

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Shareholders of Caspian Impact Investments Private Limited ("the Company") will be held on Friday, August 16, 2018 at 9.00 a.m. at the registered office of the Company at 4th floor, Ventureast Plaza, Plot No.40 & 41, Financial District, Gachibowli, Hyderabad-500032, 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, 2019 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, 2019 comprising Balance Sheet as on March 31, 2019, Statement of Profit and Loss for the financial year ended March 31, 2019, Cash Flow Statement for the financial year ended March 31, 2019 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."

SPECIAL BUSINESS:

2. **Appointment of Mr. Narayan Ramachandran as a Director**

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

"**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Narayan Ramachandran (DIN: 01873080), who was appointed as Additional Director on August 6, 2018, be and is hereby appointed as Director of the Company."

RESOLVED FURTHER THAT Directors/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

Dated : 22.05.2019
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 Wednesday, August 14, 2019, 9.00 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.
5. The Shareholders of the Company had, at their 27th Annual General Meeting held on August 6, 2018, appointed M/s Walker Chandiok & Co LLP, Chartered Accountants, Hyderabad (ICAI Registration No 001076N/N500013) as statutory auditors of the Company for another term of five years starting from the conclusion of the 27th Annual General Meeting upto the conclusion of 32nd Annual General Meeting.

With the amendment in the Companies Act, 2013, dispensing away with the requirement of ratification of appointment of auditors on annual basis, it is not proposed to seek the approval of the members for ratification of their appointment as statutory auditors at the forthcoming Annual General Meeting.



Caspian Impact Investments Private Limited

4th Floor, Ventureast Plaza, Plot No - 40 & 41, Financial District, Beside IRDA, Gachibowli, Hyderabad – 500032, Telangana, India

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CIN - U65993TG1991PTC013491

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

Item No 2.

Appointment of Mr. Narayan Ramachandran as a Director

The Board of Directors of the Company in their meeting held on August 6, 2018, appointed Mr. Narayan Ramachandran as Additional Director of the Company w.e.f. August 6, 2018 and Mr. Ramachandran holds office of the Director till the conclusion of this Annual General Meeting.

Accordingly, in terms of the requirements under applicable provision of the Companies Act, 2013, approval of the Members of the Company is required for regularization of Mr. Ramachandran as Director of the Company.

Narayan Ramachandran is Vice Chairman & Managing Director for L Catterton Asia, the premier global private equity firm that invests in the consumer sector and is focused on building brands around the world. He recently finished a full 8-year term as Chairman of RBL Bank, one of India's fastest growing banks. At RBL he was one of the founding team that led the transformation of the bank from a small regional bank to one that now listed and has a national footprint.

He serves as the Chairman and co-founder of InKlude Labs, a social business enterprise working in the field of education and public health. Through InKlude Labs, Narayan works with deserving NGOs to help them scale. He is currently working on his third incubation with the Center for Wildlife Studies.

Earlier, Narayan was the Country Head of Morgan Stanley India, leading all of the Group's businesses. He was the Head and lead portfolio manager of Morgan Stanley's Global Emerging Markets and Global Asset Allocation teams, managing over \$25 billion in assets. Before joining Morgan Stanley, he was a managing director at Rogers Casey. He began his career at Goldman Sachs.

Narayan received a B.Tech. in chemical engineering from the Indian Institute of Technology Bombay and an M.B.A. from the University of Michigan. Narayan holds the Chartered Financial Analyst designation. He is on the board of several entrepreneurial companies and foundations. He is co-founder and Fellow of the Takshashila Foundation, a public policy school and think tank. He writes a fortnightly column titled "A Visible Hand" for The Mint Newspaper.

Narayan has lived and worked in the US, Singapore and India. He has lectured widely, including at universities, and teaches courses including an online graduate-level course on contemporary economics. He enjoys and is energized by his interactions with students of all ages.

Mr. Ramachandran does not hold any shares in the Company.

None of the Directors, Key Managerial Personnel or their respective relatives, except Mr. Narayan Ramachandran to whom the resolution relates are concerned or interested in the Resolution mentioned at Item No. 2 of the notice.



The Board recommends the resolution set forth in Item No. 2 for the approval of the Members.

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



Vandana Bhatia
Company Secretary
Membership No. – A27778

Dated : 22.05.2019
Place : Hyderabad

ROUTE MAP TO THE VENUE OF AGM



BOARD'S REPORT

To the Members,
Caspian Impact Investments Private Limited

Your Directors have pleasure in presenting to you the 28th Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2019.

Overview

Caspian Impact Investments Private Limited ("the Company") is a company domiciled in India and registered under the provisions of the Companies Act, 1956 and existing under the Companies Act, 2013. The Company is also registered with the Reserve Bank of India ("RBI") as a non-deposit-taking Non-Banking Finance Company ("NBFC"). 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 general impact.

During the financial year, the Company engaged in lending activity, making loans to institutions engaged in the above target sectors.

1. FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in INR)

Particulars	2018-19	2017-18
Gross Income	546,630,581	414,993,456
Profit before Interest, Depreciation, exceptional items and Tax	416,083,080	320,383,006
Finance Charges	305,756,766	212,860,828
Depreciation/amortization	924,409	-
Profit before exceptional items, tax and Prior period items	109,401,905	107,522,178
Exceptional items (net)	-	-
Profit before Tax and Prior period items	109,401,905	107,522,178
Less: Provision for Taxes	31,409,000	29,425,000
Less: Tax for earlier years (net)	(1,354,021)	(716,039)
Less: Deferred tax expense / (credit)	(797,924)	3,521,932
Profit after Tax	80,144,850	75,291,285
Paid up Equity Capital	61,015,040	61,015,040
Preference Share Capital	-	-
Reserves and Surplus	1,338,209,787	1,258,064,937
Net worth	1,399,224,827	1,319,079,977
Earnings per share (Face value of each share is INR 10)		
- Basic	13.14	12.34
- Diluted	13.14	12.34

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.

3. DIVIDEND

The Company has not recommended any dividend during the year.

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 16,028,970 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 equity capital of the Company has remained unchanged during the year at INR 61,015,040 comprising 6,101,504 equity shares of INR 10/- each.

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:

As on March 31, 2019, 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, 2019, the Board of the Company comprises of three Independent Directors, five Investor Nominee Directors, one Executive Director and one Additional Director.

S. No	Name of Director	Designation	DIN
1	Suvalaxmi Chakraborty	Independent Director	00106054
2	Mathew Titus*	Independent Director	00159636
3	Mahesh Kanumury*	Independent Director	02028993
4	Paul DiLeo	Investor Nominee Director	00160736
5	Ranganathan Varadarajan Dilip Kumar**	Investor Nominee Director	01060651
6	Karel Gerardus Nierop	Investor Nominee Director	07743489
7	Klaas Hanco Halbertsma***	Investor Nominee Director	08075190
8	Mona Kachhwaha****	Investor Nominee Director	01856801
9	Viswanatha Prasad Subbaraman	Managing Director	00574928
10	Narayan Ramachandran*****	Additional Director	01873080

*Re-Appointed at Annual General Meeting held on August 6, 2018

**Appointed w.e.f. November 14, 2018

***Appointed w.e.f. May 30, 2018

****Appointed w.e.f. August 6, 2018 and Resigned w.e.f. April 15, 2019

*****Appointed w.e.f. August 6, 2018

The Board of Directors met four times during the Financial Year on May 30, 2018; August 6, 2018; November 14, 2018 and February 19, 2019.

(ii) Audit Committee

As on March 31, 2019, the Audit Committee of the Company comprises of four members.

S. No	Name of Director	Designation	Committee
1	Suvalaxmi Chakraborty	Independent Director	Chairperson
2	Mahesh Kanumury	Independent Director	Member
3	Narayan Ramachandran*	Additional Director	Member
4	Paul DiLeo*	Investor Nominee Director	Member

*Re-appointed as member w.e.f. August 6, 2018

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 29, 2018; August 6, 2018; November 13, 2018 and February 19, 2019.

All the recommendations of the Audit Committee were accepted by the Board of Directors during the year under review.

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

As on March 31, 2019, the Asset Liability & Risk Management Committee (ALRMC) comprises of five members.

