

## NOTICE

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Shareholders of Caspian Impact Investments Private Limited ("the Company") will be held on Thursday, July 20, 2017 at 11.00 a.m. at the registered office of the Company at 3<sup>rd</sup> Floor, 8-2-596/5/B/1, Road No: 10, Banjara Hills, Hyderabad - 500034, Telangana, India to transact the following business:-

### ORDINARY BUSINESS:

1. **To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 and the report of the Board of Director's ('Board') and Auditor's thereon**

To pass with or without modification the following resolution as Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2017 comprising Balance Sheet as on March 31, 2017, Statement of Profit and Loss for the financial year ended March 31, 2017, Cash Flow Statement for the financial year ended March 31, 2017 along with Notes to Financial Statements and the Reports of Auditors' and Board thereon as placed before the Meeting be and are hereby approved and adopted."

2. **Ratification of appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company for the financial year 2017-18**

To pass with or without modification the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, Section 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the appointment of M/s Walker Chandiok & Co LLP, Chartered Accountants, Hyderabad (ICAI Registration No 001076N/N500013) as the Statutory Auditors of the Company to hold office for 3 consecutive years commencing from the conclusion of 24<sup>th</sup> Annual General Meeting until the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company to be held in the year 2018 on remuneration (plus service tax, out-of-pocket, etc.) as may be mutually agreed between the Board of Directors of the Company and the Auditors, be and is hereby ratified.

RESOLVED FURTHER THAT any one Director of the Company and Ms. Vandana Bhatia, Company Secretary be and is hereby severally authorized by the Company to undertake such acts, deeds and matters, including but not limited to making requisite filings with the Registrar of Companies that may be required to give effect to this resolution."

### SPECIAL BUSINESS:

3. **To approve payment of Commission to Independent Directors of the Company for the financial year 2016-17**

To pass with or without modification the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to Section 197(7) of the Companies Act, 2013 and the Rules framed thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in

force, consent of the Shareholders be and is hereby accorded to pay the following commission to the Independent Directors of the Company for the financial year 2016-17:

Name of the Director	INR
Mr. Mahesh Kanumury	3,50,000
Mr. Mathew Titus	3,50,000
Mr. K.P. Ramesh Menon	3,50,000
Ms. Suvalaxmi Chakraborty	3,50,000

**RESOLVED FURTHER THAT** any of the Directors of the Company (except Independent Directors) or Chief Financial Officer or Company Secretary be and are hereby severally authorized to do all such acts, things and deed to give effect to the above resolution."

**4. To approve payment of Commission to Independent Directors of the Company for the financial year 2017-18 and for next two financial years**

To pass with or without modification the following resolution as Ordinary Resolution:

"**RESOLVED THAT** pursuant to Section 197(7) of the Companies Act, 2013 and the Rules framed thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the Shareholders be and is hereby accorded to pay commission to the Independent Directors of the Company up to INR 20,00,000 each for the financial year 2017-18 and for next two financial years and such commission shall be payable in the following manner:

For independent director who is not a chair of any committee	Maximum up to INR 2,50,000
For independent director who is chair of any one committee	Maximum up to INR 5,00,000

**RESOLVED FURTHER THAT** any of the Directors of the Company (except Independent Directors) or CFO or Company Secretary be and are hereby severally authorized to do all such acts, things and deed to give effect to the above resolution."

Dated : 19.06.2017  
Place : Hyderabad

By the Order of the Board  
For Caspian Impact Investments Private Limited

  
Vandana Bhatia  
Company Secretary  
Membership No. – A27778

**Notes:**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business as set out above to be transacted at the Meeting is annexed hereto and forms part of this notice.
2. A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Shareholder of the company. Proxy form duly filled in and completed in all respect in order to be effective must be lodged with the Company at its registered office not less than forty-eight hours before the time fixed for the Meeting (on or before Tuesday, July 18, 2017, 11.00 a.m. IST).
3. A person can act as a proxy on behalf of a maximum of 50 Shareholders and holding in aggregate not more than 10% of the total share capital of the Company. A Shareholder holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other person or Shareholder.
4. Corporate Shareholder intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the Meeting.

**EXPLANATORY STATEMENT IN RESPECT TO SPECIAL BUSINESS**  
(Pursuant to Section 102 of the Companies Act, 2013)

**Item No 3.**

The Board in its Meeting held on February 23, 2016 approved the commission paid to Independent Directors of the Company for the financial year 2016-17 up to 2% of the net profits of the Company or INR 1,400,000 whichever is lower and such commission shall be payable in the following manner:

For independent director who is not a chair of any committee	Maximum up to INR 250,000
For independent director who is chair of any one committee	Maximum up to INR 350,000

The Company is proposing to pay the following commission to the Independent Directors of the Company subject to the approval of Shareholders for the financial year 2016-17 which is exceeding the aforesaid limit:

Name of the Director	INR
Mr. Mahesh Kanumury	3,50,000
Mr. Mathew Titus	3,50,000
Mr. K.P. Ramesh Menon	3,50,000
Ms. Suvalaxmi Chakraborty	3,50,000

None of the Directors, Key Managerial Personnel or their respective relatives, except all of the Independent Directors of the Company to whom the resolution relates are concerned or interested in the Resolution mentioned at Item No. 3 of the notice.

The Board recommends the resolution set forth in Item No. 3 for the approval of the Shareholders.

**Item No 4.**

Section 197 of the Companies Act, 2013 permits payment of remuneration to Independent Directors of a Company by way of commission, if the Company authorizes such payment by way of a resolution of Shareholders.

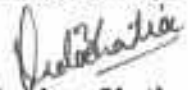
Considering the rich experience and expertise brought to the Board by the Independent Directors, it is proposed that remuneration up to INR 20,00,000 each for the financial year 2017-18 and for next two financial years shall be payable to the Independent Directors in the following manner:

For independent director who is not a chair of any committee	Maximum up to INR 2,50,000
For independent director who is chair of any one committee	Maximum up to INR 5,00,000

None of the Directors, Key Managerial Personnel or their respective relatives, except all of the Independent Directors of the Company to whom the resolution relates are concerned or interested in the Resolution mentioned at Item No. 4 of the notice.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Shareholders.

By the Order of the Board  
For Caspian Impact Investments Private Limited



Vandana Bhatia  
Company Secretary  
Membership No. – A27778

Dated : 19.06.2017  
Place : Hyderabad

# ROUTE MAP TO THE VENUE OF AGM



**Form No. MGT-11**

**Proxy form**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

CIN : U65993TG1991PTC013491  
 Name of the company : Caspian Impact Investments Private Limited  
 Registered office : 3<sup>rd</sup> Floor, 8-2-596/5/B/1, Road No.10, Banjara Hills,  
 Hyderabad - 500034, Andhra Pradesh, India

Name of the member		E-mail Id:	
Registered address		Folio No:	

I, being the member of \_\_\_\_\_ shares of the above named company, hereby appoint:

Name :

Address :

E-mail Id:

Signature:

And whose signature is appended below as my proxy to attend and vote (on a poll) for me and on my behalf at the Annual General Meeting of the Company, to be held on Thursday the 20<sup>th</sup> day of July 2017 at 11.00 a.m. at the registered office address of the Company at 3<sup>rd</sup> Floor, 8-2-596/5/B/1, Road No.10, Banjara Hills, Hyderabad - 500034, Telangana, India and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No	Resolution
1.	To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 and the report of the Board of Director's ('Board') and Auditor's thereon
2.	Ratification of appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company for the financial year 2017-18
3.	To approve payment of Commission to Independent Directors of the Company for the financial year 2016-17
4.	To approve payment of Commission to Independent Directors of the Company for the financial year 2017-18 and for next two financial years

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

\_\_\_\_\_  
 Signature of Shareholder

Affix a  
 Rs.1/-  
 Revenue  
 Stamp

\_\_\_\_\_  
 Signature of proxy holder

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the Company.



## BOARD'S REPORT

To the Members,  
Caspian Impact Investments Private Limited

Your Directors have pleasure in presenting to you the Twenty-sixth Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2017.

### Overview

Caspian Impact Investments Private Limited ("the Company") is a company domiciled in India and registered under the provisions of the Companies Act, 1956. The Company is also registered with the Reserve Bank of India ("RBI") as a non-deposit-taking Non-Banking Finance Company ("NBFC"). The Company operates as a Loan Company in line with RBI guidelines. The Company is engaged in making investments in the form of equity and debt in impact investing sectors including financial inclusion, affordable housing, food and agriculture, clean energy, healthcare and others (considered as general impact). The Company has engaged the services of Caspian Impact Investment Adviser Private Limited ("Caspian"), as its investment adviser to provide investment advisory services to the Company. Caspian is licensed as an Investment Adviser with Securities Exchange Board of India ("SEBI").

During the financial year, the Company engaged in lending activity, making loans to institutions engaged in the above target sectors. The Company extended 50 loans across these six target sectors during this financial year.

### 1. FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2017

(Amount in INR)

Particulars	2016-17	2015-16*
Gross Income	385,670,199	234,148,022
Profit before Interest, Depreciation, exceptional items and Tax	258,737,669	175,141,623
Finance Charges	199,584,339	105,941,434
Depreciation/amortization	-	1,537,014
Profit before exceptional items, tax and Prior period items	59,153,330	67,563,175
Exceptional items (net)	-	-
Profit before Tax and Prior period items	59,153,330	67,563,175
Less: Provision for Taxes	16,710,000	11,387,989
Less: Tax for earlier years (net)	(4,138,073)	(8,240,658)
Less: Deferred tax expense / (credit)	5,688,724	(2,730,668)
Profit after Tax	40,892,679	67,146,512
Paid up Equity Capital	61,015,040	47,482,670
Preference Share Capital	-	5,200,000
Reserves and Surplus	1,182,773,652	750,775,907
Net worth	1,243,788,692	803,458,577
Earnings per share (Face value of each share is INR 10)		
- Basic	7.34	12.73



- Diluted	7.34	12.73
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(\*) Previous year's figures have been regrouped/rearranged, to conform to the presentation for the current year.

## 2. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business and the Company continued to carry on its business as a Non-Banking Finance Company (NBFC) within the RBI regulated NBFC organisational framework.

However, during the year, the Company adopted a new set of Articles of Association in substitution, and to entire exclusion of the regulations contained in the existing Articles of Association of the Company. This was primarily done to align the Articles of Association with the new Companies Act, 2013 and rules thereunder.

## 3. DIVIDEND

The Company has not recommended any dividend for the Equity Shareholders for this year. However, during the year, the Company paid interim dividend on 520,000 cumulative compulsory convertible preference shares ("CCCPS") held by Caspian @ 10% p.a, amounting to INR 987,288 (including INR 520,000 for FY 2015-16)

## 4. TRANSFER TO STATUTORY RESERVE

As per Section 45(IC) of the Reserve Bank of India Act, 1934, the Company has transferred a sum of INR 8,178,536 to Statutory Reserve.

## 5. SHARE CAPITAL

The Authorized Share Capital of the Company has remained unchanged during the year at INR 485,000,000 divided into 7,500,000 Equity Shares of INR 10/- each and 41,000,000 Preference Shares of INR 10/- each.

