals and INR 2.1 trillion in annual on-lending requirements. (Source: Inverting the Pyramid - The Changing Face of Indian Microfinance published by Intellectap).
Threats : Major threats faced by Capital Trust are of political interference and pressure in profitability brought about by interest rate caps as proposed by the Malegam Committee of 26%.
- Segment-wise Performance :** The Company is engaged in microfinance lending. Details of performance have been provided in this report.
- Outlook :** The Company's outlook for the year ending 2012 is to add new product lines in order to de-risk its business.

- Risks and Concerns:** The Company operates in the microfinance industry which is exposed to industry related risks. However, the company does operate in a conservative environment and has prudent business practices.
- Risk Management:** All business environment have an element of risk and its management is crucial to the existence and growth of the company. Risks emerge from uncertainty, political instability, natural disasters etc. The company tries to mitigate such risks to a third party like insurance companies etc.
- Internal Control Systems and their adequacy :** Company's internal control systems are in place in order to accomplish company's objectives. They aim at reliable financial reporting, authenticity of accurate field reporting, timely incorporation of such reports into the centralized software, compliance with prevailing laws amongst others.

Internal Audit: The Company has a well-oiled Audit Department headed by an experienced Internal Auditor reporting directly to the management. The role of the audit department is to enhance operational efficiency of the company, highlight risks and propose changes in the existing procedures. The team has special fraud investigating module.

Credit Risk: In any financing business, credit risk is inherent. However, the company has mitigated such risks by deploying acclaimed Grameen based Group Lending Model which has proven to have 99% recoveries. The company has a centralized Credit Appraisal system to control quality of clients disbursed.

8. Financial Performance in 2010-2011

Particulars	2010-11		2009-10		Increase / (Decrease)
	Rs. in Lacs	Percent to Revenue	Rs. in Lacs	Percent to Revenue	
Income from operations	734.51	100%	367.97	94.07%	99.61%
Other Income	NIL	0%	23.18	5.93%	0.00%
Gross Revenue	734.51	100%	391.15	100%	87.78%
Financial Expenses	149.16	20.31%	31.19	7.97%	378.23%
Personnel exp	271.04	36.90%	178.76	45.70%	51.62%
Operating and other expenses	230.98	31.45%	144.39	36.91%	59.97%
Depreciation and amortization	6.70	0.91%	5.49	1.40%	22.04%
Provisions and write-offs	16.80	2.29%	5.35	1.37%	214.12%
Total expenditure	674.68	91.85%	365.18	93.36%	84.75%
Profit before tax	59.83	8.15%	25.97	6.64%	130.38%
Tax expense	10.77	1.47%	3.90	1.00%	176.15%
Profit after tax	49.06	6.68%	22.07	5.64%	122.29%

- Human Resources :** Capital Trust's HR department strives to manage the company's HR requirements while taking into account prevailing best business practices and maintaining high employee morale in an effective manner. The company enjoyed excellent relationship between all members of the staff during the year. The company also initiated numerous training and development programs for various levels of staff.
- Information and Technology :** Capital Trust has an experienced team for the development and management of the company's proprietary management information system. Their objective is to use the highly efficient operations, technologies and processes of modern financial institutions to act as a strong backbone to bring economies of scale to micro-finance operations. The software package is developed in Java J2EE environment with the backend of SQL server. The package is robust enough to handle expanding business volumes and future technology innovations. Additionally, the software is web-based for easy deployment and off-site accessibility. Distinct advantages of the customized MIS include scalability, flexibility, and the ability to add and otherwise modify its features. The system also manages data more efficiently and generates reports faster since they

are run on a central server. All branches get their reports on a daily basis. Daily flow of information and reports also allow greater communication between branches and Head Office. A distinct feature of the system is the online chat facility between all the MIS personnel, which speeds up information flow, rectifies errors and reduces costs. Divisional Managers are connected on a real time basis with the Operations Head and other heads of departments through a "DM Wall" facility. This facility allows all to correspond with each other on an online common platform.

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF 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.

II. BOARD OF DIRECTORS

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

As of March 31, 2011 the board consisted of four members. The composition and the category of Directors on the Board of the Company as at March 2011 were as under:

Category	Particulars of the Directors
Non-executive & Independent Director	Shri S. Mahanti, Chairman Shri K. L. Khullar Shri C.R. Sharma
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.
- 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.
- d. Shri. N.V. Ramana was appointed as Additional Director of the Company in the Board Meeting held on 10th May, 2011 till forthcoming Annual General Meeting
 - e. The Company has appointed Ms. Nikita Jain on Board Meeting held on 10th May 2011 as a Company Secretary and 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, five Board Meetings were held on 09.04.2010, 16.07.2010, 21.10.2010, 29.10.2010 and 28.01.2011. 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 2010-11 Attendance at		No. of Other Directorships Held *	Committee Positions	
			BM	Last AGM		Member	Chairman
Mr. Yogen Khosla (Managing Director)	Promoter & Managing Director	1244865	5	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. C.R. Sharma (Director)	Executive Director	Nil	4	No	3	1	Nil

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

- Mr. N.V. Ramana Appointed as Additional Director w.e.f. 10.05.2011. Attended the board meeting held on 10.05.2011 as a special invitee.
- Mr. K.K. Raj retired in the Annual General Meeting held on 24.05.2010 and was not re-appointed as per his wishes.
- Cessation

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. He has been directly involved with the company as Executive Director since 2000 and as Managing director since 2003. He was on the Board of Kinetic Capital Finance (a joint venture between Kinetic Engineering and Capital Trust Ltd. He also joined the Board of DBS Capital Trust Securities India P Ltd (a joint venture between Development Bank of Singapore and Capital Trust Ltd) for conducting Stock Broking activities in India

Mr. C.R. Sharma, Director

Age : 69 Yrs
 Qualification : Post Graduate
 Experience : C.R. Sharma spearheaded Citibank's retail operations in India in the 1980's before moving to the public sector bank, Oriental Bank of Commerce. Later, he was handpicked to the post of Executive Director at Andhra Bank and then he was named the CEO and Managing Director at Bank of Punjab. After running Bank of Punjab for 5 years he successfully merged the bank into a larger one. Mr. Sharma's financial knowledge and retail banking experience will help Capital Trust manage its debt funding requirements.