S. No	Name of Director	Designation	Committee
1	Karel Gerardus Nierop	Investor Nominee Director	Chairman
2	Narayan Ramachandran*	Additional Director	Member
3	S. Viswanatha Prasad	Managing Director	Member
4	Suvalaxmi Chakraborty	Independent Director	Member
5	Klaas Hanco Halbertsma**	Investor Nominee Director	Member

*Re-appointed w.e.f. August 6, 2018

**Appointed w.e.f. May 30, 2018

The ALRMC met four times during the financial year on May 29, 2018; August 6, 2018; November 13, 2018 and February 19, 2019.

(iv) Corporate Social Responsibility Committee (CSR Committee)

As on March 31, 2019, the CSR Committee of the Company comprises of three 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 29, 2018 and August 6, 2018.

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 15,74,000 which constituted 2.00% of the average Profit after Tax of the Company for the years 2015-16, 2016-17 and 2017-18 to (i) a-IDEA, the technology business incubator promoted by the National Academy for Agricultural Research Management (NAARM), supported by the Department of Science & Technology, Government of India; and (ii) 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, 2019, the Nomination and Compensation Committee of the Company comprises of four members:

S. No	Name of Director	Designation	Committee
1	Mathew Titus	Independent Director	Chairman
2	Mahesh Kanumury	Independent Director	Member
3	Paul DiLeo*	Investor Nominee Director	Member
4	Klaas Hanco Halbertsma**	Investor Nominee Director	Member

*Re-Appointed w.e.f. August 6, 2018

**Appointed w.e.f. May 30, 2018

The Committee met three times during the financial year on May 29, 2018; August 6, 2018 and November 13, 2018.

11. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there were following changes as under relating to Investor Nominee Directors:

Name of the Director	Changes	Appointment (pursuant to Nomination)/Cessation (pursuant to withdrawal of Nomination) effective from
Klaas Hanco Halbertsma	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V nominated Mr. Klaas Hanco Halbertsma as the Nominee Director on the Board of the Company.	May 30, 2018
Paul DiLeo	Withdrawal of Nomination by Caspian Impact Investment Adviser Private Limited	August 6, 2018
Narayan Ramachandran	Withdrawal of Nomination by Gray Ghost Microfinance Fund, LLC	August 6, 2018
Paul DiLeo	Gray Ghost Microfinance Fund, LLC nominated Paul DiLeo as the Nominee Director on the Board of the Company	August 6, 2018
Mona Kachhwaha*	Caspian Impact Investment Adviser Private Limited nominated Mona Kachhwaha as the Nominee Director on the Board of the Company	August 6, 2018
Ravi Tyagi	Withdrawal of Nomination by STCL A/c Samridhi Fund	November 14, 2018
Ranganathan Varadarajan Dilip Kumar	STCL A/c Samridhi Fund nominated Ranganathan Varadarajan Dilip Kumar as the Nominee Director on the Board of the Company	November 14, 2018

Further, Mr. Narayan Ramachandran was appointed as Additional Director on the Board of the Company w.e.f. August 6, 2018. His term expires at the ensuing Annual General Meeting and is recommended to the shareholders for regularising him as Director.

Further, Mr. Mathew Titus and Mr. Mahesh Kanumury were re-appointed as an Independent Directors of the Company by the shareholders, at their Annual General Meeting held on August 6, 2018 by passing a Special Resolution as required under Section 149(10) of the Companies Act, 2013 for a second term up to July 1, 2021.

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

Further, Mr. Lakshmikant PB resigned as Chief Financial Officer of the Company w.e.f April 15, 2018 and Mr. Saurabh Kumar Johri was appointed as Chief Financial Officer of the Company w.e.f May 30, 2018.

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 Director (only for Independent Director and Additional Director).

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 available at the website of the Company <https://www.cii.caspian.in/policies>.

14. FORMAL ANNUAL EVALUATION

As per the provisions of the Companies Act, 2013, the Nomination and Compensation Committee has carried out an annual performance evaluation of the Board, its performance, the performance of individual Directors as well as the working of the committees. A structured exercise was carried out based on certain parameters by way of the questionnaire covering various aspects of the Board and Committees functioning such as adequacy of the composition of the Board and its committees, director's expertise, attendance at meetings, structure of meetings, board culture, duties of directors, functioning of the Committees, relationship with stakeholders, governance, risk, internal control.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as qualification and experience relevant for the Company, 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, 2019 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 II**.

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 of the Company had, at their 27th Annual General Meeting held on August 6, 2018, appointed M/s Walker Chandiok & Co LLP, Chartered Accountants, Hyderabad (ICAI Registration No 001076N/N500013) as statutory auditors of the Company for another term of five years starting from the conclusion of the 27th Annual General Meeting upto the conclusion of 32nd Annual General Meeting.

With the amendment in the Companies Act, 2013, dispensing away with the requirement of ratification of appointment of auditors on annual basis, it is not proposed to seek the approval of the members for ratification of their appointment as statutory auditors at the forthcoming Annual General Meeting.

(ii) Internal Auditor

To carry out an internal audit of all its operations, the Company engaged KPMG, LLP 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 Rajashree SI & Associates, Company Secretaries, were appointed to conduct the Secretarial Audit of the Company for FY2019. The Secretarial Audit Report for FY2018 is attached as **Annexure III**.

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

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

However, pursuant to the resolution passed by the Board of Directors of the Company in its meeting dated August 6, 2018, and the consent received from the shareholders, lenders and other interested parties, the Company and Caspian Impact Investment Adviser ("Caspian") jointly filed a company application before the Hon'ble National Company Law Tribunal, Hyderabad ("NCLT") for sanction of the scheme of arrangement (Demerger) between the Company and Caspian with effect from April 1, 2018 ("Scheme").

As per the Scheme, the debt portfolio advisory business (as defined under the Scheme) was proposed to be demerged from Caspian to the Company. The equity portfolio advisory business (as defined under the Scheme) continue to remain with Caspian. Upon the Scheme being fully effective, and in consideration of the demerger, transfer, and vesting of the debt portfolio advisory business of Caspian to the Company, the Company has agreed to allot 4,21,477 equity shares to the shareholders of Caspian.

The Hon'ble NCLT vide its order dated January 31, 2019, gave its first level consent and directed the Company and Caspian to send a copy of the Scheme and explanatory statement to concerned statutory authorities as per the applicable provisions of the Companies Act, 2013. Pursuant to this, on February 15, 2019, the Company and Caspian sent a copy of the Scheme and explanatory statement to concerned statutory authorities and on February 13, 2019 also filed a joint application before the Hon'ble NCLT for seeking final approval of the Scheme under Section 232 of the Companies Act, 2013. A final order from NCLT is awaited.

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)</i>
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		<i>Rules, 2014.</i>
(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)	Technology absorption	<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
(C)	FOREIGN EXCHANGE	
(i)	Foreign Exchange Earnings	Nil
(ii)	Foreign Exchange Outgo	INR 19,55,619

23. DISCLOSURES

(i) Extract of Annual Return

An extract of the annual return in the Form MGT 9 is appended as **Annexure IV**.

Members can download the annual return from the website of the Company at <https://www.cii.caspian.in/annual-returns>

(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 V** 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 and the same will be furnished on request. Further, the annual report of the Company is also available at Company's website at <https://www.cii.caspian.in/financials>

(vii) Issuance of Secured Rated Listed Redeemable Transferable Non- Convertible Debentures (NCD's)

During the year under review, the Company has not issued any NCD's.

(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
Website: <http://idbitrustee.com/>

(ix) Change in registered office of the Company

During the year under the review, the registered office of the Company was shifted from 8-2-596/5/B/1, Road No: 10, Banjara Hills, Hyderabad - 500034, Telangana, India to 4th floor, Ventureast Plaza, Plot No.40 & 41, Financial District, Gachibowli, Hyderabad-500 032, Telangana, India w.e.f January 10, 2019.

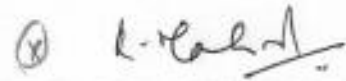
24. ACKNOWLEDGMENTS

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



S Viswahatha Prasad, Managing Director
DIN – 00574928

By Order of the Board
Caspian Impact Investments Private Limited



Mahesh Kanumury, Director
DIN –02028993

Place: Hyderabad
Date: May 22, 2019

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;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

The Company's CSR policy has been uploaded in the website of the Company and can be viewed at <https://www.cil.caspian.in/policies>.