The paid-up capital of the Company underwent a change during the year as the Company issued 1,335,871 equity shares of INR 10 each fully paid-up at premium of INR 289.43 per share aggregating to INR 399,999,853.53 to SIDBI Trustee Company Limited A/c Samridhi Fund. Further, the 520,000 CCCPS held by Caspian were converted into 17,366 equity shares of INR 10 each fully paid-up at premium of INR 289.43 per share.

Consequently, the paid-up equity capital of the Company as on March 31, 2017 was INR 61,015,040 comprising 6,101,504 equity shares of INR 10/- each. The change in the Paid-up Equity Share Capital of the Company was as follows:

Particulars	No. of Shares	Amount (in INR)
Opening Balance as on April 1, 2016	4,748,267	47,482,670
Add: Issued during the year	1,353,237	13,532,370
Closing Balance as on March 31, 2017	6,101,504	61,015,040

## 6. DEPOSITS

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013. Hence, the relevant disclosure or reporting requirements are not applicable to the Company.

## 7. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material change and commitment affecting the financial position of the Company, has occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## 8. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JV:

During the financial year under review, the Company has sold the entire stake it had in M/s Mimoza Enterprises Finance Private Limited ("Mimoza") (Associate Company), a private limited company registered under the Companies Act, 1956 and registered with the RBI as a non-deposit taking NBFC to M/s Pradakshana Trust.

As on March 31, 2017, the Company does not have any Subsidiaries, Associates and JV.

## 9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company makes investments or extent loans for its business purpose. Details of loans and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statement provided in this Annual report.

## 10. BOARD AND ITS COMMITTEES

### (i) Board of Directors

As on March 31, 2017, the Board of the Company comprises of 4 Independent Directors, 3 Investor Nominee Directors and 1 Executive Director.

S. No	Name of Director	Designation	DIN
1	Narayan Ramachandran	Investor Nominee Director	01873080
2	Karel Gerardus Nlerop	Investor Nominee Director	07743489
3	Ravi Tyagi	Investor Nominee Director	07270355
4	Mathew Titus	Independent Director	00159636
5	K P Ramesh Menon*	Independent Director	06606111
6	Mahesh Kanumury	Independent Director	02028993
7	Suvalaxmi Chakraborty	Independent Director	01060954
8	S. Viswanatha Prasad	Managing Director	00574928

\*Resigned w.e.f May 23, 2017

The Board of Directors met six times during the Financial Year on the following dates – May 25, 2016; July 22, 2016; August 2, 2016; August 25, 2016; November 11, 2016 and February 23, 2017.

**(ii) Audit Committee**

As on March 31, 2017, the Audit Committee of the Company comprises of 4 members.

S. No	Name of Director	Designation	Committee
1	K P Ramesh Menon*	Independent Director	Chairman
2	Mahesh Kanumury	Independent Director	Member
3	Narayan Ramachandran	Investor Nominee Director	Member
4	Suvalaxmi Chakraborty	Independent Director	Member

\*Resigned w.e.f May 23, 2017

The terms of reference of the Audit Committee are as per the provisions of Section 177 of the Companies Act.

The Audit Committee met four times during the financial year on May 25, 2016; August 24, 2016; November 11, 2016 and February 23, 2017.

All the recommendations of the Audit Committee were accepted by the Board of Directors during the year under review. The Committee includes a majority of independent Directors.

**(iii) Asset Liability & Risk Management Committee (ALRMC)**

As on March 31, 2017, the Asset Liability & Risk Management Committee (ALRMC) comprises of 3 members.

S. No	Name of Director	Designation	Committee
1	Suvalaxmi Chakraborty	Independent Director	Chairman
2	Narayan Ramachandran	Investor Nominee Director	Member
3	S. Viswanatha Prasad	Managing Director	Member

The ALRMC met 4 times during the financial year on May 25, 2016; August 24, 2016; November 11, 2016 and February 23, 2017.

**(iv) Corporate Social Responsibility Committee (CSR Committee)**

As on March 31, 2017, the CSR Committee of the Company comprises of 3 members:

S. No	Name of Director	Designation	Committee
1	Mahesh Kanumury	Independent Director	Chairman
2	Mathew Titus	Independent Director	Member
3	S. Viswanatha Prasad	Managing Director	Member

The Committee met twice during the financial year on May 25, 2016 and August 24, 2016.

The Company is required to spend 2% (two per cent) of the average net profits for the preceding three financial years as per Section 135 (5) of the Act.

The Company contributed INR 2,820,000 which constituted 2.00% of the average Profit after Tax of the Company for the years 2013-14, 2014-15 and 2015-16 to (i) International Association for Human Values (IAHV) which is part of the Art of Living group; (ii) Janaagraha Centre for Citizenship & Democracy ("Janaagraha"); (iii) Sage Seva Society ("Sage"); and (iv) Parinaam Foundation ("Parinaam"). The details of the CSR policy and activities as per Rule 9 of Companies (Corporate Social Responsibility) Rules, 2014 are attached as **Annexure I**.

#### **(v) Nomination and Compensation Committee**

As on March 31, 2017, the Nomination and Compensation Committee of the Company comprises of 3 members:

<b>S. No</b>	<b>Name of Director</b>	<b>Designation</b>	<b>Committee</b>
1	Mathew Titus	Independent Director	Chairman
2	Mahesh Kanumury	Independent Director	Member
3	K P Ramesh Menon*	Independent Director	Member

\*Resigned w.e.f May 23, 2017

The Committee met one time during the financial year on May 25, 2016

#### **11. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Mr. Theodoor Jacob Hendrik Elsen (DIN: 06570791) resigned as Investor Nominee Director w.e.f. February 23, 2017 and Mr. Ravi Tyagi (DIN: 07270355) and Mr. Karel Nierop (DIN: 07743489) were appointed as Investor Nominee Directors w.e.f November 11, 2016 and February 23, 2017 respectively.

Further, Ms. Saranya Balaji resigned as Company Secretary and Compliance Officer of the Company w.e.f January 13, 2017 and Ms. Vandana Bhatia was appointed as Company Secretary and Compliance Officer of the Company w.e.f March 1, 2017.

None of the directors of the Company are inter-se related to each other.

#### **12. DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

The Company has received declarations from the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013.

#### **13. APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY**

The Nomination and Compensation Committee of the Board assesses candidates for the Board on combination of parameters. These includes experience, personal and professional stature, domain expertise, specific qualification for the position and his/her independence as defined in Section

149(6) of the Companies Act, 2013. The Committee then places the details of shortlisted candidates to the Board for consideration. If the Board approves, the person gets appointed as Additional Director (only for Non-Executive Director and Independent Director), subject to the approval of Shareholders in General Meeting.

In accordance with Section 178 (3) of the Companies Act, 2013, the policy for remuneration to Directors, Key Managerial Personnel (KMPs), Senior Management and other employees is attached as **Annexure II**.

#### **14. FORMAL ANNUAL EVALUATION**

As per the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its performance, the performance of individual Directors as well as the working of its committees. A structured exercise was carried out based on the criteria for evaluation forming part of the Directors Appointment, Remuneration & Evaluation Policy, including a framework for the performance evaluation of Directors, the Board & Committees and the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, attendance at meetings, Board culture, duties of directors, and governance.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its stakeholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors. The Directors have expressed their satisfaction with the evaluation process.

#### **15. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors would like to inform you that the audited financial statements for the year ended March 31, 2017 are in full conformity with the requirements of Section 134(5) of the Companies Act, 2013 and the Board of Directors wish to state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and



- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **16. RISK MANAGEMENT**

The Company has Asset Liability & Risk Management Committee (ALRM) comprises of one Independent Director. The Company has developed a risk management framework (commensurate with its size and business objectives) and has a Risk Management Policy to identify, prioritize and mitigate the risk that could adversely affect the Company. As per the risk management policy of the Company, key risks and progress on their mitigation in the form of a Risk Report are quarterly presented and discussed at the ALRM Committee Meeting.

## **17. ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The Company has adequate internal financial controls with reference to financial statements and were operating effectively. These controls ensure the accuracy and completeness of the accounting records and preparation of reliable financial statements. The Statutory Auditors review internal control and risk management measures, accounting procedures, highlight areas requiring attention, and report their main findings to the Audit Committee.

The Audit Committee regularly reviews the audit findings and action taken thereon, as well as the adequacy and effectiveness of the internal financial systems and controls.

## **18. RELATED PARTY TRANSACTIONS**

In accordance with Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contract or arrangement entered into by the Company with related parties referred to in Section 188(1) in Form AOC-2 is attached as **Annexure III**.

The details of related party disclosures form part of the notes to the financial statements provided in this Annual Report.

## **19. AUDITORS AND AUDITORS' REPORT**

### **(i) Statutory Auditors**

The shareholders at their 24<sup>th</sup> Annual General Meeting held on August 3, 2015, approved the appointment of M/s Walker Chandok & Co. LLP, Chartered Accountants (ICAI Registration No 001076N/N500013), as Statutory Auditors of your Company, to hold office from the conclusion of the 24<sup>th</sup> Annual General meeting upto the conclusion of 27<sup>th</sup> Annual General Meeting, subject to ratification by the shareholders at every subsequent Annual General Meeting, in terms of Section 139 of the Companies Act, 2013 and the rules made thereunder. The Statutory Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

The Audit Committee and the Board of Directors recommend the continuation of M/s Walker Chandio & Co. LLP, Chartered Accountants (ICAI Registration No 001076N/N500013), as Statutory Auditors of your Company from the conclusion of the ensuing 26<sup>th</sup> AGM till the conclusion of 27<sup>th</sup> Annual General Meeting, for ratification by the shareholders.

**(ii) Internal Auditor**

To carry out an internal audit of all its operations, the Company engaged Trivedi & Bang, Chartered Accountants, Hyderabad (ICAI Registration No 005306S) as the Internal Auditors. The Audit Committee assures the internal audit functions as well as the adequacy and effectiveness of the internal systems and controls.

**(iii) Secretarial Auditor**

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, M/s. R&A Associates, Company Secretaries, Hyderabad, were appointed to conduct the Secretarial Audit of the Company for FY2017. The Secretarial Audit Report for FY2017 is attached as **Annexure IV**.

**20. BOARD RESPONSES ON AUDITOR'S QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE**

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

However, the Secretarial Auditor had made a minor observation in the Secretarial Audit Report which is forming a part of Secretarial Auditor Report.

During the year, there were no instances of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.

**21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURT/REGULATORS**

During the year under review, there were no significant/or material orders, passed by any Court or Regulators or Tribunal which may impact the going concern status of the Company's operations in future.

**22. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

(A)	Conservation of energy	<i>This provision is not applicable as the Company does not belong to the category of the Companies that are required to disclose the particulars under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014.</i>
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(i)	The steps taken or impact on conservation of energy;	NA
(ii)	The steps taken by the company for utilizing alternate sources of energy;	NA
(iii)	The capital investment on energy conservation equipment's;	NA
<b>(B)</b>	<b>Technology absorption</b>	<i>This provision is not applicable to the Company as it did not use any absorbed technology.</i>
(i)	the efforts made towards technology absorption;	NA
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	NA
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):-	NA
	- the details of technology imported;	NA
	- the year of import;	NA
	- whether the technology been fully absorbed	NA
<b>(C)</b>	<b>FOREIGN EXCHANGE</b>	
(i)	Foreign Exchange Earnings	NA
(ii)	Foreign Exchange Outgo	INR 369,932

## 23. DISCLOSURES

### (i) Extract of Annual Return

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the annual return in the Form MGT 9 is appended as Annexure V.