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 & Finance has been associated with Capital Trust since 1990.

Mr. N.V. Ramana, Additional Director

Age : 54
 Qualification : Post Graduate
 Experience : N V Ramana is a senior consultant advisor in the development and agribusiness space. He serves as Board member on a number of companies in the Livelihoods Development and Financial & Investment Advisory sectors. He held the office of Group CEO at BASIX Group of Companies India between 2006 and 2008; served as Managing Director of multiple group companies during his time with the group from 2001 to 2008. Also served as Managing Director of Krishna Bhima Samruddhi Local Area Bank (KBSLAB). He began his career with the Agri Business division of the ITC group of companies and served there in various capacities for two decades. He has Bachelors in Dairy Technology and a Management degree from IIM Ahmedabad.

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 of 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. 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

III. BOARD COMMITTEES

Currently, the Board has following Committees

- a) Audit Committee
- b) Remuneration Committee
- c) Shareholder Grievances Committee

Audit Committee

The Audit Committee comprises of Shri S. Mahanti, Shri K. L. Khullar and Shri Yogen Khosla. The Audit Committee is chaired by Shri S. 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 all 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 (in case 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 Ms. Nikita Jain, 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 24.05.2010.

Meetings and attendance during the Year: - There were four meetings of the Audit committee during the year on 09.04.2010, 16.07.2010, 29.10.2010 and 28.01.2011. 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	3
Mr. Yogen Khosla	Executive Director	4
Cdr. K. L. Khullar	Non-executive, Independent	3

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 28th of Jan., 2011 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: 28th of Jan., 2011

Name of Director	Category of Director	No. of meetings attended
Mr. S. Mahanti	Non-executive Director	1
Mr. C.R. Sharma (Chairman)	Non-executive Director	1
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	7,20,000.00	6,45,903.00	13,65,903.00

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 Committeemeeting @Rs.1500/- p.m.
Mr. S. Mahanti	3000	3000	18000
Cdr. K. L. Khullar	2250	3000	-
Mr. C.R. Sharma	2250	-	-
J.S. Tomar	1500	-	-
Total	9000	6000	18000

Shareholders Grievances Committee:

The Shareholders Committee comprises of Mr. Yogen Khosla, Mr. S. Mahanti and Cdr. K. L. Khullar and Ms. Nikita Jain, 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 09.04.2010, 16.05.2010, 29.10.2010 & 28.01.2011 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	3
Mr. Yogen Khosla	Managing Director	4
Cdr. K. L. Khullar (Chairman)	Non-executive Director	3

Mr. Devendar Agarwal, Company Secretary is the Secretary of the Committee for first three meeting held on 09.04.2010, 16.07.2010 & 29.10.2010 and Ms. Prakashi Agarwal was secretary of the Committee for the Committee Meeting held on 28.01.2011

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 01-04-2010 to 31-03-2011 is as under:

Nature of Grievances	Received	Resolved
Non-receipt of Annual Report, etc.	04	04
Non-receipt of Dividend Warrant	03	03
Non-receipt of Share certificate	01	01
Total	08	08

IV. 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
2009-10	MCD Community Centre Gautam Puri, Badarpur, N.D.-44	12.07.2010	9:00 a.m	NIL
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

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

Year	Location	Date	Time
2010-11	MCD Community Centre, Gautampuri Badarpur, New Delhi-110044	18 Nov. 2010	9.00 A.M.

V. 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.
- 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.

VI. 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

VII. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting.

Year	Location	Day	Date	Time
2010-11	M.C.D. Community Centre Gautam Puri, Badarpur New Delhi-110044	Monday	12th Sept. 2011	9 a.m.

2. Financial Calendar

Annual General Meeting for the year ended 31.03.2011 : 12th Sept. 2011

3. Date of Book Closure

5th September to 11th September 2011

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. Corporate Identification Number (CIN) :

L65923DL1996PLC195299

8. Market Price Data

Month	Open	High	Low	Close	Price / Earnings	Price / Bookvalue	Dividend Yield
Apr-10	17,555.04	18,047.86	17,276.80	17,558.71	21.28	3.88	1.1
May-10	17,536.86	17,536.86	15,960.15	16,944.63	19.96	3.56	1.15
Jun-10	16,942.82	17,919.62	16,318.39	17,700.90	20.57	3.34	1.18
Jul-10	17,679.34	18,237.56	17,395.58	17,868.29	21.2	3.4	1.17
Aug-10	17,911.31	18,475.27	17,819.99	17,971.12	21.61	3.45	1.15
Sep-10	18,027.12	20,267.98	18,027.12	20,069.12	22.99	3.66	1.09
Oct-10	20,094.10	20,854.55	19,768.96	20,032.34	23.89	3.82	1.04
Nov-10	20,272.49	21,108.64	18,954.82	19,521.25	23.03	3.71	1.06
Dec-10	19,529.99	20,552.03	19,074.57	20,509.09	22.93	3.73	1.05
Jan-11	20,621.61	20,664.80	18,038.48	18,327.76	22	3.62	1.08
Feb-11	18,425.18	18,690.97	17,295.62	17,823.40	19.67	3.4	1.16
Mar-11	17,982.28	19,575.16	17,792.17	19,445.22	20.04	3.46	1.13
Apr-11	19,463.11	19,811.14	18,976.19	19,135.96	21.05	3.65	1.07
May-11	19,224.05	19,253.87	17,786.13	18,503.28	19.59	3.45	1.14
Jun-11	18,527.12	18,873.39	17,314.38	18,845.87	19.37	3.55	1.16
Jul-11	18,974.96	19,131.70	18,131.86	18,197.20	19.6	3.44	1.43