Overview of Projects:

During the financial year, the Company's CSR focus has been on "Promoting education to under privileged children and funding for facilitating capacity building, enriching entrepreneurship, promotion of Food and Agri technologies, enhancing start-ups in underserved and unserved regions of India, and catering in the Sensitization of Agri graduates"

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. **A-IDEA, the technology business incubator promoted by the National Academy for Agricultural Research Management (NAARM), supported by the Department of Science & Technology, Government of India**

The Company has, through its CSR contribution of INR 12,00,000 facilitated capacity building, enriching entrepreneurship, promotion of Food and Agri technologies, enhancing start-ups in underserved and unserved regions of India, and catering in the Sensitization of Agri graduates.

2. Parinaam Foundation ("Parinaam")

The Company, through its CSR contribution of INR 3,74,000, continued its annual support to the 37 children through Parinaam's Academic Adoption Program.

Composition of CSR Committee:

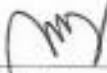
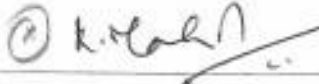
- Mr. Mahesh Kanumury (Chair)
- Mr. Mathew Titus
- Mr. S Viswanatha Prasad

Average Net Profit of the Company for last three financial years

Financial Years	Net Profit after Tax
	Amount (INR)
2015-16	6,75,63,175
2016-17	5,91,53,330
2017-18	10,75,22,178
Average Net Profit	7,80,79,561
2% of Average Net Profit	15,61,591
Total Amount Spent	15,74,000

(1) S No	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise in INR	(6) Amount spent on the projects or programs sub-heads: Direct expenditur e in projects or programs Overheads in INR	(7) Cumulative expenditure up to the reporting period in INR	(8) Amount spent Direct or through implementing agency in INR
1	Contribution towards building a robust ecosystem around Food & agribusiness in India	Funds provided for facilitating capacity building, enriching entrepreneurship, promotion of Food and Agri technologies, enhancing startups in underserved and	A-Idea NAARM Conducting 3 Startup Samvaad in Assam, Chhattisgarh and Uttarakhand and 1 Entrepreneurship Development Program in Hyderabad	12,00,000	Direct Exp: 12,00,000	12,00,000	12,00,000 Implementing agency: A-idea NAARM

		unserved regions of India, and catering in the Sensitization of Agri graduates					
2	Sponsorship of 37 children under the Academic Adoption Program and toward Parinaam general pool of funds	Education of under-privileged children	Parinaam Foundation Sponsoring the education of under privileged children in Bangalore	3,74,000	Direct Exp: 3,74,000	3,74,000	3,74,000 Implementing Agency - Parinaam Foundation

	
S Viswanatha Prasad Managing Director	Mahesh Kanumury Chairman CSR Committee

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

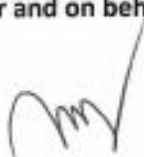
1. Details of contracts or arrangements or transactions not at arm's length basis:

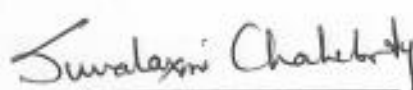
a)	Name(s) of the related party and nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts / arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering 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	

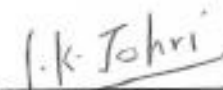
2. Details of material contracts or arrangement or transactions at arm's length basis:


a)	Name(s) of the related party and nature of relationship	Refer Note 22 (a) of the notes to the financial statements
b)	Nature of contracts/arrangements/transactions	Refer Note 22 (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 22 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


Suvalaxmi Chakraborty
Director


Saurabh Kumar Johri
Chief Financial Officer


Vandana Bhatia
Company Secretary

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019

[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
CIN No.: U65993TG1991PTCO13491
Hyderabad

Dear members,

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 (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.

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 **31st March, 2019** 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:

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 **31st March, 2019** according to the provisions/ clauses of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder to the extent applicable to the Company.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vi) Other laws specifically applicable to the Company viz.,
 - a) Reserve Bank of India Act, 1934, Rules, Regulations, Guidelines, Circulars, Directions, Notifications made thereunder
 - b) Non-banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
 - c) NBFC Auditors Report Reserve Bank Directions, 1998
 - d) Guidelines for Asset-Liability Management (ALM) system in NBFC

We 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 the applicable laws, rules, regulations and guidelines.

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

- (i) Secretarial Standards issued and amended by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with respect to Debenture Listing).

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

We further report that there were no events or action in pursuance of:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- ii. 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.
- iii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iv. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- v. The Compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that based on the information provided and the representation made by the Company and also on review of the compliance reports of Company Secretary taken on record by the Board of Directors of the Company, in our opinion 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.

For Rajashree SI & Associates
Company Secretaries

CS Rajashree Santhanam
Practising Company Secretary
Membership No.: 12541
C P No.:10096

Place : Chennai
Date : 08/05/2019

‘ANNEXURE – A’

To,
The Members
M/s. Caspian Impact Investments Private Limited
CIN No.: U65993TG1991PTCO13491
Hyderabad

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 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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The review was done to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, I 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. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. 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.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Rajashree SI & Associates
Company Secretaries

CS Rajashree Santhanam
Practising Company Secretary
Membership No.: 12541
C P No.:10096

Place : Chennai
Date : 08/05/2019

Form No. MGT-9

EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31.03.2019**

[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	4th floor, Ventureast Plaza, Plot No.40 & 41, Financial District, Gachibowli, Hyderabad-500032, 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 BSE Limited.
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Equity Shares Karvy Computershare Private Limited Plot No.17 – 24, Vithal Rao Nagar, Madhapur, Hyderabad – 500081, Telangana, India Tel: +91 40 44655208 Listed Debentures Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills, Compound LBS Marg, Bhandup (West), Mumbai – 400078, Maharashtra, India Tel: +91 22 25963838

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]

i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to INR 1 lakh	-	73	73	0.00%	-	73	73	0.00%	-
ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	-	321,206	321,206	5.26%	-	321,206	321,206	5.26%	-
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	5.26%	-	321,279	321,279	5.26%	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	6,101,504	6,101,504	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	768,134	12.59%	NA	768,134	12.59%	NA	Nil
	Total	768,134	12.59%	NA	768,134	12.59%	NA	Nil

(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	768,134	12.59%		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
	At the End of the year	768,134	12.59%	768,134	12.59%

(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
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,24,78,50,889	-	-	2,24,78,50,889
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,16,71,500	-	-	5,16,71,500
Total (i + ii + iii)	2,29,95,22,389	-	-	2,29,95,22,389
Change in Indebtedness during the financial year				
· Addition in Principal	4,42,05,80,430	-	-	4,42,05,80,430
· Reduction in Principal	3,40,93,39,420	-	-	3,40,93,39,420
Net Change	1,01,12,41,011	-	-	1,01,12,41,011
Indebtedness at the end of the financial year				
i) Principal Amount	3,25,90,91,899	-	-	3,25,90,91,899
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,24,60,340	-	-	5,24,60,340
Total (i + ii + iii)	3,31,15,52,239	-	-	3,31,15,52,239

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to other directors:

S. No	Particulars of Remuneration	Name of Directors				Total Amount (INR)
		Mahesh Kanumury	Mathew Titus	Suvalaxmi Chakraborty		
	1. Independent Directors					
	- Fee for attending board committee meetings (INR)	3,70,000	3,00,000	3,60,000		10,30,000
	- Commission (INR)	5,00,000	5,00,000	5,00,000		15,00,000
	- Others, please specify Remuneration	NIL	NIL	NIL		NIL
	Total (1)	8,70,000	8,00,000	8,60,000		25,30,000
	2. Other Non-Executive Directors	Paul DiLeo	Hanco Halbertsma	Narayan Ramachandran		
	- Fee for attending board committee meetings (INR)	2,50,000	2,10,000	1,40,000		6,00,000
	- Commission (INR)	2,50,000	2,09,589	1,63,014		6,22,603
	- Others, please specify Remuneration	NIL	NIL	NIL		NIL
	Total (2)	5,00,000	4,19,589	3,03,014		12,22,603

	Total (B)=(1+2)	3,752,603
	Total Managerial Remuneration	3,752,603
	Overall Ceiling as per the Act*	

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

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

S. No.	Particulars of Remuneration	Chief Financial Officer (Saurabh Kumar Johri) *	Company Secretary (Vandana Bhatia)	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	1,282,296	1,282,296
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0		
	Sub-Total	0	1,282,296	1,282,296
2	Stock Option	0	0	
3	Sweat Equity	0	0	
4	Commission			
	(a) as % of profit	0	0	
	(b) others, specify...	0	0	
5	Others, please specify			
	Total	0	1,282,296	1,282,296

*Appointed w.e.f. May 30, 2018, paid by Caspian Impact Investment Adviser Private Limited