### (ii) Whistle Blower policy

The Company has established a vigil mechanism and has adopted a Whistle Blower Policy for directors and employees to report their genuine concerns to the Chairman of the Audit Committee. The Whistle Blower Policy has been formulated with a view to provide a mechanism for employees and directors to approach the Audit Committee of the Company.

During the year under review, no complaints have been received pursuant to the Whistle Blower Policy of the Company.

### (iii) Policy on Prevention of Sexual Harassment

The Company has in place a Policy against Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committees (ICC) has been set up to redress complaints received regarding sexual harassment.

There was no case of sexual harassment reported during the year under the review.

**(iv) Policy on Corporate Social Responsibility as per Section 135 of the Act**

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted a Policy on CSR and the Policy has been placed on the website of the Company <http://www.cii.caspian.in/policies>

**(v) Particulars of employees and related disclosures**

The disclosure relating to particulars of employees as per Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as an **Annexure VI** with this Report.

Further, pursuant to Section 197(12), none of the employee have received remuneration exceeding the prescribed limit as stated in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**(vi) Disclosure pertaining to Section 136(1) of the Companies Act, 2013**

With respect to the first proviso to Section 136(1) of the Companies Act, 2013 and as advised, the Annual Report is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours. Any member interested in obtaining such information may write to the Company Secretary at [compliance@caspian.in](mailto:compliance@caspian.in) and the same will be furnished on request.

**(vii) Issuance of Secured Rated Listed Redeemable Transferable Non- Convertible Debentures**

During the year under review, the Company has allotted 3,361 Secured Rated Listed Redeemable Transferable Non-convertible Debentures of face value of INR 100,000 each to a non-resident investor on April 5, 2016 and 3,380 Secured Rated Listed Redeemable Transferable Non-convertible Debentures of face value of INR 100,000 each to a non-resident investor on August 19, 2016.


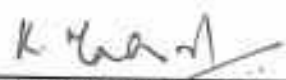
**(viii) Contact details of Debenture Trustees**

IDBI Trusteeship Services Limited  
Asian Building, Ground Floor 17, R. Kamani Marg Ballard Estate, Mumbai – 400001,  
Maharashtra, India  
**Phone:** +91 22 40807000  
**Fax:** +91 22 66311776  
**Email:** [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)  
**Website:** <http://idbitrustee.com/>

#### 24. ACKNOWLEDGMENTS

Your Directors place on record their sincere appreciation for support and cooperation extended by all concerned to the Company, during the year.

*By Order of the Board  
Caspian Impact Investments Private Limited*

  
\_\_\_\_\_  
S Viswanatha Prasad, Managing Director  
DIN - 00574928  
\_\_\_\_\_  
Mahesh Kanumury, Director  
DIN - 02028993

Place: Hyderabad  
Date: June 19, 2017

## **ANNEXURE ON CSR ACTIVITIES**

### **Brief Outline of the CSR policy of Caspian Impact Investments Private Limited:**

The Company's mission is to enable the growth of enterprises that work towards creating social and/or environmental impact, in a responsible, transparent and sustainable manner. The Company uses a variety of debt instruments to achieve this. The Company's focuses on enterprises engaged in Microfinance, Small Business Financing, Affordable Housing, Financial Inclusion enablers, Food & Agriculture, Clean energy and Energy Efficiency, Healthcare and General Impact Enterprises and is well positioned to continue to create positive impact on the lives through its CSR activities.

In accordance with Schedule VII of the Companies Act, 2013, the Company will focus on the following areas in its CSR engagement:

- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;

The Company's CSR policy has been uploaded in the website of the Company and the web link to CSR policy is [http://docs.wixstatic.com/ugd/3952d8\\_9be7bed1eefb4789af7c8542a1acc03c.pdf](http://docs.wixstatic.com/ugd/3952d8_9be7bed1eefb4789af7c8542a1acc03c.pdf)

### **Overview of Projects:**

During the financial year, the Company's CSR focus has been on "Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-able and livelihood enhancement projects."

In line with the aforementioned focus, the Company has made the following CSR Contributions during the year, to projects focused on Education with an emphasis on the education of the girl child:

#### **1. International Association for Human Values (IAHV) ("the Art of Living" or "AOL")**

The Company has, through its CSR contribution of INR 600,000, facilitated the implementation of the student mid-day meal program being undertaken in some of the schools in the tribal regions of Dadika, Kalchiti and Chakdoha villages in Ghatsila, Jharkhand.

#### **2. Parinaam Foundation ("Parinaam")**

The Company, through its CSR contribution of INR 240,000, continued its annual support to the 30 children adopted in 2015.

### 3. Janaagraha Centre for Citizenship & Democracy ("Janaagraha")

The Company, through its CSR contribution of INR 1,200,000, supported in inculcating civic awareness and civic engagement by way of Bala Janaagraha program being conducted in 16 schools by Janaagraha.

### 4. Sage Seva Society ("Sage")

The Company, through its CSR contribution of INR 780,000, supported in improving the general infrastructure in two schools run by Sage (these schools provide quality Education to under privileged children in remote rural areas at an affordable cost) including adding a library, improving audio-visual aids and computer facilities.

#### Composition of CSR Committee:

- Mr. Mahesh Kanumury (Chair)
- Mr. Mathew Titus
- Mr. S Viswanatha Prasad

#### Average Net Profit of the Company for last three financial years

Financial Years	Net Profit after Tax
	Amount (INR)
2013-14	192,467,638
2014-15	162,958,561
2015-16	67,563,175
Average Net Profit	140,996,458
2% of Average Net Profit	2,819,929
<b>Total Amount Spent</b>	<b>2,961,000</b>

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S No	CSR project or activity identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise in INR	Amount spent on the projects or programs sub-heads: Direct expenditure in projects or programs Overheads in INR	Cumulative expenditure up to the reporting period in INR	Amount spent Direct or through implementing agency in INR
1	Mid-day meal program in the schools in remote rural areas of Jharkhand being run by IAHV	Education of under-privileged children	International Association for Human Values – Dhadika, Ghatsila and Kalchiti in the tribal regions of Jharkhand	600,000	Direct Exp: 600,000	600,000	600,000  Implementing agency: The International Association for Human Values
2	Sponsorship of 30 children	Education of under-	Parinaam Foundation	240,000	Direct Exp: 240,000	240,000	240,000

	under the Academic Adoption Program and complete 12 year fee for 7 children	privileged children	Sponsoring the education of under privileged children in Bangalore				Implementing Agency - Parinaam Foundation
3	Inculcating civic awareness and civic engagement by way of Bala Janaagraha program being conducted in 16 schools by Janaagraha	Education & Skill Development	Janaagraha  Inculcating civic awareness and civic engagement by way of Bala Janaagraha program being conducted in 16 schools by Janaagraha	1,200,000	Direct Exp: 1,200,000	1,200,000	1,200,000  Implementing Agency - Janaagraha
4	Improving the general infrastructure in two schools run by Sage including adding a library, improving audio-visual aids and computer facilities	Livelihood enhancement projects	Sage  Improving the general infrastructure in two schools namely Chennur and Medaripet run by Sage including adding a library, improving audio-visual aids and computer facilities	780,000	Direct Exp: 780,000	780,000	780,000  Implementing Agency - Sage
5	Admin Costs				Overheads: 141,000		

	
Managing Director	Chairman CSR Committee

## REMUNERATION POLICY

Pursuant to Section 178 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with the Rule 6 of the Companies (Meeting of the Board and its powers) Rules, 2014 and any other applicable provisions under the Act and Rules thereunder, the Nomination and Compensation Committee of the Board of the Company has formulated a remuneration policy to decide the criteria for the appointment of and remuneration of the Directors, key managerial personnel and other employees.

Produced here below is the "Remuneration Policy" of the Company in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

The Policy also aims to attract, motivate and retain manpower in a competitive and global markets scenario. For the purpose of this policy and terms and reference of Nomination and Compensation Committee Senior Management Personnel include Key Managerial Personnel and Senior Executives.

### The objective of the policy is:

1. To ensure that Directors, Senior Management Personnel of high calibre are attracted and retained and are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications and positive attributes of the employees.
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down herein after.
3. To evaluate the performance of the Directors and Senior Management Personnel.
4. To recommend to the Board on Remuneration payable to the Directors and Senior Management Personnel.
5. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors and Senior Management Personnel.

## NOMINATION AND COMPENSATION COMMITTEE

The Company has constituted the Nomination and Compensation Committee (hereinafter referred as "the Committee") as per the provision of Section 178 of the said Act. The Committee can be reconstituted from time to time as may be deemed fit and appropriate by the Board of Directors.

The Committee shall, while formulating the policy ensure that:

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and Senior Management Personnel of the quality required to run the Company efficiently;
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. Remuneration to Directors and Senior Management Personnel involves a balance between fixed and variable pay, reflecting short and long term performance objectives appropriate to the company and its goals.
4. The Committee shall convene at such regular intervals as may be required.
5. Necessary disclosures of this policy shall be made in the Annual Report of the Company in terms of Section 178 of the Companies Act, 2013.



## **CRITERIA FOR BOARD MEMBERSHIP AND BOARD DIVERSITY:**

1. Directors must have relevant experience in Finance/ Credit/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations/Human Resources or other disciplines relevant to Company's business.
2. The Director should possess the highest personal and professional ethics, integrity and values.
3. The Director shall not have any material interest in the Company or any of its officers, other than as a director or shareholder of the Company. Wherever required the Director should disclose the nature of his interest, if there are reasons to believe there is or a likelihood of a conflict of interest.

## **REMUNERATION CRITERIA:**

This is determined is largely based on industry benchmarks, the Company's performance vis-à-vis the industry, peer group comparison, factors like inflation rate in the country and performance of the employees.

### **1. For Whole Time Directors/ Managing Director/ Executive Directors:**

- a. The Nomination and Remuneration Committee shall recommend the remuneration to the Board within the maximum limits as set under the Companies Act, 2013, Schedule V and Rules made thereunder and subject to the approval of the shareholders as and where applicable.
- b. The Company shall pay the remuneration by way of salary, perquisites and allowances (both fixed and variable component) to its Whole-time/Managing Director and Senior Management Personnel.
- c. Perquisites and retirement benefits are paid according to the Company policy, and applicable laws and regulations as applicable to Senior Management Personnel.

### **2. For Independent Non-Executive Directors:**

- a. An Independent Non-Executive Director shall receive sitting fees for attending meetings of the Board and Board Committees. Sitting fees paid to the Independent Non-Executive directors is determined periodically & reviewed based on industry benchmarks. Independent Non-Executive Directors are appointed for their professional expertise and skills in their individual capacity as independent professionals.
- b. An Independent Director Non-Executive Director may also receive profit related commission as approved by the Shareholders.
- c. An Independent Non-Executive Director may also be remunerated by the way of reimbursement of expenses for participation in the Board and other meetings.

### **3. For the Senior Management Personnel and Other Employees:**

- a. The remuneration of Senior Management Personnel and other employees largely consists of basic salary, perquisites, and allowances (both fixed and variable). Perquisites and retirement benefits are paid according to the Company policy.
- b. They are also entitled to customary non-monetary benefits on a case to case to basis.
- c. The components of remuneration vary for different grades and are governed by industry benchmarks, qualification, experience and performance of each employee.