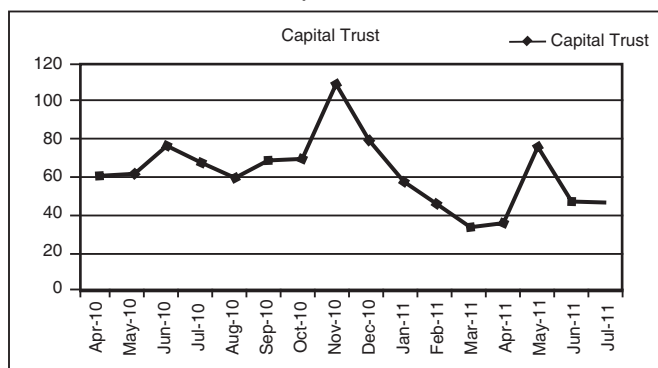
*Source: The Stock Exchange Bombay, website www.bseindia.com.

9. Performance in comparison to BSE Sensex

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Traders	Total Turnover (Rs.)	* Spread (Rs.)	
								H-L	C-O
Apr-10	61	69.3	55.55	60.5	77,390	595	47,55,381	13.75	-0.5
May-10	62	73.05	53.75	73.05	78,687	570	51,34,960	19.3	11.05
Jun-10	76.6	79.95	62.8	69.5	1,01,999	638	74,44,941	17.15	-7.1
Jul-10	68	72.45	62.15	62.85	65,779	422	43,89,464	10.3	-5.15
Aug-10	60	71	59.9	69.4	80,897	485	54,37,502	11.1	9.4
Sep-10	68.9	74.5	62.5	70.05	1,06,532	642	73,47,259	12	1.15
Oct-10	69.95	103.65	60	103.65	2,32,375	916	1,79,70,029	43.65	33.7
Nov-10	108.8	119.9	82.4	83.45	2,17,825	932	2,35,37,823	37.5	-25.35
Dec-10	79.45	84.95	55.55	60	88,402	358	57,28,456	29.4	-19.45
Jan-11	58	60	40.9	44.4	28,034	221	14,09,391	19.1	-13.6
Feb-11	46	46	32.15	32.35	21,169	181	7,91,392	13.85	-13.65
Mar-11	33.9	43.35	30.95	38.15	62,614	240	21,08,855	12.4	4.25
Apr-11	36.25	74	36.25	72.65	21,963	252	13,20,325	37.75	36.4
May-11	75.85	75.85	47.1	49.8	22,568	227	12,75,938	28.75	-26.05
Jun-11	47.4	54.6	44.65	49.35	9,136	189	4,38,798	9.95	1.95
Jul-11	46.9	52.45	31.1	36.15	9,253	136	3,43,332	21.35	-10.75

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

10. Shares Price Performance of Capital Trust Limited.



11. Registrar & Transfer Agents

M/s. Mas Services Private Limited
T-34, IInd Floor, Okhla Industrial Area, Phase II,
Phone No.: 011-26387281/2/3
Fax : 011- 26387384
Email: mas_serv@yahoo.com

12. 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.

13. Shareholding Pattern as on 31st March, 2011

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	200	0.02
Others		
1. Private Corporate Bodies	416183	5.549
2. Indian Public	1789499	23.86
3. NRIs/OCBs	90525	1.207
4. Any other (Clearing Member)	21474	0.286
Sub Total	2317681	-
Grand Total	7500000	100

NOTE: Total Foreign Holding 90525 1.207%

14. 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	3159207	42.12
In dematerialization form with NSDL	3127969	41.71
In Physical form	1212824	16.17
TOTAL	7500000	100.00

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

15. Outstanding GDRs

Not Applicable. There were no outstanding GDRs/ADRs/ Warrants or any other Convertible Instruments as on 31.03.2011.

16. 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, Mathura & Fariadabad.

17. Address for correspondence Registered Office:

47, Community Centre, Friends Colony, New Delhi 110 025.
Tel: 011-41627007, Fax: 011-41628485
Email: info@capital-trust.com, Web: www.capital-trust.com

Corporate Office:

47, Community Centre, Friends Colony, New Delhi 110 025.
Tel: 011-41627007, Fax: 011-41628485
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.

For and on behalf of
Capital Trust Limited
SD/
Yogen Khosla
(Managing Director)

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 Committee
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which 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.

Yogen Khosla
(Managing Director & CEO)

CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF CAPITAL TRUST LIMITED

We have examined the compliance of conditions of corporate governance by CAPITAL TRUST LIMITED, for the year ended on 31st March, 2011, 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.

For and on behalf of

(Divya Maheshwari)
Company Secretary in Pratic

Divya Maheshwari
Company Secretary

Place : New Delhi
Date : April 15, 2011

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 2011 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:

1. 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-03-00068
2. 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 :

- a) The Board of Directors has passed a resolution for non- acceptance of any public deposits;
- b) The company has not accepted any public deposits during the relevant period ; and
- c) 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
Firm Registration No. 012420N

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

Place: New Delhi
Date: 10/05/2011

AUDIT REPORT

TO THE MEMBERS OF CAPITAL TRUST LIMITED

1. We have audited the attached Balance Sheet of **CAPITAL TRUST LIMITED**, as at 31 March 2011, 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.
2. 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.
3. 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.
4. Subject to the foregoing we further report that:
 - a) 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;
 - b) 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;
 - c) 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;
 - d) 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;
 - e) 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:
 - i. in the case of the Balance Sheet, of the statement of the Company's affairs as at 31 March, 2011; and
 - ii. in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from directors, as on 31 March, 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March, 2011 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
Firm No. : 012420N

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

Place: New Delhi
Date: 10/05/2011

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 . The company has reportedly noticed no material discrepancies between book records and the physical verification of the fixed assets.
- 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) Loans taken/ given

- a) According to the information and explanations given, the Company has granted loans in the nature of Inter Corporate Deposits to 1 (one) company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 35.71 Lacs and the year-end balance of ICD given to these companies was Rs. 35.71 Lacs.
- b) The Company has taken loans from 2 (Two) companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 184.90 Lacs and the year-end balance of loans/ Advances taken from these parties/ companies was Rs. 72.00 Lacs.
- c) 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.
- d) The Company is receiving the principal as well as interest regularly and there is no overdue amount to be received against these ICDs.
- e) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.