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY – NIL					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
B. DIRECTORS – NIL					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
C. OTHER OFFICERS IN DEFAULT – NIL					
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-2019 (Top 10 shareholders other than directors, promoters, GDRs and ADRs)

S. No	Shareholders	No. of shares (31-03-2019)	% of total shares of the company	No. of shares (01-04-2018)	% of total shares of the company
1	Gray Ghost Microfinance Fund, LLC	1,504,663	24.66%	1,504,663	24.66%
2	SIDBI Trustee Company Limited A/c Samridhi Fund	1,335,871	21.89%	1,335,871	21.89%
3	Stichting Hivos- Triodos Fonds	1,144,979	18.77%	1,144,979	18.77%
4	Nederlandse Financierings- Maatschappij voor Ontwikkelingslanden N.V.	851,074	13.95%	851,074	13.95%
5	Stichting Triodos Sustainable Finance Foundation	175,504	2.88%	175,504	2.88%
6	Arun Duggal	160,603	2.63%	160,603	2.63%
7	Arjan Mangharam Jethwani	160,603	2.63%	160,603	2.63%
8	Shilpa Sudhakar	73	0.00%	73	0.00%

Annexure V

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

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
7th Floor, Block III, White House
Kundan Bagh, Begumpet
Hyderabad 500016
India

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Independent Auditor's Report

To the Members of Caspian Impact Investments Private Limited

Report on the Audit of the Financial Statements

Opinion

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 2019, 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.
2. 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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity 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 as applicable to a Non-Banking Financial Company (NBFC), of the state of affairs of the Company as at 31 March 2019, and its profit and its cash flows for the year ended on that date.

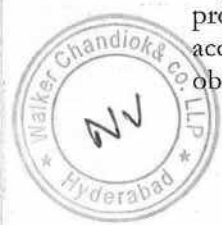
Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Chartered Accountants

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

Walker Chandiook & 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



Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Identification of loss assets Refer note 2(f) for accounting policy and note 19 for the financial disclosures.</p> <p>As at 31 March 2019, the Company has identified loan aggregating to ₹49,348,942 as loss assets. As per the RBI prudential norms ('RBI norms') Master Direction- Non-Banking Financial Company – Non- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Accounting standard (AS) 4 'Contingencies and Events Occurring After the Balance Sheet Date' the Company is required to recognize provision for loans identified as 'loss assets'.</p> <p>In accordance with the RBI norms, a loan asset which is adversely affected by a potential threat of non-recoverability due to either any fraudulent act or omission on the part of the borrower or non-availability of security is identified as a loss asset by the management. Identification of a loan asset as a loss asset requires significant judgement in assessing likelihood of default on repayment of loans and could have a material impact on the reported profits for the year.</p> <p>During the year ended 31 March 2019, the Company has identified loan accounts with an aggregate balance of ₹49,348,942 as loss assets and of which ₹23,560,775 (net of underlying guarantee) has been written off.</p> <p>Considering the significance of the above matter to the financial statements, complexities and judgement involved, and the significant auditor attention required to test such management's judgement, we have identified this as a key audit matter for current year audit</p>	<p>Our procedures in respect of the identification of loss assets included, but not limited to, the following:</p> <ul style="list-style-type: none"> - Obtained an understanding of the management process of identification of loan assets as loss assets. - Evaluated the design and tested operating effectiveness of the Company's key controls over computation of ageing of loan assets as at period end and identification of loss assets as required by RBI norms. - On a sample basis, tested the ageing prepared by the management of the loan assets as at year end by inspecting the underlying loan documents and related repayment schedules. - For over-due accounts selected on a sample basis, examined the management's assessment for identification of such over-due loan accounts as non-performing assets/loss assets by performing inquiries with the management, performing a review of overdue period, inspecting communications with the customer, evaluating management's assessment of credit worthiness of the customer and reading the minutes of Risk Committee of the Board of Directors. - For the samples selected and tested as above for identification as loss assets, tested the measurement of provision made/loan written-off in accordance with the RBI norms. <p>Ensured appropriateness of the disclosures made in the financial statements with respect to loss assets and provisioning thereof.</p>



Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 as applicable to a Non-Banking Financial Company. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

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

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

Report on Other Legal and Regulatory Requirements

15. The provisions of section 197 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, reporting under section 197(16) is not applicable.

16. 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.



17. 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;
- 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 2019 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 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 22 May 2019 as per Annexure B expressed unmodified opinion;
- 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. the Company, as detailed in note 30 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nikhil Vaid

Nikhil Vaid

Partner

Membership No.: 213356

Place: Hyderabad

Date: 22 May 2019



Annexure A to the Independent Auditor's Report of even date to the members of Caspian Impact Investments Private Limited, on the standalone financial statements for the year ended 31 March 2019

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) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) 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 within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (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, duty of customs, cess, goods and services tax 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.



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- (b) The dues outstanding in respect of income-tax, duty of customs, goods and service tax on account of any dispute, are as follows:

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	1,81,650	1,81,650	Assessment Year 2008-09	Deputy Commissioner of Income Tax, Hyderabad.
Income Tax Act, 1961	Income Tax	4,406,660	4,406,660	Assessment Year 2010-11	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 government or any dues to debenture-holders during the year.
- (ix) In our opinion, the Company has applied monies 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (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.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nikhil Vaid
Nikhil Vaid

Partner

Membership No.: 213356

Place: Hyderabad

Date: 22 May 2019



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 2019

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 Private Limited ("the Company") as at and for the year ended 31 March 2019, 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 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 ("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 the 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 includes 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.

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 2019, based on the internal control over financial reporting criteria established by considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nikhil Vaid

Nikhil Vaid

Partner

Membership No.: 213356



Place: Hyderabad

Date: 22 May 2019

Walker Chandiook & Co LLP
7th Floor, Block III, White House
Kundan Bagh, Begumpet
Hyderabad 500016
India

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Independent Auditor's Additional Report for the year ended 31 March 2019 pursuant to the requirement of Master Direction Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India

To
The Board of Directors
Caspian Impact Investments Private Limited
4th Floor, Ventureast Plaza,
Plot No. 40 and 41 Financial District,
Gachibowli, Hyderabad-500032

1. This report is issued in accordance with the terms of our engagement letter dated 26 April 2019 with Caspian Impact Investments Private Limited (the 'Company') and requirements of the Master Direction – Non- Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 (the 'Auditor's Report Directions') issued by the Reserve Bank of India (the 'RBI').
2. We have audited the accompanying financial statements of the Company which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information and have issued an unqualified opinion vide our report dated 22 May 2019.

Management's responsibility for the financial statements

3. 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). 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.



4. The management of the Company is also responsible for compliance with the Reserve Bank of India Act, 1934 (the 'RBI Act'), Master Direction- Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Directions'), and other circulars and directions issued by the RBI thereunder and for providing all the required information to the RBI.

Auditor's responsibility

5. Pursuant to the requirements of the Auditor's Report Directions, it is our responsibility to provide reasonable assurance on the matters specified in paragraph 3 and 4 of the Auditor's Report Directions, to the extent applicable to the Company, on the basis of our audit of the financial statements of the Company for the year ended 31 March, 2019 and examination of books of accounts and other records maintained by the Company for the year then ended.
6. We conducted our examination of the audited books of accounts other records of the Company in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' ('Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.

Opinion

8. Based on our audit of the accompanying financial statements for the year ended 31 March 2019 and examination as above, evidences obtained and the information and explanations, along with the representations provided to us by the management, we report that:
 - 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 RBI Act, requiring it to hold a Certificate of Registration ('CoR') under section 45-IA of the Act, the Company has obtained CoR no. B-09.00365 dated 24 February 2015 issued by the Hyderabad Regional office of the RBI;
 - b. The Company is entitled to continue to hold such CoR in terms of its asset/income pattern as on 31 March 2019;
 - c. The Company has met with the required net owned fund requirement as laid down in the NBFC Directions as at 31 March 2019;
 - d. The Board of Directors of the Company in their meeting held on 30 May 2018 has passed a resolution for non-acceptance of any public deposits during the year ended 31 March 2019;
 - e. The Company has not accepted any public deposits during the year ended 31 March 2019;
 - f. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the NBFC Directions;
 - g. The Company is not a systemically important non-deposit taking NBFC and therefore paragraph 3(C)(iv) of the Auditor's Report Directions are not applicable to the Company;



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- h. The Company is not a Non-Banking Financial Company – Micro Finance Institution (NBFC-MFI) as specified under paragraph 3(xix) of the NBFC Directions.