#### **POLICY REVIEW & FUTURE AMENDMENT**

This policy shall remain in force unless modified by the Nomination and Compensation committee and approved by the Board.

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

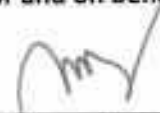
## 1. Details of contracts or arrangements or transactions not at arm's length basis:

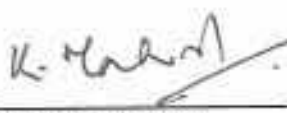
a)	Name(s) of the related party and nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts / arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

## 2. Details of material contracts or arrangement or transactions at arm's length basis:


a)	Name(s) of the related party and nature of relationship	Refer Note 20 (a) of the notes to the financial statements
b)	Nature of contracts/arrangements/transactions	Refer Note 20 (b) of the notes to the financial statements
c)	Duration of the contracts / arrangements/transactions	Ongoing
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Refer Note 20 of the notes to the financial statements
e)	Date(s) of approval of the Board, if any	-
f)	Amount paid as advances, if any	-

For and on behalf of the Board of Directors

  
S. Viswanatha Prasad  
Managing Director

  
Mahesh Kanumury  
Director

  
Lakshmikanth PB  
Chief Financial Officer

  
Vandana Bhatia  
Company Secretary



# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

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

To  
The Members  
**M/s. Caspian Impact Investments Private Limited**  
**[Formerly Bellwether Microfinance Fund Private Limited]**  
8-2-596/5/8/1, Road No.10, Banjara Hills  
Hyderabad, Telangana State

- I. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Caspian Impact Investments Private Limited, (CIN:U65993TG1991PTC013491) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
- II. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
- III. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:
  - a) The Companies Act, 2013 ("the Act") and the rules made thereunder.
  - b) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under; (Not Applicable)
  - c) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (Not Applicable)
  - d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;



e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable)
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not Applicable)
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable)
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; (Not Applicable )
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable)
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable) and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable)

IV. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof the Company has complied with laws applicable with respect to the Reserve Bank of India Act, 1934 and Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 1998 as amended from time to time which are specifically applicable to the Company:

V. We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by "The Institute of Company Secretaries of India" on Meetings of the Board of Directors and General Meeting.

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b) Listing Agreement entered by the Company with BSE Limited as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

VI. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

- The Board had approved the transfer of 1, 66, 830 Equity shares of Rs.10/- each at a negotiated price of Rs. 299.43/- each from Gray Ghost Microfinance Fund LLC (Non-resident) to Caspian Impact Investment Adviser Private Limited (resident) by way of circulation on 13<sup>th</sup> October, 2016 except the transfer of the said Equity shares was effected prior to obtaining the certificate of approval of form FC-TRS (Foreign Currency Transfer of shares) from Citibank N.A, i.e. Authorized Dealer, as required under the provisions of Foreign Exchange Management Act, 1999 read with relevant regulations.

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

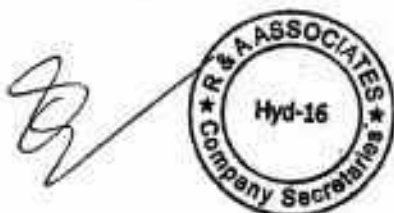
VIII. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Consent of directors was obtained for the board meetings called with shorter notices.

IX. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

XI. **We further report that** during the audit period the Company has;

- a) allotted 3,361 Rated Listed Secured Redeemable Transferable Non-Convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each at a discount of Rs. 2,000/- (Rupees two thousand only) per Debenture on 5<sup>th</sup> April, 2016 to Australia and New Zealand Banking Group Limited (Singapore Branch) through private placement






- b) allotted 3,380 Rated Listed Secured Redeemable Transferable Non-Convertible Debentures of face value of Rs. 1,00,000/- (Rupees one lakh only) each at a discount of Rs. 3,050/- (Rupees three thousand and fifty only) per Debenture on 19<sup>th</sup> August, 2016 to Australia and New Zealand Banking Group Limited (Singapore Branch) through private placement
- c) allotted 1335871 Equity shares of Rs. 10/- each at a premium of Rs.289.43/- per share on 9<sup>th</sup> September, 2016 to SIDBI Trustee Company Limited A/c- Samridhi Fund through private placement
- d) allotted 17,366 Equity Shares of Rs. 10/- each at a premium of Rs.289.43/- per share on 23<sup>rd</sup> February, 2017 to Caspian Impact Investment Adviser Private Limited by way of conversion of 5,20,000/- Cumulative Compulsorily Convertible Preference Shares (CCCPS)

Place: Hyderabad  
Date: 7<sup>th</sup> June, 2017

For R & A Associates

  
(G. Raghu Babu)  
Partner  
FCS No.4448  
CP No. 2820



*This report is to be read with our letter of even date, which is annexed as "Annexure -A" attached herewith and forms an integral part of this report*



**Annexure – A**

To  
The Members  
M/s. Caspian Impact Investments Private Limited  
[Formerly Bellwether Microfinance Fund Private Limited]  
8-2-596/5/B/1, Road No.10, Banjara Hills  
Hyderabad, Telangana State

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of M/s. Caspian Impact Investments Private Limited, (CIN:U65993TG1991PTC013491) ("the Company"). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Date: 7<sup>th</sup> June, 2017

R & A Associates

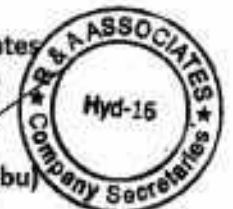
(G. Raghu Babu)

Partner

FCS No.: 4448

C P No.: 2820

Page 5 of 5



## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31.03.2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

1	CIN	U65993AP1991PTC013491
2	Registration Date	25-Nov-1991
3	Name of the Company	Caspian Impact Investments Private Limited
4	Category/Sub-category of the Company	Company Limited by Shares
5	Address of the Registered office & contact details	3rd Floor, 8-2-596/5/B/1, Road No: 10, Banjara Hills, Hyderabad - 500034, Telangana, India Tel: +91 40 66297100
6	Whether listed company	While the Equity shares are not listed in the securities markets, debt securities are listed on the wholesale debt segment of Bombay Stock Exchange.
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<p><b>Equity Shares</b>  <b>Karvy Computershare Private Limited</b>  Plot No.17 – 24, Vithal Rao Nagar, Madhapur, Hyderabad – 500081, Telangana, India  Tel: +91 40 44655208</p> <p><b>Listed Debentures</b>  <b>Link Intime India Pvt. Ltd.</b>  C-13, Pannalal Silk Mills, Compound LBS Marg, Bhandup (West), Mumbai – 400078, Maharashtra, India  Tel: +91 22 25963838</p>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated):-**

S. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Providing risk capital in the form of equity and debt to companies in the impact investment space	64920	100.00%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
NIL					

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) **Category-wise Share Holding**

[illegible]

ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to INR 1 lakh	-	73	73	0.00%	-	73	73	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	-	321,206	321,206	6.76%	-	321,206	321,206	5.26%	-1.5%
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	321,279	321,279	6.77%	-	321,279	321,279	5.26%	-1.5%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	4,748,267	4,748,267	100.00%	-	6,101,504	6,101,504	100.00%	-

**(ii) Shareholding of Promoters**

S No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Caspian Impact Investment Adviser Private Limited	583,938	12.30%	NA	768,134	12.59%	NA	0.29%
	<b>Total</b>	<b>583,938</b>	<b>12.30%</b>	<b>NA</b>	<b>768,134</b>	<b>12.59%</b>	<b>NA</b>	<b>0.29%</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

S No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	583,938	12.30%		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	184,196*			
	At the End of the year	768,134	12.59%	768,134	12.59%

\* Changes in shareholding

Date	Reasons	No of Shares
29-Nov-16	Acquisition of shares from Gray Ghost Microfinance Fund, LLC	166,830
23-Feb-17	Conversion of CCCPS into equity shares	17,366
	<b>Total</b>	<b>184,196</b>

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

S No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Appendix A			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				

**(v) Shareholding of Directors and Key Managerial Personnel**

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			

	Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):
	At the End of the year

## V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,162,744,131	52,430,130	0	1,215,174,261
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	25,834,818	0	0	25,834,818
<b>Total (i + ii + iii)</b>	<b>1,188,578,949</b>	<b>52,430,130</b>	<b>0</b>	<b>1,241,009,079</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition in Principal	684,102,973	0	0	684,102,973
- Reduction in Principal	226,244,131	52,430,130	0	278,674,261
<b>Net Change</b>	<b>457,858,842</b>	<b>-52,430,130</b>	<b>0</b>	<b>405,428,712</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,620,602,973	0	0	1,620,602,973
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	51,616,925	0	0	51,616,925
<b>Total (i + ii + iii)</b>	<b>1,672,219,898</b>	<b>0</b>	<b>0</b>	<b>1,672,219,898</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to other directors:

S. No	Particulars of Remuneration	Name of Directors				Total Amount
		Mahesh Kanumury	Matthew Titus	K P Ramesh Menon*	Suvalaxmi Chakraborty	
	<b>1. Independent Directors</b>					
	- Fee for attending board committee meetings	315,000	165,000	255,000	240,000	975,000
	- Commission**	350,000	350,000	350,000	350,000	1,400,000



	- Others, please specify Remuneration	0	0	0	0	0
	<b>Total (1)</b>					
	<b>2. Other Non-Executive Directors</b>					
	- Fee for attending board committee meetings	0	0	0	0	0
	- Commission	0	0	0	0	0
	- Others, please specify Remuneration	0	0	0	0	0
	<b>Total (2)</b>	0	0	0	0	0
	<b>Total (B)=(1+2)</b>	<b>6,65,000</b>	<b>5,15,000</b>	<b>6,05,000</b>	<b>5,90,000</b>	<b>23,75,000</b>
	Total Managerial Remuneration	0	0	0	0	0
	Overall Ceiling as per the Act***					

\*Resigned w.e.f. May 23, 2017

\*\*Subject to the approval of Shareholders in forthcoming Annual General Meeting.

\*\*\* Being Private Limited Company, the ceiling limit is exempted.