- 3) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the services.

4) 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.

- 5) 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.

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

7) 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, 2011 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 and also had not incurred any cash losses in the immediately preceding financial year also.
- 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
Firm Registration No. 012420N

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

Place: New Delhi
Date: 10/05/2011

Particulars	Schedule	As at 31/Mar/11 Rs.	As at 31/Mar/10 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'	15,205,521.07	14,224,221.07
<u>LOAN FUNDS</u>			
(a) Secured Loans	'3'	107,453,828.89	54,941,466.68
(b) Unsecured Loans	'4'	7,200,000.00	13,940,000.00
		<u>204,859,349.96</u>	<u>158,105,687.75</u>
<u>APPLICATION OF FUNDS</u>			
<u>FIXED ASSETS</u>			
Gross Block	'5'	9,158,201.76	7,013,438.76
Less: Accumulated Depreciation		<u>4,576,013.68</u>	<u>4,582,188.08</u>
		185,888,661.29	136,840,206.29
<u>INVESTMENTS</u>			
	'6'	1.00	1.00
<u>CURRENT ASSETS LOANS AND ADVANCES</u>			
Closing Stock	'7'	4.00	55,934.00
Sundry Debtors	'8'	-	-
Cash & Bank Balances	'9'	37,118,183.08	11,168,963.65
Other Current Assets	'10'	2,587,142.00	1,575,808.00
Loans & Advances	'11'	<u>156,966,533.80</u>	<u>128,877,302.80</u>
		196,941,862.88	141,678,008.45
Less : Current Liabilities & Provisions	'12'	<u>11,053,201.59</u>	<u>4,837,802.16</u>
NET CURRENT ASSETS		185,888,661.29	136,840,206.29
Miscellaneous Expenditure (to the extent not written off)	'13'	754,924.50	616,564.50
Profit & Loss Account		13,633,575.09	17,558,707.88
		<u>204,859,349.96</u>	<u>158,105,687.75</u>
Accounting Policies & Notes on Accounts	'18'		
Balance Sheet Abstract and Company's General Business Profile	'19'		

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

For V S H & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

(VIVEK GUPTA)
Partner
M. No.091926
FRN. 12420 N

YOGEN KHOSLA
MANAGING DIRECTOR

S MAHANTI
DIRECTOR

PLACE : NEW DELHI
DATED : 10-May-2011

Particulars	Schedule	As at 31/Mar/11 Rs.	As at 31/Mar/10 Rs.
INCOME :			
Interest Received Micro Credit Loan		70,607,095.30	30,404,034.70
Interest Received (Tax deducted at source Rs. 12095.00 (Previous Year Rs. 19655/-))		715,701.00	430,724.89
Management Consultancy Fee (Tax deducted at source Rs NIL/- Previous Year Nil)		1,149,466.00	1,687,530.00
Other income (Tax deducted at source Rs 350/- (Previous Year Rs. 5578/-))	'14'	977,099.22	6,536,545.12
Profit/(Loss) on trading of shares	'15'	1,627.00	55,929.00
		<u>73,450,988.52</u>	<u>39,114,763.71</u>
EXPENDITURE :			
Operational Expenses	'16'	501,270,04.30	31,357,317.12
Miscellaneous Balances Written off		186,640.00	313,444.00
Loss on sale of Assets		9,099.00	116,280.00
Interest Paid		14,915,894.43	3,118,778.17
Provision for Audit Fee		66,180.00	49,635.00
Bad Debts w/off		0.00	790,972.46
Provisions Against Standard Assets		354,678.00	0.00
Provision for N P A	'17'	1,138,139.00	222,485.00
		<u>66,797,634.73</u>	<u>35,968,911.75</u>
Profit before Depreciation and Tax		<u>6,653,353.79</u>	<u>3,145,851.96</u>
Depreciation on Fixed assets		669,899.00	549,090.00
Profit before Tax		5,983,454.79	2,596,761.96
Current Tax		1,077,022.00	389,500.00
Deferred Tax (Asset) Liability		0.00	0.00
Prior Period Income Tax Adjustment		0.00	0.00
Profit after Tax		<u>4,906,432.79</u>	<u>2,207,261.96</u>
Appropriations :			
Transferred to Reserve Fund u/s 45 I C of RBI Act, 1934		981,300.00	441,500.00
Balance Brought Forward from Previous Year		(17,558,707.88)	(19,324,469.84)
Balance carried to Balance sheet		<u>(13,633,575.09)</u>	<u>(17,558,707.88)</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.)		0.65	0.29
Accounting Policies & Notes on Accounts	'18'		
Balance Sheet Abstract & Company's General Business Profile	'19'		