Restriction on Distribution or Use

9. Our work was performed solely to assist you in compliance with the Auditor's Report Directions by the Company. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have as statutory auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are subject of this report, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
10. The report is addressed to and provided to the Board of Directors of the Company pursuant to our obligations under the Auditor's Report Directions requiring us to submit a report on the additional matters as stated in the aforesaid directions and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nikhil Vaid
Nikhil Vaid

Partner

Membership No.: 213356

Place: Hyderabad

Date: 22 May 2019



Caspian Impact Investments Private Limited

Balance Sheet as at 31 March 2019

(All amounts in ₹ unless otherwise stated)

	Notes	31 March 2019	31 March 2018
Equity and Liabilities			
Shareholders' Funds			
Share capital	4	61,015,040	61,015,040
Reserves and surplus	5	1,338,209,787	1,258,064,937
		<u>1,399,224,827</u>	<u>1,319,079,977</u>
Non Current Liabilities			
Long-term borrowings	6	1,986,188,221	1,760,600,000
Long-term provisions	7	11,292,118	5,356,272
Other non-current liabilities	9	7,115,173	-
		<u>2,004,595,512</u>	<u>1,765,956,272</u>
Current Liabilities			
Short-term borrowings	8	594,565,708	287,250,889
Trade payables		-	-
-Total outstanding dues of micro and small enterprises		-	-
-Total outstanding dues of creditors other than micro and small enterprises		6,775,538	5,346,037
Other current liabilities	9	763,132,606	264,716,046
Short-term provisions	7	11,423,913	8,220,968
		<u>1,375,897,765</u>	<u>565,533,940</u>
Total		<u><u>4,779,718,104</u></u>	<u><u>3,650,570,189</u></u>
Assets			
Non Current Assets			
Property, plant and equipment			
Tangible assets	10	31,068,443	-
Non-current investments	11	255,542,409	307,066,609
Deferred tax assets (net)	12	6,377,996	5,580,072
Long-term loans and advances	13	1,144,418,959	1,157,744,340
Other non-current assets	14	25,465,719	22,944,442
		<u>1,462,873,526</u>	<u>1,493,335,463</u>
Current Assets			
Current investments	11	51,524,200	30,129,995
Cash and bank balances	15	448,117,159	50,244,716
Short-term loans and advances	13	2,755,897,225	2,057,875,536
Other current assets	14	61,305,994	18,984,479
		<u>3,316,844,578</u>	<u>2,157,234,726</u>
Total		<u><u>4,779,718,104</u></u>	<u><u>3,650,570,189</u></u>

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

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

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nikhil Vaid

Nikhil Vaid

Partner

Membership No.: 213356



Place: Hyderabad

Date: 22 May 2019

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

S.K. Johri

Saurabh Kumar Johri

Chief Financial Officer

Suvalaxmi Chakraborty

Suvalaxmi Chakraborty

Director

DIN: 00106054

Vandana Bhatia

Vandana Bhatia

Company Secretary

Place: Hyderabad

Date: 22 May 2019

Caspian Impact Investments Private Limited

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

(All amounts in ₹ unless otherwise stated)

	Notes	31 March 2019	31 March 2018
Revenue			
Revenue from operations	16	540,944,274	406,299,311
Other income	17	5,686,307	8,694,145
Total revenues		546,630,581	414,993,456
Expenses			
Investment advisory fee		70,598,763	53,141,281
Finance costs	18	305,756,766	212,860,828
Depreciation and amortisation	10	924,409	-
Provision for standard and non-performing assets		9,138,791	-
Employee benefits expense		1,727,829	1,552,976
Other expenses	19	49,082,118	39,916,193
Total expenses		437,228,676	307,471,278
Profit before tax		109,401,905	107,522,178
Tax expense			
Current tax		31,409,000	29,425,000
Taxes for earlier years		(1,354,021)	(716,039)
Deferred tax (credit) / expense		(797,924)	3,521,932
Profit for the year		80,144,850	75,291,285
Earnings per equity share (EPES)			
Nominal value per equity share	25	10.00	10.00
- Basic EPES		13.14	12.34
- Diluted EPES		13.14	12.34

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.

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

Nikhil Vaid
Nikhil Vaid
Partner
Membership No: 213356



Place: Hyderabad
Date: 22 May 2019

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

S.K. Johri
Saurabh Kumar Johri
Chief Financial Officer

Suvalaxmi Chakraborty
Suvalaxmi Chakraborty
Director
DIN: 01060954

Vandana Bhatia
Vandana Bhatia
Company Secretary

Place: Hyderabad
Date: 22 May 2019

Caspian Impact Investments Private Limited
Cash Flow Statement for the year ended 31 March 2019
(All amounts in ₹ unless otherwise stated)

	31 March 2019	31 March 2018
Cash flow from operating activities		
Profit before tax	109,401,905	107,522,178
Adjustments :		
Reversal of provision for standard assets	-	(8,550,383)
Provision for standard and non-performing assets	9,138,791	-
Provision no longer required, written back	(5,686,307)	369,486
Loans written-off (net of third party guarantees)	23,560,775	15,000,000
Depreciation and amortisation	924,409	-
Operating profit before working capital changes	137,339,573	114,341,281
Increase in loans to customers	(669,502,985)	(1,199,769,369)
Decrease in investments	30,129,995	109,037,872
Increase in current assets	(46,974,605)	(6,500,654)
(Increase)/Decrease in non current assets	(2,521,277)	3,780,994
Increase in long term loans and advances	(2,722,550)	-
Increase in short-term loans and advances	(8,433,120)	(2,771,582)
Increase in trade payables	1,429,501	1,527,134
Increase in other current liabilities	20,078,590	8,903,802
Increase in other non current liabilities	7,115,173	-
Cash used in operating activities	(534,061,705)	(971,450,522)
Income taxes paid	(50,875,433)	(36,957,707)
Net cash used in operating activities	A (584,937,138)	(1,008,408,229)
Cash flow from investing activities		
Purchase of Property, plant and equipment	(31,992,852)	-
Increase in capital advances	(1,091,667)	(708,000)
Net cash used in investing activities	B (33,084,519)	(708,000)
Cash flow from financing activities		
Proceeds from long-term borrowings	1,100,000,000	350,000,000
Repayment of long-term borrowings	(396,073,809)	-
Proceeds from short-term borrowings (net)	307,314,819	277,247,916
Net cash generated from financing activities	C 1,011,241,010	627,247,916
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 393,219,353	(381,868,313)
Cash and cash equivalents at the beginning of the year	50,244,716	432,113,029
Cash and cash equivalents at the end of the year (refer note 15)	443,464,069	50,244,716

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

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

Nikhil Vaid
Nikhil Vaid
Partner
Membership No.: 213356



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

S. K. Johri
Saurabh Kumar Johri
Chief Financial Officer

Suvalaxmi Chakraborty
Suvalaxmi Chakraborty
Director
DIN: 00106054

Vandana Bhatia
Vandana Bhatia
Company Secretary

Place: Hyderabad
Date: 22 May 2019

Place: Hyderabad
Date: 22 May 2019

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(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 erstwhile 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 are 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.



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Caspian Impact Investments Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

(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 collected from customers is recognized as revenue over the term of the loan.
- 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	Criteria	Provisioning rate
Standard assets	Overdue =< 3 months	0.4%
Non-performing assets		
Sub-standard	Overdue for > 3 months =< 15 months	20%
Doubtful	Overdue > 15 months	(a) Unguaranteed assets 100%
		(b) Guaranteed/ Secured
		(i) Up to 1 year 20%
		(ii) 1-3 years 30%
		(iii) >3 years 50%
Loss	Assets identified as loss assets	100%/written off

g. Fixed Assets**Tangible assets**

Fixed Assets are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. The cost of asset comprises its purchase price, borrowing cost if capitalisation criteria are met and other cost directly attributable to bringing the asset to its present location and condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

h. Depreciation

Depreciation is provided as per Schedule II to the Companies Act, 2013, on straight line method with reference to the useful life of the assets estimated by the management. In respect of the assets added or sold during the year, pro-rata depreciation is provided.



543

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ unless otherwise stated)

i. Borrowing Costs

All borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs, excluding processing fee or upfront fee, that the Company incurs in connection with borrowing of funds. Ancillary borrowing costs in the nature of discount on securities, processing fees etc. are amortized over the tenure of the loan on straight line basis.

j. 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 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 Alternate 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.

k. Leases

Operating lease - Where the Company is lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight-line basis in the Statement of Profit and Loss over the lease term.