#### B. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Financial Officer (Lakshmikanth PB)	Company Secretary (Saranya Balaji) #	Company Secretary (Vandana Bhatia) #	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	278,760	8,11,279	92,920	1,182,959
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
	<b>Sub-Total</b>				
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	(a) as % of profit	0	0	0	0
	(b) others, specify...	0	0	0	0
5	Others, please specify				
	<b>Total</b>	<b>278,760</b>	<b>8,11,279</b>	<b>92,920</b>	<b>1,182,959</b>

# Ms. Saranya Balaji resigned as Company Secretary and Compliance Officer of the Company w.e.f January 13, 2017 and Ms. Vandana Bhatia was appointed as Company Secretary and Compliance Officer of the Company w.e.f March 1, 2017.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY – NIL</b>					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
<b>B. DIRECTORS – NIL</b>					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
<b>C. OTHER OFFICERS IN DEFAULT – NIL</b>					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
	0	0	0	0	0

# Appendix A

Shareholding Pattern as on 31-Mar-2017 (Top 10 shareholders other than directors, promoters, GDRs and ADRs)

S. No	Shareholders	No. of shares (31-03-2017)	% of total shares of the company	No. of shares (01-04-2016)	% of total shares of the company	Remarks
1	Gray Ghost Microfinance Fund, LLC	1,504,663	24.66%	1,671,493	35.20%	Transfer of 166,830 equity shares to Caspian Impact Investment Adviser Private Limited ("CHIAPL") on November 29, 2016
2	Stichting Hivos-Triodos Fonds	1,144,979	18.77%	1,144,979	24.11%	
3	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	851,074	13.95%	851,074	17.92%	
4	Stichting Triodos Sustainable Finance Foundation	175,504	2.88%	175,504	3.70%	
5	Arun Duggal	160,603	2.63%	160,603	3.38%	
6	Arjan Mangharam Jethwani	160,603	2.63%	160,603	3.38%	
7	Shilpa Sudhakar	73	0.00%	73	0.00%	
8	SIDBI Trustee Company Limited A/c Samridhi Fund	1,335,871	21.89%	-	-	Allotment of shares on September 9, 2016

**Annexure VI**

**Disclosure relating to particulars of employees as per Section 197 (12) of the act read with rules 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014.**

(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	NA
(ii)	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Nil
(iii)	the percentage increase in the median remuneration of employees in the financial year;	Nil
(iv)	the number of permanent employees on the rolls of company;	3 (Three)
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	NA
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

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## Independent Auditor's Report

To the Members of Caspian Impact Investments Private Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Caspian Impact Investments Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the guidelines issued by the Reserve Bank of India (RBI) as applicable to a Non-Banking Financial Company (NBFC). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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## Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the financial statements dealt with by this report are in agreement with the books of account;





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- d. in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 23 May 2017 as per Annexure B expresses unmodified opinion; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. as detailed in Note 26 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
  - iv. the Company, as detailed in Note 24 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

*Walker Chandiok & Co LLP*

For Walker Chandiok & Co LLP

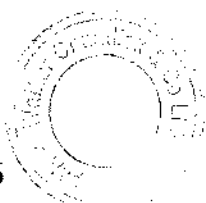
Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Nikhil Vaid*

per Nikhil Vaid  
Partner

Membership No.: 213356



Place: Hyderabad

Date: 23 May 2017

**Annexure A to the Independent Auditor's Report of even date to the members of Caspian Impact Investments Private Limited, on the financial statements for the year ended 31 March 2017**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

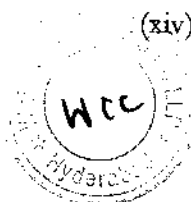
- (i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits from the public.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:



## Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income Tax	181,650	-	Assessment Year 2008-09	Deputy Commissioner of Income Tax, Hyderabad
Income-tax Act, 1961	Income Tax	4,406,660	-	Assessment Year 2010-11	Commissioner of Income Tax (Appeals), Hyderabad
Income-tax Act, 1961	Income Tax	7,815,750	-	Assessment Year 2013-14	Commissioner of Income Tax (Appeals), Hyderabad
Income-tax Act, 1961	Income Tax	4,929,000	739,370	Assessment Year 2014-15	Commissioner of Income Tax (Appeals), Hyderabad

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government.
- (ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has made private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment or private placement of full/partly convertible debentures.



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- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

*Walker Chandiok & Co LLP*  
For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Nikhil Vaid*  
per Nikhil Vaid  
Partner  
Membership No.: 213356



Place: Hyderabad  
Date: 23 May 2017

**Annexure B to the Independent Auditor's Report of even date to the members of Caspian Impact Investments Private Limited, on the financial statements for the year ended 31 March 2017**

**Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

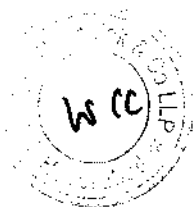
1. In conjunction with our audit of the financial statements of Caspian Impact Investments India Private Limited ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.



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## Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

*Walker Chandiok & Co LLP*

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Nikhil Vaid*

per Nikhil Vaid

Partner

Membership No.: 213356



Place : Hyderabad

Date : 23 May 2017



# Walker Chandiok & Co LLP

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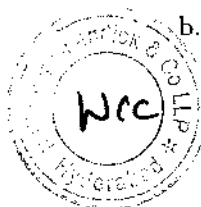
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## Auditor's Report

[Pursuant to the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016]

To  
The Board of Directors  
Caspian Impact Investments Private Limited  
8-2-596/5/B/1, III Floor  
Road No. 10, Banjara Hills  
Hyderabad – 500 034.

1. We have audited the financial statements of Caspian Impact Investments Private Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information and have issued a unqualified opinion vide our report dated 23 May 2017.
2. As required by the paragraphs 3 and 4 of Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, issued by the Reserve Bank of India ("the RBI") vide Master Direction DNBS. PPD.03/66.15.001/2016-17 dated 29 September 2016, and based on our audit, we report on the matters specified in paragraphs 3 and 4 of the said directions:
  - a. The Company is engaged in the business of Non-Banking Financial Institution (without accepting or holding public deposits) and pursuant to the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (as amended) it has obtained a certificate of registration vide certificate no. B-09.00365 dated 24 February 2015.
  - b. In our opinion, and in terms of the Company's assets and income pattern for the year ended and as at 31 March 2017, the Company is entitled to continue to hold the certificate of registration issued by the RBI.



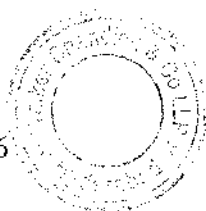
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- c. In our opinion, the Company has complied with the net owned fund requirement as laid down in Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, issued by RBI vide Master Direction DNBR.PD.007/03.10.119/2016-17 dated 01 September 2016.
- d. The Company is not a Non-Banking Financial Company - Micro Finance Institutions ("NBFC-MFIs") as defined in the Non-Banking Financial Company – Non-Systemically Important Non-deposit taking Company (Reserve Bank) Direction, 2016
- e. The Board of Directors of the Company in their meeting held on 25 May 2016 has passed a resolution for non-acceptance of any public deposits for the financial year 1 April 2016 to 31 March 2017.
- f. The Company has not accepted any public deposits during the year ended 31 March 2017.
- g. In our opinion and to the best of our information and according to the explanations given to us, the Company has complied, in all material respects, with the prudential norms issued by the RBI in relation to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Non-Banking Financial Company – Non-Systemically Important Non-deposit taking Company (Reserve Bank) Directions, 2016.

This report is issued in respect of Master Direction DNBS. PPD.03/66.15.001/2016-17 dated 29 September 2016 issued by the RBI for submission to RBI and it is not to be used, circulated, quoted, or otherwise referred to for any other purpose.

*Walker Chandiok & Co LLP*  
For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm Registration No: 001076N / N500013

*Nikhil Vaid*  
per Nikhil Vaid  
Partner  
Membership No.: 213356



Place: Hyderabad  
Date: 23 May 2017

**Caspian Impact Investments Private Limited**

**Balance Sheet as at 31 March 2017**

(All amounts in ₹ unless otherwise stated)

	Notes	31 March 2017	31 March 2016
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share capital	3	61,015,040	52,682,670
Reserves and surplus	4	1,182,773,652	750,775,907
		<b>1,243,788,692</b>	<b>803,458,577</b>
<b>Non Current Liabilities</b>			
Long-term borrowings	5	1,460,600,000	770,500,000
Long-term provisions	6	8,035,399	11,550,069
		<b>1,468,635,399</b>	<b>782,050,069</b>
<b>Current Liabilities</b>			
Short-term borrowings	7	10,002,973	228,674,261
Trade payables			
Total outstanding dues of micro and small enterprises	25	-	-
Total outstanding dues of creditors other than micro and small enterprises		3,818,903	3,093,482
Other current liabilities	8	205,812,244	247,299,017
Short-term provisions	6	14,092,224	9,336,559
		<b>233,726,344</b>	<b>488,403,319</b>
<b>Total</b>		<b>2,946,150,435</b>	<b>2,073,911,965</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Non-Current investments	9	156,474,621	111,618,211
Deferred tax assets (net)	10	9,102,004	14,790,728
Long-term loans and advances	11	763,852,657	886,682,690
Other non current assets	12	26,476,436	18,725,271
		<b>955,905,718</b>	<b>1,031,816,900</b>
<b>Current Assets</b>			
Current investments	9	289,759,855	-
Cash and cash equivalents	13	432,113,029	76,076,261
Short term loans and advances	11	1,255,639,008	958,655,868
Other current assets	12	12,732,825	7,362,936
		<b>1,990,244,717</b>	<b>1,042,095,065</b>
<b>Total</b>		<b>2,946,150,435</b>	<b>2,073,911,965</b>

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

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

*Walker Chandok & Co*  
For Walker Chandok & Co LLP  
Chartered Accountants

*Nikhil Vaid*  
per Nikhil Vaid  
Partner

Place: Hyderabad  
Date: 23 May 2017

For and on behalf of the Board of Directors of  
Caspian Impact Investments Private Limited

*S. Viswanatha Prasad*  
S. Viswanatha Prasad  
Managing Director  
DIN: 00574928

*Lakshmikanth PB*  
Lakshmikanth PB  
Chief Financial Officer

*KP Ramesh Menon*  
KP Ramesh Menon  
Director  
DIN: 06606111

*Vandana Bhatia*  
Vandana Bhatia  
Company Secretary

Place: Hyderabad  
Date: 23 May 2017

**Caspian Impact Investments Private Limited**

**Statement of Profit and Loss for the year ended 31 March 2017**

(All amounts in ₹ unless otherwise stated)

	Notes	31 March 2017	31 March 2016
<b>Revenue</b>			
Revenue from operations	14	385,024,297	232,464,530
Other income	15	645,902	1,683,492
<b>Total revenue</b>		<b>385,670,199</b>	<b>234,148,022</b>
<b>Expenses</b>			
Investment advisory fee		44,145,604	36,098,170
Finance cost	16	199,584,339	105,941,434
Provision for standard assets and sub-standard assets (net of reversal of ₹3,125,000)		1,240,995	7,537,567
Employee benefit expenses		1,142,049	1,066,793
Other expenses	17	80,403,882	15,940,883
<b>Total expenses</b>		<b>326,516,869</b>	<b>166,584,847</b>
<b>Profit before tax</b>		<b>59,153,330</b>	<b>67,563,175</b>
Tax Expense			
Current tax		16,710,000	26,260,000
MAT credit entitlement		-	(14,872,011)
		<b>16,710,000</b>	<b>11,387,989</b>
Taxes of earlier years		(4,138,073)	(8,240,658)
Deferred tax expense/(credit)		5,688,724	(2,730,668)
<b>Profit for the year</b>		<b>40,892,679</b>	<b>67,146,512</b>
Earning per equity share (EPES)			
Nominal value per share	23	10.00	10.00
- Basic EPES		7.34	12.73
- Diluted EPES		7.34	12.73

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

This is the Statement of Profit and Loss referred to in our report of even date.