For V S H & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

(VIVEK GUPTA)
Partner
M. No.091926
FRN. 12420 N

YOGEN KHOSLA
MANAGING DIRECTOR

S MAHANTI
DIRECTOR

PLACE : NEW DELHI
DATED : 10-May-2011

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31/Mar/11 Rs.	As at 31/Mar/10 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>75,000,000.00</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	227,400.00
(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	1,925,476.02	1,483,976.02
Add: Transferred from Profit & Loss Account	<u>981,300.00</u>	<u>441,500.00</u>
	<u>15,205,521.07</u>	<u>14,224,221.07</u>
SCHEDULE '3'		
SECURED LOANS		
From Banks :		
(a) Cash credit secured against assignment of Micro Finance receivables on 1st charge on specific book debts	8,895,930.68	9,894,999.68
(b) Demand Loan from Indian Bank against assignment of Micro Finance receivables on 1st charge on specific book debts	303,590.00	707,581.00
(c) Demand Loan from Punjab National Bank against assignment of Micro Finance receivables on 1st charge on specific book debts	33,331,500.00	0.00
(d) Demand loan from Union Bank of India against assignment of Micro Finance receivables on 1st charge on specific book debts	21,666,744.00	0.00
(e) HDFC Bank vehicle Loan (secured against hypothication of Vehicle)	756,080.21	0.00
From Corporate Bodies		
(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	0.00	450,000.00
(b) Term Loan From Ananya Finance for Inclusive Growth Pvt Ltd against assignment of Micro Finance receivables on 1st charge on specific book debts	42,499,984.00	23,888,886.00
(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
	<u>107,453,828.89</u>	<u>54,941,466.68</u>
SCHEDULE '4'		
UNSECURED LOANS		
(a) Call Deposits from Corporate Bodies	7,200,000.00	13,940,000.00
	<u>7,200,000.00</u>	<u>13,940,000.00</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE "5"

STATEMENT SHOWING FIXED ASSETS AS AT 31ST MARCH 2011

	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	AT COST AS ON 01.04.2010	ADDITIONS DURING THE YEAR	DEDUCTIONS/ TRANSFER DURING THE YEAR	*Assets w/off	COST AS ON 31.03.2011	AS AT 31.03.2010	FOR THE YEAR	DEDUCTIONS/ TRANSFER	*Amount w/off	ACCUMULATED DEP. AS AT 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
PLANT & MACHINERY	2055050.00	493840.00	0.00	0.00	2548890.00	1235015.00	106455.00	0.00	0.00	1341470.00	1207420.00	820035.00
VEHICLES	2043560.50	1156969.00	0.00	0.00	3200529.50	1054185.00	280088.00	0.00	0.00	1334273.00	1866256.50	989375.50
FURNITURE & FIXTURES	1057563.59	39746.00	0.00	0.00	1097309.59	738105.36	64578.00	0.00	0.00	802683.36	294626.23	319458.23
COMPUTERS	1244233.00	462423.00	46215.00	0.00	1660441.00	639795.00	196703.00	17116.00	0.00	819382.00	841059.00	604438.00
OFFICE EQUIPMENTS	513031.67	38000.00	0.00	0.00	551031.67	249468.32	20443.00	0.00	0.00	269911.32	281120.35	263563.35
BUILDING	100000.00	0.00	0.00	0.00	100000.00	6662.00	1632.00	0.00	0.00	8294.00	91706.00	93338.00
TOTAL	7013438.76	2190978.00	46215.00	0.00	9158201.76	3923230.68	669899.00	17116.00	0.00	4576013.68	4582188.08	3090208.08
GRAND TOTAL	7013438.76	2190978.00	46215.00	0.00	9,158,201.76	3923230.68	669899.00	17116.00	0.00	4576013.68	4582188.08	3090208.08
PREVIOUS YEAR	9920186.76	505760.00	837507.00	2575001.00	7013438.76	4827119.68	549090.00	341227.00	1111752.00	3923230.68	3090208.08	5093067.08

Notes: Please refer note 1 (c) of Schedule 18 forming part of the accounts

Particulars	As at 31/Mar/11 Rs.	As at 31/Mar/10 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
Grand Total	1.00	1.00

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31/Mar/11 Rs.	As at 31/Mar/10 Rs.
SCHEDULE '7'		
Closing Stock (has been valued at cost or market price whichever is less.)		
A 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. NIL Equity Shares (Previous Year 200) of Pacific Industries Ltd fully paid-up of Rs.10/- each (Market Value N.A.)	0.00	55,930.00
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
TOTAL	<u>4.00</u>	<u>55,934.00</u>
B. Stock On Hire (at agreement values)		
(i) Stock on Hire	-	1,827,157.00
Less: Unmatured Finance Charges	-	625,888.67
	-	1,201,268.33
Less: Provision for NPA/Bad Debts written off	-	0.00
Net Value of Stock on Hire	<u>0.00</u>	<u>0.00</u>
GRAND TOTAL CLOSING STOCK	<u>4.00</u>	<u>55,934.00</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	0.00	0.00
Less than Six Months	<u>0.00</u>	<u>0.00</u>
	<u>0.00</u>	<u>0.00</u>

SCHEDULE '9'
CASH & BANK BALANCES

a. (i) Cash in hand	672,630.16	667.46
b. Balance with Scheduled Banks		
(i) In Current Account	16,345,552.92	11,068,296.19
(ii) In Short Term Deposits	<u>20,100,000.00</u>	<u>100,000.00</u>
	<u>37,118,183.08</u>	<u>11,168,963.65</u>