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Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ unless otherwise stated)

1. 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.

m. 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.

3. Change in accounting policy

With effect from April 1, 2018, the Company has adopted recognition of loan processing fee incurred on borrowings and loan processing fees earned on loans to customers over the tenor of borrowing and loans as the case may be. The Company, up to 31 March 2018, used to charge as expense or recognize as income, as the case may be, in the Statement of Profit and Loss.

Had the Company continued to use the earlier method of recognition, the profit before tax for the year would have been higher by ₹8,318,393.

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Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

4. Share Capital

Authorised share capital:

Equity shares of ₹10 each

Preference shares of ₹10 each

Issued, Subscribed and Fully paid up

Equity shares of ₹10 each

31 March 2019		31 March 2018	
Number	Amount	Number	Amount
7,500,000	75,000,000	7,500,000	75,000,000
41,000,000	410,000,000	41,000,000	410,000,000
6,101,504	61,015,040	6,101,504	61,015,040
6,101,504	61,015,040	6,101,504	61,015,040

(a) Reconciliation of share capital:

Equity shares of ₹10 each

Balance at the beginning of the year

Add: Issued during the year

Balance at the end of the year

31 March 2019		31 March 2018	
Number	Amount	Number	Amount
6,101,504	61,015,040	6,101,504	61,015,040
-	-	-	-
6,101,504	61,015,040	6,101,504	61,015,040

(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) Shareholders holding more than five percent of paid-up equity share capital

Equity shares of ₹ 10 each

Gray Ghost Microfinance Fund, LLC

SIDBI Trustee Company Limited A/c Samridhi Fund

Stichting Hivos-Triodos Fonds

Nederlandse Financierings-Maatschappij voor
Ontwikkelingslanden N.V.

Caspian Impact Investment Adviser Private Limited

31 March 2019		31 March 2018	
Number	%	Number	%
1,504,663	24.66%	1,504,663	24.66%
1,335,871	21.89%	1,335,871	21.89%
1,144,979	18.77%	1,144,979	18.77%
851,074	13.95%	851,074	13.95%
768,134	12.59%	768,134	12.59%

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

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

5. Reserves and Surplus

	31 March 2019	31 March 2018
Reserve fund	40,680	40,680
Securities premium		
Balance at the beginning of the year	900,982,547	900,982,547
Add: Received during the year	-	-
Balance at the end of the year	900,982,547	900,982,547
Statutory reserve		
Balance at the beginning of the year	107,022,446	91,964,189
Add: Transfer from Surplus in Statement of Profit and Loss	16,028,970	15,058,257
Balance at the end of the year	123,051,416	107,022,446
Capital redemption reserve	16,344,090	16,344,090
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	233,675,174	173,442,146
Add: Profit for the year	80,144,850	75,291,285
Less: Transferred to statutory reserve	(16,028,970)	(15,058,257)
Balance at the end of the year	297,791,054	233,675,174
	1,338,209,787	1,258,064,937

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.

6. Long-term borrowings

	31 March 2019	31 March 2018
Secured		
Debentures		
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	336,100,000
Non-convertible debentures - 11.41% Series 1 CIPL 2022	338,000,000	338,000,000
	1,460,600,000	1,460,600,000
Less: Current maturities of long-term borrowings (note 9)	(166,000,000)	-
	1,294,600,000	1,460,600,000
Term loans		
From bank	458,333,345	275,000,000
From other parties	745,592,846	225,000,000
Less: Current maturities of long-term borrowings (note 9)	(512,337,970)	(200,000,000)
	691,588,221	300,000,000
	1,986,188,221	1,760,600,000

(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 on 9 May 2019, 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 favour of the trustee for the benefit of the debenture holders.

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(b) Non-convertible debentures - 10% Series 1 CI IPL 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 favour of the trustee for the benefit of the debenture holders.

(c) Non-convertible debentures - 12.08% Series 1 CI IPL 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 favour of the trustee for the benefit of the debenture holders.

(d) Non-convertible debentures - 11.41% Series 1 CI IPL 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 favour of the trustee for the benefit of the debenture holders.

(e) Term loans from bank

- (i) The term loan facility amounting to ₹175,000,000 (31 March 2018: ₹275,000,000) carries an interest rate of the bank's one year MCLR + Strategic Premium (0.25%) + 185 bps (i.e. 10.75% p.a). The loan is secured by way of first pari-passu charge over book debts and loans and advances of the Company other than those mentioned in note 6(a) to (d) of the Company amounting to 110% of principal outstanding. The balance outstanding is repayable in seven equal quarterly instalments.
- (ii) The term loan facility amounting to ₹83,333,345 (31 March 2018: ₹Nil) carried an interest rate of average of 1 year treasury bill + 455 bps (i.e. 11.47%). The term loan was secured by way of first pari-passu charge over book debts of the Company other than those mentioned in note 6(a) to (d) amounting to 110% of principal outstanding. The balance outstanding is repayable in thirty equal monthly instalments.
- (iii) The term loan facility amounting to ₹200,000,000 (31 March 2018: ₹ Nil) carried an interest rate of 11.50% p.a.. The term loan was secured by way of first exclusive charge (floating) over receivables and book debts of the Company other than those mentioned in note 6(a) to (d) amounting to 110% of principal outstanding. The balance outstanding is repayable in sixteen equal quarterly instalments commencing June 2020.

(f) Term loans from other parties

- (i) The term loan facility amounting to ₹125,000,000 (31 March 2018: ₹225,000,000) carries an interest rate of the SBI's MCLR + 330 bps (i.e. 11.85%). The term loan is secured by way of first pari-passu charge over book debts of the Company other than those mentioned in note 6(a) to (d) amounting to 105% of principal outstanding. The balance outstanding is repayable in five equal quarterly instalments.
- (ii) The term loan facility amounting to ₹175,000,000 (31 March 2018: ₹Nil) carries an interest rate of the SBI's MCLR + 345 bps (i.e. 12.00%). The term loan is secured by way of first pari-passu charge over book debts of the Company other than those mentioned in note 6(a) to (d) amounting to 105% of principal outstanding. The balance outstanding is repayable in seven equal quarterly instalments.
- (iii) The term loan facility amounting to ₹163,636,364 (31 March 2018: ₹Nil) carries an interest rate of 11.40% p.a. The term loan is secured by way of first pari-passu charge over book debts of the Company other than those mentioned in note 6(a) to (d) amounting to 110% of principal outstanding. The balance outstanding is repayable in nine equal quarterly instalments.
- (iv) The term loan facility amounting to ₹ 51,959,183 (31 March 2018: ₹ Nil) carries an interest rate of 10.50% p.a. The term loan is secured by way of first pari-passu charge over book debts of the Company other than those mentioned in note 6(a) to (d) amounting to 105% of principal outstanding. The balance outstanding is repayable in nine monthly instalments.



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Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

- (f) (v) The term loan facility amounting to ₹ 100,000,000 (31 March 2018: ₹ Nil) carries an interest rate of 11.35% p.a. The term loan is secured by way of exclusive charge over book debts of the Company other than those mentioned in note 6(a) to (d) amounting to 110% of principal outstanding. The balance outstanding is repayable in ten equal quarterly instalments.
- (vi) The term loan facility amounting to ₹ 129,997,299 (31 March 2018: ₹ Nil) carries an interest rate of 12.40% p.a. The term loan is secured by way of charge over book debts of the Company other than those mentioned in note 6(a) to (d) amounting to 110% of principal outstanding. The balance outstanding is repayable in sixteen equal quarterly instalments commencing May 2019.

7. Provisions

	31 March 2019	31 March 2018
Long-term		
Contingent provisions against standard assets	4,869,891	5,356,272
Provisions against non performing assets	6,422,227	-
	11,292,118	5,356,272
Short-term		
Contingent provisions against standard assets	11,423,913	8,220,968
	11,423,913	8,220,968

8. Short-term borrowings

	31 March 2019	31 March 2018
Secured		
Loan repayable on demand from bank	594,565,708	287,250,889
	594,565,708	287,250,889

Secured, loans repayable on demand from bank

- (a) The working capital demand loan facility amounting to ₹396,763,991 (31 March 2018: ₹195,100,339) carries an interest rate of the bank's one year MCLR + 10 bps (i.e. 10.00% p.a.) The loan is secured by way of first pari-passu charge over book debts of the Company other than those mentioned in note 6(a) to (f) of the Company amounting to 110% of principal outstanding.
- (b) The cash credit facility amounting to ₹ 197,801,717 (31 March 2018: ₹ 92,150,550) carries an interest rate of the bank's MCLR + Strategic Premium (0.25%) + 170 bps (i.e. 10.60% p.a). The loan is secured by way of first pari-passu charge over book debts and loans and advances of the Company other than those mentioned in note 6(a) to 6 (f) of the Company amounting to 110% of principal outstanding.