*Walker Chandok & Co LLP*  
For Walker Chandok & Co LLP  
Chartered Accountants

*Nikhil Vaid*  
per Nikhil Vaid  
Partner

For and on behalf of the Board of Directors of  
**Caspian Impact Investments Private Limited**

*S. Viswanatha Prasad*  
S. Viswanatha Prasad  
Managing Director  
DIN: 00574928

*KP Ramesh Menon*  
KP Ramesh Menon  
Director  
DIN: 06606111

*Lakshmikanth PB*  
Lakshmikanth PB  
Chief Financial Officer

*Vandana Bhatia*  
Vandana Bhatia  
Company Secretary

Place: Hyderabad  
Date: 23 May 2017

Place: Hyderabad  
Date: 23 May 2017

**Caspian Impact Investments Private Limited**  
**Cash Flow Statement for the year ended 31 March 2017**  
(All amounts in ₹ unless otherwise stated)

	31 March 2017	31 March 2016
<b>Cash flows from operating activities</b>		
Profit before tax	59,153,330	67,563,175
<b>Adjustments :</b>		
Reversal of allowances for sub-standard assets	(3,125,000)	-
Provision for standard and sub-standard assets	4,365,995	7,537,567
Provision for doubtful advances	2,008,120	1,158,358
Investments written-off	46,242,850	-
Loans written-off	12,500,000	-
Amortisation expenses	-	1,637,014
<b>Operating profit before working capital changes</b>	<b>121,145,295</b>	<b>77,896,114</b>
Increase in loans to customers	(172,292,904)	(733,237,928)
Increase in investments	(380,859,115)	-
Increase in non current assets	(5,369,889)	(2,821,378)
Increase in current assets	(7,751,165)	(674,302)
Increase in long term loans and advances	(2,000,000)	-
Increase in short-term loans and advances	(231,430)	(1,158,358)
Increase in trade payables	725,421	3,093,483
Increase in other current liabilities	24,513,227	18,553,898
<b>Cash used in operating activities</b>	<b>(422,120,560)</b>	<b>(638,348,471)</b>
Income taxes paid	(26,708,820)	(17,080,232)
<b>Net cash used in operating activities</b>	<b>A (448,829,380)</b>	<b>(655,428,703)</b>
<b>Cash flows from investing activities</b>	<b>B -</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Reduction of equity share capital	-	(6,416,800)
Proceeds from issue of equity shares	399,999,854	-
Proceeds from issue of non convertible debentures	674,100,000	-
Dividend paid, including dividend distribution tax	(562,418)	(1,934,056)
Proceeds/(repayments) of long-term borrowings	(50,000,000)	200,000,000
Net proceeds/(repayments) of short-term borrowings	(218,671,288)	153,674,261
<b>Net cash generated from financing activities</b>	<b>C 804,866,148</b>	<b>345,323,405</b>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	356,036,768	(310,105,298)
Cash and cash equivalents as at the beginning of the year	76,076,261	386,181,559
<b>Cash and cash equivalents at the end of the year</b>	<b>432,113,029</b>	<b>76,076,261</b>

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**Caspian Impact Investments Private Limited**  
**Cash Flow Statement for the year ended 31 March 2017**

(All amounts in ₹ unless otherwise stated)

	31 March 2017	31 March 2016
Note 1: Proceeds from sale of investments	66,732,098	-
Note 2: Conversion of CCCPS into equity shares	5,200,000	-

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

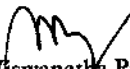
This is the Cash Flow Statement referred to in our report of even date.

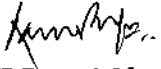
  
For **Walker Chandiook & Co LLP**  
Chartered Accountants

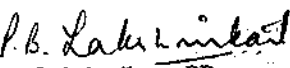
  
per **Nikhil Vaid**  
Partner

Place: Hyderabad  
Date: 23 May 2017

For and on behalf of the Board of Directors of  
**Caspian Impact Investments Private Limited**

  
**S. Viswanatha Prasad**  
Managing Director  
DIN: 00574928

  
**KP Ramesh Menon**  
Director  
DIN: 06606111

  
**Lakshmikanth PB**  
Chief Financial Officer

  
**Vandana Bhatia**  
Company Secretary

Place: Hyderabad  
Date: 23 May 2017



## **Caspian Impact Investments Private Limited**

Notes to the financial statements for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

### **1. Company overview**

Caspian Impact Investments Private Limited ("the Company") is a company domiciled in India and registered under the provisions of the Companies Act, 1956. The Company operates as a Loan Company and consequently is registered as a Non-Banking Financial Institution (Non-Deposit taking) ("NBFC") with the Reserve Bank of India ("the RBI").

The Company is engaged in making investments in the form of equity and debt in social impact sectors including micro finance, small business financing, affordable housing, food and agriculture, business correspondents, healthcare and clean energy.

### **2. Significant accounting policies**

#### **a. Basis of preparation of financial statements**

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India ("Indian GAAP"), including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), pronouncements of The Institute of Chartered Accountants of India ("ICAI") and guidelines issued by the RBI as applicable to non-banking financial company. The financial statements have been prepared on an accrual basis except for interest on non-performing loan assets which have been accounted on cash basis based on the RBI Guidelines.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of business, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

#### **b. Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful loans and advances, investments and classification of assets and liabilities into current and non-current.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### **c. Investments**

Investments that are readily realizable and intended to be held for not more than a year from the date of the investment and current maturities of long-term investments is classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long-term investments.

#### **d. Investment in Trust**

The Company has set up Bellwether Microfinance Trust ("the Trust") with the objective of making investments in companies, ventures or enterprises engaged in the activities that are in line with the Company's objectives. The Company is the sole contributor and beneficiary of the Trust. The contributions/redemption transactions with the Trust are accounted as "Investment in Trust" in accordance with AS 13 and the profit/losses realized by the Trust is accounted accordingly.



**Caspian Impact Investments Private Limited**

Notes to the financial statements for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

**e. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the collectability is reasonably assured.

- Interest on loans is recognised on accrual basis, except in the case of Non-Performing Assets ("NPA"), where interest is recognised upon realisation, in accordance with the directives of the Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
- Loan processing fee is accounted as revenue on the basis of agreement with customer.
- Profit/loss on sale of investments is determined using the average cost of investments.
- Interest income from investments and fixed deposits is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividend is recognized when right to receive payment is established.

**f. Asset classification and provision for loan portfolio***Asset classification and provisioning*

Asset classification	Criteria	Provisioning rate
Standard assets	Overdue =< 3 months	1%
Non-performing assets		
Sub-standard	Overdue for 3 months to 6 months	25%
Doubtful	Overdue for 6 months to 12 months	50%
Loss	Overdue > 12 months or assets identified as loss assets	100%

**g. Borrowing Costs**

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with borrowing of funds. Ancillary borrowing costs in the nature of discount on securities are amortized over the tenure of the loan on straight line basis.

**h. Taxes**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Unrecognized deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be

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**Caspian Impact Investments Private Limited**

Notes to the financial statements for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date.

The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Investment in Trust is regarded as "pass through" for computation of tax liability and accordingly the Company accrues the tax liability in respect of the income earned by the Trust in the capacity of the sole beneficiary in accordance with the provisions of Income Tax Act, 1961.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

**i. Earnings per equity share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**j. Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure of the contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.



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**Caspian Impact Investments Private Limited**  
**Notes to the financial statements for the year ended 31 March 2017**  
(All amounts in ₹ unless otherwise stated)

**3 Share Capital**

	31 March 2017		31 March 2016	
	Number	Amount	Number	Amount
<b>Authorised share capital:</b>				
Equity shares of ₹10 each	7,500,000	75,000,000	7,500,000	75,000,000
Preference shares of ₹10 each	41,000,000	410,000,000	41,000,000	410,000,000
<b>Issued, Subscribed and fully paid up:</b>				
Equity shares of ₹10 each	6,101,504	61,015,040	4,748,267	47,482,670
10% Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of ₹10 each	-	-	520,000	5,200,000
	<b>6,101,504</b>	<b>61,015,040</b>	<b>5,268,267</b>	<b>52,682,670</b>

**(a) Reconciliation of Shares:**

	31 March 2017		31 March 2016	
	Number	Amount	Number	Amount
<b>Equity shares of ₹10 each</b>				
Balance at the beginning of the year	4,748,267	47,482,670	5,268,267	52,682,670
Add: Issued during the year	1,353,237	13,532,370	-	-
Less: Capital reduction of equity shares	-	-	(520,000)	(5,200,000)
Balance at the end of the year	<b>6,101,504</b>	<b>61,015,040</b>	<b>4,748,267</b>	<b>47,482,670</b>
<b>CCCPS of ₹10 each</b>				
Balance at the beginning of the year	520,000	5,200,000	520,000	5,200,000
Less: Converted into equity shares	(520,000)	(5,200,000)	-	-
Balance at the end of the year	<b>-</b>	<b>-</b>	<b>520,000</b>	<b>5,200,000</b>

**(b) Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion of their shareholding.

**(c) Terms and rights attached to CCCPS**

The Company had issued 520,000 CCCPS of ₹10 each fully paid-up at par value on 4 December 2012. The holders of CCCPS were entitled to voting rights in proportion to their shareholding in the fully diluted equity share capital of the Company. In the event of liquidation of the Company, the holders of CCCPS were entitled to receive, in preference to all other shareholders of the Company, an amount equal to the CCCPS investment amount along with all accrued and unpaid dividends, if any, declared by the board. Holders of CCCPS can convert it into equity shares at any time before ten years from the date of allotment at a price which is higher of (i) face value of share or (ii) fair market value as determined using valuation method agreed between investor, key shareholders and the Company. During the year, CCCPS were converted into 17,366 equity shares of ₹10 each fully paid-up at premium of ₹ 289.43 per share on February 23, 2017.

**(d) Shareholders holding more than five percent shares in the Company**

	31 March 2017		31 March 2016	
	Number	%	Number	%
<b>Equity shares of ₹ 10 each</b>				
Gray Ghost Microfinance Fund, LLC	1,504,663	24.66%	1,671,493	35.20%
Stichting Hivos-Triodos Fonds	1,144,979	18.77%	1,144,979	24.11%
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	851,074	13.95%	851,074	17.92%
SIDBI Trustee Company Limited A/c Samridhi Fund	1,335,871	21.89%	-	0.00%
Caspian Impact Investment Adviser Private Limited	768,134	12.59%	583,938	12.30%
<b>CCCPS of ₹ 10 each</b>				
Caspian Impact Investment Adviser Private Limited	-	-	520,000	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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**Caspian Impact Investments Private Limited**  
**Notes to the financial statements for the year ended 31 March 2017**  
(All amounts in ₹ unless otherwise stated)

**(e) Buy-back and capital reduction of equity shares during 5 years immediately preceding the Balance Sheet:**

	<b>Number of Shares</b>
	<b>1 April 2012 to 31 March 2017</b>
Aggregate number of buy-back of equity shares	1,756,089
Aggregate number of capital reduction of equity shares	520,000

**4 Reserves and Surplus**

	<b>31 March 2017</b>	<b>31 March 2016</b>
<b>Reserve fund</b>	40,680	40,680
<b>Securities premium account</b>		
Balance at the beginning of the year	509,315,063	509,315,063
Add: Addition during the year	391,667,484	-
Balance at the end of the year	<b>900,982,547</b>	<b>509,315,063</b>
<b>Statutory reserve</b>		
Balance at the beginning of the year	83,785,653	70,356,351
Add: Transfer from Surplus in Statement of Profit and Loss	8,178,536	13,429,302
Balance at the end of the year	<b>91,964,189</b>	<b>83,785,653</b>
<b>Capital redemption reserve</b>		
Balance at the beginning of the year	16,344,090	17,560,890
Less: Premium on reduction of equity shares	-	(1,216,800)
Balance at the end of the year	<b>16,344,090</b>	<b>16,344,090</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance at the beginning of the year	141,290,421	89,507,267
Add: Profit for the year	40,892,679	67,146,512
Less: Dividend on CCCPS	(467,288)	(520,000)
Less: Tax on distributed profits	(95,130)	(1,414,056)
Less: Transferred to Statutory Reserve	(8,178,536)	(13,429,302)
Balance at the end of the year	<b>173,442,146</b>	<b>141,290,421</b>
	<b>1,182,773,652</b>	<b>750,775,907</b>

**Statutory Reserve**

In accordance with the provision of Section 45 IC of the Reserve Bank of India Act, 1934 the Company being an NBFC, has transferred 20% of net profit after tax for the year to the statutory reserve.