Particulars	As at 31/Mar/11 Rs.	As at 31/Mar/10 Rs.	
SCHEDULE '10'			
OTHER CURRENT ASSETS			
(i) Interest Receivable	2,149,142.00	560,170.70	
(ii) Other Current Assets	708,000.00	1,015,637.30	
	<u>2,857,142.00</u>	<u>1,575,808.00</u>	
SCHEDULE '11'			
LOANS AND ADVANCES			
(Unsecured considered good unless specified otherwise)			
(i) Loan (Secured Against Hypothecations of Movable assets) (at agreements value)	-	14,005,570.28	
Less: Interest not yet accrued	0.00	1,135,126.40	
	<u>0.00</u>	<u>12,870,443.88</u>	
Less: Assignments of receivables by way securitization to I C I C I Bank	-	-	
	-	12,870,443.88	
Less: Provision for N P A/Bad Debts written off	-	12,870,443.88	0.00
(ii) Other Loans	207,345.00	880,098.00	
Less: Interest not yet accrued	-	38,558.24	
	<u>207,345.00</u>	<u>841,539.76</u>	
Less: Provision for N P A/Bad Debts written off	-	578,836.76	262,703.00
iii) Micro Credit Loan	169,826,888.00	123,871,892.00	
Less: Assignment of Receivable by way of securitization to Mas Financial Services Ltd.	26,307,714.00	-	123,871,892.00
(iv) Advances recoverable in cash or in kind for value to be received	361,044.00	1,817,460.00	
Less Provision for Doubtful Assets	-	-	1,817,460.00
(v) Inter Corporate Deposits		3,571,000.00	0.00
(vi) Security Deposits		7,946,646.00	2,504,996.00
(vii) Income Tax paid		1,338,736.80	397,663.80
(viii) Fringe Benefit Tax paid		22,588.00	22,588.00
		<u>156,966,533.80</u>	<u>128,877,302.80</u>
SCHEDULE '12'			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities			
(a) Other Liabilities		7,917,304.59	4,615,317.16
(b) Sundry Creditors		343,573.00	0.00
Provisions:			
(a) Provision for Income Tax Payable		1,077,022.00	0.00
(b) Contingent Provision Against Standard Assets		354,678.00	0.00
(C) Provision for NPA/LOAN LOSS PROVISION MICRO CREDIT		1,360,624.00	222,485.00
		<u>11,053,201.59</u>	<u>4,837,802.16</u>
SCHEDULE '13'			
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
(i) Deferred Revenue Expenses			
Opening Balance	616,564.50	0.00	
Additions During the year	325,000.00	770,705.50	
	<u>941,564.50</u>	<u>770,705.50</u>	
Less: Written off during the year/transferred	186,640.00	154,141.00	616,564.50
SCHEDULE '14'			
Schedule forming part of the Profit & Loss Account			
Miscellaneous Income		977,099.22	6,536,545.12
		<u>977,099.22</u>	<u>6,536,545.12</u>

Particulars	Period ended 31/Mar/11 Rs.	Year ended 31/Mar/10 Rs.
SCHEDULE '15'		
Profit/ (Loss) on Trading of Shares		
Opening Stock of shares	55,934.00	5.00
Add Purchase of shares	0.00	0.00
Less Closing Stock of shares (Valued at lower of cost or market value)	4.00	55,934.00
Cost of Sale of shares	55,930.00	(55,929.00)
Sale of shares	57,557.00	0.00
Profit/(Loss) on trading of shares	1,627.00	55,929.00
SCHEDULE '16'		
OPERATIONAL EXPENSES		
Salaries (Includes Cont. to PF & other Funds Rs.42,47,652.00 (Previous year Rs. 22,87,380.00)	24,410,062.00	15,834,589.00
Staff Welfare	1,327,673.00	1166818.00
Directors Remuneration	1,365,903.00	1235316.16
Repairs & Maintenance		
Office Equipment	422072.00	481,758.00
Others	1984801.00	670,376.00
Insurance	91969.50	49,020.39
Professional & Consultancy Charges	7599664.00	2,320,833.00
Travelling & Conveyance		
Directors'	248079.50	561,275.58
Others	3911234.50	2,242,862.14
Repossession Charges	0.00	14,000.00
Exchange Fluctuation Difference	7911.97	98,459.70
Printing & Stationery	1012867.00	605,210.00
Postage & Stamps	240659.00	173,954.00
Telephone, Telex and Telegram	1397555.84	1,088,907.00
Advertisement	229393.00	99,326.00
Directors Sitting Fee	33000.00	30,000.00
Vehicle Running & Maintenance Expenses	316749.00	418,805.00
Business Promotion	116362.00	131,138.93
Rent Account	4248642.00	3,459,965.00
Bank Charges	244591.99	284,074.22
Listing & Filing Fee	91280.00	70,885.00
Festival Celebration Exps	0.00	1,500.00
Micro Submit Participation Fee	29000.00	16,900.00
Electricity & Water	358657.00	195,455.00
General Expenses	438877.00	105,889.00
	50127004.30	31,357,317.12
SCHEDULE '17'		
PROVISION FOR N P A		
LOAN LOSS PROVISION	1138139.00	222,485.00
NET PROVISION FOR N P A	1138139.00	222,485.00

For V S H & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

(VIVEK GUPTA)
Partner
M. No.091926
FRN. 12420 N

YOGEN KHOSLA
MANAGING DIRECTOR

S MAHANTI
DIRECTOR

PLACE : NEW DELHI
DATED : 10-May-2011

SCHEDULE 18 :

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.

(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) As all the Hire Purchase assets has already been written off, any amount received against those written off assets is recognised on cash 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.19,63,599.59/- (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) 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

(j) Borrowing costs:

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

(k) 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.

(l) 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.

(m) 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.

(n) 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:

A Other Notes

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	Nil	0
2. National Commission, New Delhi	Nil	0	Nil	0
3. Civil Judge, Tis Hazari Court	Nil	0	Nil	0
4. Consumer Forum	Nil	0	Nil	0
Total Rs.	Nil	0	Nil	0

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.15,019/- from trade investments.(Previous year Rs. 25000/- and Rs. 6,87,971/- in respect of amount received on closure of two wheler finance division of the company as out of court settlement of NPA's Civil cases pending in District Courts.

4. Auditors Remuneration :

	Current Year	Previous Year
a) Statutory Auditors Fee	66180.00	44635.00
b) Other Services	46328.00	19303.00

5. 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.

6. The liability for gratuity is covered under the group gratuity scheme with Life Insurance Corporation of India and Contributions made for the current year have been charged to profit and loss account as per certificate provided by LIC of India as on 31st March 2011.

7. Aggregate amount of debtors/loans due from directors and companies in which they are directors/members are Rs.35.71 Lacs. (Previous Year Rs.NIL)

8. 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)

9. Actual receipts of foreign currency is Rs.12,91,854/- (previous Year Rs.16,82,916/-) which is received as consultancy fees and reimbursement of expenses.