9. Other Liabilities

	31 March 2019	31 March 2018
Non-Current		
Deferred loan processing fee income	7,115,173	-
	7,115,173	-
Current		
Statutory liabilities	6,042,762	1,760,783
Interest accrued but not due on borrowings	52,460,340	51,671,500
Current maturities of long term borrowings (note 6)	678,337,970	200,000,000
Other liabilities	11,547,745	11,283,763
Deferred loan processing fee income	14,743,789	-
	763,132,606	264,716,046



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Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

10. Property, plant and equipment

Particulars	Leasehold Improvements	Furniture & Fixtures	Office Equipment	Total
Gross block				
As at 31 March 2018	-	-	-	-
Additions during the year	16,300,198	7,141,583	8,551,071	31,992,852
Disposals during the year	-	-	-	-
As at 31 March 2019	16,300,198	7,141,583	8,551,071	31,992,852
Accumulated depreciation				
Upto 31 March 2018	-	-	-	-
Charge for the year	381,056	166,094	377,259	924,409
On disposals	-	-	-	-
Upto 31 March 2019	381,056	166,094	377,259	924,409
Net block				
Balance as at 31 March 2018	-	-	-	-
Balance as at 31 March 2019	15,919,142	6,975,489	8,173,812	31,068,443



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Caspian Impact Investments Private Limited

Notes to the financial statements for the year ended 31 March 2019

(All amounts in ₹ unless otherwise stated)

11. Investments

Non-Trade investments

In debentures, Unquoted

100 (31 March 2018: 100) 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

-

100,000,000

-

80 (31 March 2018: 80) 17.23% rated, subordinated, unsecured, listed, redeemable, transferable, non-convertible debentures (sub-debt) of ₹1,000,000 each fully paid in ESAF Small Finance Bank Limited

89,068,880

-

89,068,880

-

500 (31 March 2018: 500) 13.30% rated, secured, listed, redeemable, transferable, non-convertible debentures of ₹100,000 each fully paid in Indian School Finance Company Private Limited

-

51,524,200

51,524,200

-

10,00,000 (31 March 2018: 10,00,000) 12% unrated, unsecured, unlisted, transferable, Compulsory Convertible Debentures of ₹10 each fully paid in Ecozen Solutions Private Limited

10,000,000

-

10,000,000

-

(A)

199,068,880

51,524,200

250,593,080

-

In mutual funds, Unquoted, (at lower of cost or fair value)

Nil (31 March 2018: 196) units of HDFC Liquid Funds - Direct Plan - Growth Option

-

-

646,841

Nil (31 March 2018: 77,044) units of Aditya Birla Sun Life Floating Rate Fund Short Term Plan - Growth - Direct Plan

-

-

17,614,916

Nil (31 March 2018: 2,473) units of IDFC Cash Fund - Growth - Direct Plan

-

-

5,039,287

Nil (31 March 2018: 1,725) units of Reliance Liquid Fund - Treasury Plan - Growth Plan

-

-

6,828,951

(B)

-

-

30,129,995

Trade investments

In equity shares, unquoted

2,142,858 (31 March 2018: 2,142,858) equity shares of ₹10 each fully paid in A Little World Private Limited

13,757,150

-

13,757,150

-

466,850 (31 March 2018: 466,850) equity shares of ₹10 each fully paid in Sonata Finance Private Limited

28,408,501

-

28,408,501

-

(C)

42,165,651

-

42,165,651

-

Others, Unquoted

Bellwether Microfinance Trust ("Trust") [Refer (b) below]

14,307,878

-

14,307,878

-

(D)

14,307,878

-

14,307,878

-

Total investments (A+B+C+D)

255,542,409

51,524,200

307,066,609

30,129,995



JKS

Caspian Impact Investments Private Limited
Notes to the financial statements for the year ended 31 March 2019
(All amounts in ₹ unless otherwise stated)

a) Additional disclosure

Unquoted investments

31 March 2019	31 March 2018
307,066,609	337,196,604
307,066,609	337,196,604

b) Disclosure of assets held by the Trust

672,292 (31 March 2018: 672,292) equity shares of ₹10 each
fully paid in Sonata Finance Private Limited

14,258,970 14,258,970

Balances with banks in current accounts

48,908 48,908

Total assets held by the Trust

14,307,878 14,307,878

12. Deferred tax assets (net of liabilities)

On account of provision for standard assets and sub-standard assets

6,614,909 3,915,676

On account of provision for doubtful advances

- 1,664,396

On account of Property, plant and equipment

(236,913) -

6,377,996 5,580,072



Net

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

13. Loans and advances

Long-term

Loans to customers (Refer note 21)

Secured, considered good

Secured, considered doubtful

Unsecured, considered good

Unsecured, considered good

Income tax (net of provisions)

MAT credit entitlement

Advances to related parties

Security deposit

Capital advances

Short-term

Loans to customers (Refer note 21)

Secured, considered good

Unsecured, considered good

Unsecured, considered good

Prepaid expenses

Balances with government authorities

Others

Unsecured, considered doubtful

Balances with government authorities

Less: Provision for doubtful advances

14. Other assets

Non-current

Unsecured, considered good

Unamortised portion of discount on non-convertible debentures

Unamortised portion of origination fees

Unamortised portion of loan processing fee on borrowings

Deposits with bank (with maturity of more than 12 months)*

Others

Current

Unsecured, considered good

Unamortised portion of discount on non-convertible debentures

Unamortised portion of origination fees

Unamortised portion of loan processing fee on borrowings

Interest accrued but not due on loans

Interest accrued on fixed deposits

Guarantee reimbursement receivable

Others

	31 March 2019	31 March 2018
Long-term		
Loans to customers (Refer note 21)		
Secured, considered good	978,153,689	900,501,641
Secured, considered doubtful	32,111,135	-
Unsecured, considered good	40,249,997	187,973,232
	1,050,514,821	1,088,474,873
Unsecured, considered good		
Income tax (net of provisions)	72,855,738	44,947,796
MAT credit entitlement	14,526,183	21,613,671
Advances to related parties	2,000,000	2,000,000
Security deposit	2,722,550	-
Capital advances	1,799,667	708,000
	93,904,138	69,269,467
	1,144,418,959	1,157,744,340
Short-term		
Loans to customers (Refer note 21)		
Secured, considered good	2,397,696,889	1,626,954,855
Unsecured, considered good	341,447,382	428,287,154
	2,739,144,271	2,055,242,009
Unsecured, considered good		
Prepaid expenses	1,016,018	401,796
Balances with government authorities	15,701,936	2,231,731
Others	35,000	-
	16,752,954	2,633,527
Unsecured, considered doubtful		
Balances with government authorities	-	5,771,136
Less: Provision for doubtful advances	-	5,771,136
	2,755,897,225	2,057,875,536
	31 March 2019	31 March 2018
Non-current		
Unsecured, considered good		
Unamortised portion of discount on non-convertible debentures	9,916,599	15,642,995
Unamortised portion of origination fees	4,433,595	7,251,245
Unamortised portion of loan processing fee on borrowings	3,240,525	-
Deposits with bank (with maturity of more than 12 months)*	7,875,000	-
Others	-	50,202
	25,465,719	22,944,442
Current		
Unsecured, considered good		
Unamortised portion of discount on non-convertible debentures	5,726,482	5,975,482
Unamortised portion of origination fees	1,257,825	1,611,381
Unamortised portion of loan processing fee on borrowings	10,300,044	-
Interest accrued but not due on loans	17,648,160	11,397,616
Interest accrued on fixed deposits	191,513	-
Guarantee reimbursement receivable	26,174,470	-
Others	7,500	-
	61,305,994	18,984,479

*Lien marked in favour of financial institutions



SKJ

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

15. Cash and bank balances

Cash and cash equivalents

- cash in hand
- on current accounts
- deposit with original maturity of less than 3 months