*Per*

**Caspian Impact Investments Private Limited**  
**Notes to the financial statements for the year ended 31 March 2017**  
(All amounts in ₹ unless otherwise stated)

**5 Long-term borrowings**

	31 March 2017	31 March 2016
<b>Secured</b>		
<b>Debentures</b>		
Non-convertible debentures - 12% Series 1 CIPL 2019	166,000,000	166,000,000
Non-convertible debentures - 10% Series 1 CIPL 2022	620,500,000	620,500,000
Non-convertible debentures - 12.08% Series 1 CIPL 2022	336,100,000	-
Non-convertible debentures - 11.41% Series 1 CIPL 2022	338,000,000	-
	<b>1,460,600,000</b>	<b>786,500,000</b>
Less: Current maturities of long term borrowings	-	(166,000,000)
	<b>1,460,600,000</b>	<b>620,500,000</b>
<b>Term loans</b>		
From other parties	150,000,000	200,000,000
Less: Current maturities of long term borrowings	(150,000,000)	(50,000,000)
	<b>-</b>	<b>150,000,000</b>
	<b>1,460,600,000</b>	<b>770,500,000</b>

**(a) Non-convertible debentures - 12% Series 1 CIPL 2019**

The Company issued 1,660 secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹100,000 each fully paid up at a discount of 1% of face value. The debentures carry an interest rate of 12% plus tax deducted at source. The debentures were issued on 9 May 2014, for tenure of 60 months and will be redeemed through a bullet repayment at maturity, however there is a call option at the end of 2.5 years from the date of allotment. The debentures along with interest are secured by way of hypothecation/charge on certain specified book debts of the Company in favor of the trustee for the benefit of the debenture holders.

**(b) Non-convertible debentures - 10% Series 1 CIPL 2022**

The Company issued 6,205 secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹100,000 each fully paid up at a discount of 2.85% of face value. The debentures carry an interest rate of 10% plus tax deducted at source. The debentures were issued on 2 March 2015 and will be redeemed through a bullet repayment at maturity on 22 January 2022, however there is a call option at the end of 3 years from the date of allotment. The debentures along with interest are secured by way of hypothecation/charge on certain specified book debts of the Company in favor of the trustee for the benefit of the debenture holders.

**(c) Non-convertible debentures - 12.08% Series 1 CIPL 2022**

The Company issued 3,361 secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹100,000 each fully paid up at a discount of 2% of face value. The debentures carry an interest rate of 12.08% plus tax deducted at source. The debentures are issued on 5 April 2016 and are redeemable through a bullet repayment at maturity on 2 January 2022, however there is a call option at the end of 3 years from the date of allotment. The debentures along with interest are secured by way of hypothecation/charge on certain specified book debts of the Company in favor of the trustee for the benefit of the debenture holders.

**(d) Non-convertible debentures - 11.41% Series 1 CIPL 2022**

The Company issued 3,380 secured, rated, listed, redeemable, transferable, non-convertible debentures of face value of ₹100,000 each fully paid up at a discount of 3.05% of face value. The debentures carry an interest rate of 11.41% plus tax deducted at source. The debentures were issued on 19 August 2016 and are redeemable through a bullet repayment at maturity on 2 January 2022, however there is a call option at the end of 3 years from the date of allotment. The debentures along with interest are secured by way of hypothecation/charge on certain specified book debts and or lien on fixed deposits of the Company in favor of the trustee for the benefit of the debenture holders.

**(e) Term loans from Others**

The term loan amounting to ₹200,000,000 carries an interest rate of 13.50% p.a. and is repayable in four equal quarterly payments after an initial moratorium of twelve months. The term loan is secured by way of first pari-passu charge over book debts other than those mentioned in note 5(a) to (d) of the Company amounting to 120% of principal outstanding.

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**Caspian Impact Investments Private Limited**  
**Notes to the financial statements for the year ended 31 March 2017**  
(All amounts in ₹ unless otherwise stated)

**6 Provisions**

	31 March 2017	31 March 2016
<b>Long term</b>		
Contingent provisions against standard assets	8,035,399	8,425,069
Provisions against non performing assets	-	3,125,000
	<b>8,035,399</b>	<b>11,550,069</b>
<b>Short-term</b>		
Contingent provisions against standard assets	14,092,224	9,336,559
	<b>14,092,224</b>	<b>9,336,559</b>

**7 Short-term borrowings**

	31 March 2017	31 March 2016
<b>Secured</b>		
Loan repayable on demand from bank	10,002,973	-
Loan from others	-	176,244,131
	<b>10,002,973</b>	<b>176,244,131</b>
<b>Unsecured</b>		
Loan repayable on demand from bank	-	52,430,130
	<b>10,002,973</b>	<b>228,674,261</b>

**(a) Secured, loans repayable on demand from bank**

The working capital demand loan facility amounting to ₹10,002,973 (31 March 2016: ₹Nil) carries an interest rate of the bank's MCLR (currently 9.10%) + 110 bps (i.e. 10.20% p.a). The loan is secured by way of first pari-passu charge over book debts other than those mentioned in note 5(a) to (d) of the Company amounting to 125% of principal outstanding.

**(b) Secured loans from others**

The loan amounting to ₹Nil (31 March 2016: ₹176,244,131) carried an interest rate of 13.50% p.a. The term loan was secured by way of first pari-passu charge over book debts other than those mentioned in note 5(a) to (d) of the Company amounting to 100% of principal outstanding.

**(c) Unsecured, loans repayable on demand from bank**

The working capital loan facility carried an interest rate of 10.75% p.a. The loan was secured against 110% value of cash collateral standing in the name of Caspian Capital Partners.

**8 Other Current Liabilities**

	31 March 2017	31 March 2016
Statutory liabilities	230,454	2,486,158
Proposed dividend on CCCPS	-	520,000
Interest accrued but not due on borrowings	51,616,925	25,834,818
Current maturities of long term borrowings	150,000,000	216,000,000
Other payables	3,964,865	2,458,041
	<b>205,812,244</b>	<b>247,299,017</b>



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## Caspian Impact Investments Private Limited

Notes to the financial statements for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

### 9 Investments

	31 March 2017		31 March 2016	
	Non-current	Current	Non-current	Current
<b>Non-trade investments</b>				
<b>In debentures, Unquoted</b>				
100 (31 March 2016: Nil) 15.50% rated, subordinated, unsecured, listed, redeemable, transferable, non-convertible debentures of ₹1,000,000 each fully paid in Satin Credit Care Network Limited	100,000,000	-	-	-
<b>(A)</b>	<b>100,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>In mutual funds, Quoted, (at lower of cost or fair value)</b>				
<b>(market value: ₹136,900,121)</b>				
26,647 (31 March 2016: Nil) units of HDFC Liquid Funds - Direct Plan - Growth Option	-	85,052,765	-	-
236,977 (31 March 2016: Nil) units Birla Sun Life Savings Funds - Direct plan	-	50,892,235	-	-
<b>(B)</b>	<b>-</b>	<b>135,945,000</b>	<b>-</b>	<b>-</b>
<b>Others, Unquoted</b>				
Investment in pass through certificates	-	10,358,755	-	-
Investment in commercial paper	-	143,456,100	-	-
<b>(C)</b>	<b>-</b>	<b>153,814,855</b>	<b>-</b>	<b>-</b>
<b>Trade investments</b>				
<b>In equity shares, unquoted</b>				
2,142,858 (31 March 2016: 2,142,858) equity shares of ₹10 each fully paid in A Little World Private Limited	13,757,150	-	60,000,000	-
466,850 (31 March 2016: 466,850) equity shares of ₹10 each fully paid in Sonata Finance Private Limited	28,408,501	-	28,408,501	-
<b>(D)</b>	<b>42,165,651</b>	<b>-</b>	<b>88,408,501</b>	<b>-</b>
<b>Others, Unquoted</b>				
Bellwether Microfinance Trust ("Trust") [Refer (b) below]	14,308,970	-	23,209,710	-
<b>(E)</b>	<b>14,308,970</b>	<b>-</b>	<b>23,209,710</b>	<b>-</b>
<b>Total investments (A+B+C+D+E)</b>	<b>156,474,621</b>	<b>289,759,855</b>	<b>111,618,211</b>	<b>-</b>
<b>a) Additional disclosure</b>	<b>31 March 2017</b>		<b>31 March 2016</b>	
Unquoted investments	310,289,476		111,618,211	
Quoted Investments	135,945,000		-	
Investments written-off/ provided for	46,242,850		29,845,449	
<b>b) Disclosure of assets held by the Trust</b>				
672,292 (31 March 2016: 1,071,871) equity shares of ₹10 each fully paid in Sonata Finance Private Limited	14,258,970		22,733,836	
Balances with banks in current accounts	50,000		475,874	
<b>Total assets held by the Trust</b>	<b>14,308,970</b>		<b>23,209,710</b>	
<b>10 Deferred tax assets</b>	<b>31 March 2017</b>		<b>31 March 2016</b>	
On account of provision for standard assets	7,316,056		5,872,527	
On account of provision for sub-standard assets	-		1,033,219	
On account of provision for doubtful advances	1,785,948		1,122,003	
On account of investment written-off and carry forward of long-term capital loss	-		6,762,979	
	<b>9,102,004</b>		<b>14,790,728</b>	

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**Caspian Impact Investments Private Limited**  
**Notes to the financial statements for the year ended 31 March 2017**  
(All amounts in ₹ unless otherwise stated)

**11 Loans and advances**

	31 March 2017	31 March 2016
<b>Long-term</b>		
Loans to customers (Refer note 19)		
Secured, considered good	480,433,726	618,539,554
Unsecured, considered good	223,106,211	223,967,308
	<u>703,539,937</u>	<u>842,506,862</u>
Unsecured, considered good		
Income tax (net of provisions)	28,652,430	11,244,718
MAT credit entitlement	29,660,290	32,931,110
Advances to related parties	2,000,000	-
	<u>763,852,657</u>	<u>886,682,690</u>
<b>Short-term</b>		
Loans to customers (Refer note 19)		
Secured, considered good	859,602,039	751,053,188
Unsecured, considered good	395,805,538	182,602,680
Unsecured, considered doubtful	-	25,000,000
	<u>1,255,407,577</u>	<u>958,655,868</u>
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	1,850	-
Prepaid expenses	229,581	-
	<u>231,431</u>	<u>-</u>
Unsecured, considered doubtful		
Balances with government authorities	5,401,650	3,393,530
Less: Provision for doubtful advances	5,401,650	3,393,530
	<u>-</u>	<u>-</u>
	<u>1,255,639,008</u>	<u>958,655,868</u>