10. Foreign currency outflow on travelling and business promotion expenses are 69,775/- (previous year 2,89,210/-)

11. Small Scale Industrial (SME) Undertaking to whom the Company owes a sum are Rs .NIL

12. Previous year figures have been re-grouped wherever necessary to correspond with current year's presentation.

13. 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.90.17 Lacs as on 31.03.2011 (Previous Year Rs.48.45 Lacs) arising on account of timing difference as stipulated in Accounting Standard-22 on "Accounting for Taxes on Income".

14. 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 31.03.2011	TOTAL YEAR ENDED 31.03.2010
1	Remuneration	720,000.00	700,000.00
2	Contribution to PF & Superannuation Fund	94,788.00	96,035.00
3	Other Perquisites	551,115.00	439,281.16
	TOTAL	1,365,903.00	1,235,316.16

15. Sale of Micro Finance advances

PARTICULARS	(Rs. In lacs)	(Rs. In lacs)
	31.03.2011	31.03.2010
Assets de recognised	627.95	NIL
Interest Received on Managed Portfolio	98.66	NIL

16. 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	55934	Nos	23000	5
Purchases :						
Equity shares	Nos	Nil	Nil	Nos	Nil	Nil
Sales :						
Equity shares	Nos	200	57557	Nos	Nil	Nil
Closing Stock :						
Equity shares	Nos	22800	4	Nos	23000	55934

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.)
Pacific Industries	0	0	200	57557	0	0	0	0
TOTAL	0	0	200	57557	0	0	0	0

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

18. 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.)	
		Amount outstanding	Amount outstanding
Liabilities Side:			
1	Loans and advances availed by the NBFCs inclusive of interest thereon but not paid:		
	(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	98557898	0
	(d) Inter-corporate loans and borrowing	7200000	0
	(e) Commercial Paper	0	0
	(f) Public Deposits	0	0
	(g) Other Loans (Specify nature)		
	Cash Credit Facility	8895930	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 -Receivable under financing activity	143519174	
4	Break-up of Leased Assets and stock on hire and Hypothecation loans counting towards EL/HP activities		
	(i) Lease assets including lease rentals under sundry Debtors:	0	
	(a) Financial Lease	0	
	(b) Operating Lease	0	
	(ii) Stock on hire including hire charges under Sundry		
	(a) Assets on hire	0	
	(b) Repossessed Assets	0	
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed	0	
	(b) Loans other than (a) above	0	
5	Break-up of Investments:		
	Current investments:		
	1. Quoted:		
	(i) Shares:		
	(a) Equity	0	
	(b) Preference	0	
	(ii) Debentures and Bonds	0	
	(iii) Units of mutual funds	0	
	(iv) Government Securities	0	
	(v) Others (Please specify)	0	
	(2) Unquoted:		
	(i) Shares: (a) Equity	0	
	(b) Preference	0	
	(ii) Debentures and Bonds	0	
	(iii) Units of mutual funds	0	
	(iv) Government Securities	0	
	(v) Others (Please specify)	0	

	Long Term Investments:			
	1. Quoted:			
	(i) Shares: (a) Equity			0
	(b) Preference			0
	(ii) Debentures and Bonds			0
	(iii) Units of mutual funds			0
	(iv) Government Securities			0
	(v) Others (Please specify)			0
	(2) Unquoted:			
	(i) Shares: (a) Equity			0
	(b) Preference			0
	(ii) Debentures and Bonds			0
	(iii) Units of mutual funds			0
	(iv) Government Securities			0
	(v) Others (Please specify)			0
6	Borrower group-wise classification of all leases assets, Stock-on-hire and loans and advances:			
	Category	Amount Net of Provisions		
		Secured	Unsecured	Total
	1. Related Parties**			
	(a) Subsidiaries	0	0	0
	(b) Companies in the same group	0	0	0
	(c) Other related parties	0	3571000	3571000
	2. Other than related parties	0	142011217	142011217
	Total	0	145582217	145538239
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	1715302	0	
	(a) Related parties	0	0	
	(b) Other than related parties	1715302	0	
	(ii) Net Non-performing Assets	1715302	0	
	(a) Related parties	0	0	
	(b) Other than related parties	1715302	0	
	(iii) Assets acquired in satisfaction of debt	0	0	

19. 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 Mr. J. S. Tomar (Director)
 - 6 Mr. C.R. Sharma (Director)
 - (b) Relatives of Key Management Personnel
 - 1 Mrs. Anju Khosla
 - 2 Yogen Khosla & Sons HUF
 - (c) Other Related Parties where control exists:
 - 1 M/s First Capital Trust Stock Brokers Pvt. Ltd.
 - 2 Italandian Trade & Financial Services P. Ltd.
 - 3 M/s I C Construction & Services Ltd
 - 4 M/s Indo Crediop Pvt Ltd
 - 5 M/s Vaibhav Farms 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.)			107.50
	(Deposits Repaid)			174.90
	(Deposits Paid)			71.01
	(Deposits Recd.)			35.30
Expenses	Interest Paid			8.78
	Directors Remuneration	13.26		
	Directors Sitting Fee	0.33		
	Salary		5.76	
	Rent		3.60	27.42
	Electricity			0.89
	Water Charges			0.01
	Travelling	2.32	1.84	
	Other reimbursement	1.36	0.28	
Outstandings	Finance			35.71
	Loans & Advances Unsecured Loans			72.00

Other Disclosures

1. 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.
2. The Company has disclosed Business segment as the primary segment
3. Types of products and services in each business segment:
 1. Leasing HP & Loan and others
4. Inter Segment revenues are NIL
5. 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
FRN. 12420N