Other bank balances

- Fixed deposits with maturity of more than 3 months but less than 12 months*

	31 March 2019	31 March 2018
	5,176	-
	216,958,893	50,244,716
	226,500,000	-
	443,464,069	50,244,716
	4,653,090	-
	4,653,090	-
	448,117,159	50,244,716

*Lien marked in favour of financial institutions



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Caspian Impact Investments Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ unless otherwise stated)

	31 March 2019	31 March 2018
16. Revenue from operations		
I. Loan portfolio		
Interest income	470,505,833	329,754,389
Loan processing fee	10,567,454	18,625,000
	<u>481,073,287</u>	<u>348,379,389</u>
II. Investment portfolio		
Interest income on investments	37,134,005	36,953,288
	<u>37,134,005</u>	<u>36,953,288</u>
III. Other operating income		
Interest income on fixed deposits	8,537,388	6,847,108
Profit on sale of mutual funds	14,199,594	14,119,526
	<u>22,736,982</u>	<u>20,966,634</u>
	<u>540,944,274</u>	<u>406,299,311</u>
17. Other income		
Provision no longer required, written back	5,686,307	8,550,383
Miscellaneous income	-	143,762
	<u>5,686,307</u>	<u>8,694,145</u>
18. Finance cost		
Interest expense	296,565,602	200,064,976
Other borrowing costs	9,191,164	12,795,852
	<u>305,756,766</u>	<u>212,860,828</u>
19. Other expenses		
Power & fuel	397,843	-
Rent	2,207,250	-
Insurance	75,128	194,020
Rates and taxes	65,344	1,246,385
Guarantee fees	1,547,570	2,320,369
Directors sitting fee	3,752,603	3,075,400
Membership fee	513,491	611,775
Legal and professional charges	9,348,379	9,070,585
Provision for doubtful advances	-	369,486
Meeting expenses	2,403,706	2,306,725
Contribution towards corporate social responsibility (refer note 26)	1,574,000	1,940,000
Loans written-off (net of third party guarantees)	23,560,775	15,000,000
Payment to auditors (refer note (i) below)	2,158,200	2,554,604
Bank charges	125,014	38,209
Miscellaneous expenses	1,352,815	1,188,635
	<u>49,082,118</u>	<u>39,916,193</u>

(i) Details of payments to auditors :

As auditor:

	31 March 2019	31 March 2018
- Statutory audit fee	1,389,750	1,389,750
- Tax audit fee	109,000	109,000
- Limited review fee	381,500	381,500

In other capacities:

	31 March 2019	31 March 2018
- Taxation matters	109,000	-
- Certification fees	109,000	579,104
- Reimbursement of expenses	59,950	95,250
	<u>2,158,200</u>	<u>2,554,604</u>



SKT

Caspian Impact Investments Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ unless otherwise stated)

20. Additional disclosures pursuant to Non-Banking Financial Company - Non-systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued by the RBI

	31 March 2019	
	Amount Outstanding	Amount Overdue
Liabilities side:		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures		
Secured	1,512,271,502	-
Unsecured	-	-
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	-	-
(c) Term Loans	1,204,715,029	-
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial paper	-	-
(f) Other loans (overdraft)	594,565,708	-
Assets side:		
(2) Break-up of Loans and Advances including bills receivables (Other than those included in (3) below):		
(a) Secured		3,407,961,713
(b) Unsecured		381,697,379
(3) Break up of leased assets and stock on hire and other assets counting towards AFC activities:		
(i) Lease assets including lease rentals under sundry debtors:		
a) financial lease		-
b) operating lease		-
(ii) Stock on hire including hire charges under sundry debtors:		
a) assets on hire		-
b) repossessed Assets		-
(iii) Other loans counting towards AFC activities:		
a) loans where assets have been repossessed		-
b) loans other than (a) above		-
(4) Breakup of investments		
Current investments:		
1 Quoted		
(i) Shares:		
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (pass through certificates and commercial paper)		-
2 Unquoted		
(i) Shares:		
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		51,524,200
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others		-



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Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

Long term investments:

31 March 2019

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	199,068,880
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	14,307,878

Category	Net of provision as at 31 March 2019		
	Secured	Unsecured	Total
1. Related Parties	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	3,388,036,084	380,170,589	3,768,206,673
Total	3,388,036,084	380,170,589	3,768,206,673

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

Category	Market value/ Breakup or fair value or NAV	Book value (net of provisions)
1. Related parties	14,307,878	14,307,878
2. Other than related parties	291,756,359	291,756,359
Total	306,064,237	306,064,237

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

		31 March 2019
(7) Other Information		
(i) Gross Non-Performing Assets		
(a) Related Parties		-
(b) Other than related parties		32,111,135
(ii) Net Non-Performing Assets		
(a) Related Parties		-
(b) Other than related parties		25,688,908
(iii) Assets acquired in satisfaction of debt		-

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Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

21. 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 2019	31 March 2018
Standard assets		
Classification criteria	0-3 Months	0-3 Months
Amount outstanding*	4,008,141,037	3,394,309,962
Provision made against the standard assets	16,293,804	13,577,240
*(includes investment in debentures).		
Non-performing assets		
Classification criteria for non-performing assets	> 3 Months	> 3 Months
Amount outstanding	32,111,135	-
Provision made against the non-performing assets	6,422,227	-
Current year addition to provisions	6,422,227	-

22. 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
SIDBI Trustee Company Limited A/c Samridhi Fund	Shareholder having significant influence

(b) Transactions with related parties

	31 March 2019	31 March 2018
Caspian Impact Investment Adviser Private Limited		
Investment advisory fee	70,598,763	53,141,281

(c) Balances receivable/(payable):

	31 March 2019	31 March 2018
Caspian Impact Investment Adviser Private Limited	(6,775,538)	(5,346,037)
SIDBI Trustee Company Limited A/c Samridhi Fund	2,000,000	2,000,000

23. 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.

24. Expenditure in foreign currency

	31 March 2019	31 March 2018
Guarantee fees	158,773	-
Meeting expenses	1,365,200	953,270
Sitting fees	431,646	-
	1,955,619	953,270



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Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

25. Earnings per equity share

a) Computation of profit for the year

	31 March 2019	31 March 2018
Profit for the year	80,144,850	75,291,285
Profit attributable to equity shareholders for computation of basic and diluted EPES	80,144,850	75,291,285

b) Computation of weighted average number of equity shares in computation of basic and diluted EPES

Weighted average number of shares considered for computation of basic and diluted EPES	6,101,504	6,101,504
--	-----------	-----------

26. Corporate social responsibility

	31 March 2019	31 March 2018
Amount required to be spent	1,561,591	1,931,167
Amount spent by the Company	1,574,000	1,940,000

27. Based on information available with the Company, as at 31 March 2019, 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.

28. The Company has capital commitments, the estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹ 300,000 (31 March 2018: ₹1,200,000).

29. The Company has taken office premises under operating lease agreements. The lease agreements generally have an escalation clause and can be renewed or cancelled by mutual consent. There are no restrictions imposed in the lease agreements. The aggregate lease rental of ₹ 2,207,250 (previous year: ₹ Nil) are charged to statement of profit and loss.

30. The Company has tax demands aggregating to ₹4,588,310 (31 March 2018: ₹24,315,560). The management on the basis of advise already made the sufficient provision in the books of account and believes that no further liability would arise.

31. During the meeting of the Board of Directors of the Company held on 6 August 2018, the Directors have approved a Scheme of Arrangement for merger ("the Scheme") between the Company and Caspian Impact Investment Adviser Private Limited ("the Transferor Company") with effect from 1 April 2018 (Appointed Date) in accordance with the provisions of Companies Act, 2013. Pursuant to the said Scheme, the entire Debt Portfolio Advisory Business will be transferred to the Company with effect from the appointed date. The Scheme involves issuing 421,477 equity shares of ₹10 each fully paid-up by the Company to the shareholders of the transferor company. Pending approval of the National Company Law Tribunal (NCLT), no impact of the aforesaid scheme has been given in the financial statements.

32. Previous year figures have been re-grouped wherever necessary to conform to current year classification.

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

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

Nikhil Vaid
Nikhil Vaid
Partner
Membership No.: 213356



Place: Hyderabad
Date: 22 May 2019

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

S.K. Johri
Saurabh Kumar Johri
Chief Financial Officer

Suvalaxmi Chakraborty
Suvalaxmi Chakraborty
Director
DIN: 00106054

Vandana Bhatia
Vandana Bhatia
Company Secretary

Place: Hyderabad
Date: 22 May 2019