**12 Other assets**

	31 March 2017	31 March 2016
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Unamortised portion of discount on non-convertible debentures	21,618,391	12,983,945
Unamortised portion of origination fees	4,858,045	5,741,326
	<u>26,476,436</u>	<u>18,725,271</u>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Unamortized portion of discount on non-convertible debentures	5,975,482	2,919,939
Unamortised portion of origination fees	883,281	883,281
Interest earned but not due on loans	4,891,857	3,389,649
Interest accrued on fixed deposits	932,003	170,067
Others	50,202	-
	<u>12,732,825</u>	<u>7,362,936</u>

**13 Cash and Cash equivalents**

	31 March 2017	31 March 2016
Balances with banks		
- on current accounts	175,749,076	72,746,323
- on deposit accounts	256,363,953	3,329,938
	<u>432,113,029</u>	<u>76,076,261</u>



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**Caspian Impact Investments Private Limited**

Notes to the financial statements for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

**14 Revenue from operations****I. Loan portfolio**Interest income  
Loan processing fee

31 March 2017	31 March 2016
269,496,444	210,843,313
10,722,500	12,067,500
<b>280,218,944</b>	<b>222,910,813</b>

**II. Investment portfolio**Profit on sale of investment, net  
Interest income on investments

58,254,827	-
13,790,293	-
<b>72,045,120</b>	<b>-</b>

**III. Other operating income**Interest income from fixed deposits  
Profit on sale of mutual funds

20,984,708	9,553,717
11,775,525	-
<b>32,760,233</b>	<b>9,553,717</b>
<b>385,024,297</b>	<b>232,464,530</b>

**15 Other income**

Miscellaneous income

31 March 2017	31 March 2016
645,902	1,683,492
<b>645,902</b>	<b>1,683,492</b>

**16 Finance cost**Interest expense  
Other borrowing costs

31 March 2017	31 March 2016
189,833,239	100,113,736
9,751,100	5,827,698
<b>199,584,339</b>	<b>105,941,434</b>

**17 Other expenses**Legal and professional charges  
Guarantee fees  
Directors sitting fee  
Membership fee  
Amortization expenses  
Provision for doubtful advances  
Meeting expenses  
Contribution towards corporate social responsibility  
Rates and taxes  
Insurance  
Investments written-off  
Loans written-off (net of third party guarantees)  
Payment to auditors  
- As auditor  
- For certification  
- For reimbursement of expenses  
Bank charges  
Miscellaneous expenses

31 March 2017	31 March 2016
6,435,502	4,568,587
3,150,643	1,452,678
2,712,375	1,858,024
321,419	-
-	1,637,014
2,008,120	1,158,358
99,318	824,697
2,820,000	2,282,322
1,878,145	410,220
213,575	228,164
46,242,850	-
12,500,000	-
1,186,588	1,052,650
215,587	84,270
42,155	13,715
23,097	44,734
554,508	325,450
<b>80,403,882</b>	<b>15,940,883</b>



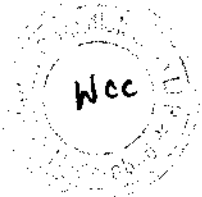
# Caspian Impact Investments Private Limited

Notes to the financial statements for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

## 18 Additional disclosures pursuant to Non-Banking Financial Company - Non-systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued by the RBI

		As at 31 March 2017	
		Amount Outstanding	Amount Overdue
<b>Liabilities side:</b>			
<b>(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>			
<b>(a) Debentures</b>			
Secured		1,512,216,925	-
Unsecured		-	-
(other than falling within the meaning of public deposits)			
<b>(b) Deferred Credits</b>			
		-	-
<b>(c) Term Loans</b>			
		150,000,000	-
<b>(d) Inter-corporate loans and borrowings</b>			
		-	-
<b>(e) Commercial paper</b>			
		-	-
<b>(f) Other loans (overdraft)</b>			
		10,002,973	-
		<b>As at 31 March 2017</b>	
<b>Assets side:</b>			
<b>(2) Break-up of Loans and Advances including bills receivables (Other than those included in (3) below):</b>			
<b>(a) Secured</b>			1,340,035,765
<b>(b) Unsecured</b>			618,911,749
<b>(3) Break up of leased assets and stock on hire and other assets counting towards AFC activities:</b>			
<b>(i) Lease assets including lease rentals under sundry debtors:</b>			
<b>a) financial lease</b>			-
<b>b) operating lease</b>			-
<b>(ii) Stock on hire including hire charges under sundry debtors:</b>			
<b>a) assets on hire</b>			-
<b>b) repossessed Assets</b>			-
<b>(iii) Other loans counting towards AFC activities:</b>			
<b>a) loans where assets have been repossessed</b>			-
<b>b) loans other than (a) above</b>			-
<b>(4) Breakup of investments</b>			
<b>Current investments:</b>			
<b>1 Quoted</b>			
<b>(i) Shares:</b>			
<b>(a) Equity</b>			-
<b>(b) Preference</b>			-
<b>(ii) Debentures and Bonds</b>			
			-
<b>(iii) Units of mutual funds</b>			
			135,945,000
<b>(iv) Government Securities</b>			
			-
<b>(v) Others (pass through certificates and commercial paper)</b>			
			-
<b>2 Unquoted</b>			
<b>(i) Shares:</b>			
<b>(a) Equity</b>			-
<b>(b) Preference</b>			-
<b>(ii) Debentures and Bonds</b>			
			-
<b>(iii) Units of mutual funds</b>			
			-
<b>(iv) Government Securities</b>			
			-
<b>(v) Others</b>			
			153,814,855



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# Caspian Impact Investments Private Limited

## Notes to the financial statements for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

	As at 31 March 2017
Long term investments:	
1 Quoted	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-
2 Unquoted	
(i) Shares:	
(a) Equity	42,165,651
(b) Preference	-
(ii) Debentures and Bonds	100,000,000
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	14,308,970

	Net of provision as at 31 March 2017		
(5) Borrower group-wise classification of assets financed as in (2) and (3) above:			
<b>Category</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1. Related Parties	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	1,326,635,407	612,722,632	1,939,358,039
<b>Total</b>	<b>1,326,635,407</b>	<b>612,722,632</b>	<b>1,939,358,039</b>

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

<b>Category</b>	<b>Market value/ Break up or fair value or NAV</b>	<b>Book value (net of provisions)</b>
1. Related parties	14,308,970	14,308,970
2. Other than related parties	430,342,478	429,387,357
<b>Total</b>	<b>444,651,448</b>	<b>443,696,327</b>

*All investments are in unquoted companies whom market value is not ascertainable, except investments in mutual funds.*

	As at 31 March 2017
(7) Other Information	
(i) Gross Non-Performing Assets	-
(a) Related Parties	-
(b) Other than related parties	-
(ii) Net Non-Performing Assets	-
(a) Related Parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-



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## Caspian Impact Investments Private Limited

### Notes to the financial statements for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

#### 19 Loans to customers

Loans to customers portfolio has been classified in accordance with the directives issued by the RBI Non-Banking Financial Company - Non-systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, read with accounting policy mentioned in note 2(f). The necessary provisions as per the RBI norms have been made. The details are as follows:

	31 March 2017	31 March 2016
<b>Standard assets</b>		
Classification criteria	0-3 Months	0-3 Months
Amount outstanding**	2,212,762,369	1,776,162,730
Provision made against the standard assets	22,127,623	17,761,628
**(includes investment in debentures, pass through certificates and commercial paper).		
<b>Non-performing assets</b>		
Classification criteria for Sub-standard assets	> 3 Months	> 3 Months
Amount outstanding	-	25,000,000
Provision made against the sub-standard assets	-	3,125,000
Current year addition to provisions	-	3,125,000

#### 20 Related party disclosures

##### (a) Names of the related parties and nature of relationship

Names of related parties	Nature of relationship
Caspian Impact Investment Adviser Private Limited	Entity in which a Director has control
Caspian Capital Partners ("CCP")	
SIDBI Trustee Company Limited A/c Samidhi Fund	Shareholder having significant influence

##### (b) Transactions with related parties

	31 March 2017	31 March 2016
<b>Caspian Impact Investment Adviser Private Limited</b>		
Investment advisory fee	44,145,604	36,098,170

##### (c) Balances receivable/(payable):

	31 March 2017	31 March 2016
Caspian Impact Investment Adviser Private Limited	(3,818,903)	(3,093,482)
SIDBI Trustee Company Limited A/c Samidhi Fund	2,000,000	

Note: Refer note 7 (c) for guarantees received.

#### 21 Segment reporting

The Company operates in a single reportable segment i.e. providing finance to companies engaged in impact investment sectors, which have similar risks and returns for the purpose of AS 17 on 'Segment Reporting'. The Company does not have any reportable geographical segment.

#### 22 Expenditure in foreign currency

	31 March 2017	31 March 2016
Travel and related expenses	-	347,668
Guarantee fees	369,932	-
	<b>369,932</b>	<b>347,668</b>



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## Caspian Impact Investments Private Limited

### Notes to the financial statements for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

#### 23 Earnings per equity share [EPES]

	31 March 2017	31 March 2016
<b>a) Computation of profit for the year</b>		
Profit for the year	40,892,679	67,146,512
Less: Dividend on CCCPS (including dividend distribution tax)	562,418	625,862
Profit attributable to equity shareholders	<b>40,330,261</b>	<b>66,520,650</b>
Profit attributable to equity shareholders for computation of basic EPES	40,330,261	66,520,650
Profit attributable to equity shareholders for computation of diluted EPES	40,892,679	67,146,512
<b>b) Computation of weighted average number of equity shares in computation of basic and diluted EPES</b>		
Weighted average number of shares considered for computation of basic EPES	5,492,944	5,224,223
Add: Effect of potential dilutive shares	15,653	30,931
Weighted average number of shares considered for computation of diluted EPES	<b>5,508,597</b>	<b>5,255,154</b>

#### 24 Additional disclosures pursuant to clause X of Schedule III of the Companies Act, 2013

Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 are as follows:

Details	Specified Bank Notes	Other denomination notes
Closing cash in hand as on 8 November 2016	-	-
Add: Permitted receipts	-	-
Less: Permitted payments	-	-
Less: Amount deposited in cash	-	-
Closing cash in hand as on 30 December 2016	-	-

25 Based on information available with the Company, as on balance sheet date, there are no suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

26 The Company has received tax demands aggregating to ₹17,333,060. The management, on the basis of legal advice, has made sufficient provision in the books of accounts and believes that no further liability will arise.

#### 27 Comparatives

Previous year figures have been reclassified/regrouped wherever necessary, to conform to current year presentation.

This is summary of significant accounting policies and other explanatory information referred to in our report of even date.

*Walker Chandok & Co LLP*

For Walker Chandok & Co LLP  
Chartered Accountants

*Nikhil Vaid*

per Nikhil Vaid  
Partner  
Membership No.: 213356



Place: Hyderabad  
Date: 23 May 2017

For and on behalf of the Board of Directors of  
Caspian Impact Investments Private Limited

*S. Viswanatha Prasad*  
S. Viswanatha Prasad  
Managing Director  
DIN: 00574928

*KP Ramesh Menon*  
KP Ramesh Menon  
Director  
DIN: 06606111

*Lakshmi Kant PB*  
Lakshmi Kant PB  
Chief Financial Officer

*Vandana Bhatia*  
Vandana Bhatia  
Company Secretary

Place: Hyderabad  
Date: 23 May 2017