Yogen Khosla
Managing Director

S Mahanti
Director

Dated : May 10, 2011
Place: New Delhi

20. SEGMENT INFORMATION:

A. BUSINESS SEGMENT:

Particulars	Leasing Hire Purchase / Loan Div. & others		(Rs. in lacs) Total
1. SEGMENT REVENUE	-		-
External Revenue	734.51	-	734.51
Inter segment Revenue	-	-	-
Total Revenue	734.51	-	734.51
Segment results before interest and tax:	209.00	-	209.00
Add: Unallocated income (Net of expenses)	-	-	-
Less: Finance charges & Exchange variation	149.16	-	149.16
Less: exceptional items	-	-	-
Less: Deferred Tax Asset Provision written	-	-	-
Less: Provision for taxes/Prior period tax	10.77	-	10.77
Net Profit/Loss	49.07	-	49.07
Other information:			
Segment Assets	2,159.22	-	2,159.22
Unallocated assets			
Total assets	2,159.22	-	2,159.22
Segment Liabilities	110.53	-	110.53
Unallocated Liabilities	-	-	-
Total Liabilities	110.53	-	110.53
CAPITAL EXPENDITURE:			
Segment Capital Expenditure			
Unallocated Capital Expenditure	-	-	-
Total Capital Expenditure		-	
Depreciation and Amortisation	8.57	-	8.57
Segment Depreciation and Amortisation		-	
Unallocated depreciation and amortisation	-	-	-
Total depreciation and Amortisation	8.57	-	8.57
Significant non-cash expenditure			
Segment significant non-cash expenses	23.50	-	23.50
Un allocated non cash expenses	-	-	-
Total Significant non-cash expenses	23.50	-	23.50

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

Schedule : '19'

I. Registration Details		
Registration No.	10923	State Code 10
Balance Sheet Date	31 03 2011	
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	
204859	204859	
Source of Funds		
Paid-up Capital	Reserve & Surplus	
75000	15205	
Secured Loans	Unsecured Loans	
107454	7200	
Application of Funds		
Net Fixed Assets	Investments	
4582	0	
Net Current Assets	Misc. Expenditure	
185889	755	
Accumulated Losses	Deferred Tax Asset	
13633	NIL	
IV. Performance of Company (Amount in Rs. Thousands)		
Turnover	Total Expenditure	
73451	67468	
+ - Profit/(Loss) Before Tax	+ - Profit/(Loss) After Tax	
5983	4906	
Earning Per Share in Rs.	Dividend rate %	
0.65	NIL	
V. Generic Names of Three Principal Products/Services of the Company	Leasing Hire Purchase/Loan Micro Finance Consultants to Foreign Banks and Real Estate Development,	
1. Item Code No. (ITC Code)	NOT AVAILABLE	
Product Description	HIRE PURCHASE/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

FRN. 12420 N

PLACE : NEW DELHI

DATED : 10-May-2011

For and on behalf of the Board

YOGEN KHOSLA
 MANAGING DIRECTOR

S MAHANTI
 DIRECTOR

CAPITAL TRUST LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

	As at 31/Mar/11	As at 31/Mar/10
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary items	5,983,454.79	2,596,761.96
Adjustments for:		
Depreciation	669,899.00	549,090.00
Deferred Revenue Expenses w/off	186,640.00	154,141.00
(Profit)/Loss on Sale of Assets	9,099.00	116,280.00
(Profit)/Loss on Sale of Investments	0.00	0.00
Provision for NPA/ Doubtful Advances	1,492,817.00	1,013,457.46
Write Offs	0.00	(16,113,797.97)
	<u>8,341,909.79</u>	<u>(11,684,067.55)</u>
Adjustments for:		
Dividend Received	(15,019.00)	(25,000.00)
Prior period Income Tax	(1,077,022.00)	(389,500.00)
	<u>7,249,868.79</u>	<u>(12,098,567.55)</u>
Operating Profit before Working Capital Changes	7,249,868.79	(12,098,567.55)
Adjustments for:		
(Increase)/Decrease in Current Assets	(29,314,635.00)	(66,094,759.66)
Increase/(Decrease) in Current Liabilities & Trade Payable	4,722,582.43	1,104,987.78
	<u>(24,592,052.57)</u>	<u>(64,989,771.88)</u>
(Increase)/Decrease in Net Current Assets	(24,592,052.57)	(64,989,771.88)
Cash generated from Operations	<u>(17,342,183.78)</u>	<u>(77,088,339.43)</u>
Net Cash Flow from Operating activities	<u>(17,342,183.78)</u>	<u>(77,088,339.43)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,190,978.00)	(505,760.00)
Sale of Fixed Assets/Assets Written off	20,000.00	1,843,249.00
Capital Expenditure Deferred Revenue Expenditure	(325,000.00)	(770,705.50)
Sale of Investments	0.00	0.00
Dividend Received	15,019.00	25,000.00
	<u>(2,480,959.00)</u>	<u>591,783.50</u>
Net Cash used in investing activities	(2,480,959.00)	591,783.50
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	45,772,362.21	53,243,576.65
Dividend Paid	0.00	0.00
	<u>45,772,362.21</u>	<u>53,243,576.65</u>
Net Cash from Financing Activities	45,772,362.21	53,243,576.65
Net increase/ (Decrease) in cash and cash equivalents (A+B+C)	25,949,219.43	(23,252,979.28)
Cash and cash equivalents at the beginning of the year	11,168,963.65	34,421,942.93
Cash and cash equivalents at the close of the year	37,118,183.08	11,168,963.65

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, 2011 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

For and on behalf of the Board

(VIVEK GUPTA)
Partner
M. No.091926
FRN. 12420 N

YOGEN KHOSLA
MANAGING DIRECTOR

S MAHANTI
DIRECTOR

PLACE : NEW DELHI
DATED : 10-May-2011



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 25th Annual General Meeting of the Company to be held on Monday, the 12th September, 2011 at 9:00 A.M. **MCD Community Centre, Gautam Puri, Badarpur, New Delhi-110044**

Signed this day of 2011

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 25th Annual General Meeting of the Company to be held on Monday, the 12th September, 2011 at 9:00 A.M. at **MCD Community Centre, Gautam Puri, Badarpur, New Delhi-110044**

SIGNATURE OF THE SHAREHOLDER OR PROXY*

* Applicable for members holding shares in electronic form

**Strike out whichever is not applicable

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